

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under FSMA if you are in the United Kingdom or, if not, you should immediately consult another appropriately authorised independent financial adviser in a territory outside the United Kingdom.

The Company, the Existing Directors and the Proposed Director, whose registered office address and names respectively are set out on page 18 of this document, accept responsibility, individually and collectively, for the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Company, the Existing Directors and the Proposed Director (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document, for which they accept responsibility, is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document, which comprises an AIM admission document, has been prepared in accordance with the AIM Rules. This document does not contain an offer of transferable securities to the public within the meaning of sections 85 and 102B of FSMA and is not a prospectus for the purposes of the Prospectus Regulation Rules. Accordingly, this document has not been prepared in accordance with the Prospectus Regulation Rules, nor has it been approved by the FCA pursuant to section 85 of FSMA or a copy delivered to the FCA under regulation 3.2 of the Prospectus Regulation Rules. Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective, and that dealings in the Enlarged Share Capital will commence on 25 November 2020.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those which apply to companies whose shares are listed on the Official List. It is emphasised that no application is being made for admission of the Enlarged Share Capital to the Official List or any other recognised investment exchange.

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## **RICHLAND RESOURCES LTD**

*(Incorporated in Bermuda under the company laws of Bermuda with registration number EC33385)*

### **PROPOSED ACQUISITION OF GLOBAL ASSET RESOURCES LTD PROPOSED CHANGE OF NAME TO “LEXINGTON GOLD LTD” PROPOSED PLACING AND SUBSCRIPTION OF, IN AGGREGATE, 120,989,112 NEW COMMON SHARES AT A PRICE OF 2.75 PENCE PER SHARE PROPOSED 1 FOR 10 SHARE CONSOLIDATION PROPOSED AMENDMENTS TO BYE-LAWS APPLICATION FOR ADMISSION OF THE ENLARGED SHARE CAPITAL TO TRADING ON AIM AND NOTICE OF ANNUAL GENERAL MEETING**

**STRAND  
HANSON**

*Financial & Nominated Adviser  
Strand Hanson Limited*



*Broker  
Peterhouse Capital Limited*

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Your attention is drawn, in particular, to Part I (Letter from the Non-Executive Chairman of Richland) and to the discussion of risks and other factors which should be considered in connection with an investment in the Common Shares set out in Part II (Risk Factors) of this document. All statements regarding the Company and the Enlarged Group's future business should be viewed in light of these risk factors. **NOTWITHSTANDING THIS, PROSPECTIVE INVESTORS IN THE COMPANY SHOULD READ THE WHOLE TEXT OF THIS DOCUMENT.**

The Consideration Shares, the Placing Shares and Subscription Shares will, following allotment, rank *pari passu* in all respects with the Existing Common Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission.

Strand Hanson, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial and nominated adviser to the Company in connection with the Placing, Subscription and the proposed admission of the Enlarged Share Capital to trading on AIM. Its responsibility as the Company's nominated adviser under the AIM Rules for Nominated Advisers is owed solely to the London Stock Exchange and is not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document. Strand Hanson is acting exclusively for the Company and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or the Placing or the Subscription or the proposed admission of the Enlarged Share Capital to trading on AIM.

Peterhouse Capital, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as broker to the Company in connection with the Placing, Subscription and the proposed admission of the Enlarged Share Capital to trading on AIM. Peterhouse Capital is acting exclusively for the Company and for no one else and will not be responsible to anyone other than

the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or the Placing or the Subscription or the proposed admission of the Enlarged Share Capital to trading on AIM.

**If you have sold or transferred all of your Existing Common Shares in Richland Resources Ltd, you should send this document, together with the accompanying Form of Proxy or Form of Instruction, to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold only part of your holding, please consult the stockbroker, bank or other agent through whom the sale was effected. This document is being sent to all Shareholders for information purposes only to enable them to exercise their rights as Shareholders in connection with the Annual General Meeting.**

A notice convening an Annual General Meeting of the Company to be held at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda on 23 November 2020 commencing at 10.00 a.m. (Bermuda time) is set out at the end of this document. The Form of Proxy or Form of Instruction (as appropriate) for use in connection with the Annual General Meeting is enclosed with this document and should be returned as soon as possible and, in any event, so as to be received at the offices of the Company's Transfer Secretary, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, by not later than 10.00 a.m. on 19 November 2020 or 10.00 a.m. on 18 November 2020 respectively. The completion and return of a Form of Proxy or Form of Instruction (as appropriate) will not preclude Shareholders from attending and voting in person at the Annual General Meeting should they subsequently wish so to do.

This document does not constitute an offer to issue or sell, or the solicitation of any offer to subscribe for or buy, any of the Common Shares in any jurisdiction where it may be unlawful to make such offer or solicitation. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any such distribution could result in a violation of the laws of such jurisdictions. In particular, this document is not for distribution in or into the United States, Canada, Australia, New Zealand, Japan or the Republic of South Africa and is not for distribution directly or indirectly to any US Person. The Common Shares have not been and will not be registered under the Securities Act, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of any province or territory of Canada or under the securities laws of Australia, New Zealand, Japan or the Republic of South Africa.

Holding Common Shares may have implications for overseas shareholders under the laws of the relevant overseas jurisdictions. Overseas investors should inform themselves about and observe any applicable legal requirements. It is the responsibility of each overseas shareholder to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

Copies of this document, which is dated 30 October 2020, will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) from the offices of Joelson JD LLP at 30 Portland Place, Marylebone, London W1B 1LZ from the date of this document until at least one month from Admission and from the Company's website at: [www.richlandresourcesltd.com](http://www.richlandresourcesltd.com).

#### **Forward-looking statements**

Certain statements in this document are or may constitute "forward-looking statements", including without limitation, statements containing the words "believes", "anticipate", "expect", "target", "estimate", "will", "may", "should", "would", "plan", "goal", "could", "intend" and similar expressions. These forward-looking statements are not based on historical facts but rather on the expectations of the Directors regarding the Enlarged Group's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), planned expansion and business prospects and opportunities. Such forward-looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including risks associated with vulnerability to general economic, market and business conditions, competition, environmental and other regulatory changes or actions by governmental authorities, the availability of capital, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although the forward-looking statements contained in this document are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the AIM Rules for Companies), the Company expressly disclaims any obligation to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

#### **Market and financial information**

The data, statistics and information and other statements in this document regarding the markets in which the Enlarged Group operates, or its market position therein, is based upon the Company's records or has been taken or derived from statistical data and information derived from the sources described in this document.

In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

Certain financial and statistical data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

All times referred to in this document are, unless otherwise stated, references to London time.

#### **Extraction of information from the Competent Person's Report**

This document contains cross-references to information contained in the Competent Person's Report set out in Part VI of this document. The Company confirms that the information which has been extracted from the Competent Person's Report has been accurately reproduced and that so far as the Company is aware and is able to ascertain from the Competent Person's Report, no facts have been

omitted which would render the extracts inaccurate or misleading. The Competent Person has reviewed the information contained in this document which relates to information contained in the Competent Person's Report and has confirmed in writing to the Company, Strand Hanson and Peterhouse Capital, that the information presented is accurate, balanced and complete and not inconsistent with the Competent Person's Report.

**No incorporation of website**

The contents of any website of the Company or any other person do not form part of this document.

**United States securities law**

The Common Shares have not been and will not be registered under the Securities Act or securities laws of any US State or other jurisdiction and will not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such other applicable laws.

The Common Shares are only being offered and sold outside the United States to persons who are not US Persons (within the meaning of Regulation S) in transactions complying with Regulation S, which provides an exemption from the requirement to register the offer and sale under the Securities Act.

The Common Shares have not been approved or disapproved by the US SEC or by any US State securities commission or authority, nor has any such US authority reviewed, approved or confirmed on the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

## **IMPORTANT NOTICE**

The attention of potential investors is drawn to the Risk Factors set out in Part II “Risk Factors” of this document.

1. **Investment in the Company will involve certain risks and special considerations. Investors should be able and willing to withstand the loss of their entire investment.**
2. **The price of the Common Shares can go up as well as down.**
3. **The Common Shares are subject to market fluctuations and the risks inherent in all investments and there can be no assurance that an investment in the Company will retain its value or that appreciation will occur.**
4. **The Common Shares are suitable only for investors who understand or who have been advised of, the potential risk of capital loss from an investment in the Common Shares and for whom an investment in the Common Shares is part of a diversified investment portfolio and who fully understand and are willing to assume the risks involved with an individual investment in such a portfolio. There may be limited liquidity in the Common Shares.**

### **General**

No broker, dealer or other person has been authorised by the Company, its Directors, Strand Hanson or Peterhouse Capital to issue any advertisement or to give any information or make any representation in connection with the offering or sale of any Common Shares (including the Placing Shares and Subscription Shares) other than those contained in this document and if issued, given or made, that advertisement, information or representation must not be relied upon as having been authorised by the Company, its Directors, Strand Hanson or Peterhouse Capital.

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, repurchase or other disposal of Common Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, repurchase or other disposal of Common Shares which they might encounter; and (c) the income or other taxation consequences which may apply in their own countries as a result of the purchase, holding, transfer, repurchase or other disposal of Common Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants as to legal, taxation, investment and other related matters concerning the Company and an investment therein.

Statements made in this document are based on the law and practice currently in force in England and Wales (and, where relevant, Bermuda and North and South Carolina in the United States) and are subject to change therein.



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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	30 October 2020
Latest time and date for receipt of Forms of Instruction	10.00 a.m. on 18 November 2020
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 19 November 2020
Annual General Meeting	10.00 a.m. (Bermuda time) on 23 November 2020
Record time and date for the Share Consolidation	close of business (London time) on 23 November 2020
Admission effective and dealings in the Enlarged Share Capital expected to commence on AIM	8.00 a.m. (London time) on 25 November 2020
Completion of the Acquisition	25 November 2020
CREST accounts expected to be credited with the Consideration Shares, the Placing Shares, the Subscription Shares, the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares, the Strand Hanson Fee Shares and all other New Common Shares (where applicable)	25 November 2020
Definitive share certificates for the Consideration Shares, the Placing Shares, the Subscription Shares, the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares, the Strand Hanson Fee Shares and all other New Common Shares (where applicable) expected to be despatched by	9 December 2020

*Note: Each of the times and dates in the above timetable is subject to change. All references are to London time unless otherwise stated. Temporary documents of title will not be issued. If any of the details contained in this timetable should change, the revised times and/or dates will be notified by means of an announcement through a Regulatory Information Service.*

## ACQUISITION AND FUNDRAISING STATISTICS

Number of Existing Common Shares*	1,108,172,891
Closing mid market price per Common Share on 30 June 2020 (being the last dealing day prior to the suspension of the Common Shares from trading on AIM)	0.325 pence
Share Consolidation Ratio	10:1
Number of Consideration Shares to be issued pursuant to the Acquisition**	21,367,288
Number of Placing Shares and Subscription Shares to be issued pursuant to the Placing and Subscription**	120,989,112
Number of Strand Hanson Fee Shares**	1,272,727
Number of Director and Senior Management Fee Shares**	3,636,363
Number of Loan Repayment Shares**	2,840,909
Number of CS Jordaan Investments Fee Shares**	555,122
Number of New Common Shares in issue on Admission**	261,478,810
Placing Price	2.75p
Market capitalisation of the Company at the Placing Price on Admission	£7,190,667
Value of the Consideration Shares at the Placing Price	£587,600
Percentage of the Enlarged Share Capital represented by the Consideration Shares at Admission	8.17 per cent.
Percentage of the Enlarged Share Capital represented by the Placing Shares and Subscription Shares at Admission	46.27 per cent.
Percentage of the Enlarged Share Capital held by the Existing Directors and Proposed Director at Admission	4.25 per cent.
Gross proceeds of the Placing and Subscription	£3,327,201
Estimated net proceeds of the Placing and Subscription receivable by the Company	£2,525,613
Current AIM symbol	RLD
Proposed new AIM symbol upon change of Company's name***	LEX
ISIN of the Existing Common Shares	BMG7567C1064
ISIN of the New Common Shares on Admission	BMG7567C1304

Notes:

\* excluding the 7,274,999 Common Shares currently held in treasury. To facilitate the Share Consolidation, one of the Existing Common Shares previously held in treasury was cancelled by the Company on 30 October 2020.

\*\* the number of shares is stated following implementation of the Share Consolidation.

\*\*\* subject to the receipt of shareholder approval, the change of name is expected to be implemented as soon as practicable following Admission and will be announced via a Regulatory Information Service once effected.

## **EXCHANGE RATES**

For reference purposes only, the following exchange rates have been used in this document:

£1:US\$1.28

£1:AUS\$1.77

All amounts referred to in Parts I, II and VII of this document expressed in the above currencies have, unless otherwise stated, been calculated using the above exchange rates.

## DEFINITIONS

The following definitions apply throughout this document, unless otherwise stated or the context requires otherwise:

<b>“Acquisition”</b>	the proposed acquisition by the Company of the entire issued share capital of GAR;
<b>“Acquisition Agreement” or “SPA”</b>	the conditional agreement, dated 24 July 2020, between the Company, the Sellers and GAR, relating to the sale and purchase of the entire issued share capital of GAR as described in paragraph 13.2(a) of Part VII of this document;
<b>“Acquisition Resolution”</b>	Resolution 7 to be proposed at the Annual General Meeting to approve the Acquisition as set out in the Notice;
<b>“Additional Projects”</b>	any additional mineral project which is acquired by the Enlarged Group after Completion, whether by acquisition or joint venture, from the Sellers or the Project Holders before the second anniversary of Completion;
<b>“Admission”</b>	admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
<b>“AEST”</b>	Australian Eastern Standard Time;
<b>“AIM”</b>	the AIM market operated by the London Stock Exchange;
<b>“AIM Rules” or “AIM Rules for Companies”</b>	the AIM Rules for Companies published by the London Stock Exchange from time to time;
<b>“AIM Rules for Nominated Advisers”</b>	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time;
<b>“AIM Rule 15 Cash Shell”</b>	an AIM quoted company which is classified as a cash shell pursuant to Rule 15 of the AIM Rules;
<b>“Amended Bye-Laws”</b>	the proposed amended Bye-laws to be adopted pursuant to Resolution 11 to be proposed at the Annual General Meeting;
<b>“Annual General Meeting” or “AGM”</b>	the annual general meeting of the Company to be held at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda on 23 November 2020 at 10.00 a.m. (Bermuda time), formal notice of which is set out at the end of this document;
<b>“Argo Project”</b>	the mining lease agreement set out in paragraph 13.4(a) of Part VII of this document;
<b>“Argo SPV”</b>	Project Argo, LLC, a North Carolina limited liability corporation and a 51 per cent. owned subsidiary of GAR Holdings, which holds the contractual rights to the Argo Project;
<b>“ASX”</b>	Australian Stock Exchange Limited;
<b>“AU\$”</b>	Australian dollar, the lawful currency of Australia from time to time;
<b>“Bermuda Companies Act” or “Bermuda Act”</b>	the Bermuda Companies Act 1981;
<b>“Bye-laws”</b>	the bye-laws of the Company;
<b>“Carolina Belle Project”</b>	the mining lease and option and purchase agreements set out in paragraphs 13.4(b) to 13.4(d) (inclusive) of Part VII of this document;
<b>“Carolina Belle SPV”</b>	Project Carolina Belle, LLC, a North Carolina limited liability corporation and a 51 per cent. owned subsidiary of GAR Holdings, which holds the contractual rights to the Carolina Belle Project;

<b>“Carolina Gold Resources” or “CGR”</b>	Carolina Gold Resources Inc., a company incorporated and registered in the Province of British Columbia in Canada with registration number BC0898988 and whose registered office is at 250 Howe Street, 20th Floor, Vancouver, BC V6C 3R8;
<b>“certificated” or “in certificated form”</b>	the description of a share or other security which is not in uncertificated form (that is, not in CREST);
<b>“City Code”</b>	the UK City Code on Takeovers and Mergers;
<b>“Common Shares”</b>	the common shares in the issued share capital of the Company from time to time;
<b>“Companies Act” or “Act”</b>	the UK Companies Act 2006 (as amended from time to time);
<b>“Company” or “Richland”</b>	Richland Resources Ltd (to be renamed Lexington Gold Ltd), a company incorporated in Bermuda under the company laws of Bermuda with registration number EC33385 whose registered office is at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda;
<b>“Competent Person” or “Westoria”</b>	Westoria Capital Pty Ltd;
<b>“Competent Person’s Report” or “CPR”</b>	the Competent Person’s Report as prepared by Westoria and which appears in Part VI of this document;
<b>“Completion”</b>	the completion of the Acquisition in accordance with the Acquisition Agreement;
<b>“Consideration Shares”</b>	the 21,367,288 New Common Shares to be issued to the Sellers and URI on Completion;
<b>“COVID-19”</b>	an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);
<b>“CREST”</b>	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
<b>“CS Jordaan Investments Fee Shares”</b>	the 555,122 New Common Shares to be issued to CS Jordaan Investments Pty Ltd at the Placing Price in full and final settlement of its finder’s fee further details of which are set out in paragraph 13.2(n) of Part VII of this document;
<b>“Depository Interests” or “DIs”</b>	depository interests in respect of underlying Common Shares, further details of which are set out in paragraph 22 of Part I and paragraph 15 of Part VII of this document;
<b>“Directors” or “Board”</b>	together (unless the context requires otherwise), the Existing Directors and the Proposed Director whose names are set out on page 18 of this document;
<b>“Director and Senior Management Fee Shares”</b>	the 3,636,363 New Common Shares intended to be issued following the AGM to certain of the Existing Directors, former directors of the Company and certain other members of the Company’s senior management as partial settlement of accrued fees due to them for the period up to Admission;
<b>“Disposal”</b>	the sale of the Company’s former wholly owned subsidiary, Richland Corporate Ltd (and the Company’s loans to Richland Corporate Limited) to Fura, which completed on 31 December 2019;



<b>“Enlarged Group”</b>	the enlarged group immediately following Completion, being the Company and its wholly owned subsidiaries including GAR and GAR Holdings;
<b>“Enlarged Share Capital”</b>	the total number of New Common Shares in issue on Admission, comprising the Existing Common Shares (post the Share Consolidation), including the Strand Hanson Fee Shares, the Consideration Shares, the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares, the Placing Shares and the Subscription Shares;
<b>“ESMA”</b>	European Securities and Markets Authority;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, a company incorporated in England & Wales with registration number 02878738, being the operator of CREST;
<b>“Excluded Project”</b>	a Project or an Additional Project (as the case may be) in respect of which the Company or relevant member of the Enlarged Group has, following Completion, in its sole discretion but following consultation with the Sellers’ Representative (as such term is defined in the Acquisition Agreement), sold, transferred or disposed of, and has irrevocably declared that it will forever, relinquish or surrender, all of its interests, entitlement and rights therein;
<b>“Existing Common Shares”</b>	the existing common shares of US\$0.0003 each in the capital of the Company (pre the Share Consolidation);
<b>“Existing Common Share Capital”</b>	the issued common share capital of the Company as at the date of this document, comprising 1,108,172,891 Existing Common Shares outside treasury;
<b>“Existing Directors”</b>	the existing directors of the Company whose names are set out on page 18 of this document;
<b>“FCA”</b>	the United Kingdom’s Financial Conduct Authority;
<b>“Form of Instruction”</b>	the form of instruction for use by holders of Depositary Interests in connection with the Annual General Meeting, which is enclosed with this document, as applicable;
<b>“Form of Proxy”</b>	the form of proxy for use in connection with the Annual General Meeting, which is enclosed with this document, as applicable;
<b>“Founder Sellers”</b>	the four ultimate beneficial owners, one of whom is Rhoderick Grivas, who hold, directly or indirectly, 62 per cent. in aggregate of the current issued share capital of GAR;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 of the UK, as amended;
<b>“Fura”</b>	Fura Gems Inc.;
<b>“GAR”</b>	Global Asset Resources Ltd, incorporated and registered in Australia with company number ACN 618 792 877 whose registered office is at C/- Moray & Agnew Lawyers, Level 6, 505 Little Collins Street, Melbourne VIC 3000, Australia;
<b>“GAR Holdings”</b>	Global Asset Resources Holdings, Inc, a wholly owned subsidiary of GAR;
<b>“GAR Projects” or the “Projects”</b>	the Argo Project, the Carolina Belle Project, the JKL Project and the Jennings-Pioneer Project;
<b>“HMRC”</b>	HM Revenue and Customs;
<b>“ISIN”</b>	International Securities Identification Number;
<b>“Jennings-Pioneer Project”</b>	the mining lease agreement set out in paragraph 13.4(l) of Part VII of this document;

<b>“Jennings-Pioneer SPV”</b>	Project Jennings-Pioneer, LLC, a North Carolina limited liability corporation and a 51 per cent. owned subsidiary of GAR Holdings, which holds the contractual rights to the Jennings-Pioneer Project;
<b>“JKL Project” or “Jones-Keystone-Loflin Project”</b>	the seven option and purchase agreements set out in paragraphs 13.4(e) to 13.4(k) (inclusive) of Part VII of this document;
<b>“JKL SPV”</b>	Project JKL, LLC, a North Carolina limited liability corporation and a 51 per cent. owned subsidiary of GAR Holdings, which holds the contractual rights to the JKL Project;
<b>“Joint Venture Implementation Deed” or “JVIA”</b>	the joint venture implementation deed between GAR, URI and Carolina Gold Resources as described in paragraph 13.3(a) of Part VII of this document;
<b>“Jones-Keystone Properties”</b>	the option and purchase agreements, forming part of the JKL Project, set out in paragraphs 13.4(e) to 13.4(g) (inclusive) of Part VII of this document;
<b>“Loan Repayment Shares”</b>	the 2,840,909 New Common Shares intended to be issued to Almaretta Pty Limited, a company connected with Edward Nealon, following the AGM as full and final settlement of the US\$100,000 working capital facility provided by it to the Company on 29 September 2020 and subsequently drawn down by the Company in full;
<b>“Locked-In Sellers”</b>	the Founder Sellers, excluding the Proposed Director;
<b>“Loflin Properties”</b>	the option and purchase agreements, forming part of the JKL Project, set out in paragraphs 13.4(h) to 13.4(k) (inclusive) of Part VII of this document;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“MAR”</b>	the Market Abuse Regulation (2014/596/EU) (incorporating the technical standards, delegated regulations and guidance notes, published by the European Commission, London Stock Exchange, the FCA and ESMA);
<b>“Minimum Funding Contributions”</b>	the minimum funding commitments in relation to the GAR Projects pursuant to the JVIA as set out in paragraph 6 of Part I of this document;
<b>“Mining Lease Agreements”</b>	the mining lease and option and purchase agreements in relation to the GAR Projects as described in paragraph 13.4 of Part VII of this document;
<b>“MTSA”</b>	the management and technical services agreement dated 13 October 2020 between (i) GAR Holdings and (ii) URI, details of which are set out in paragraph 13.5(b) of Part VII of this document;
<b>“New Common Shares”</b>	the common shares of US\$0.003 each in the capital of the Company (subject to and conditional on the Share Consolidation);
<b>“Notice” or “Notice of Annual General Meeting”</b>	formal notice convening the Annual General Meeting, which is set out at the end of this document;
<b>“NPDES”</b>	National Pollutant Discharge Elimination System, a permit programme that addresses water pollution by regulating point sources that discharge pollutants to water of the United States;
<b>“Options”</b>	the options which the Board intends to grant shortly following Admission to subscribe for New Common Shares, details of which are set out in paragraph 8.2 of Part VII of this document;
<b>“Peterhouse Capital”</b>	Peterhouse Capital Limited;
<b>“Peterhouse Warrants”</b>	the conditional warrants to subscribe for 4,575,879 New Common Shares, details of which are set out in paragraph 13.2(g) of Part VII of this document;

<b>“Placing”</b>	the conditional placing of the Placing Shares by Peterhouse Capital at the Placing Price pursuant to the Placing Agreement;
<b>“Placing Agreement”</b>	the conditional agreement dated 30 October 2020 between (i) the Company, (ii) the Directors, (iii) Strand Hanson and (iv) Peterhouse Capital, relating to the Placing, details of which are set out in paragraph 13.2(b) of Part VII of this document;
<b>“Placing Price”</b>	2.75 pence per Placing Share or Subscription Share (as applicable);
<b>“Placing Shares”</b>	the 84,625,476 New Common Shares to be issued by the Company and subscribed for pursuant to the Placing;
<b>“Project Holders”</b>	together, GAR and URI;
<b>“Project SPVs” or “SPVs”</b>	the Argo SPV, the Carolina Belle SPV, the JKL SPV and the Jennings-Pioneer SPV or any one of them as the context so requires;
<b>“Proposals”</b>	together, the Acquisition, the appointment of the Proposed Director, the Share Consolidation, the change of name of the Company, the amendments to the Company’s Bye-laws, the Placing and the Subscription, which are to be voted on by Shareholders at the Annual General Meeting;
<b>“Proposed Director”</b>	the proposed non-executive director, being Rhoderick Grivas a representative of the Sellers, whose appointment is conditional on Admission;
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules of the UK Listing Authority made in accordance with section 73A of FSMA as amended from time to time;
<b>“Re-admission Transaction”</b>	a reverse takeover under AIM Rule 14 or re-admission to trading on AIM as an investing company pursuant to AIM Rule 8 (which requires, <i>inter alia</i> , the raising of at least £6 million and publication of an admission document);
<b>“Record Date”</b>	close of business (London time) on 23 November 2020;
<b>“Regulatory Information Service”</b>	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
<b>“Relevant Price”</b>	the volume weighted average price of the New Common Shares for the 20-day period ending on the business day immediately prior to the business day upon which the relevant milestone is satisfied or a Vesting Event occurs (as appropriate) (as described in paragraph 13.2(a) of Part VII of this document) to trigger the payment of the Tranche 1 Deferred Consideration and/or Tranche 2 Deferred Consideration;
<b>“Resolutions”</b>	the resolutions to be proposed at the Annual General Meeting, as set out in the Notice of Annual General Meeting at the end of this document and reference to a Resolution is to the relevant resolution set out in the Notice;
<b>“Rule 7 Locked-In Shareholders”</b>	the Existing Directors, the Proposed Director, certain applicable employees and Mark Greenwood, who on Admission will hold, in aggregate, 56,821,906 New Common Shares;
<b>“QCA Code”</b>	the corporate governance code for small and mid-size quoted companies published by the Quoted Companies Alliance in 2018;
<b>“Securities Act”</b>	the United States Securities Act of 1933, as amended;
<b>“Sellers”</b>	the GAR shareholders who are selling their GAR shares to the Company;
<b>“Share Authority Resolutions”</b>	resolutions 10, 12 and 13 to be proposed at the AGM;
<b>“Shareholders”</b>	the holders of Common Shares from time to time;

<b>“Share Consolidation”</b>	the proposed consolidation of every 10 Existing Common Shares into one New Common Share, details of which are set out in paragraph 17 of Part I of this document and the Notice of Annual General Meeting;
<b>“Strand Hanson”</b>	Strand Hanson Limited, the financial and nominated adviser to the Company;
<b>“Strand Hanson Fee Shares”</b>	the 1,272,727 New Common Shares to be issued to Strand Hanson on Admission as is more fully described in paragraph 13.2(c) of Part VII of this document;
<b>“Strand Warrants”</b>	the conditional warrants to subscribe for 3,268,485 New Common Shares, details of which are set out in paragraph 13.2(d) of Part VII of this document;
<b>“Subscription”</b>	the conditional subscription for the Subscription Shares at the Placing Price pursuant to the Subscription Agreement;
<b>“Subscription Agreement”</b>	the conditional agreement dated 30 October 2020 between (i) the Company and (ii) Doris Chiatanasen, relating to the Subscription, details of which are set out in paragraph 13.2(p) of Part VI of this document;
<b>“Subscription Shares”</b>	the 36,363,636 New Common Shares to be issued by the Company and subscribed for pursuant to the Subscription;
<b>“Tranche 1 Deferred Consideration”</b>	means, subject to the achievement of the Tranche 1 Performance Milestone or Tranche 2 Performance Milestone or certain Vesting Events, the payment of AU\$1,299,000, in cash or New Common Shares at the Relevant Price at the Company’s sole discretion, to the Sellers; and AU\$201,000, payable in cash or New Common Shares at the Relevant Price at the Company’s sole discretion, to URI;
<b>“Tranche 1 Performance Milestone”</b>	the confirmation of a JORC 2012 compliant resource in respect of any one of the GAR Projects and Additional Projects (if any) that are not Excluded Projects, of at least: (i) 0.8 million ounces of gold at a grade of more than 1g/t; or (ii) 0.6 million ounces of gold at a grade of more than 2.5g/t; or (iii) 0.4 million ounces of gold at a grade of 5g/t or more;
<b>“Tranche 2 Deferred Consideration”</b>	means, subject to the achievement of the Tranche 2 Performance Milestone or certain Vesting Events, the payment of AU\$2,598,000, in cash or New Common Shares at the Relevant Price at the Company’s sole discretion, to the Sellers; and AU\$402,000, payable in cash or New Common Shares at the Relevant Price at the Company’s sole discretion, to URI;
<b>“Tranche 2 Performance Milestone”</b>	the completion and release by the Company, in accordance with the AIM Rules, of a pre-feasibility study in respect of any one of the GAR Projects and Additional Projects (if any) that are not Excluded Projects, confirming a pre-tax net present value of more than US\$50,000,000 at a discount rate of at least 8 per cent.;
<b>“Transfer Secretary”</b>	Computershare Investor Services PLC;
<b>“TSX”</b>	Toronto Stock Exchange;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies;
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;

<b>“URI”</b>	Uwharrie Resources Inc., a wholly owned subsidiary of Carolina Gold Resources registered and incorporated in North Carolina with Secretary of State ID number 0462375 and whose registered office is at 204 Bernard Purvis Road, Bennett, Wake County, North Carolina 27208, United States;
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction;
<b>“US Person”</b>	bears the meaning ascribed to such term by Regulation S promulgated under the Securities Act;
<b>“USD” or “US\$”</b>	United States dollar, the lawful currency of the United States from time to time;
<b>“Vesting Events”</b>	the vesting events described in paragraph 13.2(a)(iii)(4) of Part VII of this document;
<b>“Warrants”</b>	the 7,844,364 warrants to subscribe for New Common Shares outstanding on Admission;
<b>“World Gold Council”</b>	a market development organisation for the gold industry, based in London, comprising a non-profit association of the world’s leading gold producers established to promote the use of and demand for gold through marketing, research and lobbying; and
<b>“£”</b>	pounds sterling, the lawful currency of the UK from time to time.

## GLOSSARY OF TECHNICAL TERMS

The following table provides an explanation of certain technical terms and abbreviations used in this document. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms.

“AC”	air-core drilling;
“All In Sustaining Costs”	a mining metric that estimates all direct and recurring costs required to mine a unit of ore;
“ASTER”	the Advanced Spaceborne Thermal Emission and Reflection Radiometer which is an imaging instrument onboard Terra, the flagship satellite of NASA’s Earth Observing System launched in December 1999, used to collect data to create detailed maps of land surface temperature, reflectance and elevation;
“Au”	chemical symbol for Gold;
“CST”	Carolina Super Terrane (formerly, the Carolina Slate Belt);
“EM”	an electromagnetic system used to locate conductive sulphide bodies at depth;
“GIS”	geographic information system;
“Gold equivalent”	the equivalent number of gold ounces from other minerals produced;
“g/t”	grammes per tonne;
“IP”	Induced Polarisation method used to detect disseminated minerals often associated with minerals with economic value;
“JORC”	Joint Ore Reserves Committee-Australasian Code for Reporting of Identified Resources and Ore Reserves;
“km”	kilometres;
“km <sup>2</sup> ”	square kilometres;
“LANDSAT”	a long running programme by NASA/US Geological Survey using various satellites to gather data for images of the Earth’s land surface and coastal regions;
“LBMA Gold Price PM”	the price of a troy ounce of gold as determined by ICE Benchmark Administration, the third party administrator of the London gold price selected by the London Bullion Market Association, at or about 3.00 p.m. London time on the pricing date concerned;
“LIDAR”	light detection and ranging. A remote sensing method that uses light in the form of pulsed laser measure ranges (variable distances) to the Earth;
“m”	metres;
“Mtpa”	million tonnes per annum;
“Net Smelter Royalty”	a royalty payment based on net proceeds received by the operator from a smelter or refinery;
“NPV”	net present value, being the present value of all cashflows associated with a project or venture;
“oz”	ounces;
“RC”	a drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination;
“Resource”	<i>in situ</i> mineral occurrence from which valuable or useful minerals may be recovered;
“t”	tonnes; and



**“VHMS”**

volcanogenic hosted massive sulphides that host minerals including zinc, copper and lead with complimentary silver and gold.

## EXISTING DIRECTORS, PROPOSED DIRECTOR, SECRETARY AND ADVISERS

<b>Existing Directors:</b>	Edward Francis Gerrard Nealon, Non-Executive Chairman Bernard Olivier, Chief Executive Officer Melissa Josephine Sturgess, Non-Executive Director
<b>Proposed Director:</b>	Rhoderick Gordon John Grivas, Proposed Non-Executive Director
<b>Registered Office:</b>	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
<b>Group Company Secretary:</b>	Michael Graham Allardice
<b>Financial and Nominated Adviser:</b>	Strand Hanson Limited 26 Mount Row London W1K 3SQ
<b>Broker:</b>	Peterhouse Capital Limited 3rd Floor, 80 Cheapside London EC2V 6EE
<b>Solicitors to the Company:</b>	<i>As to English Law:</i> Joelson JD LLP 30 Portland Place London W1B 1LZ  <i>As to Bermuda Law:</i> Conyers Dill & Pearman Clarendon House 2 Church Street Hamilton HM11 Bermuda
<b>Solicitors to the Nominated Adviser and Broker:</b>	DAC Beachcroft LLP 25 Walbrook London EC4N 8AF
<b>US legal counsel to the Company:</b>	Brooks, Pierce, McLendon, Humphrey & Leonard, LLP 230 North Elm Street 2000 Renaissance Plaza Greensboro, NC 27401
<b>Reporting Accountants to the Company:</b>	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
<b>Auditors to the Company:</b>	BDO Audit (WA) Pty Ltd 38 Station Street, Subiaco, WA 6008, Australia
<b>Competent Person:</b>	Westoria Capital Pty Ltd Level 4, 100 Albert Road South Melbourne VIC 3205, Australia
<b>Transfer Secretary:</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ
<b>Financial PR:</b>	Yellow Jersey PR Limited Mappin House Oxford Street Fitzrovia London W1W 8HF

## PART I

### LETTER FROM THE NON-EXECUTIVE CHAIRMAN OF RICHLAND



*(Incorporated in Bermuda under the company laws of Bermuda with registration number EC33385)*

*Directors:*

Edward Francis Gerrard Nealon (*Non-Executive Chairman*)  
Bernard Olivier (*Chief Executive Officer*)  
Melissa Josephine Sturgess (*Non-Executive Director*)

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

30 October 2020

*To the holders of Existing Common Shares and, for information purposes only, to the holders of options and/or warrants over Common Shares*

Dear Shareholder,

**PROPOSED ACQUISITION OF GLOBAL ASSET RESOURCES LTD  
PROPOSED CHANGE OF NAME TO "LEXINGTON GOLD LTD"  
PROPOSED PLACING AND SUBSCRIPTION OF,  
IN AGGREGATE, 120,989,112 NEW COMMON SHARES  
AT A PRICE OF 2.75 PENCE PER SHARE  
PROPOSED 1 FOR 10 SHARE CONSOLIDATION  
PROPOSED AMENDMENTS TO BYE-LAWS  
APPLICATION FOR ADMISSION OF THE ENLARGED SHARE CAPITAL  
TO TRADING ON AIM  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### **1. Introduction**

On 27 July 2020, the Company announced that it had entered into a binding Acquisition Agreement to conditionally acquire the entire issued capital of Global Asset Resources Ltd, a private Australian incorporated company, which, via its wholly owned subsidiary, Global Asset Resources Holdings, Inc., holds a 51 per cent. interest in and operatorship of four gold exploration projects in North and South Carolina in the United States. The Acquisition constitutes a reverse takeover transaction pursuant to Rule 14 of the AIM Rules.

The consideration for the Acquisition comprises an aggregate payment on Completion to the Sellers (including the Founder Sellers) and GAR's joint venture partner, Uwharrie Resources Inc., of AU\$60,000 (approximately US\$43,392) in cash and AU\$1.04m (approximately US\$752,128) in New Common Shares at the Placing Price. In addition, Richland made two non-refundable cash payments to GAR of US\$29,340 on 31 July 2020 and US\$22,818 on 30 September 2020, with such payments to be utilised to cover certain project costs pending Completion. Furthermore, the Company may also be required to make two additional future conditional deferred consideration payments to the Sellers and URI, in cash or New Common Shares at Richland's sole discretion, of, in aggregate, AU\$1.5m and AU\$3m, linked to the achievement of certain performance milestones or the occurrence of certain Vesting Events during the five year period following Completion, as detailed in paragraph 6 of this Part I of this document below.

In connection with the Acquisition, the Company has conditionally raised, in aggregate, approximately £3.33 million (before expenses) via the issue of 120,989,112 Placing Shares and Subscription Shares to

institutional and certain other investors at the Placing Price of 2.75 pence per share. The net proceeds of the Placing and Subscription of approximately £2.53 million will be utilised to fund the initial cash consideration in respect of the Acquisition and the Enlarged Group's planned initial two year work programme and requisite working capital requirements.

In addition, the Proposals to be put to Shareholders at the Annual General Meeting include the proposed change of the Company's name to Lexington Gold Ltd, certain proposed amendments to the Company's Bye-laws (as more particularly described in paragraph 18 of this Part I below) to bring the Company into greater alignment with more UK market standard corporate governance policies, the proposed Share Consolidation to reduce the total number of Common Shares in issue pursuant to which, subject to the passing of the relevant Resolutions, every 10 Existing Common Shares will be consolidated into one New Common Share, proposed approval of the appointment of the Proposed Director and the Share Authority Resolutions. The Directors consider that the proposed Share Consolidation should result in a more appropriate market price for the New Common Shares. Further details of the proposed Share Consolidation are set out in paragraph 17 of this Part I of this document.

Due to its transformational nature, the Acquisition constitutes a reverse takeover of the Company pursuant to the AIM Rules and is therefore subject, *inter alia*, to the approval of Shareholders at the Annual General Meeting, notice of which is set out at the end of this document and which will be held at 10.00 a.m. (Bermuda time) on 23 November 2020 at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. Following Completion, the Sellers will be the beneficial owners of, in aggregate, 18,504,073 New Common Shares representing approximately 7.08 per cent. of the Enlarged Share Capital. If the relevant Resolutions are duly passed at the AGM, the Company's existing trading facility on AIM will be cancelled and the Company will apply for the Enlarged Share Capital to be re-admitted to trading on AIM.

Accordingly, completion of the proposed Acquisition is conditional, *inter alia*, on the following conditions being satisfied or waived (where appropriate) on or by 5.00 p.m. (AEST) on 15 December 2020:

- Shareholders passing, at the Annual General Meeting, resolutions to approve, *inter alia*, the purchase of all of GAR's issued shares by Richland, the allotment and issue of the initial consideration shares and the appointment of Rhoderick Grivas to the Board as the Seller's representative;
- the successful completion of the Placing and Subscription\*;
- the approval of the proposed Share Consolidation; and
- Admission of the Enlarged Share Capital to trading on AIM.

\* including receipt of the Subscription monies prior to the AGM.

**Shareholders should note that certain of the Resolutions are inter-conditional. If the Acquisition Resolution and the Share Authority Resolutions are not passed at the Annual General Meeting, the Acquisition, the Placing and Subscription will not proceed and the Directors will need to consider alternative options for the Company. The Company will have expended sizeable monies in pursuing the proposed transaction and would therefore incur significant abort costs and there can be no guarantee that a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Placing and Subscription can be obtained on a timely basis or at all.**

If the Resolutions are duly passed it is expected that Admission will take place and that dealings in the New Common Shares comprising the Enlarged Share Capital will commence on 25 November 2020.

The purpose of this document is to provide you with information on, and explain the background to and reasons for, the Proposals and explain why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole and unanimously recommend that Shareholders vote in favour of all of the Resolutions to be proposed at the Annual General Meeting.

**You should read the whole of this document and not just rely on the information contained in this letter. In particular, you should consider carefully the "Risk Factors" set out in Part II of this document. Your attention is also drawn to the important information set out in Parts III to VII of this document.**

## **2. Key Investment Proposition**

The key objective of the Enlarged Group is to deliver long term material value for its stakeholders through exploration and development activities on the GAR Projects. The Directors believe that an investment in the Company should be attractive to prospective investors for the following reasons:

- Low initial cash consideration and potential, future, deferred consideration only triggered upon the achievement of certain value-creating milestones or Vesting Events;
- Strong prevailing gold market environment;
- The Projects are located in a developed and stable jurisdiction, with modern local infrastructure and ready access to operational resources;
- The region in which the GAR Projects are based has seen significant historic gold production, but the Projects have had only limited modern exploration (with the exception of the JKL Project on which the most recent drilling was undertaken in 2018). The growth of the third party Haile Mine in South Carolina since its acquisition by Romarco Minerals, Inc. in 2007 to its open pit operation in January 2017 and, more recently, underground development by OceanaGold Corporation serves to demonstrate the potential for the region to harbour significant gold resources and viable gold production;
- Experienced board of directors with significant experience, expertise and knowledge of the mining sector and particularly in gold; and
- URI, the Enlarged Group's 49 per cent. joint venture partner in respect of the Projects, has significant local knowledge and expertise, and in particular knowledge relating to the local geology and Project areas.

### 3. Background to the Acquisition

On 2 January 2020, the Company announced that the disposal to Fura Gems Inc. of its wholly owned subsidiary, Richland Corporate Ltd, the holder of the Capricorn Sapphire Project (and the Company's loans to Richland Corporate Ltd), had completed further, *inter alia*, to the requisite approval by Shareholders at a general meeting of the Company held on 19 August 2019 as the Disposal constituted a fundamental change of business for the Company.

Pursuant to the successful completion of the Disposal, the Company became an AIM Rule 15 Cash Shell on 31 December 2019 and, as such, was required to make an acquisition, or acquisitions, which constitute(s) a reverse takeover under AIM Rule 14 (including seeking re-admission under the AIM Rules for Companies) within six months from completion of the Disposal, failing which, the Company's Common Shares would be required to be suspended from trading pursuant to AIM Rule 40. Accordingly, the Company's Existing Common Shares were suspended from trading on 1 July 2020. Admission to trading on AIM of the Company's Common Shares will be cancelled pursuant to AIM Rule 41 if a Re-admission Transaction is not completed within a further six month period from the abovementioned suspension date, and, pursuant to AIM Rule 15, the Company's Common Shares will remain suspended from trading on AIM until Completion of the Acquisition.

In line with the Company's stated strategy, the Directors believe that the Acquisition of GAR represents an excellent opportunity to create long-term shareholder value through the identification and exploration for gold deposits within a well mineralised Super Terrane in North and South Carolina in the United States.

### 4. Information on GAR and deal structure

GAR, via its wholly owned Delaware subsidiary, GAR Holdings, owns 51 per cent. membership interests in, and operatorship of, four recently incorporated SPVs which in turn hold various mining lease agreements and/or option and purchase agreements with landowners relating to four prospective gold exploration projects situated in the Carolina Gold Belt in North and South Carolina in the United States. The GAR Projects comprise the JKL Project, the Carolina Belle Project, the Argo Project and the Jennings-Pioneer Project, further details of which are set out in paragraph 7 of this Part I of this document. The remaining 49 per cent. membership interest in each of the Project SPVs is held by the joint venture partner, URI, which is a wholly owned subsidiary of Carolina Gold Resources Inc. It is anticipated that URI will provide, *inter alia*, certain project management and land management services to the Enlarged Group, as further detailed in paragraph 7.8 of this Part I of this document.

GAR is currently owned by approximately 23 individual registered shareholders, with the Founder Sellers together beneficially owning approximately 62 per cent. of its existing issued share capital.

For its last reported financial year ended 30 June 2019, GAR incurred a loss before tax of AU\$250,626 and as at 31 December 2019 had unaudited total assets of AU\$70,589 and net assets of AU\$59,256.

Subject to successful Completion of the Acquisition, it is intended that Rhoderick Grivas, a current director and (via a related entity) shareholder of GAR, will be appointed to the Board of the Company as a Non-

Executive Director. Mr Grivas is a professional geologist and has significant operational experience in metals exploration and mining generally and specific knowledge of the GAR Projects and the Board believes he will be a valuable addition to the Company.

## 5. Group structure on Completion

The corporate structure of the Enlarged Group on Completion and change of the Company's name is set out in Figure 1 below, which also illustrates the holding by URI of the balancing interests in each of the Project SPVs:

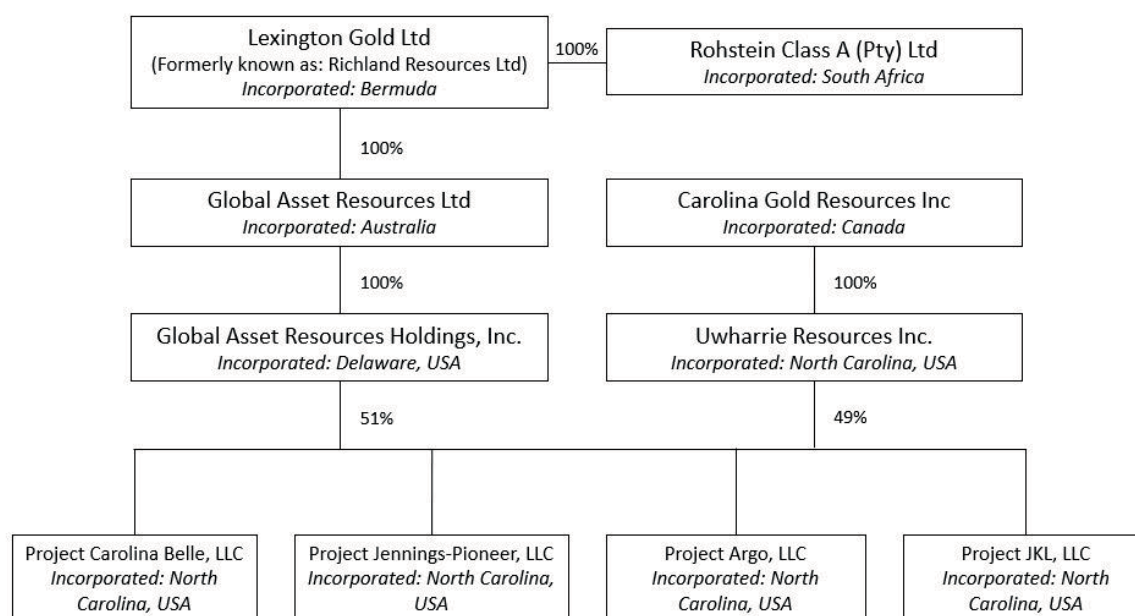


Figure 1: Corporate Structure of the Enlarged Group on Completion of the Acquisition and change of the Company's name.

## 6. Principal terms of the Acquisition

Pursuant to the SPA entered into between the Company, the Sellers and GAR, as announced on 27 July 2020, the Company has conditionally agreed to acquire, on Completion of the proposed Acquisition, the entire issued share capital of GAR. The consideration payable for the Acquisition on Completion comprises:

- initial cash consideration of AU\$60,000 to URI;
- initial equity consideration comprising:
  - the issue of AU\$900,640 New Common Shares at the Placing Price to the Sellers; and
  - the issue of AU\$139,360 New Common Shares at the Placing Price to URI.

In addition, Richland was required to make two non-refundable cash payments to GAR of US\$29,340 on 31 July 2020 and US\$22,818 on 30 September 2020, with such payments to be utilised to cover certain project costs pending Completion. Furthermore, by way of deferred consideration, Richland is required to pay the sum of, in aggregate, AU\$1.5m (being the Tranche 1 Deferred Consideration) and the sum of, in aggregate, AU\$3.0m (being the Tranche 2 Deferred Consideration) to the Sellers and URI, in cash or New Common Shares at the Company's sole discretion, subject to the achievement by the Enlarged Group of certain performance milestones or the occurrence of certain Vesting Events (in each case as described in paragraph 13.2(a) of Part VII of this document) within five years of Completion.

The Tranche 1 Performance Milestone comprises confirmation by an independent geologist and announcement by the Company of JORC 2012 compliant resources in respect of any one of the GAR Projects (including any Additional Projects) that are not Excluded Projects of at least:

- a) 0.8 million ounces of gold at a grade of more than 1g/t; or
- b) 0.6 million ounces of gold at a grade of more than 2.5g/t; or



c) 0.4 million ounces of gold at a grade of 5g/t or more.

The Tranche 1 Deferred Consideration, payable within 21 business days of the achievement of the Tranche 1 Performance Milestone or occurrence of certain Vesting Events, comprises AU\$1,299,000, payable in cash or New Common Shares at the Relevant Price (in whole or in part) at the Company's sole discretion, to the Sellers; and AU\$201,000, payable in cash or New Common Shares at the Relevant Price (in whole or in part) at the Company's sole discretion, to URI.

The Tranche 2 Performance Milestone comprises the commissioning from an independent geologist, completion and announcement by the Company, in accordance with the AIM Rules, of a pre-feasibility study in respect of any one of the GAR Projects (including any Additional Projects) that are not Excluded Projects confirming a pre-tax NPV of more than US\$50m at a discount rate of at least 8 per cent.

The Tranche 2 Deferred Consideration, payable within 21 business days of the achievement of the Tranche 2 Performance Milestone or occurrence of certain Vesting Events, comprises AU\$2,598,000, payable in cash or New Common Shares at the Relevant Price (in whole or in part) at the Company's sole discretion, to the Sellers; and AU\$402,000, payable in cash or New Common Shares at the Relevant Price (in whole or in part) at the Company's sole discretion, to URI. If the Tranche 1 Deferred Consideration has not previously been paid at the time of achievement of the Tranche 2 Performance Milestone, the Tranche 1 Deferred Consideration will also become payable in cash or New Common Shares (at the Company's sole discretion) at such time.

The Joint Venture Implementation Deed between GAR, URI and Carolina Gold Resources, which is further described in paragraph 13.3(a) of Part VII of this document, also sets out certain Minimum Funding Contributions in respect of each of the GAR Projects to be provided by the Company in each of the four years and throughout the four year period following Admission in order to retain its 51 per cent. interest in the Projects which are summarised below. In the event that the Minimum Funding Contributions are not satisfied by Richland (on both an annual and overall basis), URI has the option to acquire the Company's 51 per cent. membership interest (via GAR Holdings) in the relevant Project SPV for a nominal sum of AU\$1. The Company similarly has the option to sell its 51 per cent. membership interest in any of the GAR Projects to URI at any time during the four-year period following Admission for AU\$1 should the Board determine that the Company no longer wishes to proceed with one or more of the GAR Projects.

**Minimum Funding Contributions for the Company to retain its 51 per cent. membership interests**

Project	Total	AU\$			
		Minimum Year 1	Minimum Year 2	Minimum Year 3	Minimum Year 4
JKL	1,500,000	250,000	150,000	150,000	150,000
Carolina Belle	1,500,000	250,000	100,000	100,000	100,000
Jennings-Pioneer	1,000,000	100,000	100,000	100,000	100,000
Argo	1,000,000	100,000	100,000	100,000	100,000
	<b>5,000,000</b>	<b>700,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>

At the end of the initial four year period following Admission and satisfaction of the Minimum Funding Contributions for a Project, if URI elects not to fund its proportionate share of future costs or fails to make an election then, in accordance with the terms of the Joint Venture Implementation Deed, the Company will potentially be able to increase its interest in each of the Project SPVs to 80 per cent. by meeting certain further funding commitments in years 5 and 6 (on both an annual and overall basis) following Admission (the "Extended Period").

**Extended Period funding contributions from the Company to acquire an additional 29 per cent. membership interest and increase its total interest to 80 per cent.**

<b>Project</b>	<b>AUS</b>		
	<b>Total</b>	<b>Minimum Year 5</b>	<b>Minimum Year 6</b>
JKL	2,500,000	150,000	150,000
Carolina Belle	2,500,000	100,000	100,000
Jennings-Pioneer	1,500,000	100,000	100,000
Argo	1,500,000	100,000	100,000
	<b>8,000,000</b>	<b>450,000</b>	<b>450,000</b>

If the Company does not meet the Extended Period funding contributions in relation to a particular Project, it will retain its 51 per cent. initial interest in such Project SPV.

In the event that the Company increases its interest in any of the Project SPVs to 80 per cent. and URI elects not to fund its proportionate share of future costs in respect of its then 20 per cent. residual interest in the GAR Project concerned or fails to make an election, the Company is able to increase its interest in the relevant Project to 100 per cent. by agreeing to pay for the relevant Project a Net Smelter Royalty to URI of 0.5 per cent. for future production up to 50,000oz gold equivalent, 2.0 per cent. for future production from 50,000 to 400,000oz gold equivalent and 1.0 per cent. for future production in excess of 400,000oz gold equivalent.

Completion of the Acquisition is conditional, *inter alia*, on the following conditions being satisfied or waived (where appropriate) on or by 5.00 p.m. (AEST) on 15 December 2020:

- Shareholders passing, at the Annual General Meeting, resolutions to approve, *inter alia*, the purchase of all of GAR's issued shares by Richland, the allotment and issue of the initial consideration shares and the appointment of Rhoderick Grivas to the Board as the Seller's representative;
- the successful completion of the Placing and Subscription\*;
- the approval of the proposed Share Consolidation; and
- Admission of the Enlarged Share Capital to trading on AIM.

\* including receipt of the Subscription monies prior to the AGM.

## **7. Information on the GAR Projects**

### **7.1 Overview**

The GAR Projects are located within a well mineralised district running northeast through the states of North and South Carolina, in the United States known as the Carolina Super Terrane (or the "CST") (formerly the Carolina Slate Belt). The CST has a long history of gold prospecting and production and was the site of the initial North American gold rush in the early 1800s. In more recent years, the potential of the CST to host large and often concealed gold mineralisation has seen an increase in exploration activity since the discovery and development of the large-scale Ridgeway and Haile gold mines.

A regional map showing the locations of the four GAR Projects is shown below:

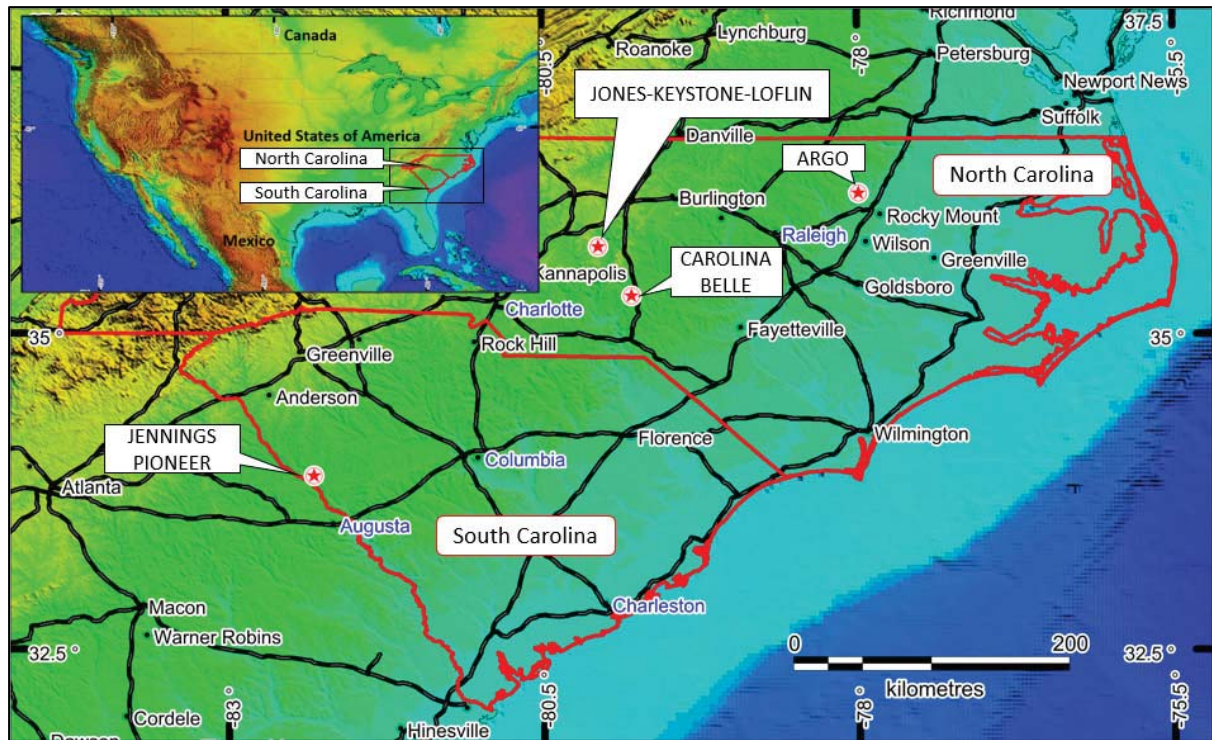


Figure 2: Regional map showing the relative locations of the Projects extracted from the Competent Person's Report (Figure 1 in the CPR, which can be found in Part VI of this document).

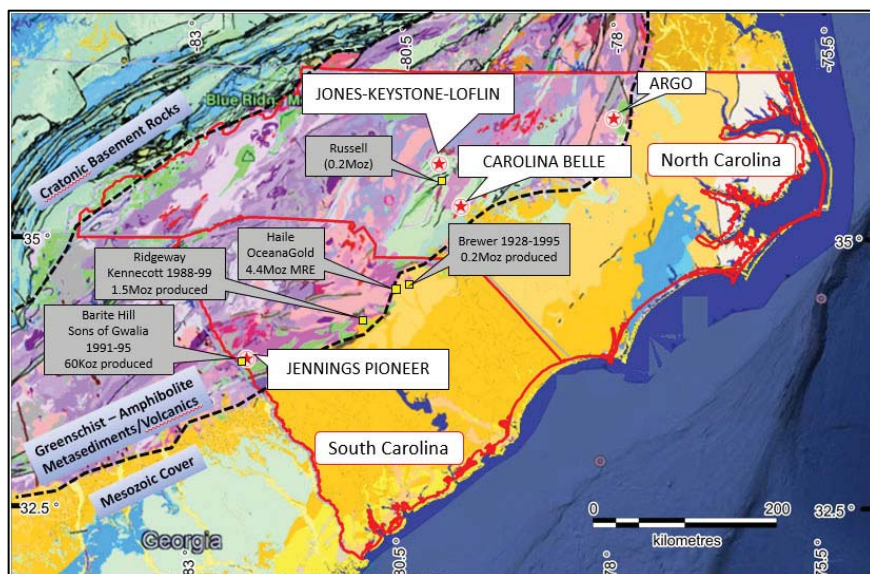


Figure 3: GAR Project locations and significant gold occurrences in North and South Carolina extracted from the Competent Person's Report (Figure 2 in the CPR, which can be found in Part VI of this document).

The Haile Gold Mine is an open pit operation owned and operated by ASX/TSX listed OceanaGold Corporation (ASX/TSX: OGC) ("OceanaGold"). Following several years of exploration, feasibility studies, regulatory approvals and a corporate takeover of previous developer – Romarco Minerals Inc, OceanaGold completed construction of its 3.0Mtpa plant in 2016, with the first gold pour in January 2017. OceanaGold's production guidance for 2019 was 145,000 to 160,000 ounces of gold at an All-In Sustaining Cost of between US\$850 to US\$900 per ounce. It is currently pursuing an expansion from open pit to underground mining.

The GAR Projects lie within the CST which forms part of a multi-deformed mobile zone of the Appalachian Orogeny that was accreted to the Laurentia craton to the west. The eastern region of the CST

is well known for its mineralisation with a number of substantial gold and base metal discoveries that have subsequently been developed into mines over the past 30 years. The GAR Projects are all well supported with local infrastructure and have access to an experienced team of geologists and support staff via URI.

A Competent Person's Report in respect of the GAR Projects, commissioned from Westoria Capital Pty Ltd, is set out in full in Part VI of this document.

## 7.2 Mining Lease Agreements

The mineral exploration rights in respect of the GAR Projects are derived from certain lease or lease with option to purchase agreements between the relevant Project SPVs and the various underlying landowners in relation to the GAR Projects. As further described in Appendix I to this document, mineral rights in North and South Carolina are owned by the title holder of the relevant land. A summary of the Mining Lease Agreements currently in place and their key terms is shown in Table 1 below and further described in paragraph 13.4 of Part VII of this document.

Project	Area (acres) (Note 1)	Date Executed	Term (min. years)	Agreement Type	Royalty (NSR)
Carolina Belle	15.47	31/08/2016	10	Lease with Option to Purchase	2%
	154.55	7/10/2016	10	Lease	3% Au, 2% all others
	221.96	04/04/2019	10	Lease	3%
	<b>391.98</b>				
Jennings-Pioneer	398.98	22/06/2018	10	Lease	2.25%
Argo	382.13	23/02/2017	10	Lease	3% up to US\$2m then 2%
Jones-Keystone	163.88	27/01/2015	10	Lease with Option to Purchase	3%
	61.04	08/08/2015	10	Lease with Option to Purchase	2%
	98.57	08/08/2015	10	Lease with Option to Purchase	2%
	<b>323.49</b>				
Loflin	7.17	21/02/2015	10	Lease with Option to Purchase	2%
	13.24	04/10/2015	10	Lease with Option to Purchase	2%
	4.05	17/06/2015	6	Lease with Option to Purchase	2%
	26.20	22/06/2015	10	Lease with Option to Purchase	2%
	<b>50.66</b>				
<b>Total Area Held</b>	<b>1,547.24</b>				

*Note: The acreages set out in the above table are the lower of: (i) the areas stated in the underlying properties as summarised in paragraph 13.4 of Part VII of this document and (ii) the areas stated for the relevant landowner's property in the tax records of the county in the United States in which the property concerned is situated.*

*Table 1: A summary of the Mining Lease Agreements and their key terms as extracted from the Competent Person's Report (Table 1 in the CPR, which can be found in Part VI of this document).*

## 7.3 JKL Project

The JKL Project covers the Jones-Keystone Properties and the Loflin Properties, the latter of which are along strike to the southwest. The Jones-Keystone project area was initially mined by small scale prospectors from 1852 with intermittent production until the Civil War (1861) and then again up and until the mid-1930s. United States Geological Survey geologists estimated in 1948 that 30,000 to 40,000t of rock had been mined from two pits producing 5,000oz of gold. Between 1934 and the 1960s, additional mining activities were undertaken with the development of two larger pits and several shafts with remnants of a mill and mill footings, although no production records are known from that time.

The Loflin Properties show evidence of pits, trenches, shafts, adits and glory holes at several workings within a few hundred metres on either side of Loflin Hill Road collectively called the Loflin Hill Mine area. It appears that much of the mining activity was undertaken during the Great Depression years by local



farmers during the winter months, however there are no known production records from the historic Loflin workings.

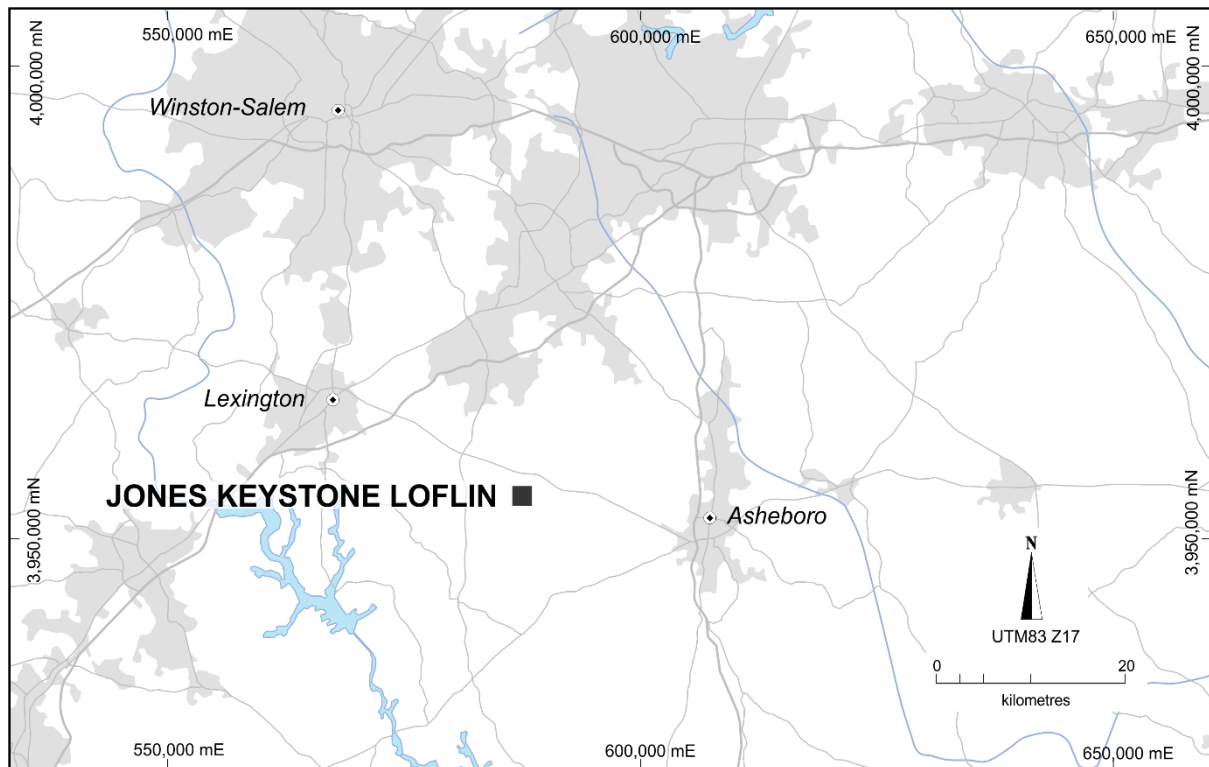


Figure 4: JKL Project location map extracted from the Competent Person's Report (Figure 6 in the CPR, which can be found in Part VI of this document).

The geology of the Loflin Properties and Jones-Keystone Properties is similar to that found at the third-party Ridgeway, Haile and Russell mines and other mineralised zones within the district. These similarities were recognised by companies such as Cyprus Mines Corporation, ASARCO Exploration Co Inc., Noranda Inc. ("Noranda") and Phelps Dodge Corporation between the late 1960s and 1990s exploring for bulk mineable style gold. Between 2010 and 2013, and then again between 2017 and 2019, the properties were explored by Revolution Resources Corporation ("Revolution Resources") and Orford Mining Corporation respectively.

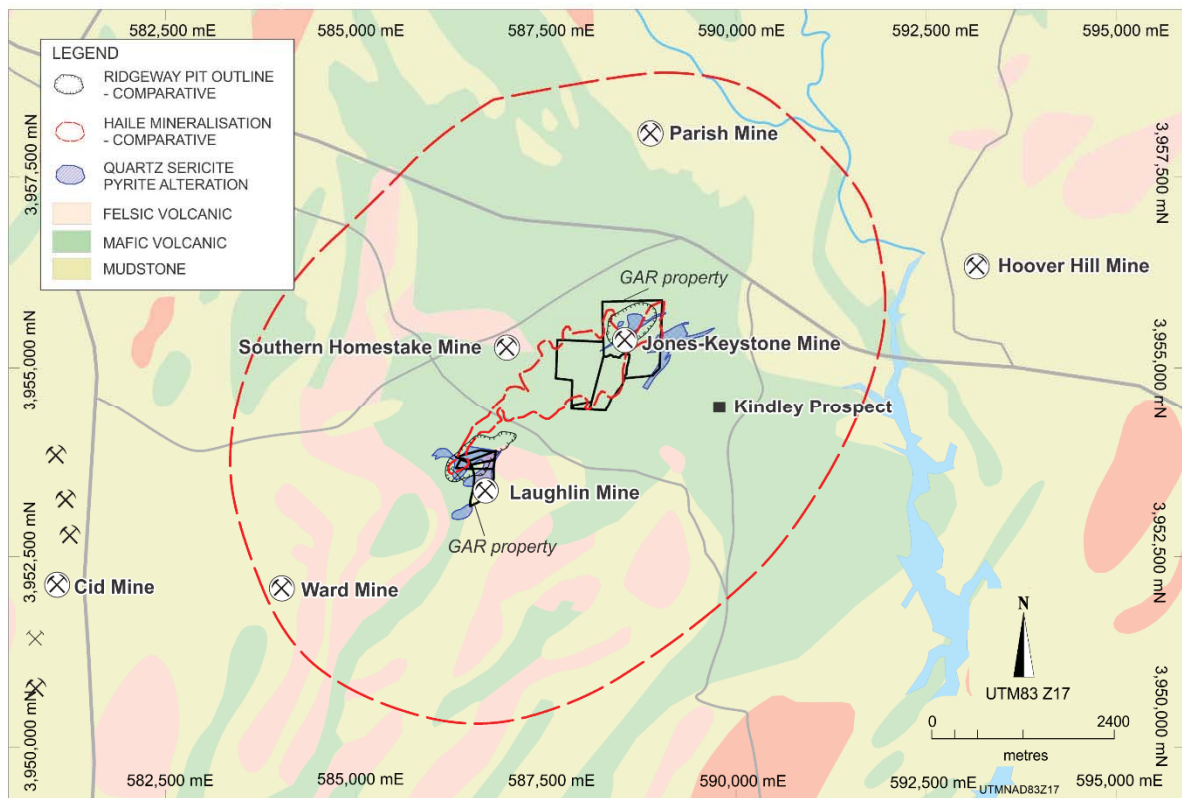


Figure 5: Simplified geology and alteration map of the Jones-Keystone-Loflin properties in comparison to mineralisation footprints from Ridgeway and Haile extracted from the Competent Person's Report (Figure 12 in the CPR, which can be found in Part VI of this document). Laughlin Mine forms part of the Loflin hill mine area.

The JKL Project area contains evidence of widespread gold mineralisation identified from historic workings. The properties comprise greenfield to brownfield exploration targets with well-defined and potentially continuous zones of gold mineralisation delineated from previous drill programmes and supported by geophysical surveys. There is evidence of widespread gold mineralisation with grades ranging between 0.5g/t to 2.5g/t within a structurally complex setting typical of the CST. There remain a number of geophysical and geochemical anomalies that warrant further investigation to delineate disseminated sulphide-gold mineralisation.



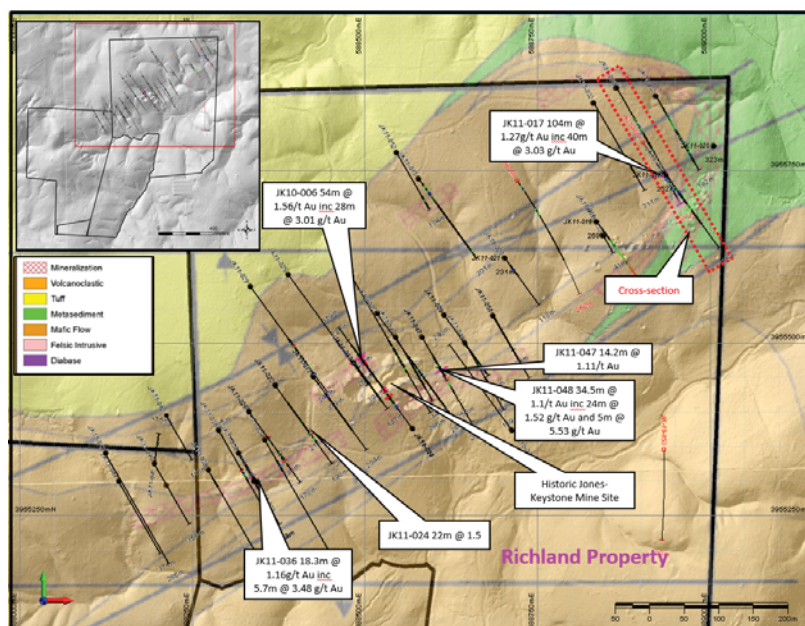


Figure 6: Drill hole plan with significant gold drill hole intersects over the Jones-Keystone Properties extracted from the Competent Person's Report (Figure 8 in the CPR, which can be found in Part VI of this document).

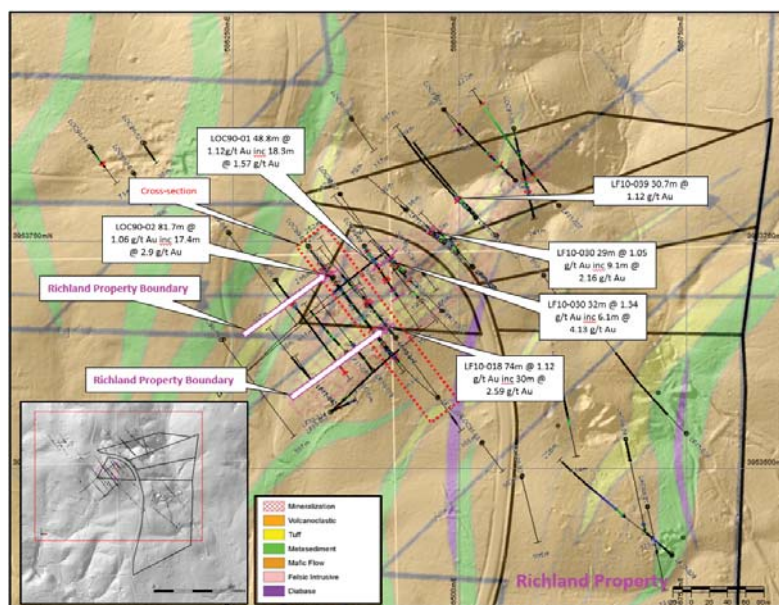


Figure 7: Drill hole plan showing significant gold drill hole intersects over the Loflin Properties (the mineralisation is striking to the northeast) extracted from the Competent Person's Report (Figure 10 in the CPR, which can be found in Part VI of this document).

Further information on the JKL Project, including geology and exploration history, can be found in the Competent Person's Report in Part VI of this document.

### Exploration Potential and Strategy

A moderately detailed programme of surface sampling, mapping, geophysics and drilling has been undertaken at both the Jones-Keystone and Loflin Properties from the 1960s up until 2018. The drill programmes have defined reasonably coherent broad zones of low to high grade gold mineralisation along a complexly sheared, folded and strongly altered sequence of quartz-sericite-sulphide associated with a volcanoclastic and tuffaceous units at Jones-Keystone and Loflin. The prospects show kilometre scale alteration, mineralogy and grade-range similarities to that of the Russell mine's gold deposit.

The IP inversions and ground magnetic surveys completed by Orford across the Jones-Keystone property have been useful in clarifying the overall geologic setting and structural trends. At the Jones-Keystone properties, strong chargeability anomalies not only coincide with historically drilled mineralisation but also

extend at depth and along strike beyond known mineralisation. In the eastern portion of the property, orientation of the IP chargeability anomaly suggests that the mineralised zone may dip to the south but the mineralisation appears open to the northeast as well.

At Loflin, the drilling completed by Noranda and confirmed by Revolution Resources has delineated a NE-SW trending syncline with shallow mineralisation encountered in the core of the fold structure probably controlled by a strong subvertical foliation. This syncline has a shallow plunge to the NE and has been closed off to surface at its SW corner, but remains open down plunge in the NE direction. The drill spacing requires tightening, with several sections remaining open up and down-dip but rights over neighbouring additional properties are required to step out drill targets beyond the current Loflin Properties footprint.

The exploration programme is expected to comprise some or all of the following activities:

- An approach to additional land owners in the immediate vicinity of the Loflin Properties to seek to agree further lease agreements in respect of prospective areas currently beyond the existing Loflin Properties. This will ensure that drill sites can be located at the optimum position to drill test both existing targets and allow for further step out drilling.
- A compilation of the available drill database at the properties to ensure the most comprehensive exploration datasets are available to aid geological understanding and to guide future exploration programmes across the target zones.
- Twinning a select number of holes to assist with verifying the historic analytical results and mineralisation models and provide oriented core for structural interpretation and integration.
- Considering a 'Leapfrog Geo' modelling software style 3D analysis which might assist in visualising geology, geophysics, structural and mineralisation trends that could lead to the generation of new drill targeting concepts based on epithermal styles of mineralisation. Leapfrog visualisation technology should assist in understanding the current mineralisation distribution in relation to structural or lithological controls common to epithermal deposits that can also be used to plan infill or extension drill holes.
- Considering additional ground geophysical surveys along the target corridor, such as ground magnetics and IP, to help identify additional zones of disseminated sulphide mineralisation.
- Considering ground EM, which may also assist in defining the zones of interconnecting sulphide mineralisation that represent more intense alteration possibly associated with gold.
- Drill testing of the most compelling targets using RC or diamond drilling. Comprehensive geological, structural and alteration integration will be required to help confirm the mineralisation model.

The work programme proposed in order to evaluate the potential for Haile mine or Russell mine scale and style of mineralisation at the JKL Project for sulphide related gold mineralisation is considered by Westoria to be appropriate and subject to normal exploration risk. The JKL Project would benefit from the potential addition of agreements over adjacent mineral properties in order to increase the exploration area.

#### **7.4 Carolina Belle Project**

The Carolina Belle Project is located in Montgomery County, 4km north-northwest of Candor, North Carolina and has several greenfield to brownfield exploration prospects with well-defined and potentially continuous zones of low sulphidation epithermal gold mineralisation already identified from historic mines and surface workings.



Figure 8: Location map showing the location of the Carolina Belle Project extracted from the Competent Person's Report (Figure 17 in the CPR, which can be found in Part VI of this document).

Two adjacent historic gold mines, known as Iola and Uwarra, that mined the same series of gold bearing veins are located on the Carolina Belle Project. Discovered in 1901, the area was mined almost continuously until 1916 collectively producing approximately 50,000oz of gold until a dispute between the neighbouring mines prevented continued mining activities. Ores from the mines at Carolina Belle were reported as free-milling and successfully treated with cyanide with 95 per cent.+ recoveries. A single lode was mined down to 200m on the Iola mine side and to a depth of 100m at Uwarra along a combined strike of 650m with a reported mine grade between 10 – 15g/t Au.

There is potential to extend existing zones of gold mineralisation along the lithostratigraphic horizon and discover additional feeder veins and alteration associated with a larger system. Mineralisation might also be discovered below shallow Cretaceous sediments that are <15m thick to the south.

There has been little documented historic exploration at the Carolina Belle Project area. Apart from the mining activities between 1901 and 1916, only limited historic exploration has been completed, including: nine diamond drill holes in the 1980s by U.S. Borax Inc. targeting the historic underground workings of Iola-Uwarra, and one diamond core hole by Piedmont Mining Company, Inc. in 1983. The drill programme targeting the historic workings was deemed unsuccessful with a majority of the drill holes reportedly failing to encounter mineralisation and presumed to have intersected voids associated with the underground workings. Representative samples of some of this core are available for review at the North Carolina Geological Survey organisation located in Raleigh.

Previous exploration work completed by CGR between 2015 and 2016 includes:

- Acquisition and interpretation of detailed LIDAR images;
- Compilation of available datasets including regional geology and land titles into a GIS database; and
- Surface dump sampling and multi-element geochemical analysis with high grade grab samples obtained from banded quartz veins including 28.10g/t Au, 27.50g/t Au, 18.45g/t Au and 17.25g/t Au. The sericite-pyrite alteration wall rock contains 0.5 to 0.9g/t Au.

A total of 19 surface grab samples were taken in 2015/2016 from the Carolina Belle Project (excluding Iola). The full results are included in Appendix 4 of the Competent Person's Report in Part VI of this document.

### ***Exploration Potential and Strategy***

The rock chip information, historic mine shafts, historic drill data and workings across the Carolina Belle Project show that there is size and grade potential to discover an economic gold project. The colloform and vuggy vein textures, bonanza gold grades and geochemical affinities suggest a syngenetic origin for mineralisation related to epithermal mineralisation processes. The project is considered to be greenfield to brownfield with a moderate level of exploration risk. The historic workings yielded approximately 50,000oz

of gold at a grade in excess of 10g/t Au. There is strong evidence supporting the exploration potential of the Carolina Belle prospects which the Directors believe warrants further investigation.

The exploration programme is expected to comprise some or all of the following activities:

- Completing modern airborne (possibly drone) magnetic and other geophysical surveys as appropriate;
- Multi-element surface geochemical, alteration and geological mapping programmes to assist in defining the surface footprint of the existing mineralisation (in undisturbed areas) with a view to detecting new zones of gold mineralisation;
- Shallow AC/RAB drilling below the overlying Cretaceous sedimentary Coastal Plain cover sands, that may mask zones of geochemical anomalism;
- Examination of available LANDSAT imagery or ASTER data to identify any zones of strong alteration;
- Completing a phase of petrological studies on the mineralisation and host rocks to confirm the presence of epithermal textures;
- Undertaking ground geophysical surveys such as IP to delineate zones of concealed sulphide mineralisation or potential feeders to surface mineralisation; and
- Drill testing the most compelling targets using RC or Diamond drilling.

The work programme proposed to evaluate a potential epithermal vein swarm at the Carolina Belle Project is deemed appropriate by Westoria and subject to normal exploration risk.

## 7.5 Argo Project

The Argo Project comprises a number of shallowly worked historic pits and trenches. The project is in the northwest corner of Nash County, 16km north of Nashville, North Carolina. Two kilometres to the north of the workings, beyond the Argo Project, is the Mann-Arrington mine that was last mined in 1894. Whilst there is some undocumented exploration work completed at the Mann-Arrington mine site in the early 1930s, there is limited modern style exploration recorded from the Argo property.



Figure 9: Location map showing the location of the Argo Project extracted from the Competent Person's Report (Figure 21 in the CPR, which can be found in Part VI of this document).

The small-scale historic workings at the Argo Project are extensive, and there is potential to undertake systematic surface prospecting and mapping to define extensions to known mineralisation. The application of modern exploration techniques for epithermal or vein style mineralisation would include surface geochemistry, ground geophysics and drilling.

In 2017, CGR completed initial exploration work, including:

- acquisition and interpretation of detailed LIDAR images;



- compilation of available datasets including regional geology and land titles into a GIS; and
- surface grab sampling and multi-element geochemical analysis with high grade grab samples from banded quartz veins including 12.65g/t Au, 8.06g/t Au, 6.80g/t Au and 5.85g/t Au.

A total of 28 surface grab samples were taken across the prospect areas in March 2017. The full results are presented in Appendix 4 of the Competent Person's Report in Part VI of this document.

### ***Exploration Potential and Strategy***

The rock chips from the Argo prospect area show the size, grade, lithostratigraphy and geochemical affinities that may be related to quartz stringer or epithermal gold mineralisation. The Argo Project is considered by Westoria to be greenfield, with a high level of exploration risk, however the distribution of gold mineralisation and associated supporting geochemistry is encouraging and warrants further investigation.

The exploration programme is expected to comprise some or all of the following activities:

- Completing modern airborne (possibly drone) magnetic and other geophysical surveys as appropriate;
- Multi-element surface geochemical, alteration and geological programmes to assist in defining the surface footprint of the existing mineralisation with a view to detecting new zones of gold mineralisation;
- Examination of all available LANDSAT imagery and ASTER data to identify any zones of strong alteration;
- Completing a phase of petrological studies on the mineralisation and host rocks to confirm the presence of epithermal textures;
- Undertaking ground geophysical surveys such as IP to delineate zones of concealed sulphide mineralisation or potential feeders to surface mineralisation; and
- Drill testing of the most compelling targets using AC, RC or Diamond drilling.

The work programme proposed is intended to evaluate a potential epithermal or stringer quartz vein mineralisation on the Argo Project area and is considered by Westoria to be appropriate but subject to high exploration risk.

## **7.6 Jennings-Pioneer Project**

The Jennings-Pioneer Project forms part of the Barite Hill Gold district in South Carolina where several old mines and prospects are located within a 25km<sup>2</sup> area. The historic mines in the region include: Dorn, Barite Hill, Jennings-Pioneer, Searles and Self gold mines, and considerable silver has also been recovered historically from Barite Hill. Gold production began in 1852 at the Dorn Mine, where the oxidized sulphide ores provided some of the richest ores in the Eastern U.S. By 1859, gold production was reduced as refractory sulphides were encountered at depth. Historically, the Dorn mine produced approximately 45,000 ounces of gold, most of which was recovered during 1852-1859.

Efforts to reopen the Dorn and Jennings-Pioneer mines were made in the early 1930s. The Jennings-Pioneer mine was operated under the name of Pioneer Gold Mine during 1932-34. Historic news records report that in June 1934 two shafts were sunk to 40m and 30m. The Pioneer Gold Mine operated for at least two years, but no production records have been located. The most recent mine to operate in the area was at Barite Hill that was commissioned, mined and reclaimed by former TSX listed Nevada Goldfields Inc. that was the subject of a takeover by former ASX listed gold producer Sons of Gwalia Ltd.

The Jennings-Pioneer Project area has several greenfield exploration prospects with well-defined and potentially continuous zones of gold and base metal mineralisation already identified from historic mines and surface workings. There is potential to define VHMS style mineralisation and discover additional feeder veins and alteration associated with a large exhalative system along a well constrained lithostratigraphic horizon.

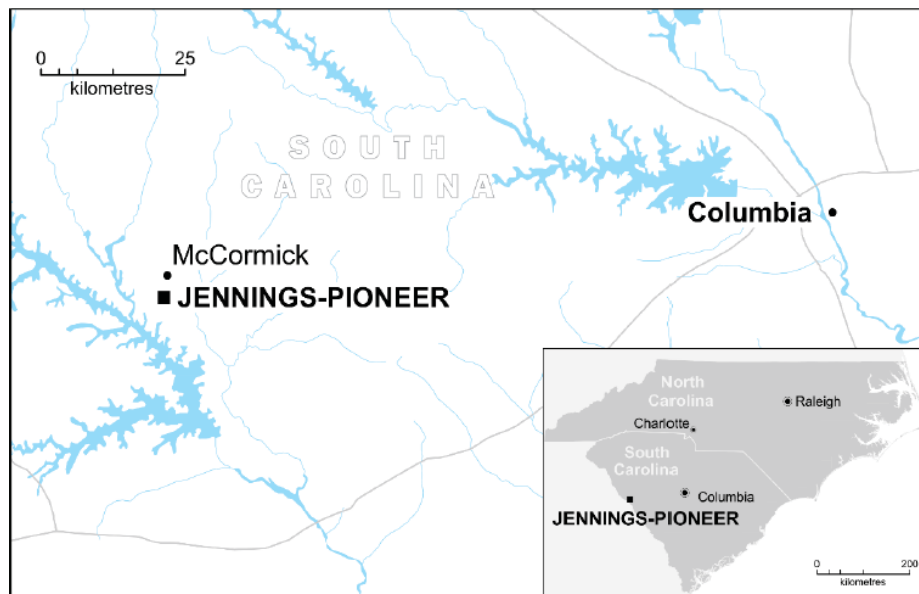


Figure 10: Location map showing the location of the Jennings-Pioneer Project extracted from the Competent Person's Report (Figure 13 in the CPR, which can be found in Part VI of this document).

CGR has completed the following activities on the Jennings-Pioneer Project to date:

- Compilation of available datasets including regional and local geology, magnetics and land titles into a GIS database;
- Site visits to confirm the locations of historic workings and to investigate any site contamination issues; and
- Surface grab sampling during the initial prospecting evaluation of the property.

### ***Exploration Potential and Strategy***

There is limited recorded exploration across the Jennings-Pioneer trend, with the loss of exploration data between each historic exploration company. However, two historic samples collected at Jennings-Pioneer yielded multi-ounce gold and silver grades with potentially economic grades of copper, lead and zinc. VHMS deposits typically form in clusters and whilst small in tonnage contain a high unit value ore with multi commodity potential. There are geological indications for potential extensions to the Barite Hill mineralisation plunging to the north east onto mineral properties leased from Mr Owing. The district has two exploration mineralisation targets comprising an early stage VHMS that is overprinted by a set of epithermal Au-Ag-telluride veins/veinlets. The Jennings-Pioneer Project is considered by Westoria to be greenfield with a moderate level of exploration risk.

The exploration programme is expected to comprise some or all of the following activities:

- Additional searches to try and locate any historic exploration data from the region;
- Completing modern regional airborne (possibly drone) magnetics over the 3km radius area of interest;
- Multi-element surface geochemical, alteration and geological mapping programmes to assist in defining the surface footprint of the existing mineralisation, with a view to detecting new zones of gold and base metal mineralisation;
- Examination of any LANDSAT imagery or ASTER data to identify any zones of strong alteration;
- Undertaking ground geophysical surveys such as ground magnetics, EM to identify zones of massive sulphide mineralisation and IP to delineate zones of concealed sulphide mineralisation or potential feeders adjacent to the Barite Hill deposit; and
- Drill testing of the most compelling targets using RC or Diamond drilling. Downhole EM and other methods should also be implemented.

The work programme is intended to evaluate the potential for massive sulphide and gold telluride mineralisation at Jennings-Pioneer and is deemed appropriate by Westoria and subject to normal exploration risk.

## 7.7 General Exploration Strategy

The Directors believe that the GAR Projects offer an excellent opportunity to explore gold projects in a first world country with a well-supported infrastructure, that has seen limited modern exploration (with the exception of the JKL Project where the most recent drilling was undertaken in 2018). Drilling will form part of the first phase of planned exploration with two of the four projects offering walk-up drill targets. The JKL Project properties are the most advanced and have previously returned significant drill intercepts that require systematic reverse circulation drilling to test existing mineralised zones that are open at depth and along strike. The Carolina Belle Project has existing historical underground workings that provide a well-defined target horizon virtually untested by drilling.

The Jennings-Pioneer Project sits along strike from the Barite Hill deposit, which was open pit mined for gold from an oxide cap. The deposit is classified as a volcanic massive sulphide which is projected to plunge into the Jennings-Pioneer Project properties, and such a target is very amenable to ground electromagnetic surveying to locate conductors that have the potential to provide an early drill target.

While the Company intends to identify and drill the more easily identifiable prospects, all four of the GAR Projects will benefit from more regional systematic based exploration, particularly under the shallow “coastal plain” transported cover that impeded historical prospecting. Detailed airborne geophysics over all of the GAR Projects, combined with ground mapping and shallow geochemical drilling, will form part of the first phase of exploration, which will provide a greater regional understanding of the existing mineralisation and will help to pinpoint new targets.

In general, the planned exploration activities will be similar in nature to those conducted by TSX listed, Romarco Minerals Inc. which conducted modern exploration activities on its Haile property in South Carolina, USA, which led to the establishment of a maiden formal NI43-101 compliant resource estimate of 4.5Moz @ 1.8 g/t Au.

## 7.8 Management and Technical Services Agreement

On 13 October 2020, GAR Holdings entered into a management and technical services agreement with URI which takes effect from completion of the Acquisition. Pursuant to the terms of the MTSA, URI shall provide consultancy services to GAR Holdings in relation to, *inter alia*, project management services, land management services and oversight and execution of the exploration work programmes for each of the GAR Projects. Further details of the MTSA are set out in paragraph 13.5(b) of Part VII to this document.

## 8. Market overview and local operating environment

### 8.1 Gold market

Gold has been on a generally positive trend for the past few years, however the onset of the global COVID-19 pandemic has made gold’s relevance as a hedge even more apparent and accelerated its price performance. The price of gold has risen significantly in 2020; as of 29 October 2020, it was US\$1,867/oz and up by 23.04 per cent. year to date. This rise has been driven by a combination of: 1) high uncertainty, 2) very low interest rates, and 3) positive price momentum – all of which are supportive of investment demand. By the end of June 2020, the LBMA Gold Price PM was trading close to US\$1,900/oz, a level not seen since 2012, and reaching record or near-record highs in all other major currencies. In August 2020, the LBMA Gold Price PM traded over US\$2,000/oz.

The most recent upward movements in the price of gold have occurred rapidly, which, when combined with markedly weak consumer demand, may result in higher gold price volatility in the near term. However, the World Gold Council believes that the COVID-19 pandemic may bring structural shifts to asset allocation and that there are strong fundamental reasons supporting gold investment longer term.

The gold price benefits from diverse sources of demand: as an investment, a reserve asset, a luxury good and a technology component. It is highly liquid, it does not depend on a counterparty’s liability, carries no credit risk, and is scarce, historically preserving its value over time.

Historically, there has been an established connection between gold’s performance and the different segments of demand and supply. These, in turn, are influenced by four broad sets of key drivers, namely:

- Economic expansion: periods of growth are very supportive of jewellery, technology and long-term savings;
- Risk and uncertainty: market downturns often boost investment demand for gold as a safe haven;



- Opportunity cost: interest rates and relative currency strength influence investor attitudes towards gold; and
- Momentum: capital flows, positioning and price trends can ignite or dampen gold's performance.

In the current global economic environment, three of the four drivers are supportive of investment demand for gold, namely:

- high risk and uncertainty;
- low opportunity cost; and
- positive price momentum.

Gold has historically protected investors against extreme inflation. In years when inflation was higher than 3 per cent. gold's price increased by 15 per cent. on average. Notably too, research by Oxford Economics shows that gold should do well in periods of deflation. Such periods are characterised by low interest rates and high financial stress, all of which tend to foster demand for gold. Gold investment will likely offset weak consumption.

## 8.2 Local operating environment in North and South Carolina, United States

**Labour Market:** All of the Projects are easily accessible by state highways and are in close proximity to the local electricity grid. There is an established mining industry in North Carolina and within the United States and Canada and generally there is also a strong pool of geologists, drillers, assay laboratories and other professional services to support the Company's planned exploration programme.

**Local Infrastructure:** North Carolina and northern South Carolina, where the Jennings-Pioneer Project is situated, are prime locations on the eastern United States seaboard. North Carolina has four International airports, two deep water seaports along Atlantic shipping lanes, the largest consolidated rail system in the United States and the second largest state-owned highway system in the United States.

**MTSA with URI:** The Enlarged Group, via GAR Holdings and as further described in paragraph 7.8 of this Part I above and paragraph 13.5(b) of Part VII of this document, has entered into a management and technical services agreement with GAR's local 49 per cent. joint venture partner, URI, in relation, *inter alia*, to the management of the Projects including landowner relationships in order to leverage off their local expertise.

**Regulatory Environment:** An overview of the pertinent regulations in North and South Carolina in relation to exploration and mining activities is set out in Appendix I to this document.

## 9. Current trading and prospects for the Enlarged Group

In accordance with Rule 28 of the AIM Rules for Companies, the Company has not included in this document historical information in respect of itself as is normally required by Section 18 of Annex I of the Prospectus Regulation Rules.

The Company's historical reports and financial statements can be accessed on the Company's website at: [www.richlandresourcesltd.com](http://www.richlandresourcesltd.com).

Since 31 December 2019, the Company has been classified as an AIM Rule 15 Cash Shell and as announced on 29 September 2020 in the Company's interim results for the six month period ended 30 June 2020, the Company had total cash and cash equivalents as at 30 June 2020 of approximately US\$0.1 million.

Financial information on GAR for the year ended 30 June 2019 and six month period to 31 December 2019 is set out in Part IV of this document. GAR was incorporated in Australia on 28 April 2017 as an exploration company operating in Australia and overseas and, as at 31 December 2019, was a single entity with no subsidiaries.

The Existing Directors and Proposed Director are confident in the future prospects of the Enlarged Group and believe that they have identified and secured interests in a number of gold exploration projects that have the potential to hold significant gold resources.

An unaudited *pro forma* statement of net assets for the Enlarged Group as at 30 June 2020, showing the impact of the Acquisition, the Placing and the Subscription on the Company, is set out in Part V of this document.

## **10. Board, senior management and employees**

Brief biographical details of the Board and senior management are set out below.

### ***Directors***

The current Directors of the Company are as follows:

#### ***Edward Nealon, Non-Executive Chairman***

Mr Nealon is a geologist with over 45 years' experience in the mining and exploration industry. After graduating in 1974, he commenced his career in South Africa with Anglo American Corporation, before moving to Australia in 1980 where he spent two years in exploration with Rio Tinto. He founded his own consulting company in 1983 and has practiced in most of the world's major mining centres. Mr Nealon was the founder of Aquarius Platinum Ltd and served as either its CEO or Executive Chairman for a number of years. He holds a Masters degree in Geology and is a member of the Australian Institute of Mining and Metallurgy.

#### ***Bernard Olivier, Chief Executive Officer***

Dr Olivier is a qualified geologist and has been involved with the mining and exploration industry for the past 22 years. Dr Olivier has over 13 years' experience as a public company director of ASX-listed and AIM-quoted mining and exploration companies. Dr Olivier was previously the CEO of Richland (formerly Tanzanite One Limited) and was credited with restructuring and returning the group to profitability in 2010. He also led the team which established a maiden JORC Resource estimate of 3.9 million gold ounces for Bezant Resources plc's Mankayan project and achieved an 8 pence per share return of capital to its shareholders. Dr Olivier is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

#### ***Melissa Sturgess, Non-Executive Director***

Ms Sturgess holds a BSc. and an MBA and has many years' experience acting as a director of AIM-quoted and ASX-listed companies, mainly involved in the acquisition, structuring and financing of natural resources transactions across Africa. Ms Sturgess commenced her career in Australia as a member of the Executive Committee of Aquarius Platinum Limited, one of the first Australian/UK dual listed companies and a miner of platinum in South Africa and Zimbabwe. She was also founding director of Sylvania Resources Limited and a number of other companies operating in the metals and mining sector throughout Africa and quoted on AIM. Ms Sturgess relocated from Australia to London in 2006 and during her career has raised significant amounts of capital. She was a key driver in the successful recapitalisation of Messaging International plc during 2016 which subsequently changed its name to SigmaRoc Plc, acquired a building materials business from LaFargeHolcim via a reverse takeover and raised £50 million from a range of investors in the Channel Islands and the UK. Ms Sturgess is also a non-executive director and shareholder of Imperial X plc and CEO and a major shareholder of Ananda Developments Plc, both quoted on the Aquis Stock Exchange in the UK.

### ***Proposed Director***

#### ***Rhoderick Grivas, Proposed Non-Executive Director***

Mr Grivas is a professional geologist with over 25 years' experience in the natural resources industry. He is currently Non-Executive Chairman of ASX listed explorer Okapi Resources Limited (ASX: OKR). Mr Grivas has also held a number of director and management positions with publicly listed mining and exploration companies, including Managing Director of ASX and TSX listed gold miner Dioro Exploration NL (ASX:DIO), where he oversaw the discovery and development of a gold resource through feasibility to production. Mr Grivas has a strong combination of equity market, M&A, commercial, strategic, and executive management capabilities.

Mr Grivas is a member of the AusIMM and the Australian Institute of Company Directors and is currently also Non-executive Chairman of Aldoro Resources Limited, Andromeda Metals Limited and Golden Mile Resources Limited.

Further information on the Board is set out in paragraphs 9 and 10 of Part VII of this document.

### ***Senior Management***

#### ***Michael Allardice, Group Company Secretary***

Mr Allardice is a UK and Hong Kong qualified accountant and started his career in the mid 1980s with a London based firm of accountants before moving to Hong Kong in 1993 where he joined the corporate

services industry, and in 2000 established his own corporate advisory business. Mr Allardice has a wide range of industry experience which includes the mining, financial services and commodities industries and has been actively involved in the commercial aspects of identifying, structuring, managing and exiting of private and public transactions in relation to projects and investments in Asia, Africa, Europe and South America.

***Louis Swart, Chief Financial Officer***

Louis Swart holds a Bachelor of Commerce degree from the University of Pretoria, an Honours degree in Commerce (Accounting) from the University of South Africa and is a chartered accountant and a member of the South African Institute of Chartered Accountants and Institute of Chartered Accountants Australia. Louis qualified as a chartered accountant in South Africa, completing his articles in 2001 at Kotze and Abbott. Louis has over 20 years of accounting, finance and senior management experience including over 15 years' of working in diverse financial roles in the mining industry.

***Employees***

The Enlarged Group has no employees and intends to utilise the services of URI's personnel pursuant to the abovementioned MTSA. Additional technical resources will be sub-contracted or outsourced as required in order to perform physical exploration activities, drilling and the analysis/reporting of results.

**11. Details of the Placing and Subscription and use of proceeds**

Pursuant to the Placing and Subscription, the Company has conditionally raised, in aggregate, £3.33 million (before expenses) for the Company, through the placing of the Placing Shares and the subscription for the Subscription Shares with certain investors at the Placing Price conditional, *inter alia*, upon the Resolutions being approved by Shareholders at the Annual General Meeting and on Admission.

Following Admission, the Placing Shares and Subscription Shares will collectively represent approximately 46.27 per cent. of the Enlarged Share Capital. The Placing and Subscription, which are not underwritten, are conditional upon, *inter alia*, Shareholders passing the Resolutions at the Annual General Meeting and Admission becoming effective by not later than 8.00 a.m. on 25 November 2020 (or such later date as the Company, Strand Hanson and Peterhouse Capital may agree being not later than 15 December 2020). The Placing Shares and Subscription Shares will be issued as fully paid and will, upon issue, rank *pari passu* with the Existing Common Shares including the right to receive all dividends and other distributions declared, made or paid on or in respect of such shares after their date of issue, being the date of Admission.

Following Admission, the Existing Directors and Proposed Director will, in aggregate, hold 11,120,845 New Common Shares, representing approximately 4.25 per cent. of the Enlarged Share Capital, as set out in paragraph 8 of Part VII of this document. Following Admission, certain other significant shareholders, as referred to in paragraph 11 of Part VII of this document, will each hold three per cent. or more of the Enlarged Share Capital. There will be a total of 261,478,810 New Common Shares (including the Placing Shares and Subscription Shares) in issue on Admission. The existing aggregate shareholdings of Shareholders prior to the Placing, Subscription and Admission will be diluted to 42.38 per cent. of the Enlarged Share Capital on Admission and 41.15 per cent. on a fully diluted basis.

The Placing Agreement contains provisions entitling Strand Hanson and/or Peterhouse Capital to terminate the Placing Agreement at any time prior to Admission in certain circumstances including in the event the Subscription monies in respect of the Subscription are not received by the Company prior to the AGM. Further details of the Placing Agreement and Subscription Agreement are set out in paragraphs 13.2(b) and 13.2(p) of Part VII of this document.

The Board expects to utilise the net proceeds of the Placing and Subscription of approximately £2.53 million as follows:

- to satisfy the initial cash consideration in respect of the Acquisition;
- to fulfil the year 1 and 2 expenditure requirements across the GAR Projects of approximately £1.0 million; and
- to satisfy the Enlarged Group's general working capital requirements.

Further details of the Company's planned work programme are set out in the Competent Person's Report in Part VI of this document. The Enlarged Group will require further funding to bring any of the Projects into potential future production.

## 12. Corporate Governance

The Directors recognise the importance of sound corporate governance and have undertaken to take account of the requirements of the QCA Code to the extent that they consider it appropriate having regard to the Company's size, board structure, stage of development and resources. The Board notes that all AIM companies must provide details on their corporate websites of the recognised code that they have decided to apply, how they comply with such code and, where the company departs from such code, an explanation of the reasons for doing so. From Admission, the Enlarged Group's website at [www.richlandresourcesltd.com](http://www.richlandresourcesltd.com) will set out the extent of any non-compliance with the QCA Code by the Enlarged Group on Admission.

The Board will, on Admission, comprise of four Directors (including the Proposed Director) of which one is an executive and three are non-executive, reflecting a blend of different experience, expertise and backgrounds. The Board considers that Melissa Sturgess will be the sole independent non-executive director. Edward Nealon, in light of his significant tenure at the Company since 2004, and Rhoderick Grivas, in light of the potential for him to receive future payments from the Company pursuant to the Tranche 1 Deferred Consideration and Tranche 2 Deferred Consideration aspects of the Acquisition, will not be deemed to be independent non-executive directors. Accordingly, whilst a full corporate governance statement with reference to the QCA code will be provided on the Enlarged Group's website from Admission, the Board notes that the presence of only one independent non-executive director does not currently and will not comply with principle 5 of the QCA Code, namely that a company should have at least two independent non-executive directors. Nevertheless, the Board believes that the proposed Board composition is appropriate in light of the balance of skills and experience of its members and the Company's size and early stage of development at Admission, however it will monitor this position on an ongoing basis as the Enlarged Group grows and develops and seek to make appropriate changes or additions to the composition of the Board as necessary. The Board is satisfied that it will have a suitable balance between independence on the one hand, and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities effectively, and that all Directors will have adequate time to fulfil their roles.

The Board further notes that the Company does not comply with Principle 7 of the QCA Code, being the requirement to evaluate board performance based on clear and relevant objectives, seeking continuous improvement. Given the size and nature of the Company, the Board does not currently consider it appropriate to have a formal performance evaluation procedure in place, as described and recommended in Principle 7 of the QCA Code, but will closely monitor this situation as the Enlarged Group grows.

The Board is responsible for determining policy and business strategy, setting financial and other performance objectives and monitoring achievement throughout the year and all major decisions will be taken by the full Board. The Chairman takes responsibility for the conduct of the Company and Board meetings and ensures that directors are properly briefed to enable full and constructive discussions to take place. The Enlarged Group's day-to-day operations will be managed by Bernard Olivier as Chief Executive Officer. All Directors will have access to the Company's solicitors, along with the Enlarged Group's Company Secretary and any Director requiring independent professional advice in the furtherance of his/her duties may obtain such advice at the expense of the Enlarged Group.

However, no formal procedure has been agreed by the Board regarding the circumstances in which individual directors may take independent professional advice.

The role of the Chairman is also to provide leadership of the Board and ensure its effectiveness on all aspects of its remit to maintain control of the Enlarged Group. In addition, the Chairman is responsible for the implementation and practice of sound corporate governance. The Chairman is considered to have adequate separation from the day-to-day running of the Enlarged Group.

The role of the Chief Executive Officer is to manage and oversee the strategic development of the Enlarged Group and communicate strategy clearly to the Board and, once approved by the Board, implement it.

Under the Company's Bye-laws, the appointment of all new Directors must be ratified by shareholders in a general meeting. In addition, one third of Directors are required to retire and to submit themselves for re-election at each annual general meeting.

From Admission, the Company will have a remuneration committee, an audit committee, a nominations committee and an AIM Rules and MAR Compliance Committee. Details of the responsibilities of each such committee are detailed below.

#### *Remuneration Committee*

The Remuneration Committee will determine the scale and structure of the remuneration of the executive Director and approve the granting of options to Directors, senior employees and consultants and the performance related conditions thereof. The Remuneration Committee will also recommend to the Board a framework for rewarding senior management, including executive directors, bearing in mind the need to attract and retain individuals of the highest calibre and with the appropriate experience to make a significant contribution to the Enlarged Group's development and ensure that the elements of remuneration packages are competitive and help in underpinning the performance-driven culture of the Enlarged Group. The Remuneration Committee will be chaired by Edward Nealon, with its other member being Melissa Sturgess.

#### *Audit Committee*

The Audit Committee will receive reports from management and the external auditors relating to the interim report and the annual report and financial statements, review reporting requirements and ensure that the maintenance of accounting systems and controls is effective. The Audit Committee has and will continue to have unrestricted access to the Company's auditors. The Audit Committee will also monitor the controls which are in force for the Enlarged Group and any perceived gaps in the control environment. The Board believes that the size of the Enlarged Group will not justify the establishment of an independent internal audit department. The Audit Committee will be chaired by Melissa Sturgess, with its other members being Edward Nealon and Bernard Olivier.

#### *Nominations Committee*

The Nominations Committee will be responsible for reviewing and making proposals to the Board on the appointment of directors, reviewing succession plans and ensuring that the performance of directors is assessed on an ongoing basis. The Nominations Committee will be chaired by Edward Nealon, with its other members being Melissa Sturgess and Bernard Olivier.

#### *AIM Rules and MAR Compliance Committee*

The AIM Rules and MAR Compliance Committee will monitor the Company's compliance with the AIM Rules and MAR and seek to ensure that the Company's Nominated Adviser is maintaining contact with the Company on a regular basis and vice versa. The committee will ensure that procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules and MAR. The committee will also ensure that each meeting of the Board includes a discussion of AIM matters and assesses (with the assistance of the Company's Nominated Adviser and other advisers as appropriate) whether the Directors are aware of their AIM responsibilities from time to time and, if not, will ensure that they are appropriately updated on their AIM responsibilities and obligations. The AIM Rules and MAR Compliance Committee will be chaired by Melissa Sturgess and its other member will be Rhoderick Grivas.

### **13. Bribery and anti-corruption policy**

The Company has adopted an anti-corruption and bribery policy which applies to the Board and employees of the Company and will apply to management and employees of the Enlarged Group following Completion of the Acquisition; it also applies to suppliers, contractors and consultants to the Enlarged Group. It generally sets out the responsibilities of the management and employees of, and suppliers, contractors and consultants to, the Enlarged Group in observing and upholding a zero tolerance position on bribery and corruption in all the jurisdictions in which the Enlarged Group operates as well as providing guidance to those working for the Enlarged Group on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, suppliers, contractors and consultants to conduct their day-to-day business activities in an honest and ethical manner, be aware of and refer to this policy in all of their business activities and to conduct business on the Company's behalf in compliance with it.

### **14. Share Dealing Code**

The Company has adopted a share dealing code which sets out the requirements and procedures for the Board and applicable employees' dealings in any of its AIM securities in accordance with the provisions of MAR and of the AIM Rules. Following Admission, the Company will take all reasonable steps to ensure



compliance with the Company's share dealing code by the Directors, related parties and any relevant employees.

#### **15. Dividend policy**

In light of the requirement for investment in the GAR Projects, the Directors do not intend to pay dividends in the foreseeable future.

#### **16. Proposed change of Company name**

As part of the Proposals, the Board intends to change the name of the Company, subject to shareholder approval at the Annual General Meeting, to Lexington Gold Ltd shortly following Admission. The new TIDM/AIM symbol will be LEX once the name change is effected.

#### **17. Proposed Share Consolidation**

Admission is also conditional upon the approval and completion of the Share Consolidation. The Existing Common Share Capital comprises 1,108,172,891 Existing Common Shares outside treasury.

The Share Consolidation, which will take place following (and conditional on) the passing of Resolution 9 to be proposed at the Annual General Meeting, will involve every 10 Existing Common Shares on the Record Date being consolidated into one New Common Share. The rights attached to the New Common Shares will be the same as the rights attaching to the Existing Common Shares and the New Common Shares will trade on AIM in place of the Existing Common Shares.

In order to ensure that a whole number of New Common Shares is created, one of the Existing Common Shares, previously held in treasury, was cancelled by the Company on 30 October 2020.

In accordance with the Bye-laws, the Board has decided that no Shareholder will be entitled to a fraction of a New Common Share as a result of the Share Consolidation and where any Shareholder would otherwise be entitled to a fraction only of a New Common Share in respect of their holding of Existing Common Shares on the date of the Annual General Meeting (a "Fractional Shareholder"), such fractions will, in so far as possible, be aggregated with the fractions of New Common Shares to which other Fractional Shareholders of the Company would be entitled so as to form full New Common Shares ("Fractional Entitlement Shares"). These Fractional Entitlement Shares will be held by the Company in treasury.

The provisions set out above mean that any such Fractional Shareholders will not have a resultant proportionate shareholding of New Common Shares exactly equal to their proportionate holding of Existing Common Shares, and as noted above, Shareholders with only a fractional entitlement to a New Common Share (i.e. those Shareholders holding a total of fewer than 10 Existing Common Shares at the Record Date) will cease to be a Shareholder of the Company.

The Share Consolidation will result in an issued common share capital of 110,817,289 New Common Shares prior to the issue and allotment of the Placing Shares, Subscription Shares, Strand Hanson Fee Shares, Director and Senior Management Fee Shares, the Loan Repayment Shares, CS Jordaan Investments Fee Shares and the Consideration Shares.

The Company will issue new share certificates to those Shareholders holding shares in certificated form to take account of the Share Consolidation. Following the issue of new share certificates, share certificates in respect of Existing Common Shares will no longer be valid.

#### **18. Proposed changes to the Company's Bye-laws**

Whilst remaining a Bermudan registered and domiciled company subject to all relevant regulations within such jurisdiction, the Company is proposing certain changes to update its Bye-laws. These include an amendment which will afford Shareholders the right to consider and pass resolutions on a regular basis with respect to the disapplication of pre-emption rights governing the Directors' share capital authorities, in a similar manner to most other AIM quoted companies, specifically providing pre-emption rights for Shareholders for any issue of new securities, subject to certain exceptions where the Directors can dis-apply pre-emption rights such as, *inter alia*, with prior Shareholder approval, or where new securities are to be issued pursuant to the exercise of any share options issued pursuant to a share option scheme representing up to 10 per cent. of the issued share capital of the Company from time to time.

In addition, a further amendment will provide that, for so long as the Company's share are admitted to trading on AIM, the provisions of Chapter 5 of the disclosure and transparency rules made by the FCA

under Part VI of FSMA (“DTR5”) shall be deemed to apply to the Company, such that shareholders will be required to notify the Company of the percentage of their voting rights in the Company if the percentage of voting rights which they hold, directly or indirectly, reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent., and each 1 per cent. threshold thereafter up to 100% or reaches, exceeds or falls below any of these thresholds as a result of events changing the breakdown of voting rights.

A full summary of the proposed changes to the Company’s Bye-laws is set out in paragraph 7.3 of Part VII of this document and a copy of the proposed Amended Bye-laws (showing the proposed amendments as tracked changes) will also be made available for review by Shareholders on the Company’s website at: [www.richlandresourcesltd.com](http://www.richlandresourcesltd.com). Shareholders are invited to contact the Company Secretary if they have any queries or concerns.

## **19. The City Code on Takeovers and Mergers**

As the Company is incorporated in Bermuda, it is not subject to the City Code. There is no equivalent to the City Code in Bermuda, but there are certain pre-existing provisions in Bye-laws 14 to 16 of the Company’s Bye-laws (to be re-numbered 15 to 17 upon shareholder approval of the proposed amendments to the Bye-laws set out in paragraph 7.3 of Part VII of this document) relating to limitations on the right to hold voting securities and proportional bid approval. Further details of such Bye-laws are set out in paragraph 7 of Part VII of this document.

## **20. Taxation**

Information regarding certain taxation considerations for corporate, individual and trustee Shareholders in the United Kingdom and Bermuda with regard to Admission is set out in paragraph 12 of Part VII of this document. If an investor is in any doubt as to his or her tax position, he or she should immediately consult his or her own independent financial adviser. Investors subject to tax in other jurisdictions are strongly urged to contact their tax advisers about the tax consequences of holding the New Common Shares.

## **21. Admission, settlement and dealings**

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM and, if all of the relevant Resolutions are duly passed at the Annual General Meeting, it is expected that Admission will become effective and dealings in the Placing Shares, the Subscription Shares and other New Common Shares will commence at 8.00 a.m. on 25 November 2020.

**If the Acquisition Resolution and the Share Authority Resolutions are not passed at the Annual General Meeting, the Acquisition, the Placing and the Subscription will not proceed and the Directors will need to consider alternative options for the Company. The Company will have expended sizeable monies in pursuing the proposed transaction and would therefore incur significant abort costs and there can be no guarantee that a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Placing and Subscription can be obtained on a timely basis or at all. Admission to trading on AIM of the Company’s Common Shares will be cancelled pursuant to AIM Rule 41 if a Re-admission Transaction is not completed by 31 December 2020.**

## **22. CREST**

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The Depositary Interests representing Common Shares are eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the New Common Shares may take place via the Depositary Interests within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

For more information concerning CREST, Shareholders should contact their stockbroker or Euroclear UK & Ireland Limited at Watling House, 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 20 7849 0000.



## **23. Lock-in arrangements**

The Rule 7 Locked-In Shareholders, who together will hold approximately 21.73 per cent. of the New Common Shares on Admission, have undertaken to the Company, Strand Hanson and Peterhouse Capital, that they will not dispose of any interest in the New Common Shares held by them for a period of 12 months from the date of Admission.

In addition, the Locked-In Sellers, being the Founder Sellers excluding the Proposed Director who together will hold approximately 3.19 per cent. of the Company's New Common Shares on Admission, have undertaken to the Company, Strand Hanson and Peterhouse Capital, that they will not dispose of any interest in the New Common Shares held by them on Admission for a period of six months from the date of Admission.

Further details of the lock-in arrangements described above are set out in paragraph 13.2(h) of Part VII of this document.

## **24. Share options and warrants**

The Board believes that it is important that directors and employees of, and consultants to, the Enlarged Group are appropriately and properly motivated and rewarded.

Accordingly, the Company has established and adopted a share option scheme in which eligible persons are invited to participate at the discretion of the Board, such scheme being limited in total to 10 per cent. of the Company's issued Common Share capital from time to time. Further details of the scheme can be found in paragraph 6 of Part VII of this document. Shortly following Admission, it is intended that certain Directors and members of senior management will be granted Options over New Common Shares in the Company representing 7.5 per cent. of the Enlarged Share Capital.

In addition, on Admission Strand Hanson and Peterhouse Capital will be issued, in aggregate, 7,844,364 Warrants. Additional information relating to the Warrants to be issued on Admission, is set out in paragraphs 13.2(d) and (g) of Part VII of this document.

## **25. Annual General Meeting**

The formal Notice convening the Annual General Meeting is set out at the end of this document. The Annual General Meeting has been convened for 10.00 a.m. (Bermuda time) on 23 November 2020 at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda when the following Resolutions, which relate to the Proposals and the usual routine business of the Company's Annual General Meetings, will be proposed:

- **Resolution 1: Approval of the re-election of Mr Edward Francis Gerrard Nealon**  
Resolution 1 is an ordinary resolution approving the re-election as a Director of Edward Nealon, who retires by rotation.
- **Resolution 2: Approval of the election of Dr Bernard Olivier as a Director**  
Resolution 2 is an ordinary resolution approving the election as a Director of Bernard Olivier, who was appointed subsequent to the previous annual general meeting of the Company.
- **Resolution 3: Approval of the election of Ms Melissa Josephine Sturgess as a Director**  
Resolution 3 is an ordinary resolution approving the election as a Director of Melissa Sturgess, who was appointed subsequent to the previous annual general meeting of the Company.
- **Resolution 4: Approval of the election of Mr Rhoderick Gordon John Grivas as a Director**  
Resolution 4 is an ordinary resolution approving the election of Rhoderick Grivas (being the Proposed Director) as a Director, such appointment to be conditional upon Completion. The appointment of Mr Grivas as a Director is a condition of the Acquisition and therefore should this resolution not be passed, the Acquisition will not complete.
- **Resolution 5: Re-appointment of Auditor**  
Resolution 5 is an ordinary resolution re-appointing BDO Audit (WA) Pty Ltd as the auditor to the Company and authorising the Directors to agree their fees.

- **Resolution 6: Electronic Communications Authority**

Resolution 6 is an ordinary resolution authorising the Company to send certain communications to shareholders via electronic means.

- **Resolution 7: Approval of the Acquisition**

Resolution 7 is an ordinary resolution to approve the Acquisition. As the Acquisition constitutes a reverse takeover under the AIM Rules for Companies, Shareholder approval is required under the provisions of Rule 14 of the AIM Rules for Companies.

- **Resolution 8: Approval of the change of the Company's name to 'Lexington Gold Ltd'**

Resolution 8 is an ordinary resolution approving the change of the name of the Company to Lexington Gold Ltd.

- **Resolution 9: Approval of the Share Consolidation**

Resolution 9 is an ordinary resolution approving the Share Consolidation. If Resolution 9 is not passed, the placing letters and subscription letter signed by the placees and subscriber in relation to the Placing and the Subscription will no longer be binding as the placing letters and the subscription letter are in respect of subscriptions for New Common Shares.

- **Resolution 10: Approval of an increase in the authorised share capital of the Company**

Resolution 10 is an ordinary resolution to increase the Company's authorised share capital from US\$3 million to US\$9 million.

- **Resolution 11: Adoption of the Amended Bye-laws**

Resolution 11 is an ordinary resolution to adopt the Amended Bye-laws (as further described in paragraph 7.3 of Part VII of this document). It is a requirement of the Company's application for re-admission of the Enlarged Share Capital to trading on AIM that its Bye-laws be amended as summarised in paragraph 7.3 of Part VII of this document.

- **Resolution 12: Disapplication of pre-emption rights contained in the Amended Bye-laws (in connection with the allotment and issue of, *inter alia*, the Consideration Shares)**

The Amended Bye-laws contain certain pre-emption rights in favour of existing shareholders in respect of the issue of further shares by the Company. Resolution 12 is a resolution requiring a seventy-five per cent. (75%) majority of the votes cast to disapply such pre-emption rights in respect of the issue of the Consideration Shares, the Placing Shares, the Subscription Shares potential New Common Shares in settlement of the Tranche 1 Deferred Consideration and Tranche 2 Deferred Consideration, the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares, the Strand Hanson Fee Shares and potential New Common Shares pursuant to the Strand Warrants and the Peterhouse Warrants.

If Resolution 12 is not passed neither the Acquisition nor the Placing nor the Subscription will proceed and the Company's shares will not be re-admitted to trading on AIM.

- **Resolution 13: Disapplication of pre-emption rights contained in the Amended Bye-laws (general)**

The Amended Bye-laws contain certain pre-emption rights in favour of existing shareholders in respect of the issue of further shares by the Company. Resolution 13 is a resolution requiring a seventy-five per cent. (75%) majority of the votes cast to disapply such pre-emption rights and thereby authorise the Board to issue:

- (i) for non-cash consideration, such number of New Common Shares as is equal to 60 per cent. of the total number of New Common Shares in issue from time to time; and
- (ii) for cash consideration, such number of New Common Shares as is equal to 60 per cent. of the total number of New Common Shares in issue from time to time.

The authority created by Resolution 13 will expire at the next following annual general meeting of the Company.

**Resolutions 4, 7, 8, 9, 10, 11, 12 and 13 are inter-conditional. Completion of the Acquisition, the issue of, *inter alia*, the Consideration Shares, the Placing Shares, the Subscription Shares and re-admission of the Enlarged Share Capital to trading on AIM is conditional, amongst other matters, on Shareholders passing Resolutions 4, 7, 9, 10, 11 and 12. If Shareholders do not pass those Resolutions, the Acquisition, the issue of, *inter alia*, the Consideration Shares, the Placing Shares, the Subscription**

**Shares and re-admission of the Enlarged Share Capital to trading on AIM will not proceed and the Directors will need to consider alternative options for the Company. The Company will have expended sizeable monies in pursuing the proposed transaction and would therefore incur significant abort costs and there can be no guarantee that a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Placing and Subscription can be obtained on a timely basis or at all. Admission to trading on AIM of the Company's Common Shares will be cancelled pursuant to AIM Rule 41 if a Re-admission Transaction is not completed by 31 December 2020.**

## **26. Action to be taken**

A Form of Proxy or Form of Instruction (as appropriate) is enclosed with this document for use by Shareholders in connection with the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting, Shareholders are asked to complete, sign and return the Form of Proxy or Form of Instruction (as appropriate) in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy or Forms of Instruction (as appropriate) must be received by the Company's Transfer Secretary, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, as soon as possible and in any event so as to arrive not later than 10.00 a.m. on 19 November 2020, being 48 hours (excluding weekends and public holidays) before the time appointed for the holding of the Annual General Meeting in respect of the Forms of Proxy or 10.00 a.m. on 18 November 2020 in respect of the Forms of Instruction. The completion and return of the Form of Proxy or Form of Instruction (as appropriate) will not preclude Shareholders from attending the Annual General Meeting and voting in person should they wish to do so. Accordingly, whether or not Shareholders intend to attend the Annual General Meeting they are urged to complete and return the Form of Proxy or Form of Instruction (as appropriate) as soon as possible.

## **27. Risk factors and additional information**

Your attention is drawn to the additional information set out in Parts II to VII and Appendix I (inclusive) of this document. You are recommended to read all the information contained in this document and not just rely on the key or summarised information. In particular, Shareholders should read in full the Risk Factors set out in Part II of this document.

The technical information contained in this document has been reviewed and approved by Westoria. Westoria has consented to the inclusion of its CPR and the related technical information in this document in the form and context in which it appears.

## **28. Existing Directors' recommendation and voting intentions**

The Existing Directors consider that the Proposals are in the best interests of Shareholders and the Company as a whole and, accordingly, the Existing Directors unanimously recommend that Shareholders vote in favour of all of the Resolutions to be proposed at the Annual General Meeting, as they intend so to do in respect of their own beneficial holdings of, in aggregate, 47,413,794 Existing Common Shares, representing approximately 4.28 per cent. of the Company's Existing Common Shares.

Yours faithfully,

**Edward Nealon**

*Non-Executive Chairman*

For and on behalf of the Existing Directors

## **PART II**

### **RISK FACTORS**

The investment detailed in this document may not be suitable for all of its recipients and involves a high degree of risk. Before making an investment decision, prospective investors are advised to consult a professional adviser authorised under FSMA who specialises in advising on investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

The exploration for and development of natural resources is a highly speculative activity which involves a high degree of risk. Accordingly, the Common Shares should be regarded as a highly speculative investment and an investment in the Company should only be made by those with the necessary expertise to evaluate the investment fully.

The Enlarged Group's business, financial condition and results of operations could be materially and adversely affected by any of the risks described below. In such cases, the market price of the Common Shares may decline and investors may lose all or part of their investment.

In addition to the other relevant information set out in this document, the Directors consider that the following risk factors, which are not set out in any particular order of priority, magnitude or probability, are of particular relevance to the Enlarged Group's activities and to any investment in the Company. It should be noted that additional risks and uncertainties not presently known to the Directors or which they currently believe to be immaterial may also have an adverse effect on the Enlarged Group's operating results, financial condition and prospects. Any one or more of these risk factors could have a materially adverse impact on the value of the Enlarged Group and should be taken into consideration when assessing the Company.

There can be no certainty that the Enlarged Group will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future performance of the Enlarged Group and there can be no assurance that the Enlarged Group will achieve its objectives.

#### **RISKS RELATING TO THE BUSINESS OF THE ENLARGED GROUP**

##### ***Title matters***

Whilst the Enlarged Group has diligently investigated its title to, and rights and interests in, the Mining Lease Agreements that constitute the GAR Projects, and, to the best of its knowledge, such title, rights and interests are in good standing, this should not be construed as a guarantee of the same. The Mining Lease Agreements may be subject to undetected defects. If a defect does exist, it is possible that the Enlarged Group may lose all or part of its interest in the Mining Lease Agreements to which the defect relates and its planned exploration programme and future activities and prospects may accordingly be adversely affected. At Admission, the Enlarged Group will be interested in twelve Mining Lease Agreements with separate landowners covering, in aggregate, 1,547.24 acres (three covering the 391.98 acre Carolina Belle Project, one covering the 398.98 acre Jennings-Pioneer Project, one covering the 382.13 acre Argo Project, and seven covering the 374.15 acre JKL Project).

##### ***Prior Security Interests***

Each of the Mining Lease Agreements which constitute the GAR Projects consists of a contractual right for the Enlarged Group to carry out exploration activities on the property subject to the relevant agreement. As is typical in a U.S. rural area in which the GAR Projects are located, some of the underlying landowners who are counterparties to the Mining Lease Agreements have entered into prior mortgages which are secured over the properties which are subject to the mineral leases.

The Company has received legal advice from local counsel that certain of these mortgages, where the lender has not subordinated them to the Mining Lease Agreements, constitute a prior/senior ranking interest over the relevant properties and, as such, were the underlying landowner(s) to fall into default on their mortgage, the relevant mortgagee would have the ability to commence foreclosure proceedings in respect of such mortgage. Were such potential foreclosure proceedings to progress all the way to a completed foreclosure sale to a third party buyer, that buyer would not be bound by the Enlarged Group's Mining Lease Agreement for the tract of land which was subject to a foreclosure sale and would have the ability to terminate the Enlarged Group's rights over the relevant property. This would not prevent the Enlarged Group

seeking to enter into a new mining lease agreement with the successful buyer in the foreclosure sale but this may not be possible and/or the terms of such new mining lease agreement may not be as favourable as the existing Mining Lease Agreement in relation to the tract of land concerned.

In the event of a foreclosure in such circumstances, the Enlarged Group would need to negotiate with the underlying landowner(s), the relevant mortgagee and/or potentially any third party buyer of the relevant property in the foreclosure sale in order to maintain its title to, and rights and interests in the Mining Lease Agreement and underlying property.

At Admission, five of the twelve Mining Lease Agreements with separate landowners covering approximately 249 acres (67 per cent.) of the JKL Project in Randolph County, North Carolina, are subject to separate mortgages in the names of the relevant landowners which have not been subordinated to the Enlarged Group's Mining Lease Agreements (the "Unsubordinated Mortgages"); in each instance the Enlarged Group has the option to purchase the relevant JKL Project property from the individual landowner at an exercise price currently in excess of the capital amount registered in respect of their mortgages.

As of May 2020, the foreclosure rate in Randolph County, North Carolina was reported to be 1 in 15,485. The Enlarged Group has filed at the relevant county land registry in North Carolina a 'Request for Notice of Sale' which requires the relevant lending institution in respect of an Unsubordinated Mortgage over the tract of land in question to provide notice of any foreclosure sale, thereby enabling the Enlarged Group to contact the landowner(s) and/or mortgagee on a timely basis to seek to protect its position.

Four of the five Unsubordinated Mortgages provide that if a foreclosure process is started it can be stopped by the borrower paying only the arrears on the mortgage and the expenses incurred in enforcing the mortgage and by curing non-payment defaults under the mortgage, within a specified time period prior to the foreclosure sale (a "Reinstatement") rather than having to repay the whole amount outstanding or negotiate a settlement arrangement with the lender. The single Unsubordinated Mortgage that at Admission does not include automatic provisions for Reinstatement had a balance outstanding as at 11 May 2020 of less than US\$225,000 (approximately £175,780).

At Admission, none of the landowners in relation to (i) the Carolina Belle Project, (ii) the Jennings-Pioneer Project, or (iii) the Argo Project have an Unsubordinated Mortgage registered.

In the event that the lender of an Unsubordinated Mortgage was to issue a foreclosure notice, and the Enlarged Group: (i) was not able to assist the relevant underlying landowner(s) to cure their default; or (ii) was not able to reach an agreement with (a) the mortgagee, or (b) any third party purchaser at foreclosure of the relevant property; or (iii) was unable or chooses not to make a successful bid at the foreclosure sale; or (iv) was unable to fund or chooses not to exercise its option over the specific, individual tract of land subject to foreclosure, then there is a risk that access to, occupation and exploration of or mining rights to, that specific tract of land subject to a foreclosure by the Enlarged Group may be delayed, prohibited or terminated and the Enlarged Group's exploration and mining rights, activities and prospects may accordingly be adversely affected.

The Directors and Proposed Director have no reason to believe that any of the relevant landowners are currently in, intend to, or would wish to or will, fall into a default position which could ultimately lead to a foreclosure sale to a third party (although two of those Landowners have in the past been in defaults that have since been cured), but such events are out of the direct control of the Enlarged Group and there can be no guarantee that they will not occur and that mining rights to the relevant element(s) of the JKL Project will not be terminated without compensation. Were all five tracts of land subject to Unsubordinated Mortgages (each of which have separate, independent landowners with separate mortgages) to suffer a foreclosure sale resulting in termination of the Enlarged Group's mining rights without compensation, and/or the Enlarged Group was unable to enter into a new mining lease agreement(s) with the relevant buyer(s) on terms commercially acceptable to the Enlarged Group, this would have a consequent material adverse effect of the Enlarged Group's interest in the JKL Project (but not its interests in the Carolina Belle Project, Jennings-Pioneer Project or Argo Project) and may have a material adverse effect on the Enlarged Group's business, financial condition, results of operations and prospects depending on the importance of the JKL Project to the Enlarged Group's operations and prospects at the time of any such foreclosure sale(s).

#### ***Historic Third Party Mining Interests***

In respect of properties underpinning two of the Mining Lease Agreements (one of the seven properties constituting the JKL Project and one of the three properties constituting the Carolina Belle Project) three possible historic mining interests held by a third party have been identified from the Company's title



investigations and searches by local counsel. Such potential interests date back to 1981, 1983 and 1994 respectively and are recorded on the relevant public registers.

A similar potential historic mining interest in favour of a different third party mining company, dating back to 1990, has also been identified in respect of the property underpinning the Mining Lease Agreement which constitutes the Jennings-Pioneer Project.

The Company has received legal advice from local counsel that if such historic mining interests were still to be valid/subsisting, and were exclusively in favour of the relevant third party, then the discovery and mining of gold or other minerals from the relevant affected properties would arguably redound to the benefit of the third party concerned.

Local counsel has confirmed that the continuance of each of the four identified historic mining interests is recorded as being dependent upon the relevant third party continuing to pay rental or royalties to the relevant landowners in accordance with the provisions of the relevant historic mining lease agreements.

Furthermore, local counsel has established that the successor entity to the named original third party in respect of the historic mining interests identified in respect of the JKL Project and the Carolina Belle Project is recorded as having been administratively dissolved by the North Carolina Secretary of State in January 2015 for failure to comply with its statutory filing obligations.

Local counsel has advised that it is possible that all of the abovementioned historic mining interests may have lapsed or been terminated due to the failure of the third parties concerned to continue to pay rental or royalties to the relevant landowners, although there is nothing appearing on the public record to confirm that fact.

Accordingly, the Company has sought and obtained affidavits from each of the relevant underlying landowners of the affected properties in respect of the JKL Project and the Carolina Belle Project that, throughout their period of ownership, no third party has occupied their respective property or performed mining, mineral exploration or removal activities or any other activities pursuant to the historic mining interests, and nor have they received any rental or royalty payments from the relevant third party or any other person. The Company has sought and obtained an affidavit from the owner of the affected property in respect of the Jennings-Pioneer Project that there are no leases on such property other than the lease with Project Jennings-Pioneer LLC in respect of the Jennings-Pioneer Project.

Furthermore, the Company has obtained binding offers of title insurance issued by Chicago Title Insurance Company through its local issuing agent, Chicago Title Company LLC (in relation to the Argo Project, Carolina Belle Project and JKL Project) and issued by Fidelity National Title Insurance Company through its local issuing agent, Paltar Agency Inc (in relation to the Jennings-Pioneer Project) in the amount of US\$1m of coverage per GAR Project, with the policy terms in each case covering the risk relating to such potential third party historic mining interests and the Company intends to enter into such policies shortly following Admission. The form of the affidavits from the landowners referred to in the preceding paragraph have been agreed with each of the respective title insurance companies described above.

In the event that any historic third party mining interests were to be valid and subsisting, there is a risk that access to, occupation and exploration of, or mining rights to, the affected properties concerned by the Enlarged Group may be prohibited or terminated and the Enlarged Group's exploration and mining rights, activities and prospects may accordingly be adversely affected and, subject to a successful claim(s) under the planned aforementioned insurance coverage, that the Enlarged Group's business, financial condition and results of operations may also similarly be adversely affected.

#### *Historic Third Party Reservation of Mineral Rights*

In respect of the property underpinning the Mining Lease Agreement which constitutes the Jennings-Pioneer Project, an historic general reservation of mineral rights, dating back to 1988, in favour of two timber companies has also been identified in relation to 8.72 acres (the "**Affected Area**") out of the total project area of 398.98 acres.

In the event that any historic third party reservation of mineral rights were to still be enforceable, and the Company wished to develop the Affected Area there is a risk that the Enlarged Group's mineral rights may accordingly be adversely affected in respect of the Affected Area and that the Enlarged Group's business, financial condition and results of operations may also similarly be adversely affected. The Directors consider this to be a negligible risk in the context of the Jennings-Pioneer Project and the Enlarged Group's business as a whole.

### ***Limited operating history***

GAR and the Enlarged Group are recently formed and do not therefore have an established trading record making it difficult for prospective investors to evaluate the Enlarged Group's business and future prospects. In particular, GAR and the GAR Projects are at an early stage of exploration and development with operating losses expected to be incurred for the foreseeable future. At Admission, the Enlarged Group will have no projects producing positive net cash flow and its ultimate success will depend on its ability to raise further capital for its operational requirements and those of the GAR Projects as and when required. GAR has not earned income or profits to date and there can be no assurance that it will do so in the future or that it will be successful in achieving a return on shareholders' investment. Significant capital investment will be required to achieve potential future commercial production from successful exploration efforts and to establish any future mining operations and there is no guarantee that the Enlarged Group will be able to raise the required funds to progress such activities.

### ***Early stage of operations***

GAR's operations are at an early stage of development and future success will depend on the Directors' ability to manage the current Projects and to take advantage of further opportunities which may arise. There can be no guarantee that the Enlarged Group can or will be able to, or that it will be commercially advantageous for the Enlarged Group to, develop the GAR Projects. Furthermore, the Enlarged Group has no properties producing positive cash flow and its ultimate success will depend on the Directors' ability to implement their strategy, generate cash flow from economically viable projects and access equity markets. Whilst the Directors are optimistic about the Enlarged Group's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Enlarged Group will not generate any material income until mining has successfully commenced and in the meantime the Enlarged Group will continue to expend its cash reserves and may, in due course, need to raise additional equity capital and/or debt.

### ***General exploration and mining extraction risks***

The business of exploration for, and development and exploitation of, mineral deposits is speculative and involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Mineral deposits assessed by the Enlarged Group may not ultimately contain economically recoverable volumes of resources and even if they do, delays in the construction and commissioning of mining projects or other technical difficulties may result in any projected target dates for production being delayed or further capital expenditure being required.

The operations of the Enlarged Group may be disrupted, curtailed, delayed or cancelled by a variety of risks and hazards which are beyond the control of the Enlarged Group, including unusual or unexpected geological formations, formation pressures, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards, technical failures, mechanical difficulties, equipment shortages, labour disputes, fires, explosions, power outages, rock falls, landslides, flooding and extended interruptions due to inclement or hazardous weather conditions, explosions and other acts of God. Any one of these risks and hazards could result in work stoppages, damage to, or destruction of, the Enlarged Group's facilities, personal injury, damage to life or property, environmental damage or pollution, business interruption, monetary losses and possible legal liability which could have a material adverse impact on the business, operations and financial performance of the Enlarged Group. Although precautions to minimise risk will be taken, even a combination of careful evaluation, experience and knowledge will not eliminate all of the hazards and risks. In particular, no assurance can be given that the Enlarged Group will be able to obtain insurance coverage in respect of such risks at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any claims arising. The Enlarged Group may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

As is common with many exploration ventures, there is also uncertainty and therefore risk associated with the Enlarged Group's operating parameters and costs which can be difficult to predict and are often affected by factors outside of the Enlarged Group's control. Few properties which are explored are ultimately developed into producing assets/mines. There can be no guarantee that any estimates of quantities and grades of gold and potentially other minerals discovered by the Enlarged Group will be available to exploit or extract. If reserves are developed, it can take significant expenditure and a number of years from the initial phases of drilling and identification of mineralisation until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish mineral reserves through drilling and, in the case of new properties, to potentially ultimately construct mining and



processing facilities. With many natural resources operations there is also uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions.

Mineral exploration is highly speculative in nature, involves many risks and uncertainties and is frequently unsuccessful. No assurance can be given that the exploration programmes undertaken by the Enlarged Group will result in any new commercial mining operations being brought into production or result in an increase in the Enlarged Group's resource base.

#### ***Reserve and resource estimates***

No assurance can be given that any mineral reserves and resources reported by the Enlarged Group in the future are present as estimated, will be recovered at the rates estimated or that they can be brought into profitable production. Mineral reserve and resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative and the consistency and reliability of ore grades cannot be guaranteed. Mineral reserve and resource estimates may require revisions and/or changes (either up or down) based on actual production experience and in light of the prevailing market price of the resource being mined. A decline in the market price for natural resources that the Enlarged Group may discover could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources.

#### ***Ability to exploit successful discoveries***

It is possible that the Enlarged Group may not be able to exploit commercially viable discoveries in which it acquires an interest. Exploitation may require external approvals or consents from relevant authorities and the granting of such approvals and consents is beyond the Enlarged Group's control. For instance, purchase agreements or standard offtake contracts in certain jurisdictions are subject to approval by local, state, provincial or national commissions or other regulatory authorities. The granting of such approvals and consents may be withheld for lengthy periods, not given at all, or granted subject to the satisfaction of certain conditions which the Enlarged Group may not be able to meet. As a result of such delays, the Enlarged Group may incur additional costs, losses of revenue or part or all of its equity in a lease or project. Additionally, should the regulatory regime in an applicable jurisdiction be modified in a manner which adversely affects natural resources facilities or projects, including in taxes and permit fees, the returns to the Enlarged Group may be adversely affected.

#### ***Inherent mining risks***

Exploration and mining is carried out in an environment where not all events are predictable. Whilst an effective management team can both identify the known risks and take measures to manage and mitigate these risks, there is still the possibility for unexpected and unpredictable events to occur. It is therefore not possible to remove all risks or to state with any degree of certainty that an event that may have a material impact on the operation of any future mine will not occur.

#### ***Payment obligations***

Under the Mining Lease Agreements and certain other contractual agreements to which the Enlarged Group is, or may in the future become, a party, the Enlarged Group is, or may become, subject to payment and other obligations. If such obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Enlarged Group. The Enlarged Group may not have, or be able to obtain, sufficient funding for all such obligations as they arise.

#### ***Labour***

Certain of the Enlarged Group's operations may be carried out under potentially hazardous conditions. Whilst the Enlarged Group intends to operate in accordance with relevant health and safety regulations and requirements, the Enlarged Group remains susceptible to the possibility that liabilities might arise as a result of accidents or other workforce-related misfortunes, some of which may be beyond the Enlarged Group's control.

Further, the Enlarged Group may struggle to recruit and retain miners, engineers and other important members of the workforce required to run a full exploration or mining programme. Shortages of labour, or of skilled workers, may cause delays or other stoppages during exploration and any future mining activities.

### ***Environmental, health and safety laws, regulations and standards***

The Enlarged Group will be subject to a broad range of laws, regulations and standards, including those relating to pollution, the health and safety of employees, protection of the public, protection of the environment and the handling of waste materials.

Environmental, health and safety regulations and standards are becoming increasingly stringent. Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the Enlarged Group's activities, the extent of which cannot be predicted and which may well be beyond the capacity of the Enlarged Group to fund.

It is the Enlarged Group's policy to require that all of its subsidiary undertakings, employees, suppliers and sub-contractors comply with applicable laws, regulations and standards. However, violations of such laws, regulations and standards, in particular environmental and health and safety laws, could result in restrictions on the operations of the Enlarged Group's sites, damages, fines or other sanctions, increased costs of compliance with potential reputational damage and potential loss of future contracts.

### ***Litigation***

While the Enlarged Group currently has no material outstanding litigation, there can be no guarantee that the current or future actions of the Enlarged Group will not result in litigation since the mining industry, as with all industries, is subject to legal claims, both with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Enlarged Group's financial position or results of operations.

### ***Future financing requirements***

The Enlarged Group anticipates making substantial expenditures for the exploration, development and potential future exploitation of its Projects and any additional portfolio assets. The Enlarged Group's cash flow from its assets, none of which will be generating income at Admission, may not be sufficient to fund its ongoing activities at all times. From time to time, the Enlarged Group may require additional financing in order to carry out its exploration and development activities. The Enlarged Group's ability to externally finance its capital requirements is dependent on, among other factors:

- the overall state of the capital markets;
- commodity prices;
- interest rates;
- the operational and financial performance of the Enlarged Group;
- tax burden due to current and future tax laws; and
- investor appetite for investments in the mining sector, the Company's projects and the Company's securities.

Failure to obtain additional financing on a timely basis could cause the Enlarged Group to forfeit its interest in certain properties, miss certain acquisition opportunities and/or reduce or terminate its operations. To the extent that external sources of capital become limited, unavailable or only available on onerous terms, the Enlarged Group's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be affected materially and adversely as a result. Alternatively, any available financing may be highly dilutive to existing Shareholders. Failure to obtain any additional financing necessary for the Enlarged Group's capital expenditure plans may result in a delay in the exploration and development of or potential future production from the Enlarged Group's projects.

### ***Exchange rate risks***

The Placing Shares and Subscription Shares are priced in pounds sterling, and will be quoted and traded in pounds sterling whereas the GAR Projects are located in the United States where costs will primarily be denominated in USD and the Minimum Funding Contributions and Extended Period funding contributions in respect of the Projects are specified in AUD. Accordingly, currency fluctuations may affect the Enlarged Group's operating cash flow and cause fluctuations in its financial results which are not necessarily related to its underlying operations. The Enlarged Group does not currently have a foreign currency hedging policy in place and, if and when appropriate, the adoption of such a policy will be considered by the Board.

Shareholders are subject to risks arising from adverse movements in the value of their local currencies, which may reduce the value of the Placing Shares and the Subscription Shares in their local currency, as well as that of any potential future dividends.

#### ***Lack of City Code protection***

As the Company is incorporated in Bermuda, it is not subject to the provisions of the City Code and, as such, Shareholders will not be afforded the various protections conferred by the rules of the City Code. There is no equivalent to the City Code in Bermuda, but there are certain pre-existing provisions in Bye-laws 14 to 16 of the Company's Bye-laws (to be re-numbered 15 to 17 upon adoption of the Amended Bye-laws) relating to limitations on the right to hold voting securities and proportional bid approval. Further details of such Bye-laws are set out in paragraph 7 of Part VII of this document.

### **GENERAL RISKS**

#### ***Share price volatility and liquidity***

Although the Company is applying for the Enlarged Share Capital to be admitted to trading on AIM, there can be no assurance that an active or liquid trading market for the New Common Shares will develop or, if developed, that it will be maintained. AIM is a market designed primarily for emerging or smaller growing companies which carry a higher than normal financial risk and tend to experience lower levels of liquidity than larger companies. Accordingly, AIM may not provide the liquidity normally associated with the Official List or some other stock exchanges. The New Common Shares may therefore be difficult to sell compared to the shares of companies listed on the Official List and the share price may be subject to greater fluctuations than might otherwise be the case.

The Company is principally aiming to achieve capital growth and, therefore, New Common Shares may not be suitable as a short-term investment. Consequently, the share price may be subject to greater fluctuation on small volumes of shares traded, and thus the New Common Shares may be difficult to sell at a particular price. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the New Common Shares may not reflect the underlying value of the Company. There can be no guarantee that the value of an investment in the Company will increase. Investors may therefore realise less than, or lose all of, their original investment.

The share prices of publicly quoted companies can be highly volatile and shareholdings illiquid. The price at which the New Common Shares are quoted and the price which investors may realise for their New Common Shares may be influenced by a large number of factors, some of which are general or market specific, others which are sector specific and others which are specific to the Enlarged Group and its operations. These factors include, without limitation, the performance of the Company and the overall stock market, large purchases or sales of New Common Shares by other investors, changes in legislation or regulations and changes in general economic, political or regulatory conditions and other factors which are outside the control of the Company.

Shareholders may sell their New Common Shares in the future to realise their investment. Sales of substantial amounts of New Common Shares following Admission, or the perception that such sales could occur, could materially adversely affect the market price of the New Common Shares available for sale compared to the demand to buy New Common Shares. Such sales may also make it more difficult for the Company to sell equity securities in the future at a time and price that is deemed appropriate. There can be no guarantee that the price of the New Common Shares will reflect their actual or potential market value or the underlying value of the Enlarged Group's net assets and the price of the New Common Shares may decline below the Placing Price.

#### ***Dividends***

There can be no assurance that the Company will declare dividends or as to the level of any future dividends. The declaration and amount of any dividends of the Company is subject to the discretion of the directors of the Company at the relevant time and will depend upon, among other things, the Enlarged Group's earnings, financial position, cash requirements and availability of distributable profits, as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

#### ***Taxation***

The attention of potential investors is drawn to paragraphs 12.1 and 12.2 of Part VII of this document headed "UK Taxation" and "Bermuda Taxation". The relevant tax rules and their interpretation relating to an investment in the Company may change during its life.

Any change in the Company's tax status or in taxation legislation could affect the value of the investments held in the Company and the Company's ability to provide returns to Shareholders. Statements in this document concerning the taxation of investors in Common Shares are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

### ***Dilution***

If the Company were to offer equity securities for sale in the future, Shareholders not participating in such equity offerings may be diluted. The Company may also, from time to time, issue New Common Shares, warrants and/or options to subscribe for new New Common Shares, including (without limitation) to certain advisers, employees, directors, senior management and consultants. The exercise of such warrants and/or options may also result in dilution of the shareholdings of other investors.

Upon issue of the Consideration Shares, the Strand Hanson Fee Shares, the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares, the Subscription Shares and the Placing Shares, the Existing Common Shares in the Company will represent 42.38 per cent. of the total issued shares (excluding treasury shares) immediately following Admission (and assuming no further shares are issued by the Company prior to the Admission of the Enlarged Group to trading on AIM).

### ***Share Options and Warrants***

As detailed in paragraphs 8.2, 13.2(d) and 13.2(g) of Part VII to this document, the Company intends to grant a number of share options and warrants to, amongst others, the Existing Directors, the Proposed Director, certain members of senior management and certain of its existing professional advisers. The Company may, in the future, issue further share options and/or warrants to subscribe for New Common Shares to certain advisers, employees, directors, senior management and consultants of the Enlarged Group. The exercise of any such share options and warrants would result in dilution of the shareholdings of other investors.

### ***The Enlarged Group may be subject to force majeure risks***

The Enlarged Group's operations now or in the future may be adversely affected by risks outside the control of the Enlarged Group such as labour unrest, civil disorder, war, terrorist attacks, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics including Coronavirus outbreaks or quarantine restrictions.

### ***Lock-in arrangements***

Whilst certain holders of Common Shares have agreed to certain lock-in arrangements in respect of the New Common Shares to be held by them on Admission, a significant proportion of the Company's Enlarged Share Capital will not be subject to lock-in arrangements and in any event after the existing lock-in arrangements cease to apply there will be no contractual restriction on the sale of the New Common Shares held by the locked-in Shareholder. The Company is unable to predict whether substantial amounts of Common Shares will be sold in the market especially following termination of the lock-in restrictions, the terms of which are summarised in paragraph 13.2(h) of Part VII of this document. Any sales of substantial amounts of Common Shares in the open market, or the perception that such sales might occur, could materially and adversely affect the market price of the Common Shares.

### ***COVID -19***

At the date of this document, the COVID-19 pandemic announced by the World Health Organisation is having a markedly negative impact on global stock markets, currencies and general business activity including in the United Kingdom (where the Company is quoted), Bermuda (where the Company is incorporated), the United States (where the GAR Projects are located) and Australia (where GAR is incorporated). The Company has developed a policy and is evolving procedures to address the health and wellbeing of its directors, consultants and contractors, and their families, in the face of the COVID-19 outbreak. The timing and extent of the impact and recovery from COVID-19 is unknown as is the effect it may in the future have on the Enlarged Group's operations and assets.

### ***Forward-looking statements***

Historical facts, information gained from historic performance, present facts, circumstances and information and assumptions from all or any of these are not a guide to the future. Statements as to the Enlarged

Group's aims, targets, plans and intentions and any other forward-looking statement referred to or contained herein are no more than that and do not comprise forecasts. Any such forward-looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, outcome, financial condition, performance, achievements or findings of the Enlarged Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements.

**It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Enlarged Group is or may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Enlarged Group.**

**If any of the risks referred to in this Part II of this document crystallise, the Enlarged Group's business, financial condition, results and future operations could be materially adversely affected. In such case, the price of its Common Shares could decline and investors may lose all or part of their investment.**

## **PART III**

### **HISTORICAL FINANCIAL INFORMATION ON THE COMPANY**

In accordance with Rule 28 of the AIM Rules for Companies, this document does not contain historical financial information on the Company which would otherwise be required by Section 18 of Annex I of the Prospectus Regulation Rules.

The following documents are instead incorporated by reference into this document:

- the unaudited consolidated financial statements of Richland set out in the interim results of the Company for the six months ended 30 June 2020 (the “2020 Interim Results”);
- the consolidated financial statements of Richland set out in the annual report and accounts of the Company for the financial year ended 31 December 2019, together with the audit report thereon (the “2019 Annual Report”);
- the consolidated financial statements of Richland set out in the annual report and accounts of the Company for the financial year ended 31 December 2018, together with the audit report thereon (the “2018 Annual Report”); and
- the consolidated financial statements of Richland set out in the annual report and accounts of the Company for the financial year ended 31 December 2017, together with the audit report thereon (the “2017 Annual Report”).

BDO Audit (WA) Pty Ltd, 38 Station Street, Subiaco, WA 6008, Australia has issued an unqualified audit opinion on the consolidated financial statements of Richland for each of the years ended 31 December 2019, 2018 and 2017.

The 2020 Interim Results, 2019 Annual Report, the 2018 Annual Report and the 2017 Annual Report are available at: [www.richlandresourcesltd.com](http://www.richlandresourcesltd.com) and contain information which is relevant to this document.



## PART IV

### HISTORICAL FINANCIAL INFORMATION ON GAR

#### SECTION A: HISTORICAL INFORMATION AND ACCOUNTANTS' REPORT ON GAR

PKF Littlejohn LLP



Accountants &  
business advisers

The Directors and Proposed Director  
Richland Resources Ltd  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

and

The Directors  
Strand Hanson Ltd  
26 Mount Row  
London  
W1K 3SQ

30 October 2020

Dear Sirs

#### **Global Asset Resources Limited (“GAR”)**

##### **Introduction**

We report on the historic financial information set out in Section A of Part IV (the “Financial Information”) relating to Global Asset Resources Limited (“GAR”). This information has been prepared for inclusion in the AIM admission document dated 30 October 2020 (the “Admission Document”) relating to the proposed re-admission to AIM of Richland Resources Ltd (the “Company”) and on the basis of the accounting policies set out in note 2 herein. This report is given for the purposes of complying with paragraph (a) of Schedule Two of the AIM Rules for Companies and for no other purpose.

##### **Responsibility**

The Directors of the Company are responsible for preparing the Financial Information on the basis of preparation set out in the notes to the Financial Information and in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

It is our responsibility to form an opinion as to whether the Financial Information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

##### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to GAR and consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

### **Opinion**

In our opinion, the Financial Information gives, for the purpose of the Admission Document dated 30 October 2020, a true and fair view of the state of affairs of Global Asset Resources Limited as at 30 June 2018 and 2019 and of its results, cash flows and changes in equity for the periods then ended in accordance with the applicable financial reporting framework and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

### **Declaration**

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully

**PKF Littlejohn LLP**  
Reporting Accountants

# HISTORICAL FINANCIAL INFORMATION ON GLOBAL ASSET RESOURCES LIMITED

## Statement of Comprehensive Income For the periods ended 30 June 2019 and 2018

		Year ended 30 June 2019 \$	Period ended 30 June 2018 \$
<b>Revenue</b>	Note	—	—
<b>Expenses</b>			
Administrative expenditure	4	(252,012)	(145,327)
Other financial income		1,386	1,457
		<u>(250,626)</u>	<u>(143,870)</u>
<b>Loss before tax</b>		<u>(250,626)</u>	<u>(143,870)</u>
Tax expense	5	—	—
		<u>(250,626)</u>	<u>(143,870)</u>
<b>Loss for the period</b>		<u>(250,626)</u>	<u>(143,870)</u>
<b>Total comprehensive income</b>		<u>                    </u>	<u>                    </u>
<b>Total comprehensive loss for the period</b>		<u><u>(250,626)</u></u>	<u><u>(143,870)</u></u>

The notes to the financial information are included below and form an integral part of the historical information.

**Statement of Other Comprehensive Income**  
**For the periods ended 30 June 2019 and 2018**

	<b>Year ended 30 June 2019</b>	<b>Period ended 30 June 2018</b>
	<b>\$</b>	<b>\$</b>
<b>Loss for the year</b>	<b>(250,626)</b>	<b>(143,870)</b>
Other comprehensive income	—	—
<b>Total comprehensive loss for the period</b>	<b><u>(250,626)</u></b>	<b><u>(143,870)</u></b>

The notes to the financial information are included below and form an integral part of the historical information.

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2019 and 2018

	Note	30 June 2019 \$	30 June 2018 \$
<b>Current assets</b>			
Other receivables	6	3,715	7,454
Cash and cash equivalents		199,594	498,460
<b>Total assets</b>		<b>203,309</b>	<b>505,914</b>
<b>Current liabilities</b>			
Trade and other payables	7	56,105	108,084
<b>Total liabilities</b>		<b>56,105</b>	<b>108,084</b>
<b>Net assets</b>		<b>147,204</b>	<b>397,830</b>
<b>Equity attributable to owners of the parent</b>			
Share capital	8	541,700	541,700
Accumulated losses		(394,496)	(143,870)
<b>Total equity</b>		<b>147,204</b>	<b>397,830</b>

The notes to the financial information are included below and form an integral part of the historical information.

**STATEMENT OF CHANGES IN EQUITY**  
**For the periods ended 30 June 2019 and 2018**

	Note	Share capital \$	Accumulated losses \$	Total \$
<b>Balance as at 28 April 2017</b>		—	—	—
Loss for the period		—	(143,870)	(143,870)
<b>Total comprehensive loss for the period</b>		—	<b>(143,870)</b>	<b>(143,870)</b>
Issue of shares	8	541,700	—	541,700
Balance as at 30 June 2018		<b>541,700</b>	<b>(143,870)</b>	<b>397,830</b>
<b>Balance as at 1 July 2018</b>		<b>541,700</b>	<b>(143,870)</b>	<b>397,830</b>
Loss for the year		—	(250,626)	(250,626)
<b>Total comprehensive loss for the year</b>		—	<b>(250,626)</b>	<b>(250,626)</b>
<b>Balance as at 30 June 2019</b>		<b>541,700</b>	<b>(394,496)</b>	<b>147,204</b>

The notes to the financial information are included below and form an integral part of the historical information.



## CASH FLOW STATEMENTS

For the periods ended 30 June 2019 and 2018

		Year ended 30 June 2019	Period ended 30 June 2018
	Note	\$	\$
<b>Cash flows from operating activities</b>			
Loss		(250,626)	(143,870)
<i>Adjustments for:</i>			
(Increase)/decrease in trade and other receivables	6	3,739	(7,454)
(Increase)/decrease in trade and other payables	7	(51,979)	108,084
Non-cash expenditure (share based payment)		—	10,000
<b>Cash generated from operations</b>		<b>(298,866)</b>	<b>(33,240)</b>
Income taxes paid		—	—
Net cash flows from operating activities		<b>(298,866)</b>	<b>(33,240)</b>
<b>Financing activities</b>			
Proceeds from equity issued		—	677,500
Equity costs		—	(145,800)
<b>Net cash used in financing activities</b>	8	<b>—</b>	<b>531,700</b>
<b>Net increase in cash and cash equivalents</b>		<b>(298,866)</b>	<b>498,460</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>498,460</b>	<b>—</b>
<b>Cash and cash equivalents at end of period</b>		<b>199,594</b>	<b>498,460</b>

The notes to the financial information are included below and form an integral part of the historical information.

## NOTES TO THE FINANCIAL INFORMATION

### 1. General Information

The principal activity of Global Asset Resources Limited (“GAR” or the “Company”) is the identification, evaluation and development of mineral deposits in Australia and overseas. GAR is incorporated and domiciled in Australia. The address of its registered office is at c/- Moray & Agnew Lawyers, Level 6, 505 Little Collins Street, Melbourne, VIC 3000.

### 2. Accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of this Historic Financial Information to the extent they have not already been disclosed in the other notes. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### 2.1. Basis of preparation of financial information

##### (i) *Compliance with IFRS and historical cost convention*

This financial information of Global Asset Resources Limited has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with the requirements of the AIM Rules for Companies published by the London Stock Exchange plc and has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) and in accordance with IFRS interpretations Committee (IFRS IC) interpretations and the policies stated elsewhere within the financial information.

The Financial Information has also been prepared under the historical cost convention.

##### (ii) *Functional and presentational currency*

The Financial Information is presented in Australian Dollars, rounded to the nearest dollar, and this is GAR’s functional and presentational currency.

##### (iii) *Accounting judgements and estimates*

The preparation of Financial Information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying GAR’s Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in the relevant notes to the financial information.

##### (iv) *Significant Accounting Policies – share based payments*

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

##### (v) *New standards and interpretations not yet adopted*

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Information are listed below. GAR intends to adopt these standards, if applicable, when they become effective.

<b>Standard</b>	<b>Impact on initial application</b>	<b>Effective date</b>
IFRS 16	Leases	1 January 2019
Annual Improvements	2015-2017 Cycle	1 January 2019
IFRIC 23	Uncertainty over Income tax treatments	1 January 2019
IFRS 9 (Amendments)	Prepayment features with negative compensation	1 January 2019
IAS 19 (Amendments)	Plan amendment, curtailment or settlements	1 January 2019
IAS 28 (Amendments)	Long term interests in associates and joint ventures	1 January 2019
IFRS 3	Business combinations	1 January 2019
IAS 1 & IAS 8	Definition of material	1 January 2020

GAR is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on GAR's results or shareholders' funds.

## **2.2. Going concern**

After making appropriate enquiries, the directors of the Company (the "Directors") have a reasonable expectation that Global Asset Resources Limited has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of this historical financial information. For these reasons, they continue to adopt the going concern basis in preparing Global Asset Resources Limited's historical financial information.

## **2.3. Foreign currencies**

### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other net gains/(losses)'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value, such as equities classified as available for sale, are included in other comprehensive income.

## **2.4. Exploration and evaluation assets**

During the year ended 30 June 2019, GAR entered into four agreements with Uwharrie Resources Inc., a subsidiary of Carolina Gold Resources Inc., to acquire interests in certain natural resource exploration projects in the USA. The agreements provided rights to farm-in for an initial 51 per cent. interest in each underlying project in return for making specified funding contributions and thereafter a potential extended farm-in interest of an additional 29 per cent. in return for making further funding contributions to achieve a potential 80 per cent. interest in each project (the "Farm-In Agreements"). The commitments provided within such agreements were as follows:

- \$5,000 per agreement on execution (total \$20,000).
- \$20,000 per agreement upon GAR listing on a recognised stock exchange via an IPO or reverse takeover (total \$80,000).
- Expenditures totaling \$600,000 across the agreements in the year commencing from the admission date of GAR to an Official List.
- Annual expenditures of \$100,000 on each project for years 1 – 3.
- Payments to the vendors totalling \$5,000,000 at the end of year 3.
- Payments to the vendors totalling \$8,000,000 at the end of year 6.
- Royalty rights provided to the vendors.

- Land holding costs related to the mineral agreements.
- Upon admission, shares to be issued to the vendors, with 625,000 ordinary shares to be issued to the vendors for each of the 4 projects if the admission was not the result of a reverse takeover. If the admission resulted from a reverse takeover then the consideration securities issued to the vendors of each project were to be 3.35% of the total consideration securities issued by the listed entity to GAR's shareholders and vendors.

The original agreements were subject to GAR achieving a listing by 31 December 2019. A subsequent deed of variation, signed on 29 October 2019, provided for a variation in the listing terms and the required admission date. The variation of the terms involved GAR listing via a proposed reverse acquisition with no expenditure required from the execution date prior to year one (or the admission date). Subsequently, on 30 November 2019, GAR entered into a non-binding agreement with Richland seeking admission to trading on AIM via a reverse takeover process.

During the year to 30 June 2019, GAR incurred expenditure of \$78,232 (2018: \$38,311) in relation to the maintenance of the projects' leases. In accordance with GAR's accounting policy, these amounts were not capitalised as at the date of payment as GAR did not hold title to the projects' leases, as completion of the agreements was dependent upon satisfying the commitments outlined above.

## **2.5. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, and are subject to an insignificant risk of changes in value.

## **2.6. Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **2.7. Reserves**

The accumulated losses reserve includes all current and prior periods' retained losses.

## **2.8. Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

## **3. Financial risk management**

### **3.1 Financial risk factors**

GAR's activities expose it to a variety of financial risks: capital risk and credit risk. GAR's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on GAR's financial performance.

Risk management is carried out by its Board of Directors.

#### *Credit risk*

Credit risk arises from cash and cash equivalents. GAR considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

#### *Capital risk*

GAR's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The preparation of the Financial Information in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Financial Information and the reported amount of expenses during the year.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events, that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

#### 4. Expenses by nature

	Year ended 30 June 2019	Period ended 30 June 2018
	\$	\$
Exploration expenditure	78,232	38,311
Corporate expenses	154,052	97,011
General and administrative expenditure	19,728	10,005
	<b>252,012</b>	<b>145,327</b>

Included within corporate expenses for the year ended 30 June 2019 are fees paid to Directors of \$10,000 (2018: \$35,000).

#### 5. Taxation

The weighted average applicable tax rate for the period is 27.5%.

	Year ended 30 June 2019	Period ended 30 June 2018
	\$	\$
<b>Current tax</b>		
Australian corporation tax	—	—
<b>Deferred tax</b>		
Recognition of deferred tax	—	—
<b>Taxation for the period</b>	<b>—</b>	<b>—</b>

The charge for the year can be reconciled to the profit / (loss) per the income statement as follows:

	Year ended 30 June 2019	Period ended 30 June 2018
	\$	\$
Profit / (loss) before tax	(250,626)	(143,870)
Tax at the Australian corporation tax rate of 27.5%	(68,922)	(39,564)
Effects of:		
Losses carried forward	68,922	39,564
<b>Tax charge</b>	<b>—</b>	<b>—</b>

Estimated tax losses of \$394,496 are available for relief against future profits and a deferred tax asset of \$108,486 has not been provided for in the accounts due to the uncertainty of future profits.

## 6. Trade and other receivables

	30 June 2019	30 June 2018
	\$	\$
GST receivable	2,058	5,797
Prepayments	1,657	1,657
	<u>3,715</u>	<u>7,454</u>

## 7. Trade and other payables

	30 June 2019	30 June 2018
	\$	\$
Trade payables	7,273	94,304
Accruals	48,832	13,780
	<u>56,105</u>	<u>108,084</u>

## 8. Share capital and share premium

	Number of shares	Share capital \$
<b>Issued and fully paid</b>		
As at 30 June 2018 and 30 June 2019	<u>17,400,001</u>	<u>541,700</u>

## 9. Contingencies

GAR had no capital or operating commitments at 30 June 2019 (30 June 2018: Nil).

## 10. Related parties

The fees paid to directors were:

	30 June 2019	30 June 2018
	\$	\$
Rhoderick Grivas	10,000	28,000
Frank Cannavo	—	3,000
Koon Lip Choo	—	3,000
Yoshiaki Tamura	—	1,000
	<u>10,000</u>	<u>35,000</u>

In relation to the directors' fees for the period ended 30 June 2018, the following fees were settled by the issue of fully paid shares in the Company to the directors or their nominees: Rhoderick Grivas (\$3,000 – 3,000,000 shares at \$0.001 per share), Frank Cannavo (\$3,000 – 3,000,000 shares at \$0.001 per share), Koon Lip Choo (\$3,000 – 3,000,000 shares at \$0.001 per share) and Yoshiaki Tamura (\$1,000 – 1,000,000 shares at \$0.001 per share).

During the year ended 30 June 2019, legal fees of \$16,139 (2018: \$29,368) were paid to Moray & Agnew a law firm of which Phil Grundy, an ex-director of the Company, is a partner.



## 11. Events after the reporting period

On 31 January 2020, GAR entered into a joint venture implementation deed with Carolina Gold Resources Inc. and Uwharrie Resources Inc. in order to restructure the arrangements in relation to each of the projects under the abovementioned Farm-In Agreements, which was itself subsequently amended by way of deeds of amendment dated 29 April 2020, 3 June 2020, 23 July 2020 and 29 October 2020 (the “Joint Venture Implementation Deed”) such that:

- i) the mineral rights in respect of the Carolina Belle, Argo and Jennings-Pioneer Projects and a new Jones-Keystone-Loflin Project (the “Continuing Projects”) were to be assigned by Uwharrie Resources Inc. to four newly incorporated joint venture entities (one for each project) (the “Project SPVs”) (the “Project Assignments”) with each Project SPV to be owned as to 51 per cent. by GAR and 49 per cent. by Uwharrie Resources Inc.;
- ii) upon the Project Assignments being completed, the original Farm-In Agreements were to be terminated and GAR would no longer have any interest in the Rattlesnake project;
- iii) on 24 July 2020, GAR and its shareholders entered into a share purchase agreement with Richland Resources Ltd (the “SPA”) to satisfy the requirement that a share purchase agreement be entered into with a public company listed on a Stock Exchange (a “ListCo”) under which the ListCo would, conditional on, amongst other matters, ListCo’s shareholders approving the share purchase agreement, acquire 100% of GAR with the consideration to be paid in cash and new shares issued by the ListCo (the “ListCo Consideration Shares”). If GAR had not entered into the SPA with ListCo by 29 July 2020 then Uwharrie Resources Inc. had the option to acquire GAR’s 51 per cent. interest in each of the Project SPVs for \$1;
- iv) the Company was granted a period of 4 years from the date that the ListCo Consideration Shares are admitted to trading on a Stock Exchange (the “Listing Date”) to invest \$1,000,000 in the Argo Project, \$1,000,000 in the Jennings-Pioneer Project, \$1,500,000 in the Carolina Belle Project and \$1,500,000 in the Jones-Keystone-Loflin Project. In the case of the Argo Project and the Jennings-Pioneer Project this four year funding commitment is subject to a minimum annual expenditure for each project of \$100,000 for each of the 4 years commencing on the Listing Date. In the case of the Carolina Belle Project and the Jones-Keystone-Loflin Project the four year funding commitment is subject to a minimum annual expenditure for each project of \$250,000 in the year commencing on the Listing Date and for: i) the Carolina Belle Project, \$100,000 in each of the second, third and fourth years commencing on the Listing Date; and ii) the Jones-Keystone-Loflin Project, \$150,000 in each of the second, third and fourth years commencing on the Listing Date (the “Minimum Funding Requirements”). The Minimum Funding Requirements are per project to each Project SPV rather than in aggregate for all the projects and if GAR does not meet the Minimum Funding Requirement in relation to a particular project then Uwharrie Resources Inc. has the option to acquire GAR’s 51 per cent. interest in that Project SPV for \$1;
- v) the Company was also granted the right, at the end of the abovementioned initial 4 year period from the Listing Date and satisfaction of the Minimum Funding Requirements, if URI elects not to fund its proportionate share of future costs or fails to make an election, to potentially increase its interest in each of the Project SPVs to 80 per cent. by meeting certain further funding commitments in years 5 and 6 following the Listing Date (on both an annual and overall basis) (the “Extended Period”). The Extended Period funding commitments comprise the investment of \$1,500,000 in the Argo Project, \$1,500,000 in the Jennings-Pioneer Project, \$2,500,000 in the Carolina Belle Project and \$2,500,000 in the Jones-Keystone-Loflin Project. In the case of the Argo Project, the Jennings-Pioneer Project and the Carolina Belle Project the two year funding commitment is subject to a minimum annual expenditure for each project of \$100,000 in each of year 5 and year 6 following the Listing Date. In the case of the Jones-Keystone-Loflin Project the two year funding commitment is subject to a minimum annual expenditure of \$150,000 in each of year 5 and year 6 following the Listing Date. If GAR does not meet the Extended Period funding commitments in relation to a particular project, it will retain its 51 per cent. initial interest in such Project SPV; and
- vi) in the event that the Company increases its interest in any of the Project SPVs to 80 per cent. and URI elects not to fund its proportionate share of future costs in respect of its then 20 per cent. residual interest in the GAR Project concerned or fails to make an election, the Company is able to increase its interest in the relevant Project to 100 per cent. by agreeing to pay for the relevant Project

a Net Smelter Royalty to URI of 0.5 per cent. for future production up to 50,000oz gold equivalent, 2.0 per cent. for future production from 50,000 to 400,000oz gold equivalent and 1.0 per cent. for future production in excess of 400,000oz gold equivalent.

As at the date of this report the Project SPVs have been established, the Project Assignments completed and the original Farm-In Agreements terminated.

The COVID-19 pandemic announced by the World Health Organisation is having a negative impact on global stock markets, currencies and general business activity. GAR has developed a policy and is evolving procedures to address the health and wellbeing of its employees, consultants and contractors in relation to COVID-19. The timing and extent of the impact and recovery from COVID-19 is unknown.

## **SECTION B: HISTORICAL CONDENSED INTERIM FINANCIAL INFORMATION ON GAR**

The Directors have prepared the Condensed Interim Financial Information on the activities of Global Asset Resources Limited for the six months ended 30 December 2019 on the basis set out in note 2.1 to the Condensed Interim Financial Information, with adjustments made as necessary to translate the historic financial statements into IFRS. The Condensed Interim Financial Information contained in this section B of Part IV of this document, which has been prepared solely for the purposes of the Admission Document, is unaudited. The Directors are responsible for the Condensed Interim Financial Information contained in this section B of Part IV of this document.

## INCOME STATEMENT

For the six months ended 31 December 2019 and 2018

		Unaudited Six months ended 31 December 2019 \$	Unaudited Six months ended 31 December 2018 \$
<b>Revenue</b>		—	—
<b>Expenses</b>			
Administrative expenditure	5	(88,053)	(101,835)
Other financial income		105	916
<b>Loss before tax</b>		<b>(87,948)</b>	<b>(100,919)</b>
Tax expense		—	—
<b>Loss for the period</b>		<b>(87,948)</b>	<b>(100,919)</b>
<b>Total comprehensive income</b>			
<b>Total comprehensive loss for the year</b>		<b>(87,948)</b>	<b>(100,919)</b>

The notes to the financial information are included below and form an integral part of the historical information.

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019 and 30 June 2019

		Unaudited 31 December 2019 \$	Audited 30 June 2019 \$
	Note		
<b>Current assets</b>			
Other receivables	5	6,686	3,715
Cash and cash equivalents		63,903	199,594
<b>Total assets</b>		<b>70,589</b>	<b>203,309</b>
<b>Current liabilities</b>			
Trade and other payables	6	11,333	56,105
<b>Total liabilities</b>		<b>11,333</b>	<b>56,105</b>
<b>Net assets</b>		<b>59,256</b>	<b>147,204</b>
<b>Equity attributable to owners of the parent</b>			
Share capital	7	541,700	541,700
Accumulated losses		(482,444)	(394,496)
<b>Total equity</b>		<b>59,256</b>	<b>147,204</b>

The notes to the financial information are included below and form an integral part of the historical information.

# STATEMENT OF CHANGES IN EQUITY

	Share capital	Accumulated losses	Total
	\$	\$	\$
<b>Balance as at 1 July 2018</b>	<b>541,700</b>	<b>(143,870)</b>	<b>397,830</b>
Loss for the year	—	(250,626)	(250,626)
<b>Total comprehensive loss for the year</b>	<b>—</b>	<b>(250,626)</b>	<b>(250,626)</b>
Issue of shares	—	—	—
<b>Balance as at 30 June 2019</b>	<b>541,700</b>	<b>(394,496)</b>	<b>147,204</b>
<b>Balance as at 1 July 2019</b>	<b>541,700</b>	<b>(394,496)</b>	<b>147,204</b>
Loss for the period	—	(87,948)	(87,948)
<b>Total comprehensive loss for the period</b>	<b>—</b>	<b>(87,948)</b>	<b>(87,948)</b>
<b>Balance as at 31 December 2019</b>	<b>541,700</b>	<b>(482,444)</b>	<b>59,256</b>

The notes to the financial information are included below and form an integral part of the historical information.



## CASH FLOW STATEMENTS

For the six months ended 31 December 2019 and 2018

		Unaudited Six months ended 31 December 2019 \$	Unaudited Six months ended 31 December 2018 \$
	Note		
<b>Cash flows from operating activities</b>			
Loss		(87,948)	(100,919)
<i>Adjustments for:</i>			
Increase in trade and other receivables	5	(2,971)	(4,482)
Decrease in trade and other payables	6	(44,772)	(90,296)
<b>Cash generated from operations</b>		<b>(135,691)</b>	<b>(195,697)</b>
Income taxes paid		—	—
<b>Net cash flows from operating activities</b>		<b>(135,691)</b>	<b>(195,697)</b>
<b>Financing activities</b>			
Proceeds from equity issued (net of costs)		—	—
<b>Net cash used in financing activities</b>		<b>—</b>	<b>—</b>
<b>Net increase in cash and cash equivalents</b>		<b>(135,691)</b>	<b>(195,697)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>199,594</b>	<b>498,460</b>
<b>Cash and cash equivalents at end of period</b>		<b>63,903</b>	<b>302,763</b>

The notes to the financial information are included below and form an integral part of the historical information.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

### 1. General Information

The principal activity of Global Asset Resources Limited (“GAR” or the “Company”) is the identification, evaluation and development of mineral deposits in Australia and overseas. GAR is incorporated and domiciled in Australia. The address of its registered office is c/- Moray & Agnew Lawyers, Level 6, 505 Little Collins Street, Melbourne, VIC 3000.

### 2. Accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of this Condensed Interim Financial Information to the extent they have not already been disclosed in the other notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation of the financial information

##### (i) Compliance with IFRS and historical cost convention

This Condensed Interim Financial Information of Global Asset Resources Limited has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with the requirements of the AIM Rules for Companies published by the London Stock Exchange plc and has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) and in accordance with IFRS interpretations Committee (IFRS IC) interpretations and the policies stated elsewhere within the Condensed Interim Financial Information.

The Condensed Interim Financial Information has also been prepared under the historical cost convention.

##### (ii) Functional and presentational currency

The Condensed Interim Financial Information is presented in Australian Dollars, rounded to the nearest dollar, and this is GAR’s functional and presentational currency.

##### (iii) Accounting judgements and estimates

The preparation of Condensed Interim Financial Information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying GAR’s Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Condensed Interim Financial Information are disclosed in the relevant notes to the financial information.

##### (iv) New standards and interpretations not yet adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Condensed Interim Financial Information are listed below. GAR intends to adopt these standards, if applicable, when they become effective.

Standard	Impact on initial application	Effective date
IFRS 3 (Amendments)	Business combinations	1 January 2020
IAS 1 & IAS 8	Definition of material	1 January 2020
IFRS 17	Insurance contracts	1 January 2021
IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2022

GAR is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on GAR’s results or shareholders’ funds.

### 2.2 Going concern

After making appropriate enquiries, the directors of the Company (the “Directors”) have a reasonable expectation that Global Asset Resources Limited has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of this historical financial information. For these reasons, they continue to adopt the going concern basis in preparing Global Asset Resources Limited’s historical financial information.

## 2.3 Foreign currencies

### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other net gains/(losses)'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value, such as equities classified as available for sale, are included in other comprehensive income.

## 2.4 Exploration and evaluation assets

During the year ended 30 June 2019, GAR entered into four agreements with Uwharrie Resources Inc., a subsidiary of Carolina Gold Resources Inc., to acquire interests in certain natural resource exploration projects in the USA. The agreements provided rights to farm-in for an initial 51 per cent. interest in each underlying project in return for making specified funding contributions and thereafter a potential extended farm-in interest of an additional 29 per cent. in return for making further funding contributions to achieve a potential 80 per cent. interest in each project (the "Farm-In Agreements"). The commitments provided within such agreements were as follows:

- \$5,000 per agreement on execution (total \$20,000).
- \$20,000 per agreement upon GAR listing on a recognised stock exchange via an IPO or reverse takeover (total \$80,000).
- Expenditures totaling \$600,000 across the agreements in the year commencing from the admission date of GAR to an Official List.
- Annual expenditures of \$100,000 on each project for years 1 – 3.
- Payments to the vendors totalling \$5,000,000 at the end of year 3.
- Payments to the vendors totalling \$8,000,000 at the end of year 6.
- Royalty rights provided to the vendors.
- Land holding costs related to the mineral agreements.
- Upon admission, shares to be issued to the vendors, with 625,000 ordinary shares to be issued to the vendors for each of the 4 projects if the admission was not the result of a reverse takeover. If the admission resulted from a reverse takeover then the consideration securities issued to the vendors of each project were to be 3.35% of the total consideration securities issued by the listed entity to GAR's shareholders and vendors.

The original agreements were subject to GAR achieving a listing by 31 December 2019. A subsequent deed of variation, signed on 29 October 2019, provided for a variation in the listing terms and the required admission date. The variation of the terms involved GAR listing via a proposed reverse acquisition with no expenditure required from the execution date prior to year one (or the admission date). Subsequently, on 30 November 2019, GAR entered into a non-binding agreement with Richland seeking admission to trading on AIM via a reverse takeover process.

During the half-year to 31 December 2019, GAR incurred expenditure of \$24,938 (2018: \$21,552) in relation to the acquisition and maintenance of the projects' leases. In accordance with GAR's accounting policy these amounts were not capitalised as at the date of the payment as GAR did not hold title to the projects' leases, as completion of the agreements was dependent upon satisfying the various commitments outlined above.

## 2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

## 2.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2.7 Reserves

The accumulated losses reserve includes all current and prior periods' retained losses.

## 2.8 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

## 3 Financial risk management

### 3.1 Financial risk factors

GAR's activities expose it to a variety of financial risks: capital risk and credit risk. GAR's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on GAR's financial performance.

Risk management is carried out by its Board of Directors.

#### *Credit risk*

Credit risk arises from cash and cash equivalents. GAR considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

#### *Capital risk*

GAR's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The preparation of the Condensed Interim Financial Information in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Condensed Interim Financial Information and the reported amount of expenses during the period.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events, that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

## 4 Expenses by nature

	<b>Six months ended 31 December 2019 \$</b>	<b>Six months ended 31 December 2018 \$</b>
Exploration expenditure	24,938	21,552
Corporate expenses	2,666	75,147
General and administrative expenditure	60,449	5,136
	<b>88,053</b>	<b>101,835</b>

## 5 Trade and other receivables

	31 December 2019	30 June 2019
	\$	\$
GST receivable	4,114	2,058
Prepayments	2,572	1,657
	<u>6,686</u>	<u>3,715</u>

## 6 Trade and other payables

	31 December 2019	30 June 2019
	\$	\$
Trade payables	2,833	7,273
Accruals	8,500	48,832
	<u>11,333</u>	<u>56,105</u>

## 7 Share capital and share premium

	Number of shares	Share capital \$
<b>Issued and fully paid</b>		
As at 30 June 2019 and 31 December 2019	<u>17,400,001</u>	<u>541,700</u>

## 8 Contingencies

GAR had no capital or operating commitments at 31 December 2019 (30 June 2019: Nil).

## 9 Events after the reporting period

On 31 January 2020, GAR entered into a joint venture implementation deed with Carolina Gold Resources Inc. and Uwharrie Resources Inc. in order to restructure the arrangements in relation to each of the projects under the abovementioned Farm-In Agreements, which was itself subsequently amended by way of deeds of amendment dated 29 April 2020, 3 June 2020, 23 July 2020 and 29 October 2020 (the “Joint Venture Implementation Deed”) such that:

- the mineral rights in respect of the Carolina Belle, Argo and Jennings-Pioneer Projects and a new Jones-Keystone-Loflin Project (the “Continuing Projects”) were to be assigned by Uwharrie Resources Inc. to four newly incorporated joint venture entities (one for each project) (the “Project SPVs”) (the “Project Assignments”) with each Project SPV to be owned as to 51 per cent. by GAR and 49 per cent. by Uwharrie Resources Inc.;
- upon the Project Assignments being completed, the original Farm-In Agreements were to be terminated and GAR would no longer have any interest in the Rattlesnake project;
- on 24 July 2020, GAR and its shareholders entered into a share purchase agreement with Richland Resources Ltd (the “SPA”) to satisfy the requirement that a share purchase agreement be entered into with a public company listed on a Stock Exchange (a “ListCo”) under which the ListCo would, conditional on, amongst other matters, ListCo’s shareholders approving the share purchase agreement, acquire 100% of GAR with the consideration to be paid in cash and new shares issued by the ListCo (the “ListCo Consideration Shares”). If GAR had not entered into the SPA with ListCo by 29 July 2020 then Uwharrie Resources Inc. had the option to acquire GAR’s 51 per cent. interest in each of the Project SPVs for \$1;

- iv) the Company was granted a period of 4 years from the date that the ListCo Consideration Shares are admitted to trading on a Stock Exchange (the “Listing Date”) to invest \$1,000,000 in the Argo Project, \$1,000,000 in the Jennings-Pioneer Project, \$1,500,000 in the Carolina Belle Project and \$1,500,000 in the Jones-Keystone-Loflin Project. In the case of the Argo Project and the Jennings-Pioneer Project this four year funding commitment is subject to a minimum annual expenditure for each project of \$100,000 for each of the 4 years commencing on the Listing Date. In the case of the Carolina Belle Project and the Jones-Keystone-Loflin Project the four year funding commitment is subject to a minimum annual expenditure for each project of \$250,000 in the year commencing on the Listing Date and for: i) the Carolina Belle Project, \$100,000 in each of the second, third and fourth years commencing on the Listing Date; and ii) the Jones-Keystone-Loflin Project, \$150,000 in each of the second, third and fourth years commencing on the Listing Date (the “Minimum Funding Requirements”). The Minimum Funding Requirements are per project to each Project SPV rather than in aggregate for all the projects and if GAR does not meet the Minimum Funding Requirement in relation to a particular project then Uwharrie Resources Inc. has the option to acquire GAR’s 51 per cent. interest in that Project SPV for \$1;
- v) the Company was also granted the right, at the end of the abovementioned initial 4 year period from the Listing Date and satisfaction of the Minimum Funding Requirements, if URI elects not to fund its proportionate share of future costs or fails to make an election, to potentially increase its interest in each of the Project SPVs to 80 per cent. by meeting certain further funding commitments in years 5 and 6 following the Listing Date (on both an annual and overall basis) (the “Extended Period”). The Extended Period funding commitments comprise the investment of \$1,500,000 in the Argo Project, \$1,500,000 in the Jennings-Pioneer Project, \$2,500,000 in the Carolina Belle Project and \$2,500,000 in the Jones-Keystone-Loflin Project. In the case of the Argo Project, the Jennings-Pioneer Project and the Carolina Belle Project the two year funding commitment is subject to a minimum annual expenditure for each project of \$100,000 in each of year 5 and year 6 following the Listing Date. In the case of the Jones-Keystone-Loflin Project the two year funding commitment is subject to a minimum annual expenditure of \$150,000 in each of year 5 and year 6 following the Listing Date. If GAR does not meet the Extended Period funding commitments in relation to a particular project, it will retain its 51 per cent. initial interest in such Project SPV; and
- vi) in the event that the Company increases its interest in any of the Project SPVs to 80 per cent. and URI elects not to fund its proportionate share of future costs in respect of its then 20 per cent. residual interest in the GAR Project concerned or fails to make an election, the Company is able to increase its interest in the relevant Project to 100 per cent. by agreeing to pay for the relevant Project a Net Smelter Royalty to URI of 0.5 per cent. for future production up to 50,000oz gold equivalent, 2.0 per cent. for future production from 50,000 to 400,000oz gold equivalent and 1.0 per cent. for future production in excess of 400,000oz gold equivalent.

As at the date of this report the Project SPVs have been established, the Project Assignments completed and the original Farm-In Agreements terminated.

The COVID-19 pandemic announced by the World Health Organisation is having a negative impact on global stock markets, currencies and general business activity. GAR has developed a policy and is evolving procedures to address the health and wellbeing of its employees, consultants and contractors in relation to COVID-19. The timing and extent of the impact and recovery from COVID-19 is unknown.



**PART V**

**UNAUDITED PRO FORMA STATEMENT OF NET ASSETS FOR THE  
ENLARGED GROUP**

PKF Littlejohn LLP



The Directors and Proposed Director  
Richland Resources Ltd  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

and

The Directors  
Strand Hanson Ltd  
26 Mount Row  
London  
W1K 3SQ

30 October 2020

Dear Sirs

**Report on the unaudited pro forma statement of net assets for the Enlarged Group**

**Introduction**

We report on the unaudited pro forma statement of net assets for the Enlarged Group (the “Pro forma Financial Information”) set out in Part V of Richland Resources Ltd’s (the “Company”) AIM admission document (the “Admission Document”) dated 30 October 2020, which has been prepared on the basis described in notes 1 to 7, for illustrative purposes only, to provide information about how the Placing, the Subscription and the proposed Acquisition might have affected the net assets presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 30 June 2020.

**Responsibilities**

It is the responsibility of the directors (the “Directors”) of the Company to prepare the Pro forma Financial Information in accordance with Schedule Two of the AIM Rules for Companies with reference to 18.4.1 of Annex I to the Commission Delegated Regulation (EU) No. 2019/980 attached to the AIM Rules for Companies as if it had been applicable.

It is our responsibility to form an opinion, which would have been required by paragraph 7 of Annex II of the Prospectus Rules attached to the AIM Rules for Companies as to the proper compilation of the Pro forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

**Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the

evidence supporting the adjustments and discussing the Pro forma Financial Information with the Directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United Kingdom or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

In our opinion:

- (a) the Pro forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

### **Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely affect its import. This declaration is included in the Admission Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully

**PKF Littlejohn LLP**  
Reporting accountant

Set out below is an unaudited *pro forma* statement of net assets of Richland Resources Ltd (the “Company”) and Global Asset Resources Ltd (“GAR”) (together, the “Enlarged Group”) as at 30 June 2020. The unaudited *pro forma* statement of net assets for the Enlarged Group as at 30 June 2020 has been prepared on the basis set out in the notes below to illustrate the impact of the Placing and Subscription and proposed Acquisition as if they had taken place on 30 June 2020.

The unaudited *pro forma* information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group’s actual financial position or results. Such information may not, therefore, give a true picture of the Enlarged Group’s financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future. The unaudited *pro forma* information is based on the unaudited net assets of the Company as at 30 June 2020 as set out in Part III of this document and of GAR as at 31 December 2019 as set out in section B of Part IV of this document. No adjustments have been made to take account of trading, expenditure or other movements subsequent to 30 June 2020, being the date of the last published consolidated balance sheet of the Company.

The unaudited *pro forma* information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Admission Document and not rely solely on the summarised financial information contained in this Part V of this document.

## UNAUDITED PRO FORMA STATEMENT OF NET ASSETS AT 30 JUNE 2020

	The Company Net Assets as at 30 June 2020 (Note 1) US\$'000	GAR Net Assets as at 31 Dec 2019 (Note 2) US\$'000	Acquisition accounting (Note 3) US\$'000	Issue of Placing Shares and Subscription Shares net of costs (Note 4) US\$'000	Unaudited <i>pro forma</i> adjusted aggregated net assets of the Enlarged Group on Admission US\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible assets	—	—	927	—	927
Prepayments	385	—	—	—	385
	<u>385</u>	<u>—</u>	<u>927</u>	<u>—</u>	<u>1,312</u>
<b>Non-current assets</b>					
<b>Current assets</b>					
Trade and other receivables	20	5	—	—	25
Cash and cash equivalents	101	44	(239)	3,107	3,013
	<u>121</u>	<u>49</u>	<u>(239)</u>	<u>3,107</u>	<u>3,038</u>
<b>Current assets</b>					
<b>Total assets</b>	<u>506</u>	<u>49</u>	<u>688</u>	<u>3,107</u>	<u>4,350</u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	353	8	—	—	361
	<u>353</u>	<u>8</u>	<u>—</u>	<u>—</u>	<u>361</u>
<b>Current liabilities</b>					
<b>Total liabilities</b>	<u>353</u>	<u>8</u>	<u>—</u>	<u>—</u>	<u>361</u>
<b>Total assets less total liabilities</b>	<u>153</u>	<u>41</u>	<u>688</u>	<u>3,107</u>	<u>3,989</u>

### Notes:

The unaudited *pro forma* statement of net assets for the Enlarged Group has been prepared on the following basis:

- The unaudited net assets of the Company as at 30 June 2020 have been extracted without adjustment from the Interim Results incorporated by reference into this document as set out in Part III of this document.
- The net assets of GAR as at 31 December 2019 have been extracted without adjustment from the unaudited consolidated Interim Financial Information set out in section B of Part IV of this document and converted into United States Dollars at the closing rate on 30 June 2020 of AU\$1.4543 to US\$1.
- A *pro forma* adjustment has been made to reflect the initial accounting for the acquisition of GAR by the Company, being the elimination of the investment in GAR against the non-monetary assets acquired and recognition of goodwill. The Company will need to determine the fair value of the net assets acquired pursuant to the proposed acquisition within 12 months of the acquisition date in accordance with IFRS 3. This process, known as a Purchase Price Allocation exercise may result in a reduction of goodwill, which may be material. The Purchase Price Allocation process will require a valuation of identifiable intangible assets acquired. The approach adopted by the Directors of the Company is permissible and appropriate.
- An adjustment has been made to reflect the proceeds of the Placing and Subscription of, in aggregate, 120,989,112 New Common Shares of the Company at an issue price of 2.75 pence per share net of an adjustment to reflect the payment in cash of Admission costs estimated at approximately £0.80 million inclusive of any non-recoverable sales taxes and converted into United States Dollars at the closing rate on 30 June 2020 of US\$1.24 to £1.
- No adjustments have been made to reflect trading or other transactions, other than as described above, of:
  - the Company since 30 June 2020; and
  - GAR since 31 December 2019.
- As at 30 October 2020 (the latest practicable date prior to the publication of this document) the exchange rate between the US\$ and £ was 0.77 and between the AU\$ and US\$ was 0.70.
- The unaudited *pro forma* statement of net assets for the Enlarged Group does not constitute financial statements.

**PART VI**  
**COMPETENT PERSON'S REPORT**

***Competent Person's Report***

**FOR**

**RICHLAND RESOURCES LTD**

**ON THE**

**Jones-Keystone-Loflin, Jennings-Pioneer, Carolina Belle  
and Argo Projects in North and South Carolina, USA**

**Report Prepared by:**



*Level 4, 100 Albert Road  
South Melbourne VICTORIA 3205  
Australia*

**Author**

Brendan Cummins

BSc - Geology, 1<sup>st</sup> Class Honours, MAIG

**30 October, 2020**



To:

The Directors and Proposed Director  
Richland Resources Ltd  
Clarendon House  
2 Church Street  
Hamilton, HM 11  
Bermuda

and

The Directors  
Strand Hanson Limited  
26 Mount Row  
London W1K 3SQ

30 October 2020

Dear Sirs,

**Competent Person's Report on the Jones-Keystone-Loflin, Jennings-Pioneer, Carolina Belle and Argo Projects, North and South Carolina, USA**

Westoria Capital Pty Ltd ("**Westoria**") has been commissioned by Richland Resources Ltd ("**Richland**") to provide an independent Competent Person's Report (the "**CPR**") on certain mineral properties to be explored by Richland, located in the southeast of the United States of America ("**USA**") once it has completed its proposed acquisition of Global Asset Resources Limited ("**GAR**") which constitutes a reverse takeover pursuant to the AIM Rules for Companies and is conditional, *inter alia*, upon Richland's shareholders approving the proposed acquisition, the associated fundraising and the re-admission of Richland's enlarged issued share capital to trading on AIM, a market operated by London Stock Exchange plc (the "**Transaction**").

It is understood by Westoria that this report will be included in the Admission Document to be published in connection with the Transaction on, or about, 30 October 2020 (the "**Admission Document**"), and that once the Transaction has been duly approved by Richland's shareholders this will trigger completion and the allotment and admission to trading of the new common shares to be issued by Richland to, *inter alia*, the vendors of GAR as initial consideration for the proposed acquisition (the "**Re-Admission Date**").

The CPR has been prepared in accordance with, and satisfies, the detailed content and other requirements (as applicable) of the AIM Note for Mining, Oil and Gas Companies (June 2009) (the "**Note**"), published by London Stock Exchange plc in respect of the preparation of a CPR.

The CPR has also been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012) which is binding upon members of The Australasian Institute of Mining and Metallurgy ("**AusIMM**") and the Australian Institute of Geoscientists ("**AIG**"). JORC is defined as being one of the acceptable internationally recognised standards in the Note.

Westoria has not been requested to provide an independent valuation, nor comment on the fairness or reasonableness of any vendor or promoter considerations. The legal status of the mineral properties in which GAR is currently interested and which are intended to be explored by Richland following completion of the Transaction has not been independently verified by Westoria.

GAR is a private company incorporated in Australia on 28 April 2017 for the purpose of acquiring and developing exploration assets. In September and October 2018, GAR entered into various farm-in agreements with Carolina Gold Resources Inc., a privately-held Canadian precious and base metals exploration company, and its wholly-owned subsidiary, Uwharrie Resources, Inc. ("URI"), to acquire rights over certain minerals projects in southeast USA (held by URI via certain mineral leases with landowners entitling it to undertake exploration activities) in return for meeting specified expenditure requirements over an initial four year period.

Following a series of subsequent amendments to the original farm-in agreements, on 31 January 2020 the parties entered into a joint venture implementation deed (the "**JV Implementation Deed**") in order to restructure and replace the previous arrangements such that the mineral rights in respect of the four projects the subject of this report, namely: i) Jones-Keystone-Loflin; ii) Jennings-Pioneer; iii) Carolina Belle and iv) Argo, which are located in the states of North Carolina and South Carolina, USA (together, the "**GAR Projects**") were assigned by URI on 17 June 2020 to four newly USA incorporated special purpose vehicles (the "**Project SPVs**") with each Project SPV owned as to 51% by GAR (via an intermediate holding company) and 49% by URI. Accordingly, upon completion of the Transaction, Richland, via GAR, will have a 51% ownership interest in the Project SPVs and, in turn, each of the four underlying GAR Projects. Pursuant to the terms of the JV Implementation Deed, Richland, via GAR, will also have the right to potentially earn up to a 100% interest in each of the Project SPVs.

In order to secure and retain its initial 51% interest in each of the GAR Projects, pursuant to the terms of the share purchase agreement in respect of the proposed acquisition of GAR and the terms of the JV Implementation Deed, Richland must:

- i) On the Re-Admission Date issue, in aggregate, AU\$1,040,000 of new common shares in the capital of Richland to the vendors of GAR and to URI and also make a cash payment of AU\$60,000 to URI on completion of the Transaction;
- ii) In the four year period commencing on the Re-Admission Date invest AU\$1,000,000 in each of the Argo and Jennings-Pioneer projects and AU\$1,500,000 in each of the Carolina Belle and Jones-Keystone-Loflin projects. The minimum annual expenditure requirements for the Argo and Jennings-Pioneer projects is AU\$100,000 and for the Carolina Belle and Jones-Keystone-Loflin projects is AU\$250,000 in the first year and AU\$100,000 for the Carolina Belle project and AU\$150,000 for the Jones-Keystone-Loflin project in each of the second, third and fourth years respectively (together, the "**Funding Requirements**"). The Funding Requirements are per project to each Project SPV rather than in aggregate for all the projects and if Richland/GAR does not satisfy the Funding Requirement in relation to any particular project then URI will have the option to acquire GAR's 51% interest in the relevant Project SPV for AU\$1. If Richland decides not to proceed with one or more of the projects it will also have the option to sell GAR's relevant 51% interest in such project(s) to URI for AU\$1; and

- iii) Pay certain additional deferred consideration, in cash or shares at its sole discretion, to the vendors of GAR and to URI in the event that certain prescribed performance milestones are satisfied or waived or vesting events occur within five years of the Transaction's completion date.

Richland can achieve an 80% ownership interest in any of the Project SPVs by investing in the fifth and sixth years after the Re-Admission Date a total of AU\$1,500,000 in each of the Argo and Jennings-Pioneer projects or a total of AU\$2,500,000 in each of the Carolina Belle and Jones-Keystone-Loflin projects, should, *inter alia*, URI elect not to contribute funding in respect of its 49% interest in the relevant Project SPV.

Richland can thereafter achieve a 100% ownership interest in any of the Project SPVs by paying a Net Smelter Royalty ("NSR") should URI elect not to contribute funding in respect of its then 20% residual interest in the relevant Project SPV.

The properties range from greenfield to brownfield exploration assets with exploration targeting and assessment of resource potential both at an early stage. They are considered to be inherently speculative in nature, however subject to varying degrees of exploration risk, the projects each have technical merit and warrant further exploration and development activities consistent with the proposed work programmes and budget detailed herein.

The exploration and evaluation work programmes summarised in this report amount to a total budgeted expenditure over two years of approximately £1.008 million. Richland's senior management has prepared exploration and evaluation work programmes, specific to the potential of the properties, which are consistent with the budget allocations. Westoria considers that the mineral properties have sufficient technical merit to justify the proposed work programmes and associated expenditure.

This CPR has been prepared with information available up to and including 30 October 2020.

Westoria is a private consultancy firm in operation since 2010 and is involved in the assessment and evaluation of mineral properties. This report has been compiled by its Technical Director, Mr Brendan Cummins, BSc (Honours), who is a professional geologist with 25 years' experience in the industry within Australia and overseas. Mr Cummins is a Member of the Australian Institute of Geoscientists ("MAIG") and has the appropriate qualifications, experience, competence and independence to be considered a "Competent Person" as defined by JORC.

Westoria has given and has not withdrawn its written consent to the inclusion in Part VI of the Admission Document of its CPR and to the inclusion in Part I of the Admission Document statements made by Westoria, in the form and context in which the CPR and those statements appear. Neither Westoria, nor any of its directors, employees (including the author of this report) or associates, have or have previously had any material interest either direct, indirect or contingent in Richland or any of the mineral properties in which Richland is proposing to acquire an interest and explore. Their relationship with Richland is solely one of a professional association between a client and independent consultant. This report has been prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results or findings of this report.

Yours faithfully

Brendan Cummins  
*Technical Director*

for and on behalf of  
Westoria Capital Pty Ltd (ABN 52 137 223 271)  
Level 4, 100 Albert Road  
South Melbourne VIC 3205

## 1. EXECUTIVE SUMMARY

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This Competent Person's Report has been commissioned by Richland to review the mineral properties in which GAR is currently interested in connection with Richland's conditional acquisition of GAR's entire issued share capital which constitutes a reverse takeover transaction pursuant to Rule 14 of the AIM Rules for Companies. In conjunction with the acquisition, Richland is raising funds to, *inter alia*, continue the exploration and development of the various projects in line with the requirements of the JV Implementation Deed between GAR, Carolina Gold Resources Inc. and URI. The four GAR Projects are located within a well mineralised Carolina Super Terrane running northeast through the states of North and South Carolina, USA. The projects are well supported by existing local infrastructure and GAR has access to an experienced team of geologists, support staff and exploration service providers.

### Jones-Keystone-Loflin Project

The Jones-Keystone-Loflin project comprises several greenfield to brownfield exploration targets identified from historic mines and surface workings and confirmed by more recent phases of diamond drilling by third party explorers. Wide zones of moderate to high grade gold mineralisation and alteration have been defined with geological similarities to those observed at the regionally significant Haile, Ridgeway and Russell mines which typify mineralisation of the Carolina Super Terrane.

Significant historic drill intersects from the Jones-Keystone property include:

- Hole JK10-006: **54m @ 1.56g/t Au** from 184m including **28m @ 3.01g/t Au**
- Hole JK11-017: **104m @ 1.27g/t Au** from 28m including **40m @ 2.33g/t Au**
- Hole JK11-048: **34.5m @ 1.11g/t Au** from 45m including **24m @ 1.52g/t Au**

Significant historic drill intersects from the Loflin (sometimes called Laughlin) property include:

- Hole LOC90-01: **48.8m @ 1.12g/t Au** from surface including **18.3m @ 1.57g/t Au**
- Hole LOC90-02: **81.7m @ 1.06g/t Au** from surface including **17.4m @ 2.9g/t Au**
- Hole LF10-018: **74m @ 1.12g/t Au** from 14m including **30m @ 2.59g/t Au**

Understanding the underlying stratigraphic and later structural controls of this mineralisation can be achieved with further drilling to test continuity between these gold-rich zones as well as their potential extensions along strike or at depth. Surface IP techniques combined with ground magnetics have been found to be very useful in targeting disseminated sulphide-gold associated mineralisation.

### Jennings-Pioneer Project

The Jennings-Pioneer project area has several greenfield exploration prospects with well-defined and potentially continuous zones of gold and base metal mineralisation already identified from historic mines and surface workings. There is potential to define:

- Volcanic Hosted Massive Sulphide (VHMS) style mineralisation and discover additional feeder veins and alteration associated with a large exhalative system along a well constrained lithostratigraphic horizon; and
- epithermal gold-silver mineralisation comprising Au-Ag-telluride veins/veinlets contained within linear, silicified and pyritic (+barite) zones.

The project requires the completion of baseline surface geochemistry and geophysical studies and evaluation prior to delineating drill targets.

### **Carolina Belle Project**

The Carolina Belle project has several greenfield to brownfield exploration prospects with well-defined and potentially continuous zones of gold mineralisation already identified from historic mines, drilling and surface workings striking over 2km. There is potential to extend existing zones of gold mineralisation and discover additional feeder veins and alteration associated with a larger epithermal system along a targeted lithostratigraphic horizon.

Significant historical drill intercepts from the Carolina Belle project include:

- Hole GNCJ-1: **7.6m @ 1.06g/t Au** from 33.5m including **1.5m @ 3.55g/t Au** from 35.1m
- Hole GNCJ-4: **3m @ 2.65g/t Au** from 85m

A range of surface rock chip samples (mullock dumps) returned grades between 0.5 to 28.1g/t Au, with multiple values > 10g/t Au. The project contains a collection of high grade historic gold mines with the majority of the prospects only worked to relatively shallow depths. Modern exploration techniques have not been applied to the mineral systems at Carolina Belle which would greatly assist in generating high confidence drill targets.

### **Argo Project**

The historic workings at the Argo project extend over hundreds of metres. There is obvious potential to undertake systematic surface prospecting and mapping to define current known mineralisation and extensions thereto. The application of modern exploration techniques for epithermal or vein style mineralisation would include surface geochemistry, ground geophysics and drilling. A range of surface rock chip samples were submitted for analysis that returned grades between 0.5 to 12.7g/t Au, with multiple values > 5g/t Au. The project requires additional exploration prior to drill testing.



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## 2.0 INTRODUCTION

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### 2.1 Terms of Reference

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Westoria has been commissioned by Richland Resources Ltd ("Richland") to undertake a site investigation and review and evaluation of certain technical data and information in order to produce a Competent Person's Report on the Mineral Properties in which Global Asset Resources Limited ("GAR") (via an intermediate holding company) on or about 17 June 2020 acquired a 51% ownership interest, located in the states of North and South Carolina, USA. Richland is quoted on AIM, a market operated by London Stock Exchange plc, and is seeking to acquire GAR by way of a reverse takeover transaction and raise working capital to, *inter alia*, fund future exploration and development activities on GAR's projects. Richland has commissioned this CPR in accordance with the requirements of the AIM Note for Mining, Oil and Gas Companies (June 2009) in connection with the enlarged group's re-admission to trading on AIM on completion of the Transaction.

This CPR has also been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012).

This CPR is based on information available up to and including the date of this report. Westoria has endeavoured, by making all reasonable enquires, to confirm the authenticity, accuracy and completeness of the technical information upon which this CPR is based. Consent has been given by Westoria for the distribution of this report in the form and context in which it appears in the Admission Document.

The rocks described in this report have all been metamorphosed and the prefix "meta" has been omitted for brevity.

Neither Westoria, nor its directors, employees (including the author of this report) or associates, have or have previously had any material interest either direct, indirect or contingent in Richland or any of the mineral properties in which Richland is planning to acquire an interest and explore. Their relationship with Richland is solely one of a professional association between a client and independent consultant. This report has been prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results or findings of this report.

This CPR has been prepared for the exclusive use of Richland and the information contained within it is based on instructions, information and data supplied to Westoria. No warranty or guarantee, whether expressed or implied, is made by Westoria with respect to the completeness or accuracy of this information.

### 2.2 Principal Sources of Information

---

The review of GAR's projects was based on certain historic data/information and technical reports provided to Westoria which in turn were supplied and prepared by professional Geological and Mining consultants. The reports were supplied to Westoria in hardcopy and digital formats. A number of plans, cross-sections and long-sections were also examined within the reports. A digital drill database containing copies of historic drill logs, GIS based mapping information and detailed reports and descriptions of the projects was also provided.

A site visit (from 13-15 July 2018) to the various projects (except for Jones-Keystone-Loflin) located in North and South Carolina, USA, was conducted by the author to verify the geology, access and status of the projects.

The author has endeavoured, exercising reasonable due diligence along with other associated enquires, to confirm the authenticity and completeness of the technical data upon which this report is based. A draft of this report was also provided to Richland, along with a written request to identify any material errors or omissions prior to its finalisation and publication.

## 2.3 Competent Person's Statement

---

The information within this CPR that relates to Exploration Results, Exploration Targets or Mineral Resources is based on information compiled by Mr Brendan Cummins, who is a member of the Australian Institute of Geoscientists. Mr Cummins is a part-time employee of Westoria where he holds the title of Technical Director. Mr Cummins has sufficient experience relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as so defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code, December 2012) and the VALMIN Code, 2005. Mr Cummins is therefore an independent Competent Person under JORC 2012 and a qualified person under the AIM Note for Mining, Oil and Gas Companies (June 2009), published by London Stock Exchange plc.

Mr Cummins has reviewed and verified the information that forms the basis of, and has been used in the preparation of, this report and consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

## 2.4 Background Information on the GAR Projects

---

The Carolina Gold Belt extending from Virginia in the north to Alabama in the south, but mainly centred across North and South Carolina, was the most important gold producing region in the USA during the first half of the 19th Century. There has been little modern exploration undertaken over the belt with modest activity in the 1980s to 90s when the Ridgeway mine was discovered, and the historic Haile and Brewer mines were briefly operated. Since then, subsequent drilling and expansion of the Haile Mineral Resource estimate to over 4Moz has re-focused attention on the highly prospective Carolina district for gold and base metal mineralisation in a variety of epithermal settings.

The Haile Gold Mine is an open pit operation owned and operated by ASX/TSX listed OceanaGold Corporation (ASX/TSX: OGC) ("**OceanaGold**"). Following several years of exploration, feasibility studies, regulatory approvals and a corporate takeover of previous developer - Romarco Minerals, OceanaGold completed construction of the 3.0Mtpa plant in 2016, with the first gold pour in January 2017. OceanaGold's production guidance for 2019 was 145,000 to 160,000 ounces of gold at an All-In Sustaining Cost of between US\$850 to US\$900 per ounce. OceanaGold is currently pursuing an expansion from open pit to underground mining.

The GAR projects lie within the Carolina Super Terrane (formerly the Carolina Slate Belt) that represents part of a multi-deformed mobile zone of the Appalachian Orogeny that was accreted to the Laurentia craton to the west. The eastern region of the Carolina Slate Belt is well known for its mineralisation with a number of substantial gold and basemetal discoveries that have subsequently been developed into mines over the past 30 years.



The structural setting, geology and alteration are consistent with a wide variety of emplacement models typically associated with epithermal mineralisation styles that have subsequently been modified by younger deformational events. The projects have all been defined with the occurrence of historic mine workings or adjacent more recent operations. Modern exploration programmes can be designed to rapidly focus on the historically identified gold and basemetal occurrences but also looking for extensions beneath shallow Cretaceous cover along the interpreted prospective stratigraphic target horizon and potentially footwall and hanging wall positions.

The location of the projects is presented in

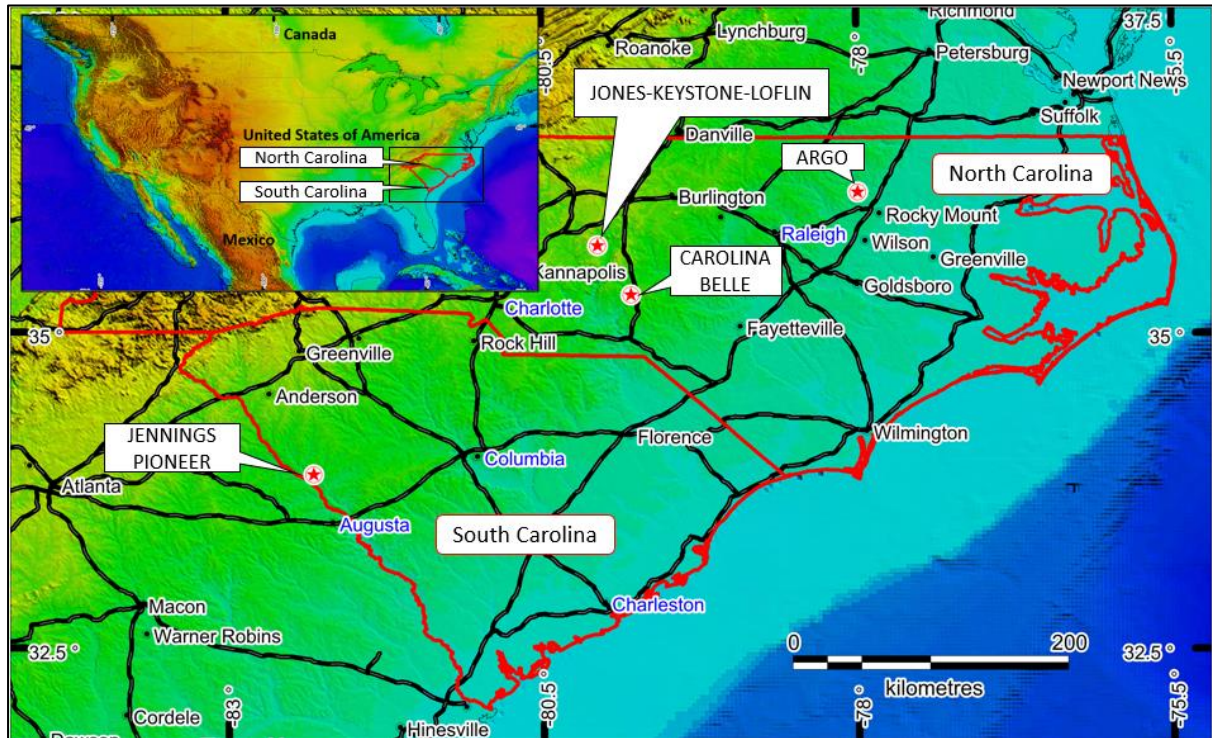


Figure 1 and Figure 2 below.



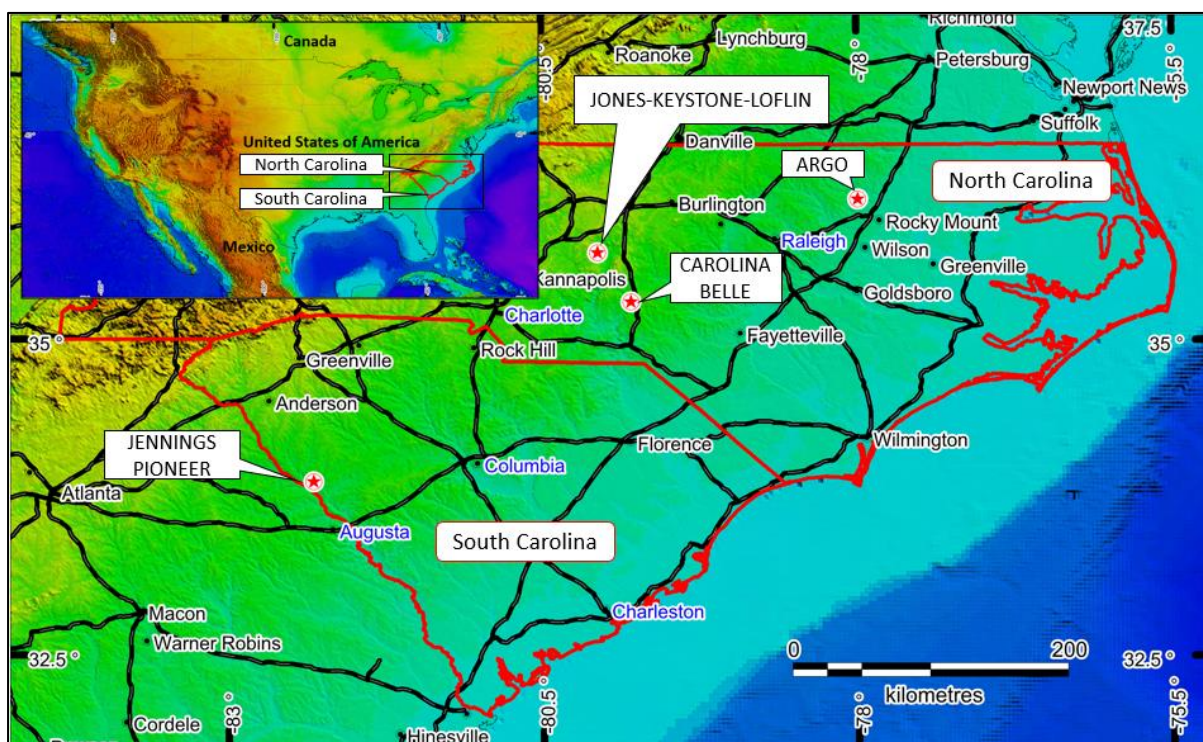


Figure 1. Location of projects, south east USA.

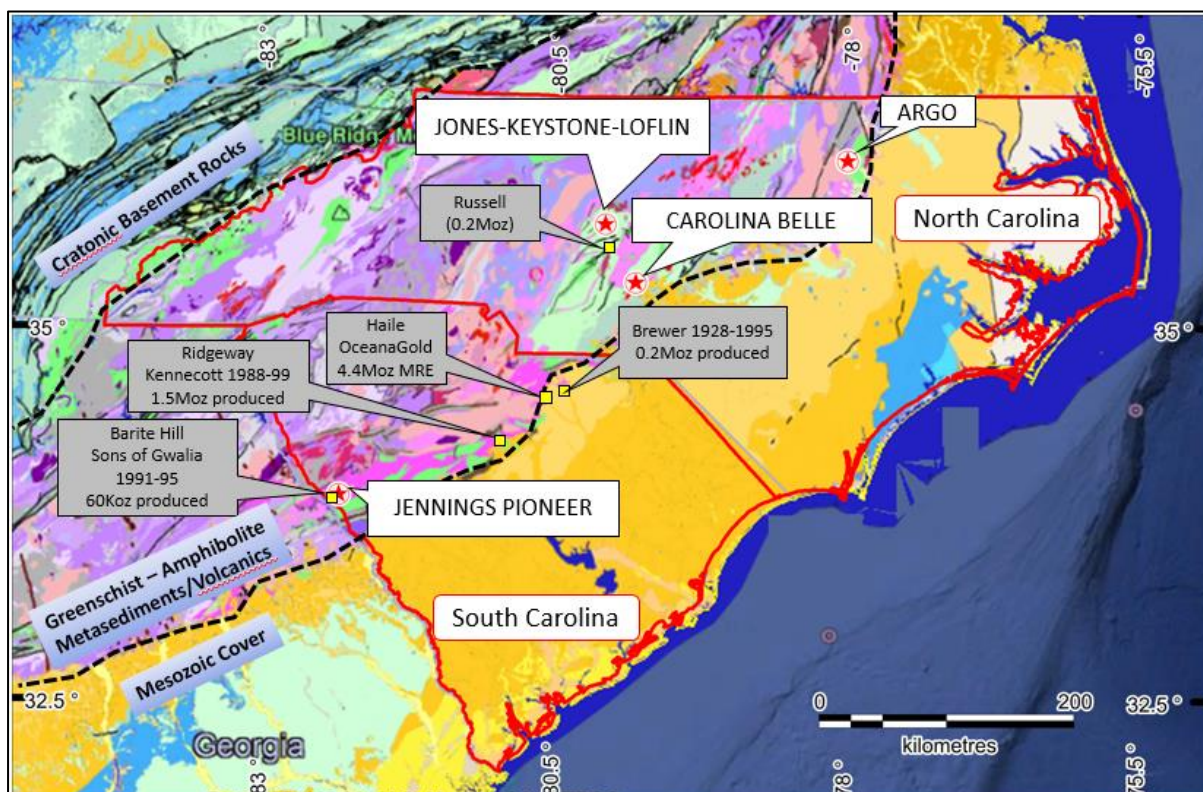


Figure 2. Mineral property locations and significant gold occurrences - North and South Carolina.

## 2.5 Project Agreements and Mineral Property Rights

In North and South Carolina the surface and mineral rights are held by the land owner(s). Typically, mineral rights can be made available to third parties through the sale of the mineral rights. Alternatively, lease agreements can be struck with the payment of annual lease fees for the mineral rights over multiple years. All of the agreements are notarised. If a mine development is proposed over the property, then in most cases the property owner may either sell the whole property to the mineral developer or continue to lease the property for fees and royalty payments on production. There are a number of ways these commercial arrangements can be structured but the above descriptions generally remain the accepted approach.

The mineral properties in which Richland is to acquire an interest, via GAR, and explore are held under agreements between certain land owners and the four project specific JV Entities: Project Argo LLC, Project Carolina Belle LLC, Project Jennings Pioneer LLC and Project JKL LLC (the “**Project SPVs**”). GAR has a 51% membership interest in each of the Project SPVs. The underlying agreements with the various landowners are a combination of mineral lease agreements and mineral lease with an option to purchase agreements. In addition, each project has a 3km radius area of interest surrounding all existing mineral property lease agreements (the “**Areas of Interest**”). The parties to the JV Implementation Deed have agreed that any mineral agreements over tracts of land that are within or partially within the Areas of Interest will be entered into by the relevant Project SPV and automatically be the subject of the JV Implementation Deed.

A summary of the relevant mineral exploration properties and key terms are presented in *Table 1*.

Project	Land Owner	Area (acres) (Note 1)	Date Executed	Term (min. years)	Agreement Type	Royalty (NSR)
Carolina Belle	Tommy Blake & Elizabeth Blake	15.47	31/08/2016	10	Lease with Option to Purchase	2%
	Jordan Two LLC.	154.55	17/10/2016	10	Lease	3% Au, 2% all others
	Angus Realty Corporation	221.96	04/04/2019	10	Lease	3%
	Project Total	391.98				
Jennings-Pioneer	Andrew C. Owings	398.98	22/06/2018	10	Lease	2.25%
Argo	John T. Taylor & Barbara T. Taylor	382.13	23/02/2017	10	Lease	3%
Jones-Keystone	Linda B. Hunt	163.88	27/01/2015	10	Lease with Option to Purchase	3%
	Aaron F.Smith & Jess D.Smith	61.04	08/08/2015	10	Lease with Option to Purchase	2%
	Gary & Barbara Smith	98.57	08/08/2015	10	Lease with Option to Purchase	2%
	Project Total	323.49				
Loflin	Tammy R.Crigger	7.17	21/02/2015	10	Lease with Option to Purchase	2%
	Jerome Church	13.24	04/10/2015	10	Lease with Option to Purchase	2%
	Kurby C.Kreiter & Amber M.Kreiter	4.05	17/06/2015	6	Lease with Option to Purchase	2%

	Robert L.Moran & Sharon W.Moran	26.20	22/06/2015	10	Lease with Option to Purchase	2%
	Project Total	50.66				
	<b>Total Area Held</b>	<b>1,547.24</b>				

**Table 1. Mineral Properties - General Landowner Terms.**

**NOTES:**

- 1) The areas used in Table 1 are the lower of the area stated in the underlying project agreements with the landowners and the area for the landowners property in the tax records of the county in which the property is situated.
- 2) Currently only four properties are being considered as part of the Loflin package but several historic drill holes reported in this CPR are sited beyond the four Loflin properties concerned and the author recommends that Richland seek additional mineral lease agreements to ensure future drill holes can be collared at the optimal locations unconstrained by property boundaries.

## 3.0 GEOLOGY AND MINERALISATION OF THE CAROLINA SUPER TERRANE

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### 3.1 Regional Geology

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The Carolina Super Terrane (CST), formerly known as the Carolina Slate Belt, has a long history of gold prospecting and production and was the site of the initial North American gold rush in the early 1800s. In more recent years, the potential of the CST to host large and often concealed gold mineralisation has seen an increase in exploration activity particularly following the discovery and development of the large-scale Ridgeway and Haile gold mines.

The CST encompasses the eastern exposed flank of the southern Appalachian orogen. At the surface, it extends from the central Piedmont shear zone eastward to the Fall Line where it is unconformably overlain to the southeast by Cretaceous to Tertiary sedimentary rocks of the Atlantic Coastal Plain. The Neoproterozoic to early Palaeozoic CST forms a dominant portion of the crustal scale Appalachian peri-Gondwana mobile zone that extends for 3,000km along the east coast of the north American continent. From west to east the orogenic belt comprises two main tectonic units - the Laurentian realm and Peri-Gondwanan realm that is subdivided into the Carolina zone (CST) and the Avalon zone (**Figure 3**). The CST component of the mobile belt comprises mainly igneous and associated sedimentary rocks that extend for more than 600km from central Virginia southwards to Georgia and up to 140km wide in North Carolina.

The CST broadly follows the northeast trend of the orogen, but central South Carolina an east – west oroclinal flexure disrupts the northeast trend. To the southwest of this flexure the CST structural trends are roughly east–northeasterly, whereas those to the northeast of the flexure are northeasterly. This flexure may be an important control on regional gold prospectivity in the region.



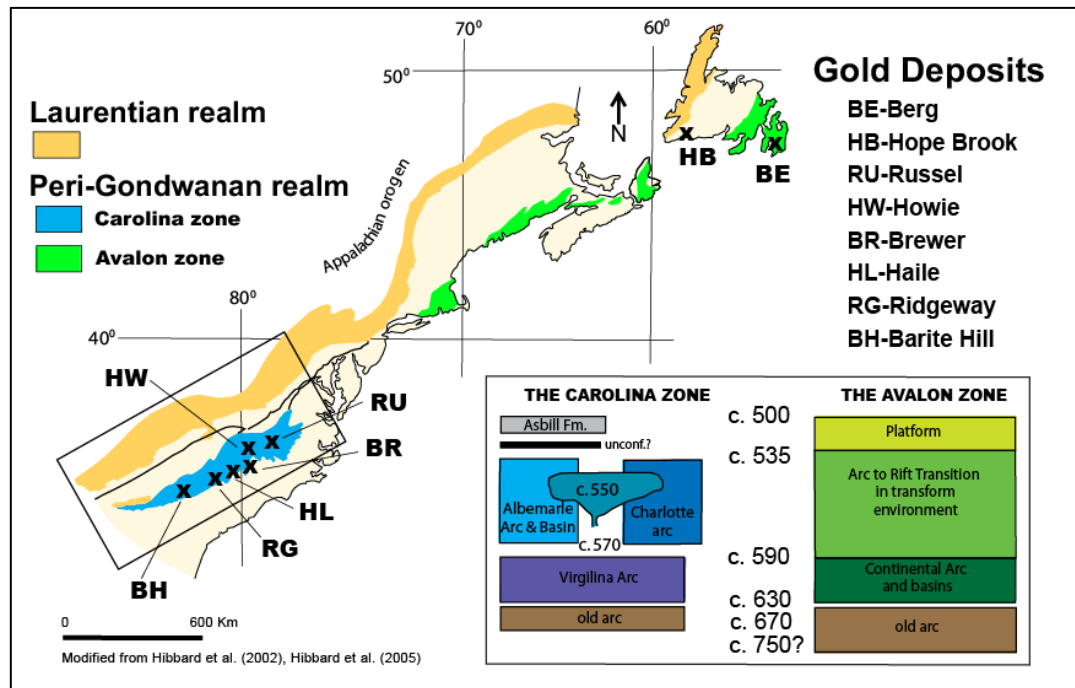


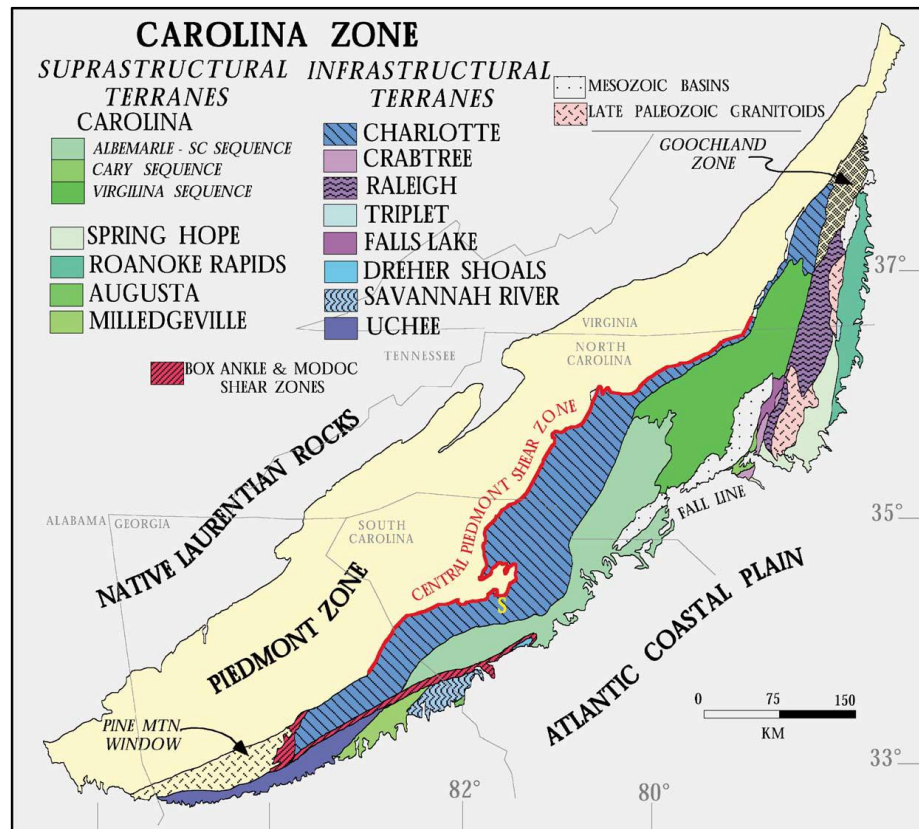
Figure 3. Key tectonic elements of South Eastern USA.

In summary, the CST is divided into the Carolina terrane (CT), Charlotte terrane, Augusta-Dreher Shoals terrane and the Kings Mountain terrane (Figure 4). These exotic, volcanic arcs once formed adjacent to the African continent and were accreted to the North American craton during the Late Ordovician-Silurian.

Three volcanic-dominated sequences comprise the bulk of the CT, including:

1. Virgilina sequence in Virginia and North Carolina;
2. Albemarle sequence in North Carolina and laterally equivalent South Carolina sequence in South Carolina and northeast Georgia; and
3. Cary sequence in eastern North Carolina.

The consensus among researchers is that combined these three sequences represent a long lived supra-subduction zone magmatic arc system. The most important gold bearing sequences are Albermarle and South Carolina that hosts significant gold mineralisation at Haile, Ridgeway and Brewer.



*Figure 4. Detailed structural terranes of the Carolina Super Terrane (CST).*

### 3.2 Tectonics

The tectonic history of the CST is recorded as six major events:

1. 617 to 544Ma: folding, foliation and faulting with granite intrusions between the Late Neoproterozoic to Early Cambrian. The Carolina Terrane formed as part of a subduction zone-oceanic island arc complex. Gold mineralisation events from the largest gold deposits in the CST range between 550 and 566Ma.
2. 457 to 425Ma: upright folding with a penetrative axial planar cleavage and greenschist facies metamorphism between the Late Ordovician to Silurian.
3. 393 to 381Ma: Gold Hill-Silver Hill dextral shear zone between the Carolina and Charlotte terranes during the Devonian.
4. 333 to 286Ma: mylonitic shear zones with orogenic quartz veining and greenschist to amphibolite facies metamorphism and post tectonic granite intrusions during the Late Palaeozoic. This was in response to the continental collision that forms the super continent of Pangea.
5. Rifting and associated rift basin development, intermediate to mafic dykes during the Carboniferous and Mesozoic.
6. A period of exposure during the Mesozoic was associated with weathering and saprolite formation during a period of sub-tropical weathering. Global sea level rises during the

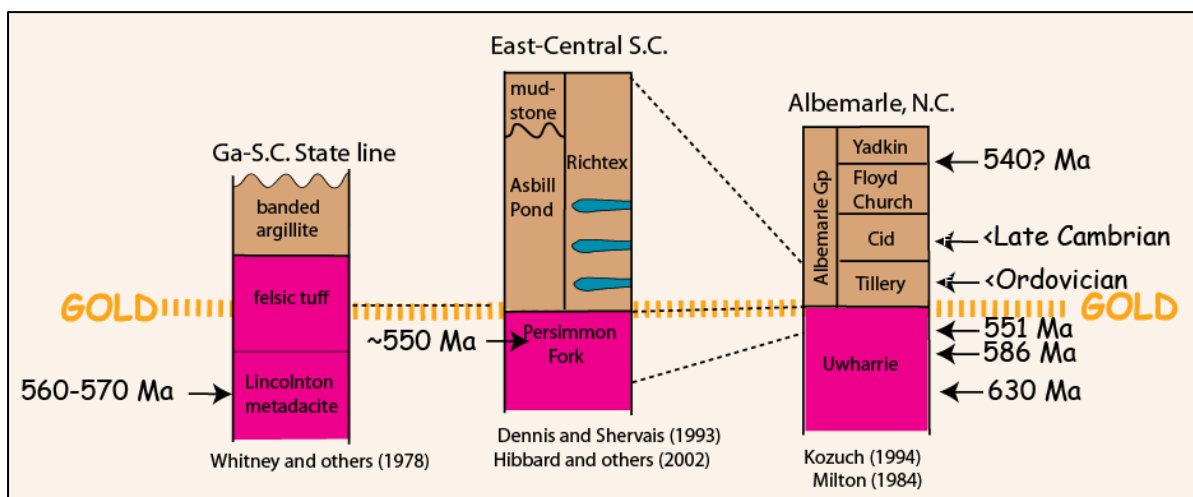


Cretaceous saw the deposition of widespread sands and clays over the deeply weathered saprolite.

### 3.3 Mineralisation

There are many small gold deposits along the CT that have been historically mined by prospectors targeting outcropping gold mineralisation associated with narrow quartz veins. However, the more significant hardrock gold and base metal deposits are all located on or adjacent a conformable contact between older volcanic formations and overlying sedimentary rock. This contact is considered a reliable lithostratigraphic control on the distribution of gold mineralisation within the CT.

Regionally equivalent stratigraphic formations hosting gold and base metal mineralisation are well defined with mapping between the South and North Carolina. In South Carolina the Haile, Brewer, Ridgeway and Barite Hill deposits are located adjacent to epiclastic rocks of the Cambrian Richtex Formation that overlie Proterozoic-Cambrian volcanic rocks of the Persimmon Fork Formation. In North Carolina mineralisation associated with the Champion Hills and Russell deposits is found adjacent epiclastic rocks of the Cambrian Tillery Formation that overlie Proterozoic-Cambrian volcanic rocks of the Uwharrie Formation. The relationship between gold mineralisation and stratigraphy is presented in **Figure 5**.



**Figure 5.** Age and lithostratigraphic controls on gold mineralisation between North and South Carolina.

There has been considerable discussion regarding the genesis of CST hosted gold mineralisation with some researchers advocating that mineralisation was associated with collision, orogeny and metamorphism. Others have the view, supported by detailed age dating of the mineralisation and structural and textural studies from mostly the larger Haile and Ridgeway ores, that gold mineralisation only slightly postdates volcanism but predates orogenic collisional related deformation. These researchers suggest that the hydrothermal alteration, structural controls and associated gold and base metal mineralisation is related to subduction induced, most likely back-arc magmatism akin to modern epithermal mineralisation common to gold deposits in active arc environments of the Circum-Pacific. The epithermal deposits have then been strongly overprinted with later folding, foliation and faulting associated with deformation events between the Ordovician to the Permian.

Typical of epithermal mineralisation there is a wide range of deposit styles between the low and high sulphidation end members. The character, distribution of ore and wall rock alteration tends to be

unique due to the wide range of fluid sources, distance from heat, depth of mineralisation, host rock interactions and structural preparation. Gold ores at Ridgeway and Haile represent the low-sulfidation, disseminated, shallow subaqueous tuffaceous equivalents of intrusion-related high-sulfidation ores such as those at Brewer. The Ridgeway and Haile deposits are primarily epithermal replacements and feeder zones within metamorphosed crystal-rich tuffs, volcanoclastic sediments, and siltstones originally deposited in a marine volcanic-arc basinal setting. Brewer is unique in the region and is classified as a high sulphidation gold system with volcanic and breccia-hosted gold accompanied by quartz, pyrite, topaz, enargite and chalcopyrite. Gold mineralisation at Barite Hill contains the assemblage of pyrite-chalcopyrite-galena-sphalerite and is characteristic of a submarine, high-sulphidation volcanogenic massive sulphide deposit (**Table 2**).

Gold is mostly observed in cracks with pyrite and as electrum with silver which is hosted in intensely altered zones of silica and sulphide. This alteration, in the core of the mineralisation, grades outward to distal quartz-sericite-pyrite and finally into the regional greenschist facies metamorphic alteration. The main sulphide is pyrite with local abundances up to 15%, associated with minor molybdenite, +/- chalcopyrite, sphalerite, arsenopyrite and galena. Epithermal textures are observed but heavily overprinted with later deformation events.

The potential is high for gold mineralisation to be found along the CT at depth in the feeder zones that may underlie such surface variants of high sulfidation – low sulfidation epithermal systems and for new discoveries of similar deposits in areas undercover. In addition, within island arc volcanic settings there is a possibility of discovering porphyry-style gold-copper-molybdenum mineralisation.

Deposit	Type	Host rock	Alteration	Resource Moz Au	Au age Ma
Haile	Sediment-hosted intrusion-related	Persimmon Fork metasediments	silica-pyrite- sericite	3.46	549
Ridgeway	Sediment-hosted intrusion-related	Richtex metasediments	silica-pyrite- sericite	1.44	553
Brewer	High sulphidation	Persimmon Fork metavolcanics	Pyrite-enargite- chalcopyrite	0.2	550
Barite Hill	VMS	Persimmon Fork metavolcanics, metasediments	silica-barite- sericite	0.06	566

Source: OceanaGold (Ayuso and Foley, 2012)

**Table 2.** Details of the main deposits from operations (past and present) within the CST.

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## 4.0 JONES-KEYSTONE-LOFLIN PROJECT

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### 4.1 Project Overview

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The Jones-Keystone project was initially mined by small scale prospectors from 1852 with intermittent production until the Civil War (1861) and then again up and until the mid-1930s. United States Geological Survey geologists estimated in 1948 that 30,000 to 40,000t of rock had been mined from two pits producing 5,000oz of gold. Between 1934 and the 1960s additional mining activities were undertaken with the development of two larger pits and several shafts with remnants of a mill and mill footings. No production records are known from that time.

Along strike to the southwest, the Loflin properties show evidence of pits, trenches, shafts, adits and glory holes at several workings within a few hundred metres on either side of Loflin Hill Road collectively called the Loflin Hill Mine area (sometimes called Laughlin). It seems that much of the mining activity was undertaken during the Depression years by local farmers during the winter months. There are no known production records from the historic Loflin workings.

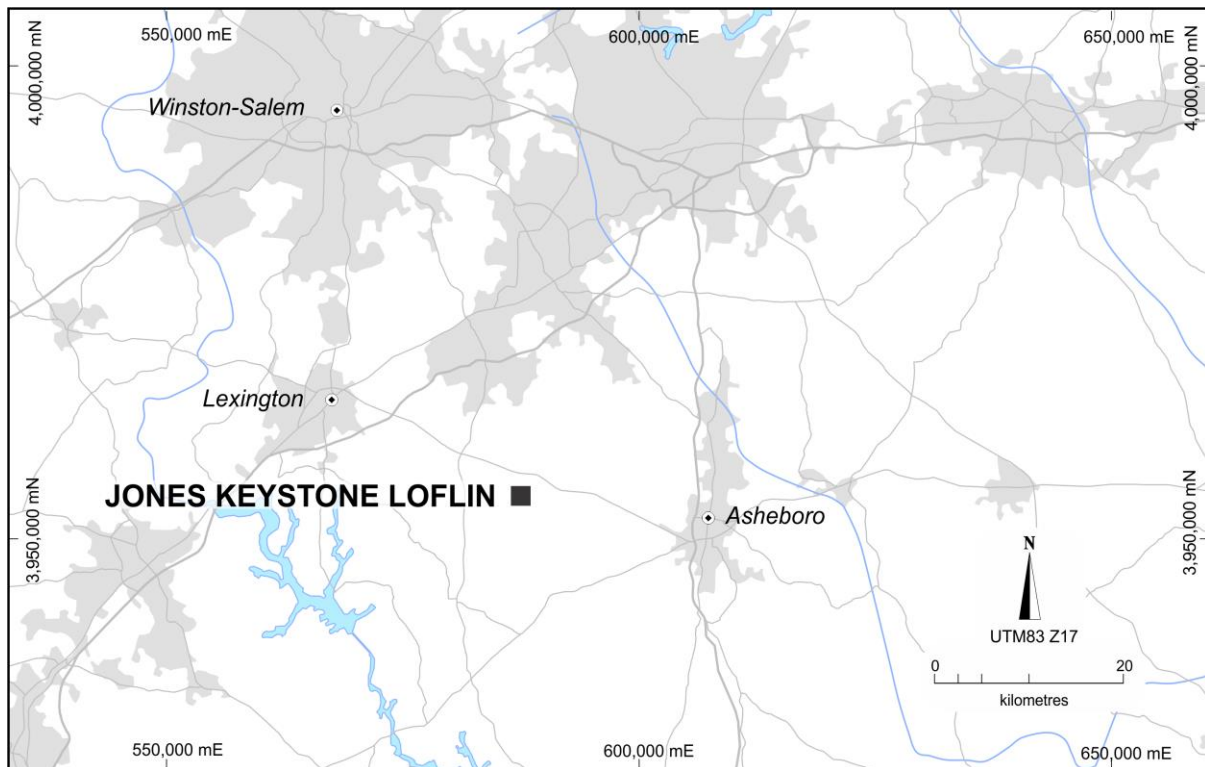
The geology of the Loflin and Jones-Keystone properties is similar to that found at the Ridgeway, Haile and Russell mines and other mineralised zones within the district. These similarities were recognised by companies such as Cyprus Mines Corporation ("**Cyprus Mines**"), ASARCO Exploration Co Inc. ("**Asarco**"), Noranda Inc. and Phelps Dodge Corporation ("**Phelps Dodge**") between the late 1960s and 1990s exploring for bulk mineable style gold. Between 2010 and 2013 and then again between 2017 and 2019 the properties were explored by Revolution Resources Corporation ("**Revolution Resources**") and Orford Mining Corporation ("**Orford Mining**") respectively.

The Jones-Keystone-Loflin project areas contain evidence of widespread gold mineralisation identified from historic workings. The properties comprise greenfield to brownfield exploration targets with well-defined and potentially continuous zones of gold mineralisation delineated from previous drill programmes and supported by geophysical surveys. There is evidence of widespread gold mineralisation with grades ranging between 0.5g/t to 2.5g/t within a structurally complex setting typical of the CST. There remain a number of geophysical and geochemical anomalies that warrant further investigation to delineate disseminated sulphide-gold mineralisation.

### 4.2 Location, Access & Geography

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All Jones-Keystone-Loflin properties are located in the Cid mining district in central North Carolina within west-central Randolph County. The properties are located within 3km of each other, approximately 20km west of the town of Asheboro, NC and 23km south east of the town of Lexington, North Carolina (*Figure 6*). The project areas are easily accessible via a network of US highways (US Highway 64), state roads and maintained county roads. Gravel roads exist across the properties that will allow access for exploration activities. A four wheel drive vehicle is sufficient to access the main exploration areas.

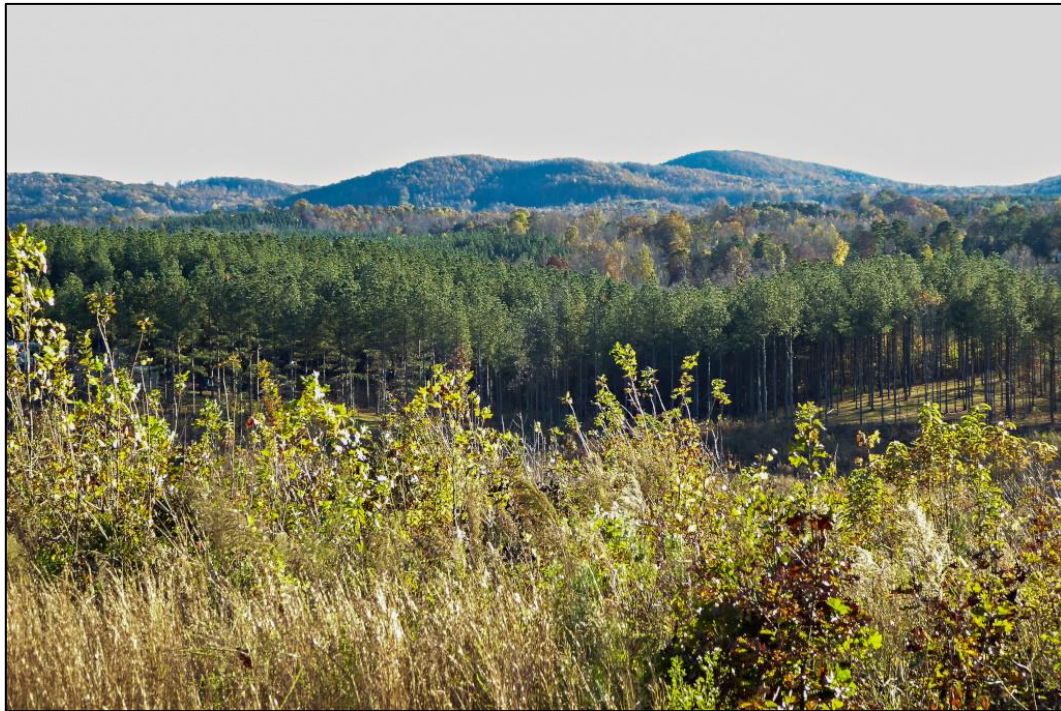


*Figure 6. Jones-Keystone-Loflin Project location map.*

The area is generally hilly with elevations between 200 and 230m ASL across the two properties. The Loflin property sits at a slightly higher elevation at an average of 235m ASL. The region is mainly vegetated by hardwood forest with large stands of pines and cedars. Jones-Keystone is mostly forested but Loflin has very little vegetation due to private homes and cattle farming. Much of the Jones-Keystone property was commercially logged in the late 1980s, and those lands are regenerating with second-growth hardwood-pine forest. Wildlife includes a thriving deer population as well as squirrels, raccoons and other forest creatures (*Figure 7*).

The climate is humid subtropical with four clear seasons. The summer is hot and humid with an average daily temperature of 26°C. The winters are cool with average daily temperatures of 5°C. The rainfall is high and averages 1,000mm per year with precipitation generally even throughout the year. The project is directly in the path of subtropical moisture from the Gulf of Mexico as it heads up the eastern seaboard so it receives good rainfall throughout the year but precipitation is generally less frequent in autumn than in spring. The weather will not prevent all year access for exploration, but autumn and the cooler months are considered more suitable for ground activities.





*Figure 7. General project photo from Jones-Keystone with forest re-growth after clear fell logging.*

### 4.3 Previous Exploration

The following exploration histories are partial excerpts from the N43-101 report commissioned by Revolution Mining Corporation and authored by their Geologist - Katie Lucas in 2012. A total of 55 holes for 11,704m has been drilled across the Jones-Keystone property since 1969. The most recent drilling was undertaken in 2018. A total of 43 holes for 10,882.5m of drilling has been undertaken at Loflin since 1981 with the most recent drilling completed in 2011. Both properties have received various combinations of soil geochemistry, surface geophysics, mapping and grab sampling.

#### 4.3.1 Jones-Keystone

Asarco started exploring the Jones-Keystone property in 1969. The company drilled three diamond holes for 454m, which were designed to follow up a large soil sampling programme and two surface trenches, both centered on the historical mine site. The precise locations of the three drill holes are not known but the analytical results are available for review.

Cyprus Mines, and Louisiana Land and Exploration Company LLC explored the Jones-Keystone property in 1975 and 1976 as part of a joint-venture project involved in reviewing gold occurrences in North Carolina. Limited soil sampling and mapping over the historic pits was conducted, as well as chip samples being taken from the walls of the old pits. The records in respect of this exploration activity are not complete.

Piedmont Land and Exploration Company ("**Piedmont**") conducted sporadic work on Jones-Keystone between 1981 and 1991, much of which repeated the work undertaken by Asarco and Cyprus Mines. Piedmont channel sampled the pit walls, soil sampled the historic mine site area and resampled the Asarco trenches. The company put in two surface trenches and drilled one diamond drill hole to a depth of 154m. Records indicate that this drill hole was drilled to test an IP anomaly, although no

detailed record of the IP survey is available. The gold only assay results are available for this single drill hole.

Between 2007 and 2013, Revolution Resources completed significant exploration programmes with data compilation, mapping, rock chip grabs, comprehensive soil sampling and ground magnetics. These programmes extended over the GAR properties considered as part of this CPR.

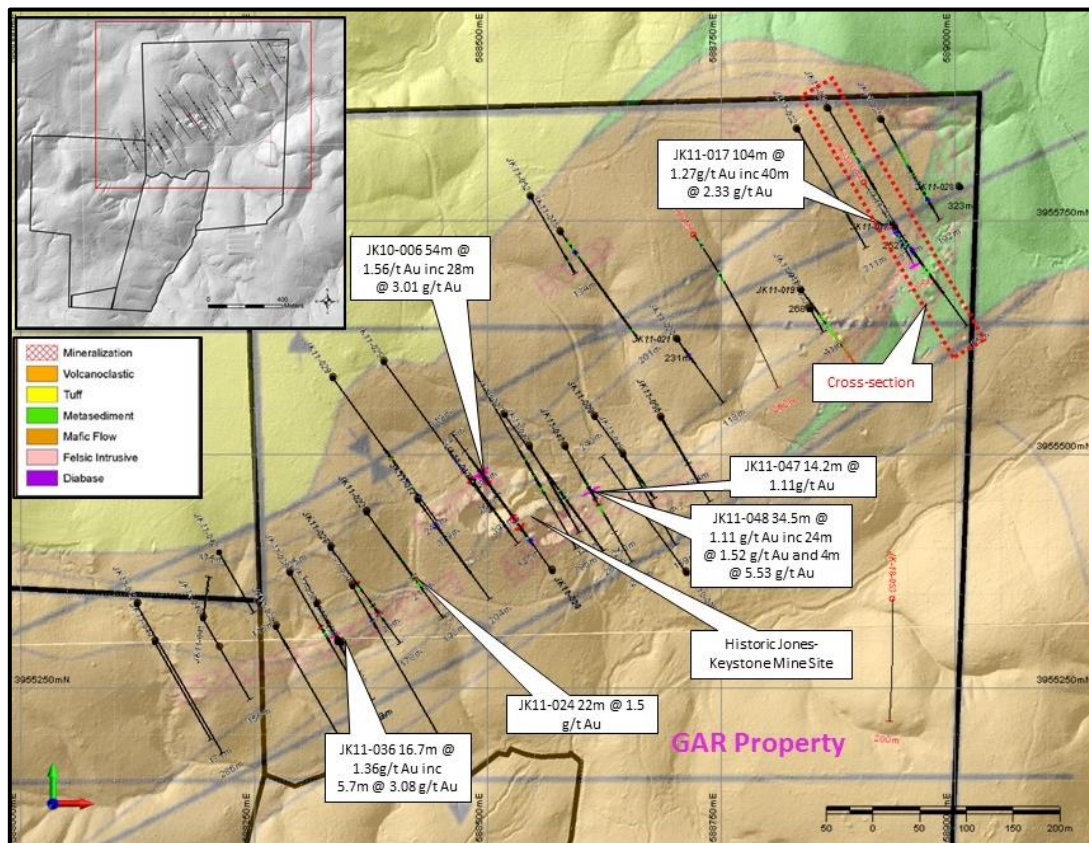
Revolution Resources completed a diamond drilling programme commencing in late 2010 and concluding in October 2011. It drilled 48 holes for 10,442m of diamond core to an average depth of 200m. The drill plan was designed to systematically test below the NE-trending historic workings along 1,000m of strike. The holes were drilled predominantly to the southeast but also to the northwest. The drilling was successful in defining a large, tightly folded gold-bearing mineralised zone, as well as several other zones along the southern limb of this fold. Two drill holes tested the northern limb of the fold, both intersecting gold-bearing horizons. Revolution Resources concluded that the mineralisation remained open along both limbs in a NE-SW direction and down plunge. One of the more significant intervals included a downhole intersection of 104m @ 1.27g/t Au drilled from vertical hole JK11-017.

Between 2017 and 2019, Orford Mining completed line clearing in preparation for surface geophysical techniques that included OreVision® induced polarization (IP) and ground magnetics. It also compiled historic mapping and remapped areas of outcrop, and re-logged available drill core to improve the geologic and structural controls of the gold mineralisation. Orford Mining drilled three oriented diamond holes for 654.5m testing an IP anomaly and to confirm a strongly mineralised zone from hole JK11-017 (104m @ 1.27g/t Au) reported by Revolution Resources in order to obtain structural information from the oriented core. Hole JK-18-054 completed by Orford Mining successfully penetrated the same mineralisation yielding an interval of 41.1m @ 1.36 g/t Au.

A drill hole compilation plan and cross-section are presented in **Figure 8** and **Figure 9** respectively. Significant down hole gold intervals are set out in **Table 3** with a complete drill hole summary presented in Appendix 1. The JORC 2012 Table 1 information in relation to the drilling completed at Jones-Keystone is also provided in Appendix 3.

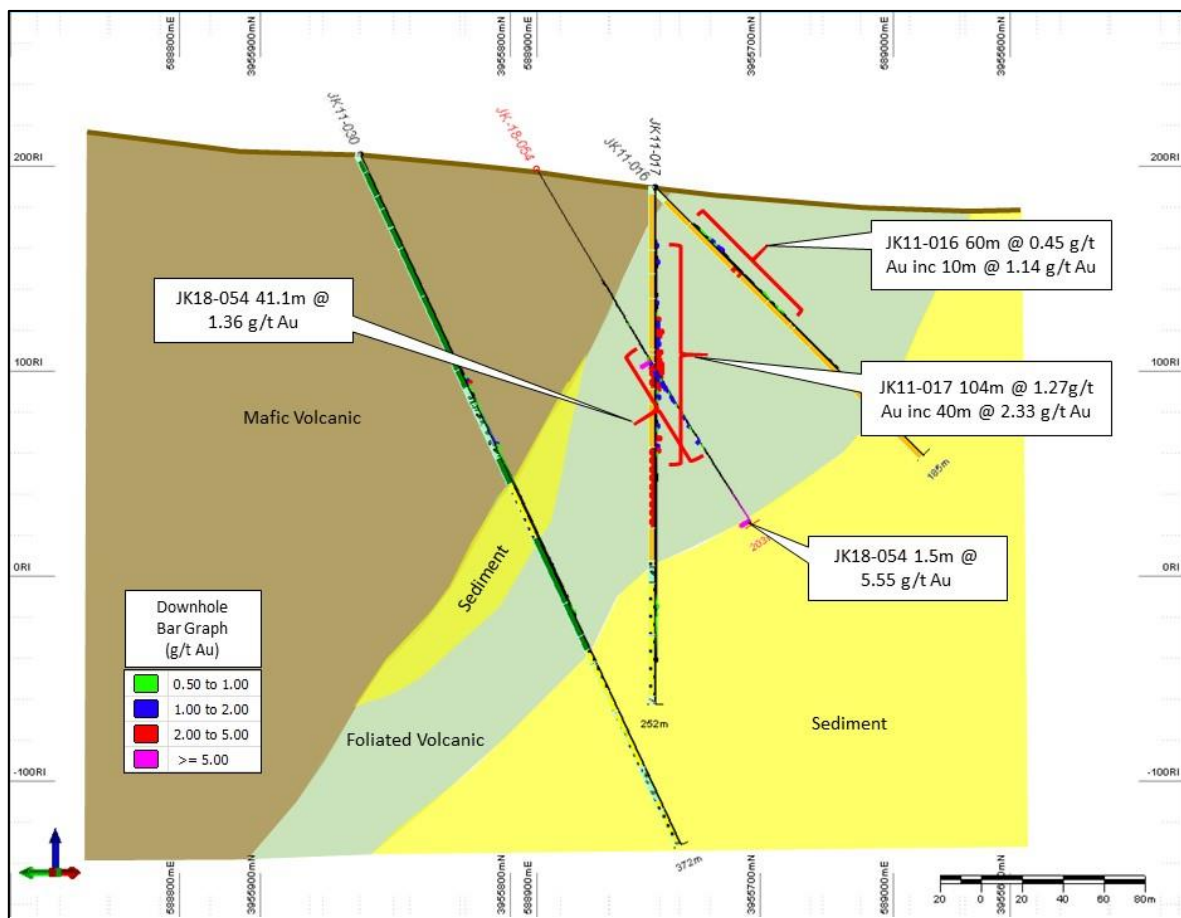
Hole-ID	UTM East	UTM North	RL	EOH	Dip	Azimuth	From (m)	To (m)	Interval (m)	Au (g/t)	Company
JK10-006	588569	3955375	191	319.43	-55	324	184	238	54	1.56	Revolution
						including	200	228	28	3.01	
JK11-010	588569	3955375	191	295.05	-70	324	152	192	40	0.61	
JK11-016	588936	3955744	190	185.32	-45	144	28	88	60	0.45	
						including	36	46	10	1.14	
JK11-017	588936	3955744	190	252.37	-90	144	28	132	104	1.27	
						including	64	104	40	2.33	
						including	80	94	14	3.03	
JK11-024	588569	3955375	191	224.94	-45	324	82	104	22	1.5	
JK11-025	588389	3955599	222	393.19	-60	144	286	324	38	0.78	
JK11-026	588332	3955400	210	178.31	-45	144	104	130	26	0.96	
JK11-027	588332	3955400	210	225.86	-68	144	120	144	24	0.84	
JK11-031	588922	3955858	198	192	-50	150	84.3	158	73.7	0.55	Orford
JK11-036	588317	3955339	209	182.9	-50	150	45	61.7	16.7	1.36	
						including	54.5	60.2	5.7	3.07	
JK11-048	588583	3955508	201	249.9	-65	150	103.5	138	34.5	1.11	
						including	114	138	24	1.52	
						including	128	132	4	5.53	
JK-18-054	588,903	3,955,791	199	203.0	-59	145	107	148.1	41.1	1.36	Orford
						and	199.9	201.4	1.5	5.55	

**Table 3.** Significant zones of gold mineralisation intersected from historic drilling on the Jones-Keystone property.



**Figure 8.** Drill hole plan with significant gold drill hole intersects over the Jones-Keystone property.





*Figure 9. Cross-section looking to the north east from the Jones-Keystone mineralisation.*

#### 4.3.2 Loflin

Cyprus Mines and Louisiana Land and Exploration explored the Loflin Mine property in 1975 and 1976 as part of a joint-venture project that reviewed gold occurrences in North Carolina. During this programme, five soil lines were completed over the main area of mine workings, and several chip samples were taken from the walls of historic pits with good exposure. Geological mapping of the property was conducted, and several grab samples were also collected. Only limited data from this exploration programme is available.

New Jersey Zinc Company ("**New Jersey Zinc**") worked on the Loflin Mine property in 1981. Sparse records indicate that New Jersey Zinc drilled at least 11 rotary holes, to an average depth of approximately 30m, in the immediate areas of the historic Loflin Mine workings. None of the analytical or location data is available for review.

Phelps Dodge Corporation commenced exploration of the Loflin property in the mid to late 1980s. The company conducted initial geologic mapping, limited surface sampling and possibly an IP survey. No diamond drilling was undertaken. None of the analytical or location data is available for review.

In 1988, Carolina Resources (no relation to Carolina Gold Resources) drilled three reverse-circulation drill holes. These holes were drilled to an average of 50 metres depth, designed to target below mineralised zones in surface trenches. All of this work was conducted in the same area of the property

as the rotary drilling that was completed in 1981 by New Jersey Zinc. None of the analytical or location data is available for review.

Noranda explored the Loflin property between 1989 and 1992. The company conducted bedrock mapping, soil surveying, channel sampling of old workings and drilled 20 diamond drill core holes. Noranda conducted a VLF, VLF-R and ground magnetic survey over 15 line kilometres of the Loflin property. Twelve kilometres of this grid were covered by a self-potential survey. Details of these surveys are not available. Details of the diamond drilling and soil sampling, as well as the diamond drill core are available.

The 2010-2011 exploration programme completed by Revolution Resources on the Loflin property consisted of geological mapping, outcrop sampling, diamond drilling and a ground magnetic survey. A total of 27 holes for 4,720m were drilled to an average depth of 175m. These exploration activities covered the GAR properties considered as part of this CPR.

Initial drilling undertaken by Revolution Resources focussed on Noranda's 1989-1992 drill results. The initial 8 holes completed by Revolution Resources were drilled at a variety of orientations to determine an optimal hole direction based on the geology, mineralisation and structural controls. It was determined that the best drill orientation was towards 135°. The 27 holes covered a strike of 500m extending to the northeast – towards Jones-Keystone. Drilling confirmed Noranda's drill results and delineated a NE-SW trending syncline with shallow mineralisation encountered in the core of the fold structure probably controlled by a strong subvertical foliation. This syncline has a shallow plunge to the NE and was closed off to surface at its SW corner but remains open down plunge in a NE direction. The drill spacing requires tightening with several sections remaining open up and down dip.

No further work has been completed at Loflin since 2011. The drill hole plan and cross section are presented in **Figure 10** and **Figure 11** respectively. Significant down hole gold intervals are presented in **Table 4** with a complete drill hole summary set out in Appendix 2.

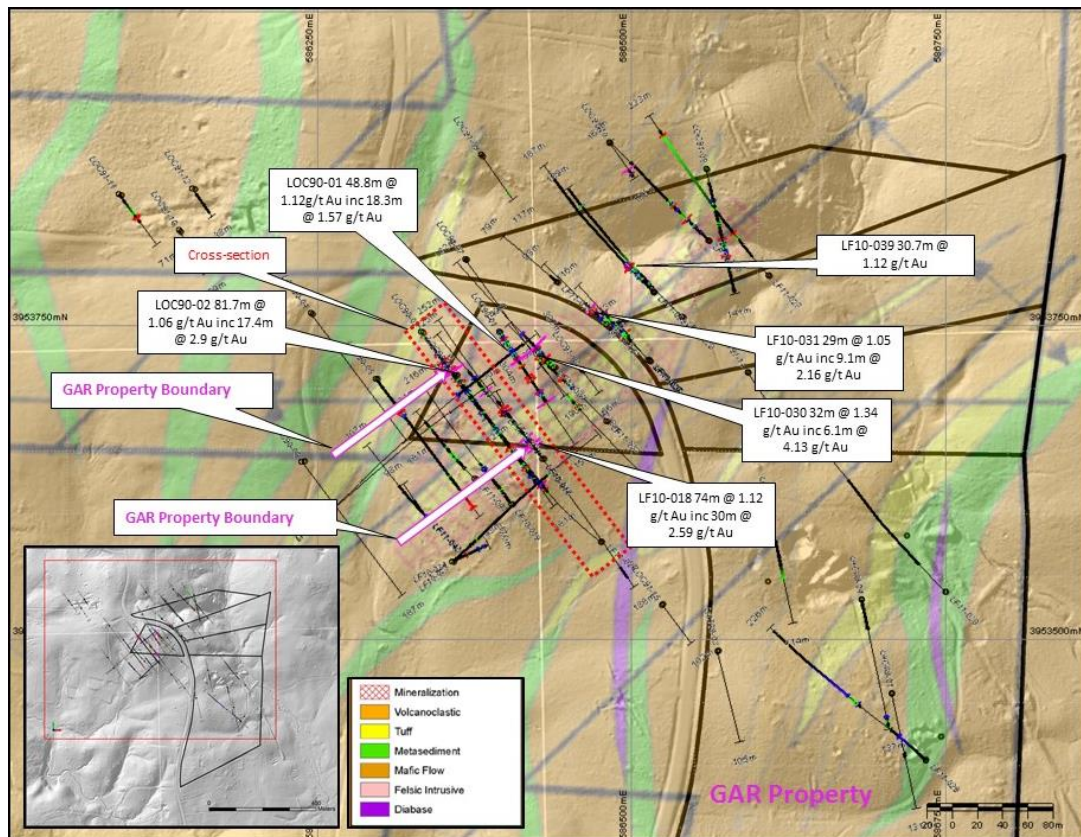
The drill hole plan in **Figure 10** shows several drill holes beyond the property boundary being acquired by Richland. The material drill holes are collared beyond the Loflin property boundary, but the significant mineralisation is encountered at depth mostly within the Loflin property boundary. It is recommended that the owners of additional surrounding properties are approached and lease agreements struck to enable additional step out drilling into this south west zone of gold mineralisation. Along strike to the north east a similar strategy of leasing additional properties is also recommended to ensure step out drill holes can be sited effectively to target the mineralised zone.

JORC 2012 Table 1 information in relation to the previous drilling completed at Loflin is set out in Appendix 3.

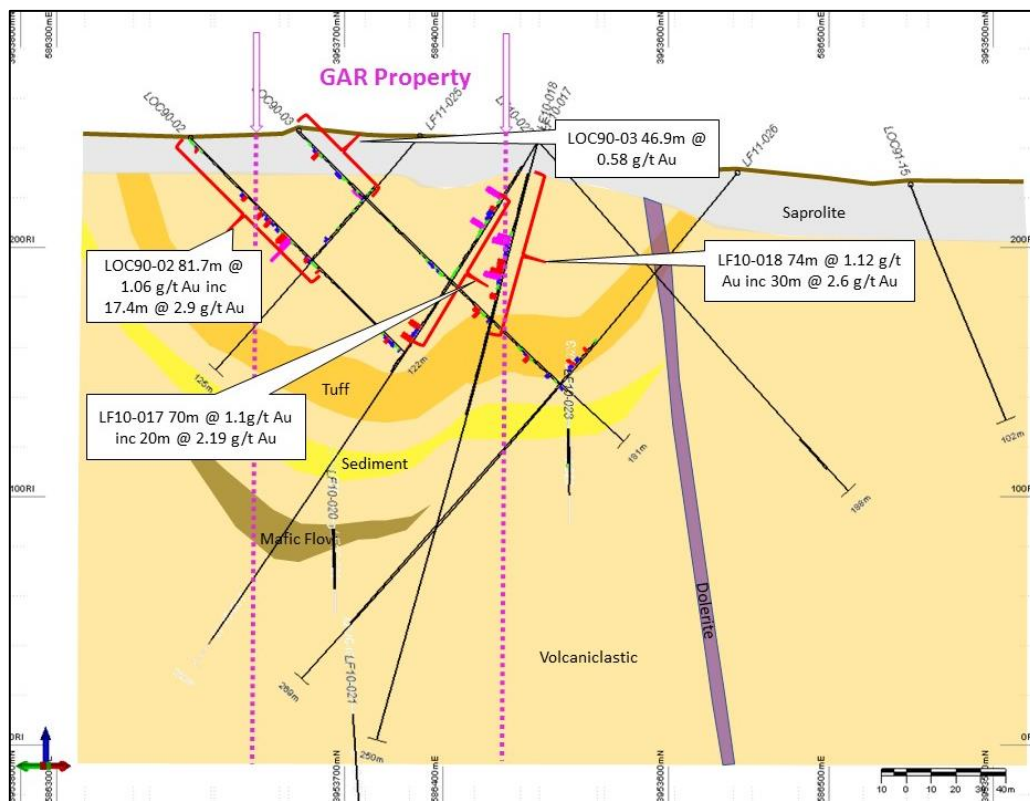
Hole-ID	UTM East	UTM North	RL	EOH	Dip	Azimuth	From (m)	To (m)	Interval (m)	Au (g/t)	Company
LOC90-01	586394	3953745	245.4	150.6	-45	145.3	0.0	48.8	48.8	1.12	Noranda
							including 21.3	39.6	18.3	1.57	
							and 77.9	97.2	19.3	1.16	
LOC90-02**	586332	3953745	244.1	121.9	-45	143	0.0	81.7	81.7	1.06	
							including 40.8	58.2	17.4	2.9	
LOC90-03	586359	3953711	247.2	181.1	-45	143.4	0.0	46.9	46.9	0.58	Revolution
							and 86.9	150.6	63.7	0.6	
LOC91-08**	586559	3953875	231.3	141.4	-45	167.3	and 34.8	111.0	76.2	0.58	
							including 80.5	101.8	21.3	1.23	
LF10-017**	586429	3953644	243.00	251.76	-56.4	323	26.0	96.0	70.0	1.1	
							including 26.0	46.0	20.0	2.19	
							including 88.0	96.0	8.0	3.05	
LF10-018**	586429	3953644	243.00	249.63	-74.7	325.8	14.0	88.0	74.0	1.12	Revolution
							including 36.0	66.0	30.0	2.59	
LF11-030	586438	3953717	248.00	161.50	-45.2	317.5	0.0	32.0	32.0	1.34	
							including 25.9	32.0	6.1	4.13	
LF11-031	586480	3953751	243.00	97.50	-44.8	313.8	0.0	29.0	29.0	1.05	
							including 16.8	25.9	9.1	2.16	
LF11-039	586517	3953777	239.00	186.50	-44.5	319.1	16.8	47.5	30.7	1.12	

\*\* Denotes a hole collared beyond the Loflin property boundary being acquired by Richland via GAR but whose drill intersections at depth lie mostly within such Loflin property boundary.

**Table 4.** Significant zones of gold mineralisation intersected from historic drilling on the Loflin property.



**Figure 10.** Drill hole plan showing significant gold intersects over the Loflin property. The mineralisation is striking to the northeast. **Note:** Several historic holes lie beyond the current property boundary being acquired by Richland via GAR.



**Figure 11.** Cross-section through the Loflin mineralisation. **Note:** Several historic holes lie beyond the current property boundary being acquired by Richland via GAR but the mineral intersects lie mostly within such property.

Refer to Appendix 3 for the JORC 2012 Table 1 information for the Exploration Results reported on the Jones-Keystone and Loflin properties.

#### 4.4 Local Geology and Structure

The following represents summaries from the 2011 NI43-101 Report by Independent geologist Hedderly Smith and the NI43-101 Report by Revolution Resources' Geologist Katie Lucas, 2013.

In North Carolina mineralisation associated with the Russell deposit is found adjacent to epiclastic rocks of the Cambrian - Late Proterozoic Tillery Formation of the Albermarle Group that overlie Proterozoic-Cambrian volcanic rocks of the Uwharrie Formation. The Russell deposit is interpreted to have formed as a syngenetic, exhalative, gold-rich massive sulphide deposit. It was, in part, remobilised by hydrothermal fluids during Ordovician syntectonic regional deformation into northeast-trending, structurally controlled zones that developed along attenuated, asymmetric, east-verging anticlinal folds that formed the multiple ore zones. Locally the main rock types comprise greenschist-facies argillic mudstones and siltstones, andesitic to basaltic flows, tuffs, felsic domes and gabbroic intrusive.

##### 4.4.1 Jones-Keystone

The main geologic units on the Jones-Keystone property are extensively interbedded mafic flows, volcanoclastics, tuffs and metasediments with reasonably distinct lithological contacts. Small dolerite dykes, trending NNW, occur in the northern portion of the property. At surface there are large felsic intrusions, but these have not been intersected at depth with diamond drilling. A saprolite layer



ranging up to 25m thick is common across the entire property. The mafic units are locally amygdaloidal and geochemical studies confirm that they have basaltic affinities with a minor portion of andesite. The volcanoclastic units are composed mainly of tuffaceous and well bedded argillites locally grading in greywacke.

Gold mineralisation at the Jones-Keystone property is typically confined to the volcanoclastic units, but can occur in the mafic flows and to a lesser extent, in the argillites. The sulphide assemblage is pyrite/pyrrhotite  $\pm$  arsenopyrite. In the gold-bearing intervals, pyrite occurs as stringers, fine disseminations and dendrites. The pyrrhotite is typically disseminated to blebby. Arsenopyrite occurs as small 2-3mm blebs where the pyrite/pyrrhotite concentrations are high. The gold mineralisation will typically contain greater than 3% sulphide (with  $py > po$ ), be strongly foliated with more intense quartz-sericite alteration than the surrounding rocks (**Figure 12**). Occasionally, the mineralisation will be accompanied by millimetre scale quartz stringers running parallel to the foliation.

A pervasive weak chlorite overprint is associated with upright folding and a region-wide penetrative NE-trending axial planar cleavage and greenschist facies metamorphism that occurred between the Late Ordovician to Silurian (457 to 425Ma). The plunge of the NE trending folds is between 10 and 12° to the southwest. An older less obvious folding episode is oriented east-west.

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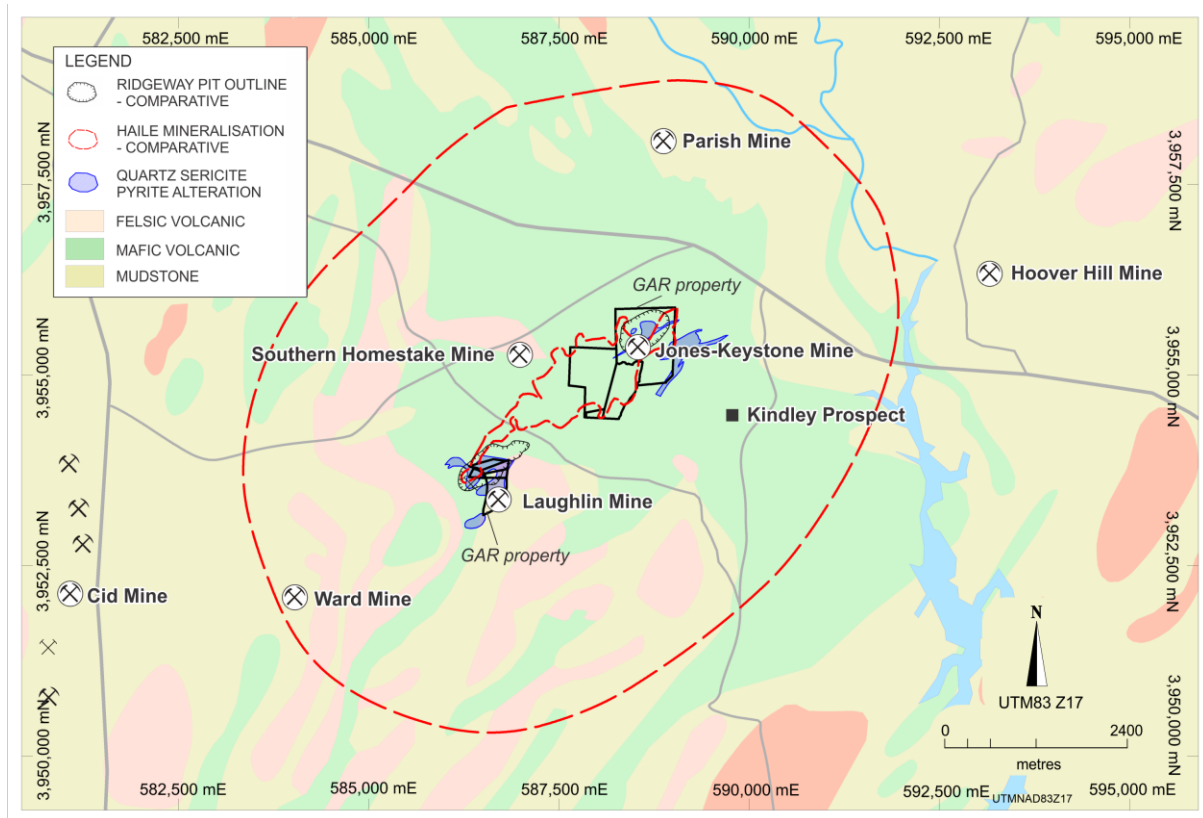
#### 4.4.2 Loflin

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Similar to Jones-Keystone, the main geologic units at the Loflin property are amygdaloidal mafic flows (basaltic composition), volcanoclastics, argillites and tuffs. Younger NE-trending dolerite dykes cut across all of the units. The entire property is also weathered with 5 to 25m of saprolite observed from drilling.

Gold mineralisation at Loflin is typically confined to a specific tuffaceous unit in the core of a large syncline. To a lesser extent, gold mineralisation occurs in the volcanoclastics and flows that sit adjacent to the tuff. The saprolite will contain gold in areas where it overlies the tuff where it is interpreted to represent an oxidised version of the fresh unit at depth. The typical sulphide assemblage is pyrite/pyrrhotite  $\pm$  arsenopyrite. The pyrite occurs as stringers, fine disseminations and dendrite that infill brecciated areas. The pyrrhotite is typically disseminated to blebby and is absent in areas of high-grade gold. Arsenopyrite is usually very fine and disseminated throughout the mineralised areas, both with and without the presence of gold. Gold bearing intervals contain greater than 5% combined sulphide (with  $py > asp > po$ ), a very strong foliation and more intense sericite alteration than the surrounding rocks. However, at Loflin strongly altered and sulphide enriched zones can be barren of gold.

A pervasive weak chlorite overprint is associated with upright folding and a region-wide penetrative NE-trending axial planar cleavage and greenschist facies metamorphism that occurred between the Late Ordovician to Silurian (457 to 425Ma). The plunge of the NE trending folds is between 10 and 12° to the southwest. An older less obvious folding episode is oriented east-west and at Loflin fold interference patterns occur where the two fold axes intersect.



**Figure 12.** Simplified geology and alteration map of the Jones-Keystone-Loflin properties in comparison to mineralisation footprints from Ridgeway and Haile. Laughlin Mine forms part of Loflin Hill mine area.

#### 4.5 Exploration Potential and Strategy

A moderately detailed programme of surface sampling, mapping, geophysics and drilling has been undertaken at both the Jones-Keystone and Loflin properties from the 1960s up until 2018. The drill programmes have defined reasonably coherent broad zones of low to high grade gold mineralisation along a complexly sheared, folded and strongly altered sequence of quartz-sericite-sulphide associated with volcanoclastic and tuffaceous units at Jones-Keystone and Loflin. The prospects show kilometre scale alteration, mineralogy and grade-range similarities to that of the Russell gold deposit.

The IP inversions and ground magnetic surveys completed by Orford across the Jones-Keystone property have been useful in clarifying the overall geologic setting and structural trends. At the Jones-Keystone property, strong chargeability anomalies not only coincide with historically drilled mineralisation but also extend at depth and along strike beyond known mineralisation. In the eastern portion of the property, orientation of the IP chargeability anomaly suggests that the mineralised zone may dip to the south but the mineralisation appears open to the northeast as well.

At Loflin the drilling completed by Noranda and confirmed by Revolution Resources has delineated a NE-SW trending syncline with shallow mineralisation encountered in the core of the fold structure probably controlled by a strong subvertical foliation. This syncline has a shallow plunge to the NE and has been closed off to surface at its SW corner but remains open down plunge in the NE direction. The drill spacing requires tightening with several sections remaining open up and down-dip but rights over

neighbouring additional properties are required in order to step out drill targets beyond the current Loflin Property footprint.

The planned exploration strategy will therefore involve:

1. Approaching additional land owners in the immediate vicinity of the Loflin project to seek further lease agreements in order to capture the potential drill targets beyond the current Loflin Property footprint. This will ensure that drill sites can be optimally located to drill test both existing targets and allow for further step out drilling.
2. Compiling the available drill database at both properties to ensure that the most comprehensive exploration datasets are available to aid geological understanding and guide future exploration programmes across the target zones.
3. Twinning a select number of holes will which assist in verifying the historic analytical results and mineralisation models and provide oriented core for structural interpretation and integration.
4. Considering a Leapfrog style 3D analysis which might assist in visualising geology, geophysics, structural and mineralisation trends that could then lead to the generation of new drill targeting concepts based on epithermal styles of mineralisation. Leapfrog visualisation technology should assist in understanding the current mineralisation distribution in relation to structural or lithological controls common to epithermal deposits that can also be used to plan infill or extension drill holes.
5. Considering additional ground geophysical surveys along the target corridor such as ground magnetics and IP to help identify additional zones of disseminated sulphide mineralisation.
6. Considering ground EM which may also assist in defining the zones of interconnecting sulphide mineralisation that represent more intense alteration possibly associated with gold.
7. Drill testing the most compelling targets using RC or diamond drilling. Comprehensive geological, structural and alteration integration will be required to help confirm the mineralisation model.

The proposed work programme to evaluate the potential for Haile or Russell scale and style of mineralisation at Jones-Keystone-Loflin for sulphide related gold mineralisation is considered to be appropriate and subject to normal exploration risk. The project would benefit from the addition of agreements over adjacent mineral properties in order to increase the exploration area.

## 5.0 JENNINGS-PIONEER PROJECT

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### 5.1 Project Overview

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The Jennings-Pioneer project forms part of the Barite Hill Gold district in South Carolina where several old mines and prospects are located within a 25km<sup>2</sup> area. The historic mines in the region include: Dorn, Barite Hill, Jennings-Pioneer, Searles and the Self gold mines. Considerable silver has also been recovered historically from Barite Hill. Gold production began in 1852 at the Dorn Mine where the



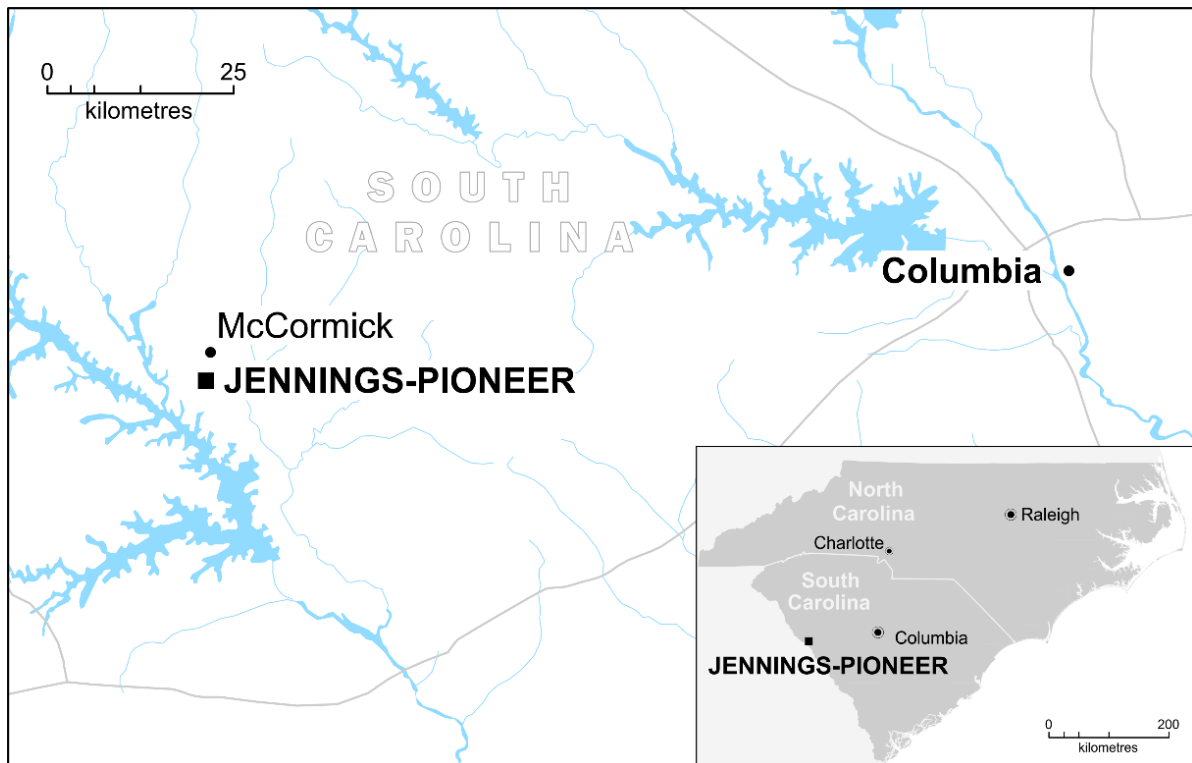
oxidised sulphide ores provided some of the richest ores in Eastern U.S.A. By 1859 gold production was reduced as refractory sulphides were encountered at depth. Historically, the Dorn mine produced approximately 45,000 ounces of gold, most of which was recovered during 1852-1859.

Efforts to reopen the Dorn and Jennings-Pioneer mines were made in the early 1930s. The Jennings-Pioneer mine was operated under the name of Pioneer Gold Mine during 1932-34. Historic press records report that in June 1934 two shafts were sunk to 40m and 30m. The Pioneer Gold Mine operated for at least two years, but no production records have been located. The most recent mine to operate in the area was at Barite Hill that was commissioned, mined and reclaimed by former TSX listed Nevada Goldfields Inc. that was the subject of a take over by former ASX listed gold producer Sons of Gwalia Ltd ("**Sons of Gwalia**").

The Jennings-Pioneer project area has several greenfield exploration prospects with well-defined and potentially continuous zones of gold and base metal mineralisation already identified from historic mines and surface workings. There is potential to define VHMS style mineralisation and discover additional feeder veins and alteration associated with a large exhalative system along a well constrained lithostratigraphic horizon.

## 5.2 Location, Access & Geography

The Jennings-Pioneer project forms part of the Barite Hill Gold District located in McCormick County, some 3 to 4km south of McCormick (population < 3,000), South Carolina, USA. The prospects are situated on a single land area owned by Mr Andrew Owings ("Owings"). The historic gold workings are accessed by heading southwest from McCormick along the West Gold Street (378) for 3km and then turning right onto Greenfield Road (Slate Road 33-44) and traveling for 2km before turning left into Troy West Road (a decommissioned road) which traverses over and along the Jennings-Pioneer trend. Access is considered to be very good with sealed roads from McCormick until the Troy West gravel track. There are limited facilities in the town of McCormick but the project is located approximately 55km north-northwest of the city of Augusta via Highway 28 (**Figure 13**).



*Figure 13. Jennings-Pioneer Project location map.*

The mostly rural region is dominated by timber activities and heavily forested with pine plantations. Older growth forest is restricted to buffer zones around the drainages or old workings (**Figure 14**). The area comprises rounded undulating hills dissected with streams and rivers draining to the west into the Savannah River. The elevation ranges between 130 to 150m above sea level.

The climate is humid subtropical with four clear seasons. Summers are typically hot and humid with an average daily temperature of 33°C whilst winters are cool with average daily temperatures of 15°C. Rainfall is high and averages 1,100mm per annum with precipitation generally fairly even throughout the year. The project area is directly in the path of subtropical moisture from the Gulf of Mexico as it heads up the eastern seaboard such that it receives good rainfall throughout the year, but precipitation is typically less frequent in autumn than in spring. Accordingly, the weather will not prevent all year exploration access, but autumn and the cooler months are considered to be more suitable for ground activities.



*Figure 14. Photo of the historic workings at the Jennings-Pioneer trend.*

### 5.3 Previous Exploration

Several mining companies have conducted exploration in the general vicinity of the Jennings-Pioneer project area since the 1960s. There is unpublished information that the Tennessee Copper Company drilled four diamond core holes for gold and silver into the Jennings-Pioneer trend during the early 1960s. Conoco, Phillips Corporation and Phelps Dodge explored the Barite Hill area (not within GAR's mineral package) from 1975 to 1977 for base metals, whilst Dresser Industries Corporation ("**Dresser**") drilled for barite in 1979. After Dresser's drilling activity revealing significant visible gold in the cuttings, companies returned to the area with a focus on precious metals, but no exploration data is publicly available for review. Gold Fields Limited and Amselco Minerals, Inc. explored the general district in the 1980s with the latter identifying a small gold resource at Barite Hill.

Nevada Goldfields, Inc. developed and operated the Barite Hill Mine from 1990 to 1995 and was subsequently taken over by former ASX listed gold producer Sons of Gwalia in 1991. Approximately 59,000 ounces of gold (average grade: 1.25 - 1.5 g/t Au) and 109,000 ounces of silver were produced from two open pits. Although mining activity was generally focused on the oxidised portions of the orebodies, the deeper parts of the excavations did reach hypogene ore which led to subsequent environmental complications. Interim remedial actions to control acid mine drainage have been performed and the United States Environmental Protection Agency is continuing to assess the nature and extent of contamination prior to developing a clean-up plan.

Two sulphide-bearing samples from the dumps at Jennings-Pioneer collected by the Tennessee Copper Company in the 1960s yielded the values set out in **Table 5**. The exact locations are not known but they were reportedly gathered in the vicinity of the Jennings-Pioneer workings adjacent the Owings property.

Element	Sample 1	Sample 2
Gold (g/t)	92.4	12.1
Silver (g/t)	38.3	1,342.7
Copper (%)	0.1	5.6
Zinc (%)	0.1	14.1
Lead (%)	-	1.6

**Table 5.** Historic rockchip assay data from the Jennings-Pioneer trend obtained by Tennessee Copper Company in the 1960s.

There is no data available that can be used to verify the results in **Table 5** under JORC 2012.

Little historic exploration information regarding the Jennings-Pioneer trend is available. No drill records have been provided or reviewed from the Jennings-Pioneer trend. The lack of published exploration data on the trend does not mean that there has been no previous exploration activity since unfortunately, like most of the USA, exploration records from previous companies who may have explored the project area are not required to be submitted to a state geological survey organisation and are therefore generally unavailable.

Carolina Gold Resources Inc. has to date completed the following activities:

1. Compilation of available datasets including regional and local geology, magnetics and land titles into a GIS database;
2. Site visits to confirm the locations of historic workings and to investigate any site contamination issues; and
3. Surface grab sampling during the initial prospecting evaluation of the property.

A total of three surface grab samples were taken from the Jennings-Pioneer property. The samples were taken from mullock heaps presumed to be sourced from local workings but no assay results are available.

## 5.4 Local Geology and Structure

The Jennings-Pioneer project lies within the late Proterozoic (554-566 Ma) Persimmon Fork Formation, a volcanic unit comprised primarily of felsic tuffs with subordinate sedimentary clastic rocks. The Persimmon Fork Formation has been metamorphosed to greenschist facies and is divided into three principal units:

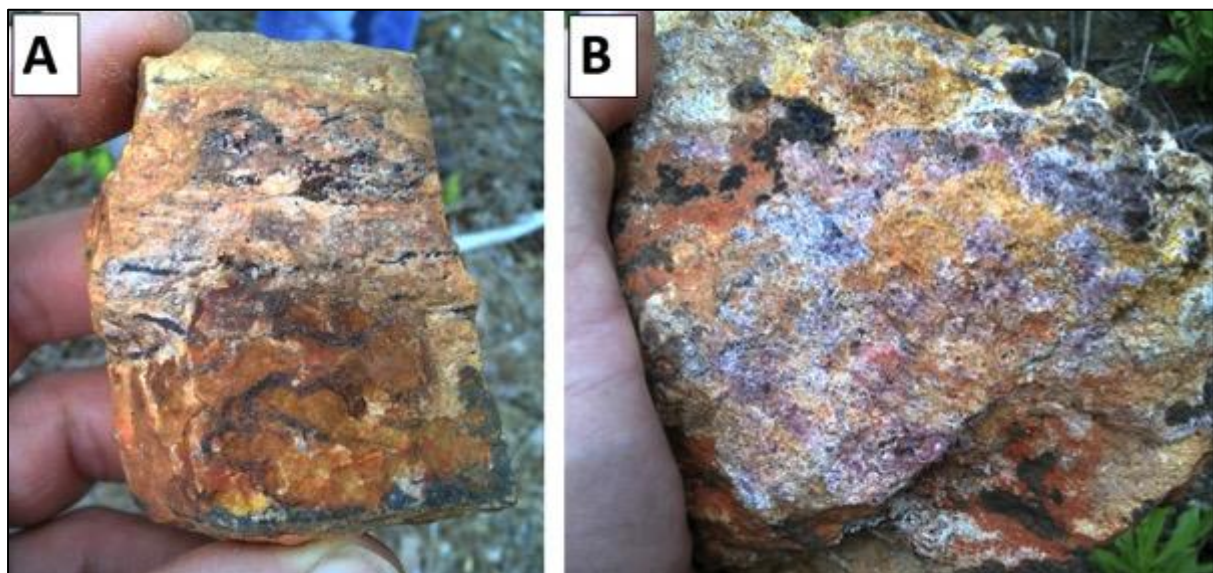
1. Lincolnton dacite/rhyolite is an extrusive-intrusive felsic complex that appears to represent a volcanic centre.



2. Overlying the Lincolnnton dacite the lower pyroclastic unit that consists primarily of felsic to intermediate tuffs that hosts the Jennings-Pioneer mineralised trend.
3. The overlying upper pyroclastic units consist primarily of felsic to intermediate tuffs with a marked increase in sedimentary features.

The deposits sit on the south east limb of a north east trending antiformal structure with the core of the fold filled with the Lincolnnton dacite. The stratigraphy has been deformed into tight to near-isoclinal folds that are overturned. Lithologic units (and cleavage) strike 50° and steeply dip approximately 70° to the northwest. The Jennings-Pioneer trend as observed in pits dips shallowly 40° to the north and is conformable with stratigraphy.

The Jennings-Pioneer vein and alteration system extends for over 3km but the mineralisation within GAR's mineral properties is approximately 2km (**Figure 15** and **Figure 16**).

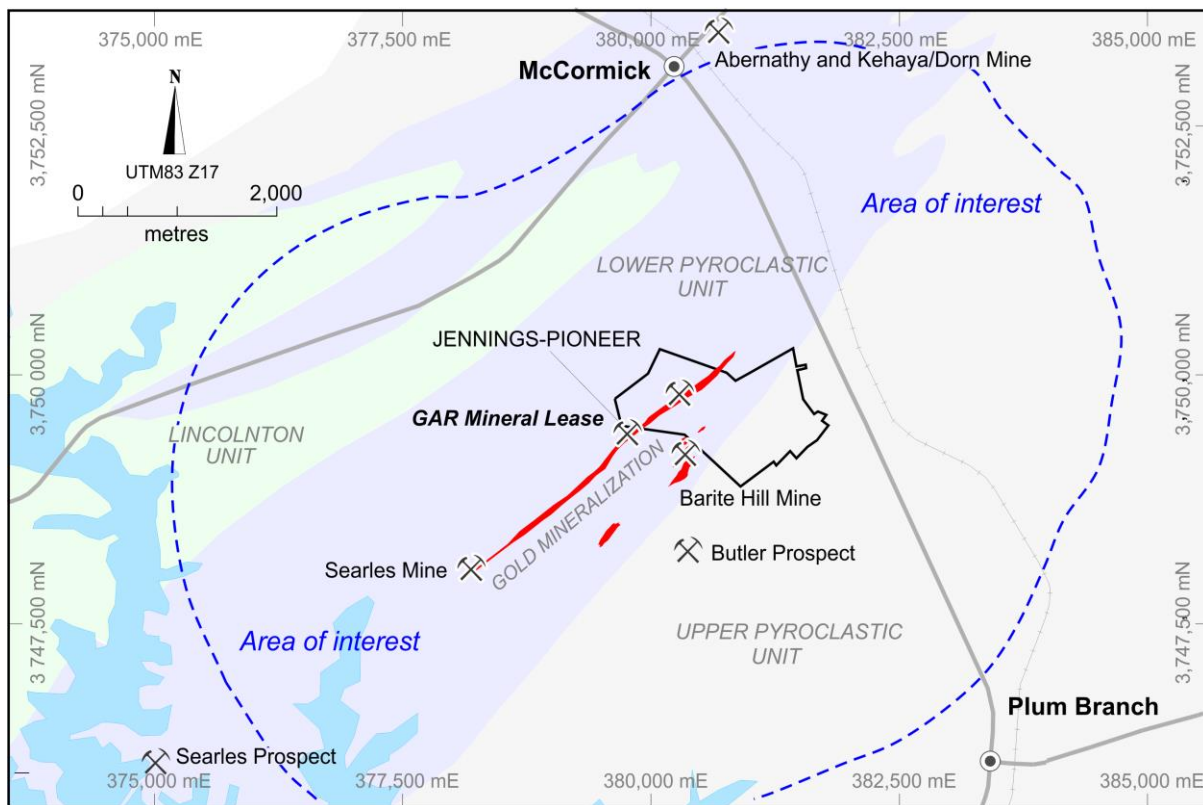


**Figure 15.** A) Jennings-Pioneer younger vein related mineralisation with oxidised sulphides; B) Weathered quartz-sericite-pyrite alteration.

Mineralisation in the district occurs in at least two distinct forms:

1. Syngenetic Kuroko style volcanogenic strata-bound massive sulphide lenses of Barite Hill that occurs below the contact between the lower and upper pyroclastic units. Pyrite is the dominant sulphide in these deposits although locally high base metal values are observed.
2. Followed by a slightly younger overprinting phase of epithermal gold-silver mineralisation comprising Au-Ag-telluride veins/veinlets contained within linear, silicified and pyritic (+barite) zones that locally overprint the massive sulphide lenses. This later mineralisation is thought to represent the waning stages of hydrothermal activity or a failed Kuroko-style VHMS system. Gold is recoverable in the oxide but known to be refractory in the sulphide.

Both types of mineralisation also occur along a narrow, but essentially continuous, 2-4 km parallel trend which was also exploited by the Jennings-Pioneer mine. Extensive quartz-sericite-pyrite alteration also occurs throughout the district peripheral to the precious and base metal deposits.



**Figure 16.** Geology map of the Jennings-Pioneer project within the Barite Hill District.

## 5.5 EXPLORATION POTENTIAL AND STRATEGY

As noted, there is limited recorded exploration across the Jennings-Pioneer trend with the loss of exploration data between each historic exploration company. However, the two historic samples collected at Jennings-Pioneer yielded multi-ounce gold and silver grades alongside potentially economic grades of copper, lead and zinc. VHMS deposits typically form in clusters and whilst small in tonnage contain a high unit value ore with multi commodity potential. There are geological indications for potential extensions to the Barite Hill mineralisation plunging to the north east onto the mineral properties leased from Mr Owing. The district has two exploration mineralisation targets comprising an early stage VHMS that is overprinted by a set of epithermal Au-Ag-telluride veins/veinlets. The Jennings-Pioneer project is considered to be of a greenfield nature with a moderate level of exploration risk.

The planned exploration strategy will involve:

1. Undertaking additional searches to try and locate any historic exploration data from the region.
2. Completing modern regional airborne (possibly drone based) magnetics over the Areas of Interest.
3. Multi-element surface geochemical, alteration and geological mapping programmes to assist in defining the surface footprint of the existing mineralisation with a view to detecting new zones of gold and base metal mineralisation.



4. Examining any LANDSAT imagery or ASTER data to identify any zones of strong alteration.
5. Undertaking ground geophysical surveys such as ground magnetics, EM to identify zones of massive sulphide mineralisation and IP to delineate zones of concealed sulphide mineralisation or potential feeders adjacent to the Barite Hill deposit.
6. Drill testing the most compelling targets using RC or Diamond drilling. Downhole EM and other methods should also be implemented.

The work programme proposed by Richland to evaluate the potential for massive sulphide and gold telluride mineralisation at Jennings-Pioneer is appropriate and subject to normal exploration risk.

## 6.0 CAROLINA BELLE PROJECT

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### 6.1 Project Overview

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The Carolina Belle project located in central North Carolina comprises four adjacent historic gold mines known as Iola, Uwarra (also known as the Montgomery Mine), Golconda and Martha Washington that mined a series of gold bearing veins along 2km of strike. The Iola and Uwarra lodes were discovered in 1901 and the area was mined almost continuously until 1916 collectively producing approximately 50,000oz of gold until a dispute between the neighbouring mines prevented continued mining activities. Ores from the mines at Carolina Belle were reported as free-milling and successfully treated with cyanide with 95%+ recoveries. A single lode was mined down to 200m on the Iola mine side and to a depth of 100m at Uwarra along a combined strike of 650m with a reported mine grade between 10 - 15g/t Au.

The Carolina Belle project has several greenfield to brownfield exploration prospects with well-defined and potentially continuous zones of low sulphidation epithermal gold mineralisation already identified from historic mines and surface workings. There is potential to extend the existing zones of gold mineralisation along the lithostratigraphic horizon and discover additional feeder veins and alteration associated with a larger system. Mineralisation might also be discovered below shallow Cretaceous sediments that are < 15m thick to the south.

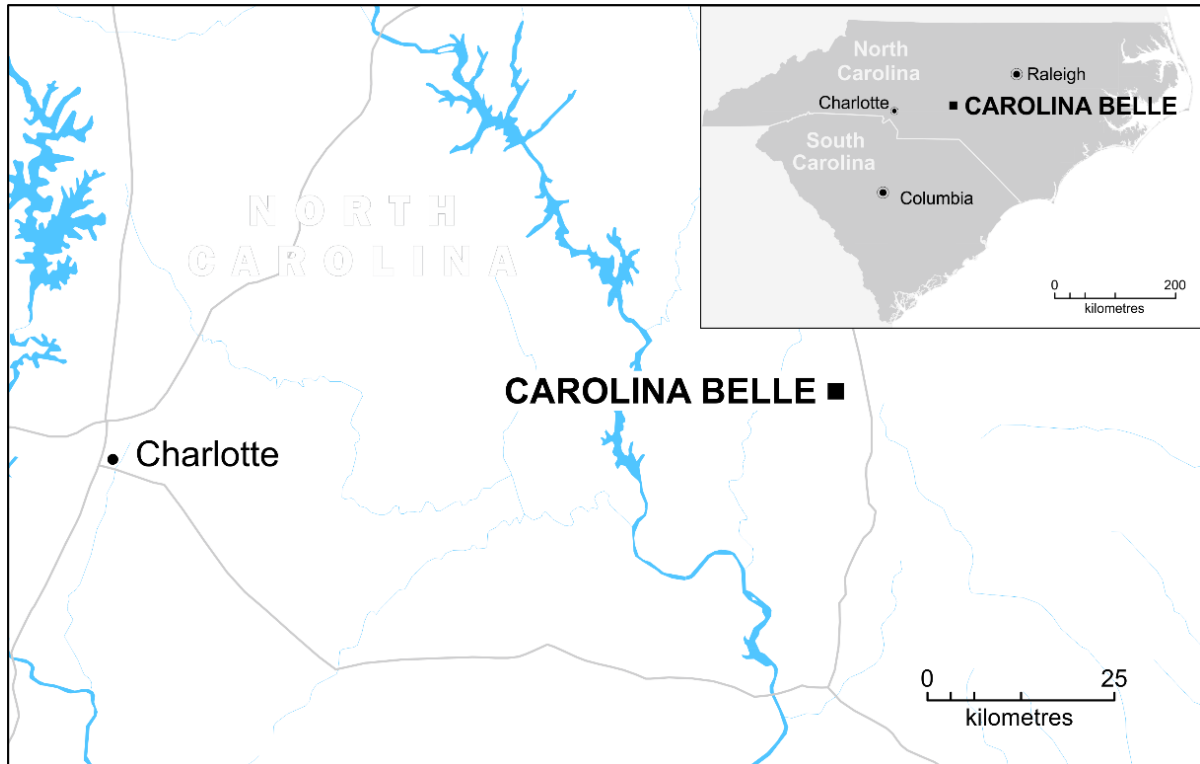
### 6.2 Location, Access & Geography

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The project is located in Montgomery County, 4km nor-northwest of Candor (population < 1,000) North Carolina. The gold workings are accessed by heading north from Candor (211) along the Pack House Road and then turning left onto Candor Troy Road (1519) and traveling for 1.85km before turning right into Gold Mine Road with the prospects located either side of the road within 600m. Access is considered to be very good with sealed roads from Candor and other regional towns to the prospect area. There are limited facilities in the town of Candor but the project is located approximately 100km east of the major financial hub of Charlotte via Highway 24 (**Figure 17**).

The area is rural and characterised by farming soya bean and cattle but dominated by forestry activities. The properties fall within the Uwharrie National Forest which is defined by an Administrative

boundary. The mineral properties are held within the private properties of Jordan Timberland Inc. (Uwarra prospect) and Mr and Mrs Blake (Iola prospect). The Federal Government can acquire land within an Administrative boundary and is permitted to add the properties to the Uwharrie National Forest. The Forestry Service has no authority over private lands within the Uwharrie National Forest.



*Figure 17. Carolina Belle Project location map.*

The historic workings at Iola and Uwarra are located in open to moderately thick areas of re-growth forest comprising pine, oak and hickory varieties (**Figure 18**). In the older re-growth forest the trees are quite widely spaced with very good access under the main canopy. The more recent re-growth forest areas are typically densely vegetated reducing the ease of access for exploration. The undulating landscape has an elevation generally between 150 and 180m ASL, but around Carolina Belle this increases locally to 200m due to the thickness of coastal plain sediments.

The climate is humid subtropical with four clear seasons. Summers are generally hot and humid with an average daily temperature of 26°C whilst winters are cool with average daily temperatures of 5°C. Rainfall is high and averages 1,000mm per year with precipitation generally fairly even throughout the year. The project area is directly in the path of subtropical moisture from the Gulf of Mexico as it heads up the eastern seaboard such that it receives good rainfall throughout the year, although precipitation is generally less frequent in autumn than in spring. Accordingly, the weather will not prevent all year round access for exploration, but autumn and the cooler months are generally considered more suitable for ground activities.



*Figure 18. Historic process plant footings from the historic Iola gold mine within the Carolina Belle Property.*

### 6.3 Previous Exploration

There has been little documented historic exploration on the Carolina Belle project area. Apart from the mining activities between 1901 and 1916 limited historic exploration has been completed. A total of nine diamond drill holes were drilled by U.S. Borax Inc. ("US Borax") in the 1980s targeting the underground workings of Iola-Uwarra, and one diamond core hole by Piedmont Mining Company, Inc. in 1983. The US Borax drill programme, targeting the historic mine workings was deemed unsuccessful with five of the nine holes failing to encounter mineralisation or not being assayed and presumed to have intersected voids associated with the underground workings. Of the four holes that encountered mineralisation, the results included:

- Hole GNCS-1: 1.5m @ 1.8g/t Au from 64m and 1.5m @ 0.98g/t Au from 68.6m
- Hole GNCJ-1: 7.6m @ 1.06g/t Au from 33.5m including 1.5m @ 3.55g/t Au from 35.1m
- Hole GNCJ-4: 3m @ 2.65g/t Au from 85m
- Hole GNCC-1: 1.5m @ 1.95g/t Au from 135m

The results from the US Borax drill programme are encouraging and confirm the mineralised structure of Iola and show thick intervals of halo grade mineralisation with evidence of higher grades within the main structure. The drill collar location data for the core holes cannot be identified accurately but representative samples of some of this core are available for review at the North Carolina Geological Survey organisation located in Raleigh. JORC 2012 Table 1 information from the Carolina Belle drill programs is provided in Appendix 6.

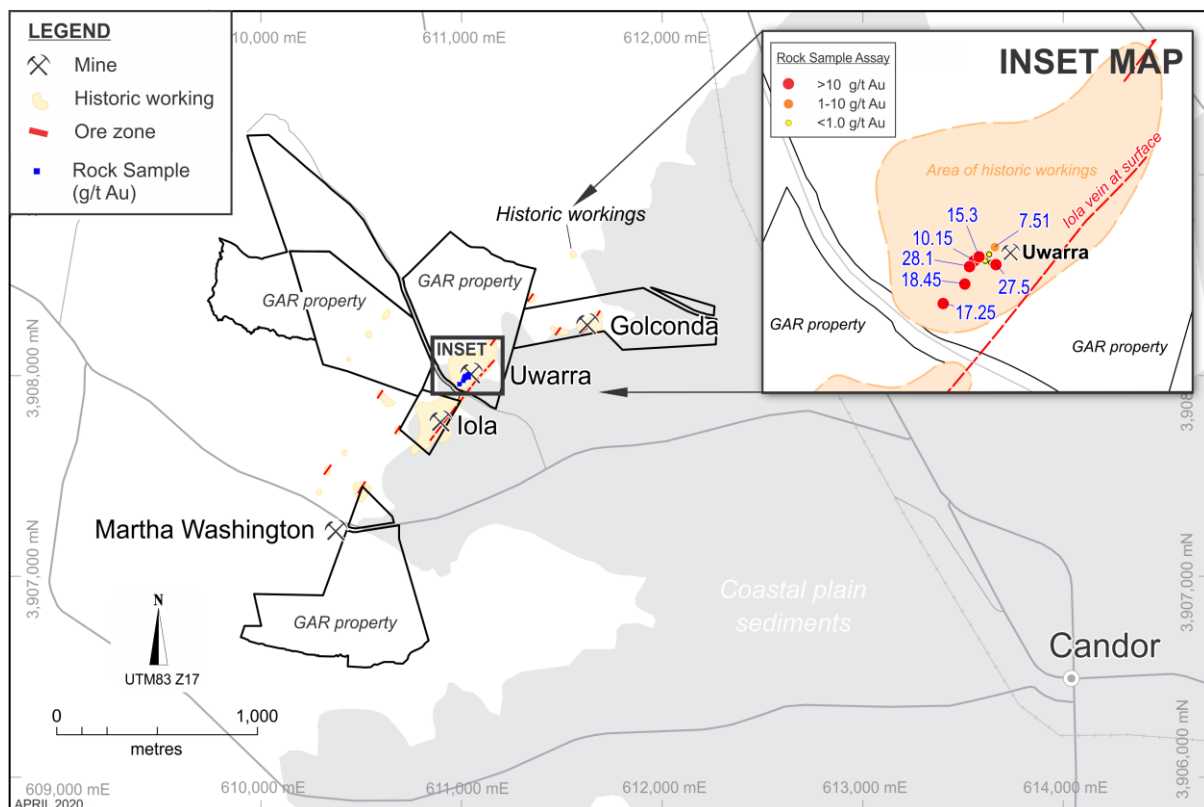
Previous exploration work completed by Carolina Gold Resources Inc., between 2015 and 2016 includes:

1. Acquisition and interpretation of detailed LIDAR images.
2. Compilation of available datasets including regional geology and land titles into a GIS database.
3. Surface dump sampling and multi-element geochemical analysis with high grade grab samples obtained from banded quartz veins including 28.10g/t Au, 27.50g/t Au, 18.45g/t Au and 17.25g/t Au. The sericite-pyrite alteration wall rock contains 0.5 to 0.9g/t Au.

A total of nineteen surface dump samples were taken in 2015/2016 from the Uwarra, Golconda and Martha Washington historic workings. The full results are presented in Appendix 4 with the JORC 2012 Table 1 information set out in Appendix 5. The samples were taken from mullock heaps presumed to be sourced from local workings and tailings storage dams.

The samples were gathered by a geologist and submitted to ALSChemex for analysis for gold, using Au-AA23, and multi-elements using ME-MS61.

The land disturbance caused by mining activities at Iola and Uwarra and the surrounding areas are well defined by LIDAR. This detailed LIDAR was used to delineate a zone of workings trending north east, extending for 1km across a width 100m along the Iola and Uwarra trends (**Figure 19**). Whilst mining activities ceased 100 years ago there is still evidence of shafts and tails sites visible at surface.



**Figure 19.** Location of the Carolina Belle veins, historic workings and surface rockchip samples.

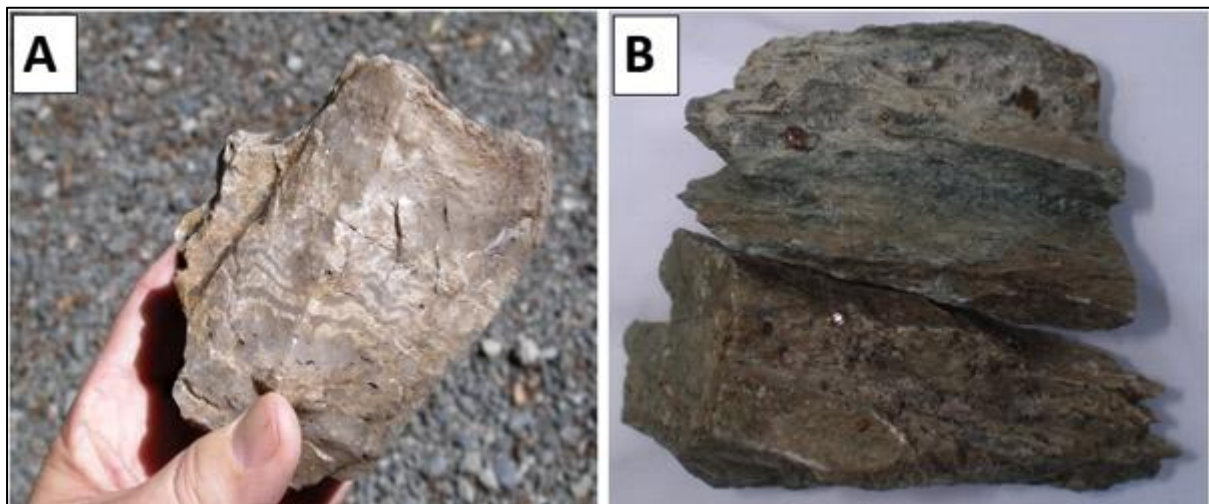


## 6.4 Local Geology and Structure

The old mine workings are hosted in late Proterozoic (612-630 Ma) Hyco Formation, a volcanic unit comprised primarily of felsic to intermediate tuffs with subordinate sedimentary clastic rocks. Depth of weathering is 10 - 15m.

Gold mineralisation at the Iola and Uwarra workings is hosted in a tabular, 1-3m thick, northwest dipping (45°), and locally banded quartz vein containing fine grained pyrite. Colloform textured banding in the cryptocrystalline quartz vein is common and locally can be quite vuggy. The sampling completed by Carolina Gold Resources Inc. has shown that gold grades in the colloform banded and banded quartz vein are varied but typically contain high to very high grades ranging from 5 to 30g/t Au. The vein is hosted in volcanoclastics comprising a quartz-chlorite-sericite schist with scattered disseminated and porphyroblastic pyrite (1-3%). The strongly altered rock adjacent to the quartz veins can also contain between 0.5 to 0.9g/t Au (**Figure 20**).

The vein swarm trends to the north east following the main lithological contact with a number of mapped parallel veins in the adjacent workings of Martha Washington and Golconda forming a slight arcuate structure over 2km of strike. The dip of the veins is dominantly 45° to the northwest.



**Figure 20.** A) Colloform banded quartz from the Uwarra Mine grading at 18.45g/t Au. and B) Pyritic altered rock (chl-ser-qtz-py) from the Uwarra Mine grading at 0.88g/t Au.

## 6.5 Exploration Potential and Strategy

The rock chip information, historic mine shafts, historic drill data and workings across the Carolina Belle Project show that there is size and grade potential to discover an economic gold project. The colloform and vuggy vein textures, bonanza gold grades and geochemical affinities suggest a syngenetic origin for mineralisation related to epithermal mineralisation processes. The project is considered to be greenfield to brownfield with a moderate level of exploration risk. The historic workings yielded approximately 50,000oz of gold at a grade in excess of 10g/t Au. Coastal plain sediments between 1 and 15m thick to the south east may also conceal additional mineralised lodes sub parallel to the existing known mineralisation at Carolina Belle. There is strong evidence supporting the exploration potential of the Carolina Belle prospects which warrants further investigation.

The planned exploration strategy will include:

1. Completing modern airborne (possibly drone) magnetic and other geophysical surveys as appropriate.
2. Multi-element surface geochemical, alteration and geological mapping programmes to assist in defining the surface footprint of the existing mineralisation (in undisturbed areas) with a view to detecting new zones of gold mineralisation.
3. Shallow AC/RAB drilling below the overlying Cretaceous sedimentary Coastal Plain cover sands that may mask zones of geochemical anomalism.
4. Examining available LANDSAT imagery or ASTER data to identify any zones of strong alteration.
5. Completing a phase of petrological studies on the mineralisation and host rocks to confirm the presence of epithermal textures.
6. Undertaking ground geophysical surveys such as IP to delineate zones of concealed sulphide mineralisation or potential feeders to surface mineralisation.
7. Drill testing of the most compelling targets using RC or Diamond drilling.

The work programme proposed to evaluate a potential epithermal vein swarm at the Carolina Belle project is deemed appropriate and subject to normal exploration risk.

## 7.0 ARGO PROJECT

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### 7.1 Project Overview

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The Argo project comprises a number of shallowly worked historic pits and trenches. Two kilometres to the north of the workings, beyond the Argo mineral property, is located the Mann-Arrington Mine that was last mined in 1894 where a shaft was dug to a depth of approximately 35m and a 25m long north striking shallow pit was excavated to a depth of 3m. Whilst there is some undocumented exploration work completed at the Mann-Arrington mine in the early 1930s, there is limited modern style exploration recorded for the Argo mineral property.

The historic workings at the Argo project are extensive with the potential for systematic surface prospecting and mapping to define extensions to known mineralisation. The application of modern exploration techniques for epithermal or vein style mineralisation would include surface geochemistry, ground geophysics and drilling.

### 7.2 Location, Access & Geography

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The project is situated in the northwest corner of Nash County, 16km north of Nashville (population 5,500), North Carolina. The workings are all located within the Taylor-Jones property which is the subject of a lease agreement. The prospects are accessed by heading north from Nashville (road 1004) along the Taylor Store Road and then turning right onto Wheelless Cabin Road and traveling for 2km with the prospects located north of the road. Access is considered to be very good with sealed roads



from Nashville to the prospect area (**Figure 21**). The region is rural with farming for soybean, tobacco and cattle and dominantly pine tree forestry. There are limited facilities in the town of Nashville, but the project is located less than 1 hour from the major city of Raleigh.



*Figure 21. Argo Project location map.*

The historic workings are found within moderately thick stands of pine and local timber species trees. The area has been extensively modified with the cutting of natural vegetation that has been replaced with planted pine trees, harvested and then left to re-grow (**Figure 22**).

Elevation from the undulating landscape is between 60 and 80m ASL and is within the fall line separating the Piedmont and Atlantic Coastal plain. Overall, the rolling hills are sloping to the east.

The climate is humid subtropical with four clear seasons. Summers are generally hot and humid with an average daily temperature of 27°C whilst winters are cool with average daily temperatures of 5°C. Rainfall is high and averages 1,200mm per annum with precipitation generally even throughout the year with a slight increase in July with heavy rain associated with summer thunderstorms. Accordingly, the weather will not prevent all year access for exploration activities with the best time for field work being in the autumn.



*Figure 22. General project photo with approximately 5 year old forest re-growth following clear fell logging. Historic trench is in the foreground.*

### 7.3 Previous Exploration

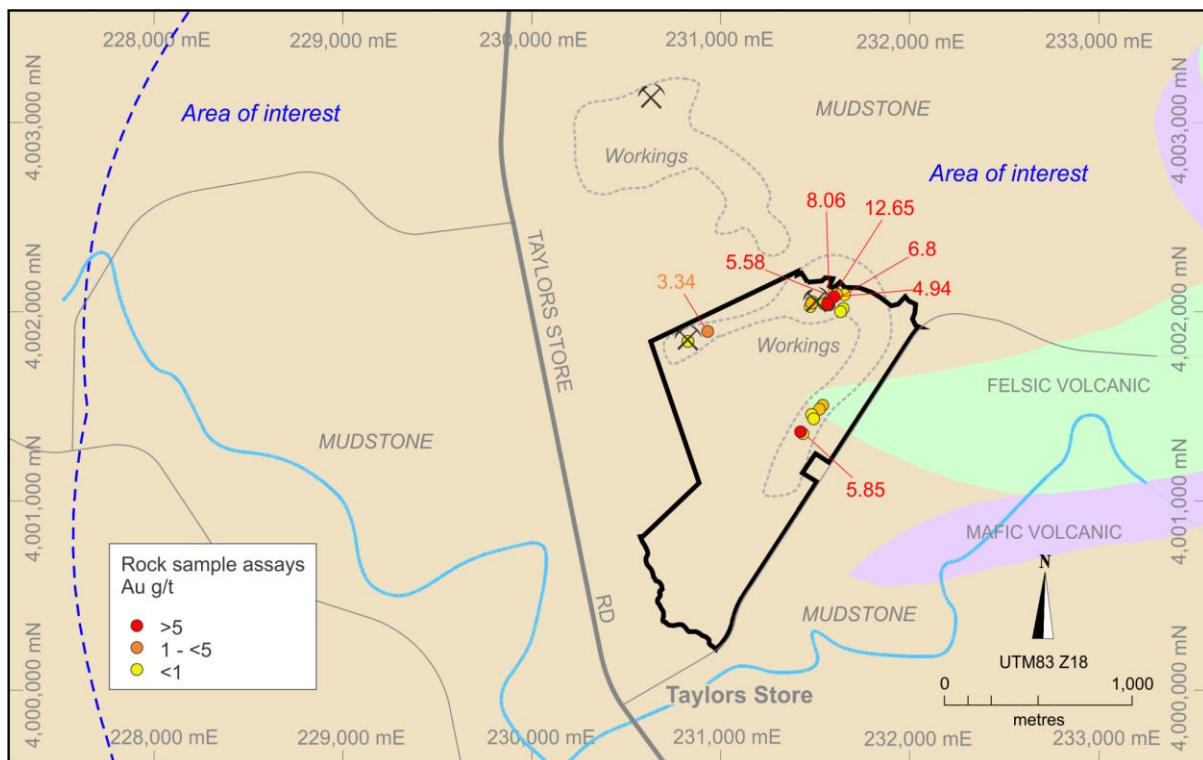
There has been no documented historic exploration at the Argo project. Anecdotally some drilling was potentially completed across the property by Asarco in the 1990s but this has not been verified. Previous exploration work completed by Carolina Gold Resources Inc. in 2017 includes:

1. Acquisition and interpretation of detailed LIDAR images.
2. Compilation of available datasets including regional geology and land titles into a GIS.
3. Surface grab sampling and multi-element geochemical analysis with high grade grab samples obtained from banded quartz veins including 12.65g/t Au, 8.06g/t Au, 6.80g/t Au and 5.85g/t Au.

A total of 28 surface grab samples were taken across the prospect areas in March 2017. The full results are presented in Appendix 4 with the JORC 2012 Table 1 information set out in Appendix 5. The samples were taken from limited subcrop but mostly from mullock heaps adjacent to the trenches and filled in shafts which are presumed to be sourced from the local workings.

The samples were gathered by a geologist and submitted to ALSChemex for analysis for gold, using Au-AA23, and multi-elements using ME-MS61.

The historic workings are easily identified by the detailed LIDAR topographic data and form three clusters (**Figure 23**). The largest zone of workings extends over 500m, striking to the northeast, with some cross - strike trenching presumably dug to identify the mineralised zone. The other workings show a 100m long costean presumably excavated along strike of a vein and numerous pits dug over 200m of strike. The workings are now mostly covered over and were partly infilled by logging activities. Extensive alluvial excavations are also observed across the meandering river channel.

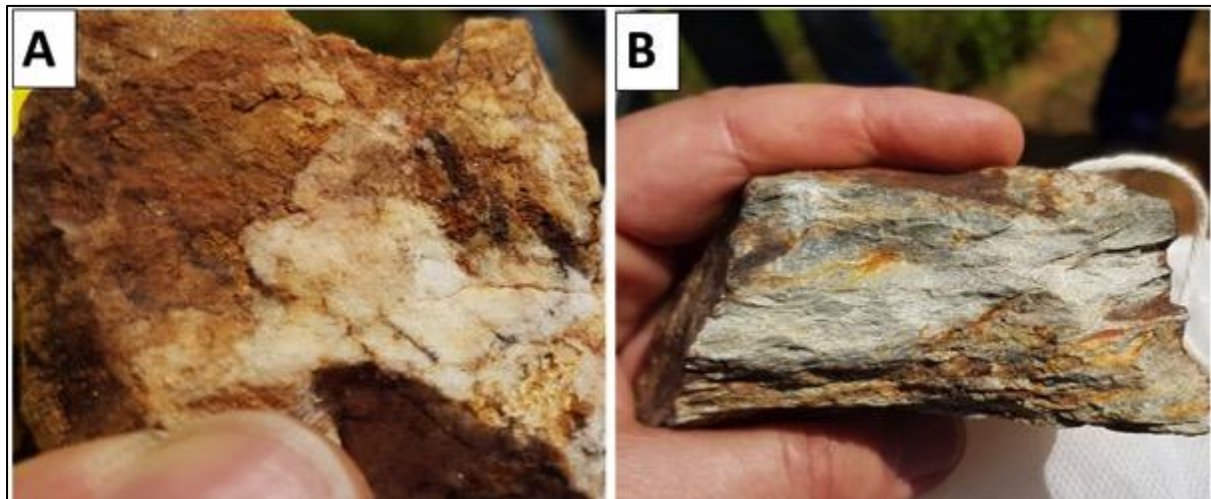


**Figure 23.** Argo surface rockchip samples over prospect geology showing gold (g/t).

#### 7.4 Local Geology and Structure

Argo occurs in the metamorphic rocks of the Spring Hope Terrane. The historic workings are hosted in tightly to isoclinally folded sediments (siltstones, mudstones and greywackes) and oxidised to 10 - 15m depth. The strongly sheared alteration contains between 0.5 to 1g/t Au and is dominated by sericite-pyrite-quartz proximal to the main mineralised vein. The higher-grade quartz veins and stringers are of varying width ranging between 5mm to 30cm and strike to the northeast (060), dipping shallowly (40°) to the north west. Typically, the sugary textured quartz veins are parallel to the schistosity but are also observed cutting foliation at low angles. The veins appear to be boudinaged and locally discontinuous but may form wide zones of mineralisation comprising multiple vein sets.

The saccharoidal quartz veins can be quite friable which may be related to the devitrification of chalcedonic silica or recrystallisation of the quartz. The veins are hematite-limonite stained brown due to the oxidation of sulphides and can contain fragments of the sericite host. Coarse grained sulphides are observed in the schist adjacent to mineralisation. Photos of quartz vein mineralisation and the associated altered rock are presented in (**Figure 24**).



**Figure 24.** A) Argo vein mineralisation (5.85g/t Au) with oxidised sulphides; B) Argo sericite-pyrite alteration (0.5g/t Au).

## 7.5 Exploration Potential and Strategy

The rock chips from the Argo prospect area show the: size, grade, lithostratigraphy and geochemical affinities that may be related to quartz stringer or epithermal gold mineralisation. The project is considered greenfield with a high level of exploration risk, however the distribution of gold mineralisation and associated supporting geochemistry is encouraging and warrants further investigation.

The planned exploration strategy will involve:

1. Completing modern airborne (possibly drone) magnetic and other geophysical surveys as appropriate.
2. Multi-element surface geochemical, alteration and geological programmes to assist in defining the surface footprint of the existing mineralisation with a view to detecting new zones of gold mineralisation.
3. Examining all available LANDSAT imagery and ASTER data to identify any zones of strong alteration.
4. Completing a phase of petrological studies on the mineralisation and host rocks to confirm the presence of epithermal textures.
5. Undertaking ground geophysical surveys such as IP to delineate zones of concealed sulphide mineralisation or potential feeders to surface mineralisation.
6. Drill testing the most compelling targets using AC, RC or Diamond drilling.

The proposed work programme to evaluate potential epithermal or stringer quartz vein mineralisation at Argo is appropriate but subject to high exploration risk.



## 8.0 WORK PROGRAMMES AND BUDGET

GAR currently holds interests in a promising portfolio of gold and basemetal projects which Richland intends to explore and evaluate over at least the next 2 years following successful completion of the Transaction. The exploration status of the projects ranges from greenfield to brownfield with strong indications of gold and base metal mineralisation as evidenced by historic drilling, numerous historic workings and surface rockchips at Jones-Keystone-Loflin, Jennings-Pioneer, Carolina Belle and Argo. It is likely that gold mineralisation with economic potential could be encountered within the projects at a stage where drill target testing can be achieved relatively quickly.

Richland intends to undertake work programmes that will ultimately enable an independent Competent Person to review and report Mineral Exploration Results and potentially Mineral Resources in accordance with the JORC Code.

The initial proposed two-year exploration budget of £1.008m is broken down by project and activity in Tables 6 and 7 below based on a FX rate of GBP1 = US\$1.28.

Project	Year 1	Year 2	Total
JKL	£218,597	£181,771	£400,369
Jenning-Pioneer	£105,218	£73,486	£178,705
Carolina Belle	£163,949	£156,940	£320,889
Argo	£48,344	£59,492	£107,836
<b>Total</b>	<b>£536,108</b>	<b>£471,690</b>	<b>£1,007,798</b>

*Table 6. Proposed 2 year exploration budget by project.*

Activity	Year 1	Year 2	Total
Administration			
RLD Mgt charge to Exploration	£54,688	£54,688	£109,375
URI Project Manager	£28,125	£28,125	£56,250
URI Land Manager	£25,313	£25,313	£50,625
Geology			
Mapping(Days)	£10,781	£8,438	£19,219
Surface Geochemistry	£8,844	£6,633	£15,477
Geochem/Petr samples	£9,484	£8,299	£17,783
RC Drilling (m)	£143,943	£165,534	£309,477
Core Drilling (m)	£15,342	£0	£15,342
RC Assays	£8,494	£9,768	£18,262
Core Assays	£1,168	£0	£1,168
Geophysics			
Airmag & Rad	£70,313	£23,438	£93,750
IP	£39,063	£0	£39,063
Camp Operations	£11,680	£9,219	£20,898
Vehicle Costs	£5,807	£5,273	£11,081
Warehouse	£14,953	£14,953	£29,906
Landowner	£88,112	£112,011	£200,123
<b>Total</b>	<b>£536,108</b>	<b>£471,690</b>	<b>£1,007,798</b>

*Table 7. Proposed 2 year exploration budget by activity.*

In summary, a two-year exploration budget is proposed by Richland that focuses on rapidly advancing the status of the largely poorly or undrilled projects at: Carolina Belle, Jennings-Pioneer and Argo. This will be achieved by using a multi-disciplinary exploration approach by undertaking geophysical surveys, detailed surface alteration mapping, soil surveys and drilling new geochemical, structural or geophysical targets. Compilation of the existing historic drill data and geological/geophysical data from across the Jones-Keystone and Loflin properties will quickly generate high quality drill targets that should confirm and potentially expand a large gold-sericite-sulphide mineral system with similarities in scale to the Haile deposit. In addition, there is a large source of publicly available geological and geophysical data available from both the North and South Carolina Geological Surveys organisations that could be used to generate additional projects adjacent to the current properties.

A high proportion of the exploration budget is allocated to traditional exploration activities that will be used to define anomalies that will enable the definition of drill targets. An equal portion of the exploration budget is allocated to the drill and assay activities that will be completed to test the most compelling anomalies and, if a discovery is made, to enable the estimate of a JORC Mineral Resource. Some benchtop metallurgical testwork is required to ascertain the potential gold recoveries of the various ore types delineated through the exploration of the projects. The region is known to have both free-milling and refractory ores often within the same deposit. It will be critical to understand these characteristics quite early on as exploration work progresses.

The above approach is considered to be appropriate and recommended for the projects at their current stage of advancement and knowledge. As exploration progresses the budget will be subject to modification on an ongoing basis depending on the results obtained from the exploration and development activities undertaken.

It is considered that Richland has proposed a reasonable exploration and development budget over a two year period in relation to its stated objectives and that the work programmes are warranted and justified on the basis of the historical exploration activity, adjacent mines and demonstrated potential for the delineation of gold and basemetal mineralisation across the various project areas.



## 9.0 REFERENCES

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## 10.0 GLOSSARY OF TECHNICAL TERMS

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<b>Aeromagnetic</b>	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earth's magnetic field.
<b>Alteration</b>	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
<b>Andesite</b>	An intermediate volcanic rock composed of andesine and one or more mafic minerals.
<b>Ankerite</b>	A calcium, iron, magnesium and manganese carbonate mineral.
<b>Anomalies</b>	An area where exploration has revealed results higher than the local background level.
<b>Anticline</b>	A fold in which strata are inclined down and away from the axes.

Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
ASL	Above sea level.
Assayed	The testing and quantification of metals of interest within a sample.
ASTER	The Advanced Spaceborne Thermal Emission and Reflection Radiometer which is an imaging instrument onboard Terra, the flagship satellite of NASA's Earth Observing System launched in December 1999, used to collect data to create detailed maps of land surface temperature, reflectance and elevation.
Au	Chemical symbol for gold.
Au-AA23	A method of analysis by ALS Chemex.
Auger sampling	A drill sampling method using an auger to penetrate upper horizons and obtain a sample from lower in the hole.
Basalt	A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
Base metal	A noun used for grouping non-ferrous metals such as copper, lead, nickel and zinc.
Basin	An area in which rock strata are inclined downward from all sides towards the centre.
BIF	A rock consisting of alternating bands of iron oxides and cherty silica, and possessing a marked banded appearance.
Bioturbation	Reworking of soils and sediments by animals or plant activity.
Cambrian Period	An interval of geologic time between 541 and 485 million years ago within the Paleozoic Era.
Carbonate alteration	Alteration of rock by CO <sub>3</sub> contained in hydrothermal fluids.
Carboniferous Period	An interval of geologic time between 359 and 299 million years ago within the Paleozoic Era.
Chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
Clastic	Pertaining to a rock made up of fragments or pebbles (clasts).

Clay	A fine-grained, natural, earthy material composed primarily of hydrous aluminium silicates.
Colloform	Texture used to describe rounded, finely banded mineral texture formed by ultra-fine-grained rhythmic precipitation often associated with epithermal mineralisation.
Conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
Craton	A large stable portion of continental crust.
Cu	Chemical symbol for copper.
Devonian Period	An interval of geologic time between 419 and 359 million years ago within the Paleozoic Era.
DHEM	Down hole electromagnetics - an electromagnetic system used to locate conductive sulphide bodies at depth.
Diamond drill hole	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.
Dip	The angle that planar strata or structures make with the horizontal.
Dolerite	A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
Dolomite	A calcium-magnesium carbonate mineral or dolomite-rich rock.
Dolomitisation	An alteration process where magnesium ions replace calcium ions of the original calcite mineral forming a new mineral called dolomite.
Dyke	Sheet of igneous rock which cuts across stratigraphy.
EM	An electromagnetic system used to locate conductive sulphide bodies at depth.
Epithermal Mineralisation	Epithermal deposits are typically high grade, small tonnage and relatively shallow deposits. There are two main types of epithermal gold deposits; low and high sulphidation.
Erosion	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earth's surface.
Fault	A zone of structural dislocation.

Felsic	An adjective indicating that a rock contains abundant feldspar and silica.
Fold	A term applied to the bending of strata or a planar feature about an axis.
Geochemical	Pertains to the concentration of an element in a mineral or rock.
Geochronology	A system of dating for the purposes of studying the Earth's history.
Geophysics	Pertains to the measuring and understanding of the physical properties of a rock mass including gravity, magnetism, resistivity, conductance and radioactivity.
GIS	Geographic information system.
Gondwanaland	The name given to an ancient supercontinent. It is believed to have sutured about 600 to 530 million years ago.
Granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
Greenstone belt	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.
Hydrothermal Alteration	Is a change in mineralogy as a result of the interaction of a rock with hot fluids typically dominated by water.
Igneous	Rocks that have solidified from magma.
Intrusions	A body of igneous rock which has forced itself into pre-existing rocks.
IP	Induced Polarisation method used to detect disseminated minerals often associated with minerals with economic value.
Isoclinal	A series of very tight folds whose limbs dip in the same direction at the same angle.
LANDSAT	A long running programme by NASA/US Geological Survey using various satellites to gather data for images of the Earth's land surface and coastal regions.
Lava	Molten material or rocks formed by the consolidation of molten material that reaches the Earth's surface.
Lidar	Light detection and ranging. A remote sensing method that uses light in the form of a pulsed laser measure ranges (variable distances) to the Earth.

Lode	Descriptive term for zones of mineralisation associated with quartz, sulphides and alteration minerals.
Mafic	An adjective indicating that a rock is rich in iron and magnesium.
ME-MS61	Multi-element four acid digest ICP-AES/ICP-MS method.
Metallurgy	The science of applying technologies to extract metals from ores.
Metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
Meta-sedimentary	A rock formed by metamorphism of sedimentary rocks.
Mesozoic Era	An interval of geological time between 252 and 66 million years ago.
Micrite	A limestone constituent formed of calcareous particles ranging in diameter up to four µm formed by the recrystallisation of lime mud.
Mineralisation	Accumulation of potentially valuable minerals.
MLEM	Moving Loop electromagnetics - a surface electromagnetic system used to locate conductive sulphide bodies at depth.
Mtpa	Million tonnes per annum.
Ni	Chemical symbol for nickel.
Ordovician Period	An interval of geologic time between 485 and 443 million years ago within the Paleozoic Era.
Orogen	Refers to forces and events leading to a large structural deformation of the Earth's lithosphere (crust and uppermost mantle) due to the interaction of tectonic plates.
Outcrop	Surface expression of underlying rocks.
Paleozoic Era	An interval of geological time between 541 and 252 million years ago.
Permian Period	An interval of geologic time between 299 and 252 million years ago within the Paleozoic Era.
PGE	Platinum Group Elements - platinum, palladium and often gold.
Plunge	Inclination of geologic structure (e.g. fold) measured from the horizontal.

Proterozoic	An era of geological time spanning the period from 2,500 million years to 570 million years before present.
RC drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
Regolith	The layer of unconsolidated material which overlies or covers in situ basement rock.
Resource	<i>In situ</i> mineral occurrence from which valuable or useful minerals may be recovered.
Rhyolite	An igneous, volcanic rock, of felsic (silica-rich) composition typically > 69% SiO <sub>2</sub> .
Sandstone	A detrital sedimentary rock consisting of sand-sized particles.
Satellite imagery	The images produced by photography of the Earth's surface from satellites.
Sedimentary	A term describing a rock formed from sediment.
Shear	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
Siderite	Is a mineral composed of iron(II) carbonate (FeCO <sub>3</sub> ).
Silica	Dioxide of silicon, SiO <sub>2</sub> , usually found as the various forms of quartz.
Sill	Sheet of igneous rock which is flat lying or has intruded parallel to stratigraphy.
Siltstone	A detrital sedimentary rock consisting of silt-sized particles.
Silurian	An interval of geological time between 443 and 416 million years ago within the Paleozoic Era.
Stratigraphy	Composition, sequence and correlation of stratified rocks.
Strike	Horizontal direction or trend of a geological structure.
Sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralisation.
Tectonic	Pertaining to the forces involved in or the resulting structures of movement in the Earth's crust.
Ultramafic	Igneous or metamorphic rocks with low silica content and generally > 18% magnesium oxide.



Veins	A thin infill of a fissure or crack, commonly bearing quartz.
VHMS	Volcanogenic hosted massive sulphides that host minerals including zinc, copper and lead with complimentary silver and gold.
VLF	Very low frequency.
VLF-R	Very low frequency wave-resistivity.
Volcanics	Formed or derived from a volcano.

## APPENDIX 1: ALL MINERALISED INTERCEPTS AVAILABLE FROM HISTORIC DRILL DATA ON THE JONES-KEYSTONE PROSPECT.

Hole-ID	UTM East	UTM North	RL	EOH	Dip	Azimuth	From (m)	To (m)	Interval (m)	Au (g/t)	Company
JK-1	unknown	unknown	unknown	137.5	-30	160	61.26	81.08	19.82	0.93	ASARCO
						including	62.64	69.89	7.25	1.66	
JK-2	unknown	unknown	unknown	162.8	-40	160	75.43	81.16	5.73	0.35	
						and	88.88	94.48	5.6	0.72	
						and	115.82	124.66	8.84	0.72	
JK-3	unknown	unknown	unknown	152.7	-40	160	48.16	49.38	1.22	2.23	
						and	68.73	70.26	1.52	1.37	
						and	98.6	99.43	0.82	1.37	
						and	132.59	144.78	12.19	1	
						and	134.11	138.68	4.57	2.28	
PJK-1	unknown	unknown	unknown	153.9	-50	160	86.87	88.39	1.52	0.42	Piedmont
						and	92.96	96.01	3.05	0.86	
						and	102.11	103.63	1.52	0.64	
						and	132.59	135.64	3.05	0.37	
						and	141.73	153.92	12.19	0.52	
						and	143.26	149.35	6.1	0.69	
JK10-005	588713	3955373	179	240.18	-50	324	162	176	14	0.52	Revolution
						including	170	174	4	0.92	
JK10-006	588569	3955375	191	319.43	-55	324	184	238	54	1.56	
						including	200	228	28	3.01	
						including	226	228	2	9.16	
JK10-007	588518	3955542	203	279.81	-50	144	154	176	22	0.63	
						including	166	170	4	1.2	
JK11-008	588615	3955540	199	167.8	-50	144	148	152	4	1.12	
JK11-009	588615	3955540	199	215.8	-60	144	No significant assay result				
JK11-010	588569	3955375	191	295.05	-70	324	152	192	40	0.61	
						including	152	172	20	0.88	
JK11-011	588425	3955451	213	203.61	-50	144	48	62	14	0.55	
						including	52	58	6	0.97	
JK11-012	588425	3955451	213	249.33	-87	144	No significant assay result				
JK11-013	588484	3955471	199	127.44	-50	144	No significant assay result				
JK11-014	588484	3955471	199	261.52	-88	144	212	220	8	0.63	
JK11-015	588578	3955738	201	200.56	-45	144	20	44	24	0.6	
						including	32	42	10	1.01	
JK11-016	588936	3955744	190	185.32	-45	144	28	88	60	0.45	
						including	36	46	10	1.14	
JK11-017	588936	3955744	190	252.37	-90	144	28	132	104	1.27	
						including	64	104	40	2.33	
						including	80	94	14	3.03	
JK10-018	588836	3955676	193	154.84	-45	144	No significant assay result				
JK11-019	588836	3955676	193	267.61	-90	144	54	62	8	0.74	
JK11-020	588703	3955623	190	118.26	-45	144	28	30	2	1.4	
JK11-021	588703	3955623	190	231.04	-90	144	78	80	2	1.01	
JK11-022	588370	3955438	220	197.51	-45	144	120	142	22	0.63	
						including	120	130	10	0.97	
JK11-023	588370	3955438	220	215.8	-67	144	158	168	10	0.53	
JK11-024	588569	3955375	191	224.94	-45	324	82	104	22	1.5	

Hole-ID	UTM East	UTM North	RL	EOH	Dip	Azimuth		From (m)	To (m)	Interval (m)	Au (g/t)	Company
JK11-025	588389	3955599	222	393.19	-60	144		286	324	38	0.78	
							including	286	300	14	0.93	
							including	286	292	6	1.8	
							and	314	324	10	1.53	
							including	314	320	6	2.36	
JK11-026	588332	3955400	210	178.31	-45	144		104	130	26	0.96	
							including	104	114	10	1.16	
							including	122	130	8	1.49	
JK11-027	588332	3955400	210	225.86	-68	144		120	144	24	0.84	
							including	126	144	18	1.01	
							including	126	130	4	2.39	
JK11-028	589006	3955786	182	323.09	-90	0		140	152	12	0.94	
JK11-029	588334	3955582	227	379.48	-60	144		210	218	8	0.99	
							and	272	274	2	1.15	
							and	306	324	18	0.57	
							including	312	318	6	1.27	
JK11-030	588865	3955870	206	371.9	-65	150		120.3	124.4	4.1	1.36	
							and	155.8	158.8	3	1.53	
JK11-031	588922	3955858	198	192	-50	150		84.3	158	73.7	0.55	
							including	113	121	8	1.05	
							including	149	156.5	7.5	1.1	
JK11-032	588832	3955848	206	310.9	-62	150		206.5	218.5	12	0.72	
JK11-033	588845	3955656	204	40.5	-45	150	No significant assay result					
JK11-034	588355	3955359	208	265.2	-45	150	59	63	4	0.97		
JK11-035	588288	3955373	209	253	-50	150	103.1	114.4	11.3	0.84		
JK11-036	588317	3955339	209	182.9	-50	150		45	61.7	16.7	1.36	
							including	54.5	60.2	5.7	3.07	
JK11-037	588339	3955299	202	112.8	-50	150	No significant assay result					
JK11-038	588343	3955298	202	125	-50	330	No significant assay result					
JK11-039	588273	3955315	205	207.3	-50	150	No significant assay result					
JK11-040	588195	3955324	226	155.5	-50	150	No significant assay result					
JK11-041	588195	3955324	226	175	-75	8	No significant assay result					
JK11-042	588212	3955395	225	115.8	-50	150	No significant assay result					
JK11-043	588124	3955339	225	285.9	-50	150	No significant assay result					
JK11-044	588143	3955299	225	170.7	-45	150	No significant assay result					
JK11-045	588481	3955596	215	396.2	-55	150	267.5	276	8.5	0.48		
JK11-046	588545	3955508	205	149.4	-45	150	No significant assay result					
JK11-047	588583	3955508	201	201.2	-45	150	90.3	104.5	14.2	1.11		
JK11-048	588583	3955508	201	249.9	-65	150		103.5	138	34.5		1.11
							including	114	138	24		1.52
							including	128	132	4		5.53
JK11-049	588645	3955500	196	158.8	-45	150	No significant assay result					
JK11-050	588686	3955539	195	146.3	-45	150	No significant assay result					Orford
JK11-051	588686	3955539	195	134.1	-65	150	No significant assay result					
JK11-052	588546	3955776	205	134.1	-45	150	No significant assay result					
JK-18-053	588,933	3,955,345	172	199.9	-49	180	No significant assay result					
JK-18-054	588,903	3,955,791	199	203.0	-59	145		107	148.1	41.1	1.36	
							and	199.9	201.4	1.5	5.55	
JK-18-055	588,720	3,955,736	198	251.5	-38	145		14.9	24.3	9.4	0.6	
							and	67	85.3	18.3	0.44	

## APPENDIX 2: ALL MINERALISED INTERCEPTS AVAILABLE FROM HISTORIC DRILL DATA ON THE LOFLIN PROSPECT.

Hole-ID	UTM East	UTM North	RL	EOH	Dip	Azimuth	From (m)	To (m)	Interval (m)	Au (g/t)	Company
L-1	586746	3953423	217	48.2	-45	277	0	30.48	30.48	1.54	Carolina Res.
L-2	586719	3953583	212	36.4	-45	261	No significant assay result				
L-3	586608	3953546	232	46.7	-45	40	unknown		3.05	3.43	
LA89-01	586707	3953457	224	131.1	-45	168	46.33	48.77	2.44	0.55	Noranda
							and 54.86	57.91	3.05	0.78	
							and 68.58	73.15	4.57	0.23	
LA89-02	586611	3953595	232	113.7	-45	167	21.03	25.6	4.57	0.14	
							and 38.1	47.24	9.14	0.19	
LA89-03	586568	3953491	227	105.2	-45	169	No significant assay result				
LA89-04	586683	3953532	219	136.6	-45	167	6.1	7.62	1.52	0.35	
							and 30.48	33.53	3.05	0.34	
							and 123.44	124.97	1.53	1.15	
							and 132.28	136.55	4.27	0.39	
LOC90-01	586394	3953745	245	150.6	-45	145	0.0	48.8	48.77	1.12	
							including 5.8	10.7	4.88	1.3	
							including 21.3	39.6	18.28	1.57	
							and 54.9	68.3	13.42	1.02	
							including 59.4	61.0	1.52	3.09	
							including 63.2	66.3	3.14	2.1	
							and 77.9	97.2	19.32	1.16	
							including 78.9	85.2	6.25	1.61	
							including 94.4	97.2	2.8	3.04	
LOC90-02**	586332	3953745	244	121.9	-45	143	0.0	81.7	81.7	1.06	
							including 40.8	58.2	17.4	2.9	
							including 66.5	74.4	7.9	1.26	
							and 106.4	120.9	14.5	0.85	
							including 111.6	117.0	5.5	1.47	
LOC90-03	586359	3953711	247	181.1	-45	143	0.0	46.9	46.9	0.58	
							including 9.8	27.1	17.4	1.03	
							and 53.6	83.5	29.9	0.47	
							including 72.9	82.6	9.8	0.91	
							and 86.9	150.6	63.7	0.6	
							including 100.3	108.4	8.1	1.55	
							including 124.2	132.3	8.1	1.25	
LOC90-04*	586244	3953760	245	181.1	-45	143	No significant assay result				
LOC90-05*	586296	3953708	240	193.2	-45	143	25.6	75.9	50.3	0.4	
							including 45.42	54.6	9.1	1.64	
							and 136.25	153.6	17.4	0.24	
							and 181.05	182.6	1.5	2.5	
LOC90-06*	586237	3953642	232	187.2	-45	143	No significant assay result				
LOC91-07**	586367	3953803	240	190.2	-45	144	0.0	4.6	4.6	0.14	
							144.5	148.7	4.3	0.13	
LOC91-08**	586559	3953875	231	141.4	-45	167	16.5	21.0	4.6	0.14	
							and 34.8	111.0	76.2	0.58	
							including 80.5	101.8	21.3	1.23	
							and 135.3	139.9	4.6	0.25	
LOC91-09*	586380	3953886	241	117	-70	146	101.5	102.1	0.6	0.99	
LOC91-10*	586482	3953896	240	102.1	-70	143	76.8	97.9	21.1	0.6	
							including 76.8	77.9	1.1	4.05	
							including 88.9	91.2	2.3	1.62	
LOC91-11*	586091	3953855	229	71.3	-45	145	29.0	40.8	11.9	0.8	
							32.6	35.7	3.1	2.46	

Hole-ID	UTM East	UTM North	RL	EOH	Dip	Azimuth		From (m)	To (m)	Interval (m)	Au (g/t)	Company
LOC91-12*	3953859	586150	233	37.8	-45	146		7.3	10.1	2.7	0.31	
							and	13.1	15.5	2.4	0.28	
							and	22.5	24.1	1.6	0.16	
LOC91-13	3953715	586460	244	65.5	-70	146		No significant assay result				
LOC91-14	3953713	586592	224	94.8	-70	146		No significant assay result				
LOC91-15*	3953528	586424	225	102.1	-70	147		No significant assay result				
LOC91-16*	3953826	586139	230	59.1	-45	146		34.7	40.5	5.9	0.64	
								36.3	39.3	3.1	0.98	
LF10-017**	586429	3953644	243	251.76	-56	323		26.0	96.0	70.0	1.1	
							including	26.0	46.0	20.0	2.19	
							including	88.0	96.0	8.0	3.05	
LF10-018**	586429	3953644	243	250	-75	326		14.0	88.0	74.0	1.12	
							including	36.0	66.0	30.0	2.6	
LF10-019**	586404	3953608	237	216	-58	323		60.0	74.0	14.0	0.8	
								66.0	70.0	4.0	1.7	
LF10-020**	586259	3953602	226	307.08	-45	50		194.0	196.0	2.0	1.7	
LF10-021**	586259	3953602	226	304.19	-57	52		No significant assay result				
LF10-022	586429	3953644	243	188.37	-48	145		No significant assay result				
LF10-023*	586357	3953562	225	227.99	-47	49		No significant assay result				
LF10-024*	586357	3953562	225	170.08	-79	64		68.0	76.0	8.0	1.2	
LF11-025	586398	3953680	193	125.00	-49	320		27.4	57.3	29.9	0.6	
							including	27.4	36.4	9.0	1.0	
LF11-026**	586475	3953578	190	268.80	-49	319		88.0	105.5	17.5	1.0	
LF11-027	586609	3953790	217	222.50	-44	323		61.2	66.0	4.8	0.9	
							and	194.2	196.3	2.1	1.5	
LF11-028	586750	3953538	208	201.20	-44	320		No significant assay result				Revolution
LF11-029	586734	3953404	219	225.60	-44	311		96.9	102.0	5.1	0.9	
LF11-030	586438	3953717	248	161.50	-45	318		0.0	32.0	32.0	1.3	
							including	25.9	32.0	6.1	4.1	
LF11-031	586480	3953751	243	97.50	-45	314		0.0	29.0	29.0	1.1	
							including	16.8	25.9	9.1	2.2	
LF11-032	586540	3953757	241	189.00	-44	318		50.2	54.0	3.8	0.8	
							and	162.9	165.6	2.7	0.9	
LF11-033	586480	3953674	245	149.40	-43	315		52.0	71.0	19.0	0.7	
							including	66.5	71.0	4.5	2.0	
							and	96.7	102.7	6.0	0.9	
LF11-034**	586514	3953626	238	179.80	-46	317		112.0	120.7	8.7	1.8	
LF11-035	586440	3953785	239	79.20	-46	310		No significant assay result				
LF11-036	586513	3953723	239	28.20	-45	315		Abandoned				
LF11-037	586514	3953722	239	115.80	-45	317		54.5	74.3	19.8	0.8	
							including	70.1	74.3	4.2	1.5	
LF11-038	586514	3953722	239	112.80	-69	319		75.2	85.5	10.3	1.2	
LF11-039	586517	3953777	239	186.50	-45	319		16.8	47.5	30.7	1.1	
							including	37.0	43.0	6.0	2.7	
LF11-040	586561	3953818	221	167.60	-49	315		23.0	38.1	15.1	0.8	
							including	34.4	38.1	3.7	2.1	
							and	52.0	68.8	16.8	0.7	
							including	59.0	68.8	9.8	0.9	
LF11-041**	586375	3953628	249	100.60	-45	319		27.0	50.5	23.5	0.5	
							including	27.0	40.0	13.0	0.6	
LF11-042*	586338	3953596	248	106.70	-45	320		3.0	4.6	1.6	1.6	
LF11-043*	586338	3953596	248	97.50	-70	324		0.0	9.1	9.1	0.6	

\* denotes a hole collared beyond the Loflin properties to be considered by Richland.

\*\* denotes a hole collared beyond the Loflin Properties to be considered by Richland but whose drill intersections at depth lie mostly within the Loflin property.

## APPENDIX 3: JORC 2012 TABLE 1 INFORMATION RELATING TO THE JONES-KEYSTONE AND LOFLIN HISTORIC DRILL DATA.

### JORC Code, 2012 Edition – Table 1

#### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond Drilling was undertaken to obtain samples for analysis at 0.5, 1.5 and 2m intervals along the entire drill hole.</li> <li>The sample length was determined by the geologist.</li> <li>Drill core was sawn in half with half submitted for analysis and the remainder retained for reference.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond (DD) at both HQ and NQ sizing was drilled.</li> <li>There is much less potential for down hole contamination using DD.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> </ul>	<ul style="list-style-type: none"> <li>No specific mention of recoveries but the core was pieced together and recoveries were calculated.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>All core material was recovered (to the best of their ability) by the drill crews.</li> <li>Full details of the drill recoveries are not known due to foreign and historic nature of the drilling information.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>The entire core was logged geologically and oriented prior to logging and sampling.</li> <li>The logging is considered qualitative and subject to variation depending on the geologist logging the hole.</li> <li>Every drill hole was logged from top of the hole to the end of the hole.</li> <li>Full details of the logging process is not known due to the foreign and historic nature of the drilling information.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>The core was cut in half and half submitted for analysis and the remaining half retained for reference.</li> <li>Full details of the sub-sampling techniques and sample preparation and specifically ensuring sample representivity are not known due to foreign and historic nature of the drilling information.</li> <li>No duplicate samples were submitted for the mineralised zones due to the lack of samples material in diamond drilling.</li> <li>Duplicate samples were submitted for the barren core which meant 2 half cores samples were submitted for analysis.</li> <li>Half core samples are appropriate for gold analysis.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks,</li> </ul>	<p>First drill programme</p> <ul style="list-style-type: none"> <li>All drill core samples shipped during this time were sent to ALS Laboratories in Elko, NV, for preparation, and were then forwarded to either ALS Labs in Reno, NV, a registered and accredited lab, ISO 9001 and ISO/IEC 17025 for gold assay methods, or to ALS Labs in North Vancouver, BC, a registered and accredited lab ISO 9001 and ISO/IEC 17025 for precious and base metal assay methods.</li> <li>All samples were prepped and a 30g sample was fire assayed with an</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	<p>atomic absorption finish. Samples exceeding the limits of this process were re-fired with a gravimetric finish. Samples also underwent geochemical analysis for 35 elements.</p> <ul style="list-style-type: none"> <li>In the first drill programme every 25 samples, a quality control sample was inserted into the sampling stream. Quality control samples used were blanks and a gold standard (0.25 g/t Au - 7.3 g/t Au).</li> </ul> <p>Second drill programme</p> <ul style="list-style-type: none"> <li>All drill core samples shipped during this time were sent to Activation Laboratories in Ancaster, ON, a registered and accredited lab, ISO 9001, ISO 9002, ISO/IEC 17025 and CAN-P-1579. All samples are prepped and a 50g sample fire assayed with an atomic absorption finish. Samples exceeding the limits of this process were re-fired with a gravimetric finish. Samples also underwent geochemical analysis for 37 elements.</li> <li>In the second drill programme the Geologist inserted four quality control samples for every 34 samples taken.</li> <li>The quality control samples used were blanks, core duplicates, a gold standard (0.20 g/t - 6.3 g/t Au) and an ICP standard</li> <li>Both drill programmes recorded acceptable levels of precision and accuracy appropriate for the level of exploration.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the sample verification process are not known due to the foreign and historic nature of the drilling information.</li> <li>The author has not been able to verify the information against original records but the information has been taken from N43-101 complaint reports and whilst the data cannot be specifically relied upon it is assumed the data has been gathered and reported by experienced and professional geoscientists and is presumably accurate and relevant.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the location of the collar points is not known due to the foreign and historic nature of the drilling information.</li> <li>Additional field checks are required to verify the drill collar locations.</li> </ul>

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>The drill holes were spaced on 50m sections or closer and were designed to delineate zones of mineralisation</li> <li>The drill spacing and distribution is sufficient to establish a degree of geological and grade continuity but further infill and step out drilling will be beneficial to understand the mineralisation.</li> <li>Sample compositing was not undertaken.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>The orientation of the drilling is considered appropriate to test the lateral and vertical extent of the mineralisation.</li> <li>More drilling is required.</li> <li>Limited sample bias is expected based on the drilling completed to date.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Full details regarding the sample security are not known due to the foreign and historic nature of the drilling information.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>It is unknown if the historic companies undertook audits or reviews of the data.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The foreign and historic drill exploration results were originally drilled on the Jones-Keystone and Loflin mineral properties leased by Revolution Resources Corporation.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration completed by other parties is presented in section 4.3 of this report.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The geology is presented in detail in section 4.4 of this report.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>All of the known historic drill holes from the Jones-Keystone and Loflin mineral properties are presented in Appendices 1 and 2.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used</li> </ul>	<ul style="list-style-type: none"> <li>Full details regarding the reporting of exploration results are not known due to the foreign and historic nature of the drilling information.</li> <li>The significant drill intersects reported are length weighted.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p>for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>The nature of the mineralisation appears complicated and structurally controlled. The drill result intersections are thought to represent close to true thicknesses of the mineralisation in most cases but it cannot be relied upon consistently across the prospects due to structural complexity.</li> <li>Downhole widths are reported.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Images are presented in the main text of this report.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>All results are considered material and have been reported and tabulated in Appendices 1 and 2.</li> <li>Significant intersects are presented in the main body of this report and in Tables 3 and 4.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>No other substantive historic work has been reviewed or is likely to be accessible due to the passing of time and the loss of documentation</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>A detailed exploration plan is presented in section 4.5 of this report.</li> </ul>

## APPENDIX 4: TABLE OF SURFACE GRAB SAMPLES FROM CAROLINA BELLE AND ARGO PROJECTS.

Project	Sample_ID	Datum	Latitude	Longitude	RL	Sample Type	Description	Au (ppm)	Ag (ppm)	Mo (ppm)
Carolina Belle	15122013	lat-lon_WGS84	35.309601	-79.782350	199	ROCK	Oxidised wall rock/ quartz vein (dump sample)	10.15	10.15	3
Carolina Belle	15122014	lat-lon_WGS84	35.309601	-79.782350	199	ROCK	Pyritic (1-3%) wall rock (dump sample)	0.53	0.53	1
Carolina Belle	15122015	lat-lon_WGS84	35.309601	-79.782350	199	ROCK	Pyritic (1-3%) wall rock (dump sample)	0.88	0.88	2
Carolina Belle	15122016	lat-lon_WGS84	35.309601	-79.782350	199	ROCK	Banded quartz vein (dump sample)	28.10	28.10	2
Carolina Belle	15122017	lat-lon_WGS84	35.309601	-79.782350	199	ROCK	Fine-grained quartz vein (dump sample)	17.25	17.25	0
Carolina Belle	15122018	lat-lon_WGS84	35.309601	-79.782350	199	ROCK	Banded quartz vein(dump sample)	18.45	18.45	2
Carolina Belle	15122019	lat-lon_WGS84	35.309601	-79.782350	199	ROCK	Fine-grained quartz vein (dump sample)	7.51	7.51	1
Carolina Belle	15122020	lat-lon_WGS84	35.309601	-79.782350	199	ROCK	Vuggy quartz vein (dump sample)	27.50	27.50	1
Carolina Belle	15122021	lat-lon_WGS84	35.309601	-79.782350	199	ROCK	Fine-grained quartz (dump sample)	15.30	15.30	2
Carolina Belle	15122022	lat-lon_WGS84	35.309601	-79.782350	199	ROCK	Chloritized-sericitized wall rock (dump sample)	0.82	0.82	0
Carolina Belle	16122001	lat-lon_WGS84	35.311233	-79.771745	205	ROCK	Oxidised silicified wall rock (dump sample)	0.754	0.75	3.25
Carolina Belle	16122002	lat-lon_WGS84	35.311267	-79.771608	203	ROCK	Pyritic (1-3%) wall rock(dump sample)	0.056	0.06	0.34
Carolina Belle	16122003	lat-lon_WGS84	35.311273	-79.771562	202	ROCK	Oxidised silicified wall rock (dump sample)	1.905	1.91	2.37
Carolina Belle	16122004	lat-lon_WGS84	35.311338	-79.771946	201	ROCK	Fine-grained quartz vein (dump sample)	1.14	1.14	5.06
Carolina Belle	16122005	lat-lon_WGS84	35.311342	-79.771938	201	ROCK	Fine-grained quartz vein (dump sample)	1.64	1.64	4.47
Carolina Belle	16122006	lat-lon_WGS84	35.311377	-79.771889	200	ROCK	Fine-grained quartz vein (dump sample)	2.67	2.67	4.44
Carolina Belle	16122007	lat-lon_WGS84	35.311399	-79.771874	201	ROCK	Vuggy fine-grained quartz vein (dump sample)	13.9	13.9	2.02
Carolina Belle	16122008	lat-lon_WGS84	35.311174	-79.771448	197	ROCK	Vuggy fine-grained quartz vein (dump sample)	4.6	4.6	1.22
Carolina Belle	16122009	lat-lon_WGS84	35.302182	-79.786085	211	ROCK	Martha Washington Float (Tailings?)	0.007	0.01	3.89
Argo	17122006	lat-lon_WGS84	36.126005	-77.982981	70	ROCK	DUMP - SACCH QTZ	0.13	2	1
Argo	17122007	lat-lon_WGS84	36.126009	-77.982762	70	ROCK	DUMP - SACCH QTZ + OXID PY	12.65	44	0
Argo	17122008	lat-lon_WGS84	36.125966	-77.982728	67	ROCK	DUMP - SACCH QTZ + OXID PY VEINLET	6.80	138	51
Argo	17122009	lat-lon_WGS84	36.126085	-77.982704	66	ROCK	DUMP - SACCH QTZ-FE-CL VEINLETS + OXID PY	8.06	2	6
Argo	17122010	lat-lon_WGS84	36.126161	-77.982664	67	ROCK	DUMP - FOL CHLORITIC COUNTRY RK	0.50	0	35
Argo	17122011	lat-lon_WGS84	36.126270	-77.982521	67	ROCK	DUMP - FOL SACCH QTZ-SIL	0.03	1	7
Argo	17122012	lat-lon_WGS84	36.126334	-77.982450	64	ROCK	DUMP - PY ALT SEDIMENT	1.31	0	15
Argo	17122013	lat-lon_WGS84	36.126294	-77.982478	65	ROCK	DUMP - ALT CR, OXID PY IN VUG	4.94	2	22
Argo	17122014	lat-lon_WGS84	36.126310	-77.982447	63	ROCK	DUMP - OX PY RICH ALT CR	5.58	2	36
Argo	17122015	lat-lon_WGS84	36.126342	-77.982405	65	ROCK	DUMP - OX PY ALT CR	2.59	1	36
Argo	17122016	lat-lon_WGS84	36.126394	-77.982346	65	ROCK	DUMP - ALT CR OX PY	0.60	1	6



Project	Sample_ID	Datum	Latitude	Longitude	RL	Sample Type	Description	Au (ppm)	Ag (ppm)	Mo (ppm)
Argo	17122017	lat-lon_WGS84	36.126462	-77.982280	65	ROCK	DUMP - ALT CR SACCH QTZ VEIN	2.83	1	388
Argo	17122018	lat-lon_WGS84	36.126427	-77.982280	69	ROCK	DUMP - FINELY LAM SILIC SED	0.02	0	4
Argo	17122019	lat-lon_WGS84	36.126437	-77.981811	62	ROCK	FLOAT - SACCH QTZ	0.04	1	88
Argo	17122020	lat-lon_WGS84	36.125795	-77.981835	59	ROCK	FLOAT - SACCH QTZ	0.02	0	37
Argo	17122021	lat-lon_WGS84	36.125662	-77.981997	61	ROCK	FLOAT - FE-STAINED SACCH QTZ	0.01	0	34
Argo	17122022	lat-lon_WGS84	36.126087	-77.983688	73	ROCK	DUMP - OX PY FE STAINED SACCH QTZ	0.66	0	341
Argo	17122023	lat-lon_WGS84	36.126033	-77.983701	74	ROCK	DUMP - FOL OX PY SACCH QTZ	2.25	1	703
Argo	17122024	lat-lon_WGS84	36.125859	-77.983768	75	ROCK	FLOAT - VERY HARD QTZ PY RK	0.15	1	1270
Argo	17122025	lat-lon_WGS84	36.124469	-77.989798	77	ROCK	DUMP - WHITE SACCH QTZ	3.34	0	6
Argo	17122026	lat-lon_WGS84	36.123938	-77.990918	75	ROCK	DUMP - WHITE SACCH QTZ	0.01	0	4
Argo	17122027	lat-lon_WGS84	36.120716	-77.983503	70	ROCK	DUMP - SACCH QTZ GOETHITE IN VUGS	0.04	0	293
Argo	17122028	lat-lon_WGS84	36.120519	-77.983362	72	ROCK	DUMP - FE ST GOETHITE SACCH QTZ	0.01	0	245
Argo	17122029	lat-lon_WGS84	36.119892	-77.984112	71	ROCK	DUMP - FE ST SACCH QTZ	5.85	1	714
Argo	17122030	lat-lon_WGS84	36.119811	-77.984017	70	ROCK	AS ABOVE	0.08	2	1390
Argo	17122031	lat-lon_WGS84	36.121006	-77.983069	69	ROCK	DUMP- FOL, OXID PY + FE STAIN SACCH QTZ	2.19	0	29
Argo	17122032	lat-lon_WGS84	36.121192	-77.982867	71	ROCK	DUMP - FE STAINED SACCH QTZ	1.24	1	228

## APPENDIX 5: JORC 2012 TABLE 1 INFORMATION RELATING TO SURFACE GRAB SAMPLES FROM THE CAROLINA BELLE AND ARGO PROJECTS.

### JORC Code, 2012 Edition – Table 1

#### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>The surface rock chip samples were collected by gathering samples from either outcrop/subcrop in trenches, surface float or from mullock heaps associated with historic mining activities.</li> <li>It was difficult to sample insitu mineralisation with a large portion of the prospects overlain with soils or rehabilitation of the trenches and small pits by others.</li> <li>There is a reasonable degree of confidence that the samples do represent the mineralisation of each prospect but the distribution of the mineralisation is poorly constrained with this method of random sampling.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>N/A to surface samples.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> </ul>	<ul style="list-style-type: none"> <li>N/A to surface samples.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>A field description of the rock chip samples was undertaken. In many cases a split of the rock chip samples was retained for future reference.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>The rock chip samples weighing 1 to 2kg were submitted to the Laboratory for crushing, splitting and pulverizing prior to analysis.</li> <li>A portion of the sample was retained for later reference.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels</li> </ul>	<ul style="list-style-type: none"> <li>The samples were gathered by a geologist and submitted to ALSChemex for analysis for gold using Au-AA23 and multi-elements using ME-MS61.</li> <li>This is an industry standard technique.</li> <li>ALSChemex undertakes its own internal QA/QC checks that include standards and laboratory duplicates.</li> <li>The Company who undertook the sampling did not submit any blanks, standards or repeats which is considered acceptable for early stage exploration.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>of accuracy (i.e. lack of bias) and precision have been established.</li> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>No verification of the assaying on the samples was undertaken.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>The samples were located using google earth after the sampling was completed.</li> <li>The datum used is WGS84.</li> <li>Coordinates were given using Latitude and Longitude.</li> <li>The accuracy of the locations is sufficient for this stage of exploration.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>The samples spacing is largely dictated by the access of material to sample such as outcrop, subcrop, surface float and mining related mullock heaps.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>N/A for early stage rock chip sample assessment.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>The rock chip samples remained in the custody of the company geologist and delivered to the laboratory.</li> <li>The samples were packaged into plastic bags and numbered.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>The sampling, assaying and laboratory QA/QC procedures have been reviewed by the geologist who took the samples.</li> <li>No material errors or omissions were identified.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The exploration work was completed on mineral properties that are legally accessible under lease arrangements with the property owners.</li> <li>The mineral properties have long term leases and would be subject to buy outs and royalty payments on production if mining commenced.</li> <li>Uwharrie National Forest overlaps the Carolina Belle mineral properties but does not affect the mineral rights assigned to the land owner.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The historic activities undertaken at Carolina Belle are described in section 6.3 of this report but there is little evidence of modern exploration being undertaken.</li> <li>The historic activities undertaken at Argo are described in section 7.3 of this report and there is no evidence of modern exploration being undertaken.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The geology of the Caroline Belle project is described in section 6.4 of this report.</li> <li>The geology of the Argo project is described in section 7.4 of this report.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly</li> </ul>	<ul style="list-style-type: none"> <li>The rock chip samples results are provided in Appendix 4 of this report.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>Data aggregation methods</b>	<p>explain why this is the case.</p> <ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>No data aggregation methods have been applied to the rock chip samples.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>The rock chip samples will not assess the relationships between mineralisation and widths.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Figures and plans are displayed in the main body of the report.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>All rock chip data is presented in Appendix 4 of this report.</li> <li>The relevant and significant results are discussed in the main body of the report.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>All other substantive work is described within the report for each project area.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions,</li> </ul>	<ul style="list-style-type: none"> <li>Detailed exploration strategy and budgets are presented in the relevant sections of the report for each project area.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	

## APPENDIX 6: JORC 2012 TABLE 1 INFORMATION RELATING TO THE CAROLINA BELLE HISTORIC DRILL DATA.

### JORC Code, 2012 Edition – Table 1

#### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the sampling techniques are not known due to the foreign and historic nature of the drilling information.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond Drilling (DD).</li> <li>Full details of the drilling techniques are not known due to the foreign and historic nature of the drilling information.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the drill recoveries are not known due to the foreign and historic nature of the drilling information.</li> <li>It is not known if the recoveries affected sample bias in the determination of grade analysis.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the logging process are not known due to the foreign and historic nature of the drilling information.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the sub-sampling techniques and sample preparation and specifically ensuring sample representivity are not known due to foreign and historic nature of the drilling information.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the quality control procedures such as standards, blanks and field duplicates adopted during the drilling and sampling assessment - specifically dealing with issues around accuracy and precision are not known due to the foreign and historic nature of the drilling information.</li> </ul>

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the sample verification process is not known due to the foreign and historic nature of the drilling information.</li> <li>The author has not been able to verify the information against original records.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the location of the data points is not known due to the foreign and historic nature of the drilling information.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the data spacing and distribution of the data points is not known due to the foreign and historic nature of the drilling information.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the orientation of the data points is not known due to the foreign and historic nature of the drilling information.</li> <li>No detailed comments can be made in relation to orientation of the drill holes to the mineralisation apart from it is assumed the drill holes was targeted at the historic workings.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Full details regarding sample security are not known due to foreign and historic nature of the drilling information.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>It is unknown if the historic companies undertook audits or reviews of the data.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Full details regarding the mineral tenure and status are not known nor relevant due to the foreign and historic nature of the drilling information.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the previous exploration done by others is not known due to the foreign and historic nature of the drilling information.</li> <li>Summarised details are presented in section 6.3 of this report.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The geology is presented in detail in section 6.4 of this report.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Only significant drill results have been reported in section 6.3 of this report with the remainder of the drill holes reported as being insignificant or the drill samples were not assayed.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used</li> </ul>	<ul style="list-style-type: none"> <li>Intersects were length weighted.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p>for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>Full details of the relationship between mineralisation and intercept widths is not known due to the foreign and historic nature of the drilling information.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Images are presented in the main text of this report.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Significant intercepts are presented in the main body of this report under section 6.3.</li> <li>The other drill results are reported as insignificant or the samples were not submitted for assay.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>No other substantive historic work has been reviewed or is likely to be accessible due to the passing of time and the loss of documentation.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>A detailed exploration plan is presented in section 6.5 of this report.</li> </ul>



## PART VII

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The Company, the Existing Directors and the Proposed Director, whose names are set out on page 18 of this document, accept responsibility, both individually and collectively, for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Existing Directors, the Proposed Director and the Company, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. The Company

- 2.1 The Company was incorporated on 20 February 2003 in Bermuda, under the company laws of Bermuda, with registration number EC33385 as an exempted private company limited by shares with the name Tanzanite One Limited.
- 2.2 On 2 August 2011, the Company was renamed as Richland Resources Ltd.
- 2.3 The Company's registered office is at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.
- 2.4 The business of the Company and its principal activity is to act as the holding company of the Enlarged Group.
- 2.5 The address of the Company's website which discloses the information required by Rule 26 of the AIM Rules for Companies is [www.richlandresourcesltd.com](http://www.richlandresourcesltd.com). The Company does not have a telephone number.
- 2.6 The Company's legal entity identifier is 213800ZBDLZC9TO5W864.

#### 3. Enlarged Group's Structure

- 3.1 As at the date of this document, the Company has one wholly owned subsidiary, Rohstein Class A (Pty) Ltd which is incorporated in South Africa.
- 3.2 Upon completion of the Acquisition, the Company will have the following subsidiary undertakings in addition to Rohstein Class A (Pty) Ltd:

Company name	Country of incorporation & registration no.	Proportion of issued share capital / membership interest held:	
		By the Company	By a subsidiary of the Company
Global Asset Resources Ltd	Victoria, Australian Company No. 618792877	100%	–
Global Asset Resources Holdings Inc.	Delaware, USA. No. 7912388	–	100% (held by GAR)
Project Argo, LLC	North Carolina, USA. No. 1966646	–	51% (held by GAR)
Project JKL, LLC	North Carolina, USA. No. 1966644	–	51% (held by GAR)
Project Jennings-Pioneer, LLC	North Carolina, USA. No. 1966641	–	51% (held by GAR)
Project Carolina Belle, LLC	North Carolina, USA. No. 1966639	–	51% (held by GAR)

#### 4. Share Consolidation

- 4.1 It is proposed, pursuant to the Share Consolidation, that the Existing Common Shares of US\$0.0003 each in nominal value be consolidated on a 10 to 1 basis, such that every 10 Existing Common Shares are consolidated into one New Common Share of US\$0.003 each. Assuming an issued share capital of 1,108,172,891 Existing Common Shares immediately prior to Admission (there are also 7,249,999 Existing Common Shares held in treasury), subsequent to the allotment of the

Consideration Shares, the Strand Hanson Fee Shares, the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares, the Subscription Shares and the Placing Shares and completion of the Share Consolidation, the Company will have 261,478,810 New Common Shares in issue on Admission.

- 4.2 As at the date of this document, the Company has 1,108,172,891 Existing Common Shares of US\$0.0003 each in issue which had a closing mid-market price of 0.325 pence per Existing Common Share as at 30 June 2020 (being the latest date prior to the suspension of trading in the Company's shares on AIM pursuant to the requirements of AIM Rule 15). The Board believes that the Share Consolidation should improve the marketability of the Existing Common Shares by way of a higher share price.
- 4.3 In accordance with the Bye-laws, the Board has decided that no Shareholder will be entitled to a fraction of a New Common Share as a result of the Share Consolidation. As such, if a Shareholder holds fewer than 10 Existing Common Shares prior to the Share Consolidation, such that the rounding down process results in a Shareholder being entitled to zero New Common Shares, then as a result of the Share Consolidation they will cease to hold any Common Shares (of any description) in the capital of the Company.
- 4.4 The rights attaching to the New Common Shares will be identical in all respects to those of the Existing Common Shares.

## **5. Share Capital**

- 5.1 The authorised share capital of the Company on incorporation was 120,000 shares of US\$0.10 each and three shares were issued to the subscribers to the memorandum of association.
- 5.2 By way of a shareholder resolution dated 26 May 2004, each authorised and issued common share of US\$0.10 each in the share capital of the Company was subdivided on a 1,000:1 basis to become 120,000,000 issued common shares of US\$0.0001 each in the share capital of the Company and the authorised share capital of the Company was increased from US\$12,000 to US\$50,000 by the creation of 380,000,000 common shares of US\$0.0001 each in the share capital of the Company.
- 5.3 By way of a resolution of the Board dated 26 May 2004, the Company resolved to repurchase 120,000,000 issued common shares of US\$0.0001 each in the share capital of the Company at their aggregate par value of US\$12,000, such repurchase being conditional upon the allotment and issuance by the Company of at least 120,000,000 common shares of US\$0.0001 each in the share capital of the Company and compliance with the relevant provisions of the Bermuda Act.
- 5.4 By way of a resolution dated 9 July 2004, every three authorised and issued common shares of US\$0.0001 each in the share capital of the Company was consolidated into one Common Share of US\$0.0003 each in the share capital of the Company such that following the passing of the resolution the authorised share capital of the Company comprised 166,666,667 Common Shares of US\$0.0003 each in the share capital of the Company.
- 5.5 The history of the Company's share capital for the period covered by the historical financial information in Part III of this document is as follows:
  - (a) On 19 April 2017, certain existing directors of the Company converted accrued unpaid fees into 1,371,576 Common Shares at a price of 1.74 pence per Common Share and credited as fully paid. The number of Common Shares with voting rights in issue following such conversion was 410,366,368 and a further 7,275,000 Common Shares were held in treasury.
  - (b) On 5 September 2017, 64,285,714 Common Shares were allotted at a price of 0.7 pence per Common Share and credited as fully paid. The number of Common Shares with voting rights in issue following such allotment was 474,652,082 and a further 7,275,000 Common Shares were held in treasury.
  - (c) On 5 February 2018, 3,581,237 Common Shares were allotted at a price of 0.84 pence per Common Share and credited as fully paid. The number of Common Shares with voting rights in issue following such allotment was 478,233,319 and a further 7,275,000 Common Shares were held in treasury.
  - (d) On 6 July 2018, certain existing directors and senior management of the Company converted accrued unpaid fees into 74,120,531 Common Shares at a price of 0.28 pence per Common Share and credited as fully paid and a further 16,000,000 Common Shares credited as fully paid

were issued at a price of 0.28 pence per Common Share to satisfy certain professional fees due through to 31 December 2018. The number of Common Shares with voting rights in issue following such conversion and issue of fee shares was 568,353,850 and a further 7,275,000 Common Shares were held in treasury.

- (e) On 4 July 2019, 182,539,683 Common Shares, in aggregate, were allotted at a price of 0.063 pence per Common Share and credited as fully paid. The number of Common Shares with voting rights in issue following such allotment was 750,893,533 and a further 7,275,000 Common Shares were held in treasury.
- (f) On 29 August 2019, a director and senior management of the Company converted accrued unpaid fees into 108,246,025 Common Shares at a price of 0.065 pence per Common Share and credited as fully paid. The number of Common Shares with voting rights in issue following such conversion was 859,139,558 and a further 7,275,000 Common Shares were held in treasury.
- (g) On 13 January 2020, 165,700,000 Common Shares were allotted at a price of 0.10 pence per Common Share and credited as fully paid. The number of Common Shares with voting rights in issue following such allotment was 1,024,839,558 and a further 7,275,000 Common Shares were held in treasury.
- (h) On 12 March 2020, 83,333,333 Common Shares were allotted at a price of 0.12 pence per Common Share and credited as fully paid. The number of Common Shares with voting rights in issue following such allotment was 1,108,172,891 and a further 7,275,000 Common Shares were held in treasury.

5.6 As at the date of this document, the authorised and issued fully paid share capital of the Company is:

Authorised			Issued		
Class	Number	Amount	Class	Number	Amount
Existing Common Shares	10,000,000,000	US\$3,000,000	Existing Common Shares	1,108,172,891	US\$332,451.87

5.7 Assuming that the Placing, the Subscription and the Share Consolidation take place, the authorised and issued fully paid share capital of the Company immediately following Admission (i.e. following the Share Consolidation and allotment of the Consideration Shares, the Strand Hanson Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares, the Director and Senior Management Fee Shares, the Subscription Shares and the Placing Shares) will be as follows:

Authorised			Issued		
Class	Number	Amount	Class	Number	Amount
New Common Shares	3,000,000,000	US\$9,000,000	New Common Shares	261,478,810	US\$784,436.43

5.8 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

5.9 The Directors are seeking Shareholder consent (Resolution 12), conditional upon the passing of Resolutions 4, 7, 9, 11 and 13 and in accordance with the Amended Bye-Laws to disapply pre-emption rights to allot the Consideration Shares, the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares, the Strand Hanson Fee Shares, the Subscription Shares and the Placing Shares. This authority shall expire at the conclusion of the next annual general meeting of the Company.

5.10 The Consideration Shares, the Strand Hanson Fee Shares, the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares the Subscription Shares and the Placing Shares will rank *pari passu* in all respects with the Existing Common Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission on the common share capital.

5.11 There will be a total of 7,844,364 warrants outstanding representing approximately 3.00 per cent. of the Enlarged Share Capital on Admission.

5.12 Save as disclosed in this Part VII of this document:

- (a) no share capital or loan capital of the Company has been issued and save for the Subscription Shares, the Placing Shares, the Loan Repayment Shares, the Director and Senior Management Fee Share, the CS Jordaan Investments Fee Shares, the Strand Hanson Fee Shares and the Consideration Shares, no share or loan capital of the Company is currently proposed to be issued, either fully or partly paid or for cash or any other consideration;
- (b) no capital of the Company or any other member of the Enlarged Group is proposed to be issued or is under option or is agreed conditionally or unconditionally to be put under option;
- (c) there are no outstanding convertible securities issued by the Company;
- (d) no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital;
- (e) The Company does not have in issue any securities not representing share capital.

5.13 The Common Shares have been created under the Bermuda Companies Act.

5.14 The Common Shares are in registered form and may be held either in certificated form or in uncertificated form via Depositary Interests through CREST. The Bye-laws permit the Company to issue shares in uncertificated form.

## 6. Share Option Scheme

6.1 The Company has a share option plan in place and shortly following Admission it is intended that new Options, representing approximately 7.5 per cent. of the Enlarged Share Capital, will be granted to the Existing Directors, the Proposed Director and senior management pursuant to such plan.

6.2 The principal terms of the share option plan ("**Share Option Scheme**") are as follows:

- (a) *Eligibility*: The Remuneration Committee of the Board may from time to time select any person who is in full-time or part-time employment of, or is a director of, or consultant of the Company and/or of its subsidiaries (an "**Employee**"), or an Employee's spouse, a body corporate in which an Employee holds and beneficially owns not less than 50 per cent. of the issued voting share capital or a trustee of that person ("**Eligible Person**") to be granted with options over Common Shares ("**Option Shares**").
- (b) *Exercise Price*: The exercise price per Option Share shall be determined by the Remuneration Committee. Save for the intended new Options referred to in paragraph 6.1 above which can be issued at the Placing Price within a period of one month from Admission, the exercise price per Option Share must not be less than the greater of:
  - (i) the par value of the Option Share; and
  - (ii) whichever of the following applies:
    - a. if there was at least one transaction in the Common Shares on AIM during the one week period up to and including the date on which the Remuneration Committee issued an invitation to the Eligible Person to acquire the relevant option under the Share Option Scheme ("**Offer Date**"), the weighted average of the prices at which the Common Shares were traded on AIM during that period; or
    - b. if there were no transactions in Common Shares on AIM during the one week period up to and including the Offer Date, the last price at which an offer was made on AIM to purchase a Common Share.
- (c) *Aggregate and Individual Limits*: Subject to the remainder of this paragraph, the Remuneration Committee may exercise its powers in relation to the participation in the Share Option Scheme of any Eligible Person on any number of occasions and shall determine the extent of any Eligible Person's participation. The Remuneration Committee must ensure that the nominal amount of Common Shares over which options are to be granted on any date does not exceed 10 per cent. of the issued share capital of the Company on the day before the date on which the Remuneration Committee resolved to grant the options in question ("**Grant Date**"), less the total nominal amount of:

- (i) Common Shares issued on the exercise of options granted within the previous 3 years under any employee share option plan;
  - (ii) Common Shares remaining issuable in respect of options granted on the same date within the previous 3 years under any employee share option plan; and
  - (iii) Common Shares issued on the same date or within the previous 3 years under any employee share option plan in respect of monies available by the Enlarged Group.
- (d) *Exercise of options:* An optionholder may exercise options at any time or from time to time during the exercise period specified by the Remuneration Committee on the Grant Date and ending on the day prior to the 10th anniversary of the Grant Date (unless a shorter period is otherwise specified by the Remuneration Committee) applicable to those options. Subject to what is stated below, if at any time during the exercise period an optionholder ceases to be an Eligible Person, all options held by him/her will lapse one month after that person ceases to be an Eligible Person. If a person ceases to be an Eligible Person by reason of retirement, bankruptcy or death, the options held by him/her will lapse at the expiration of 12 months after the relevant event.
- (e) *Terms of options:* Options are only transferable if the Board has provided prior written approval. Subject to the relevant conditions having been met, the Company shall allot and issue the number of Shares to the Eligible Person on the date set out in the notice of exercise (subject to such date being compliant with the AIM Rules).
- (f) *Governing law:* The Share Option Scheme and any options granted under it are governed by Bermuda law.

## **7. Memorandum of Association and Bye-laws**

- 7.1 The objects set out in the memorandum of association of the Company enable the Company to act as a holding company and as a general trading company. The objects of the Company's business are set out in paragraphs 6.1 to 6.10 of the Company's memorandum of association.
- 7.2 The following is a summary of the rights under the Bye-laws (and in particular relating to voting, entitlement to share in the Company's profits and, in the event of liquidation, in any surplus, and transfers) which attach to the Existing Common Shares. Pursuant to and conditional upon the passing of Resolution 11 at the Annual General Meeting, certain amendments to the Bye-laws will be made as summarised in paragraph 7.3 of Part VII to this document.

### *(a) Power to Issue Shares*

Subject to any resolution of the members of the Company to the contrary, the Board shall have the power to issue any shares, options or warrants of the Company on such terms and conditions as it may determine.

The Bye-laws set out certain limitations on acquiring such number of shares in the Company that would result in a shareholder directly or indirectly holding more than 30 per cent. of the voting rights in a general meeting or the right to dismiss or appoint more than 50 per cent. of the members of the Company's board. They also set out the procedure for the Board and members of the Company to obtain reasonable information on a person who is proposed to acquire a substantial interest in the Company.

### *(b) Voting rights*

Subject to the rights or restrictions referred to in paragraph (c) below and subject to any special rights or restrictions as to voting attached to shares (of which there are none at present), on a show of hands every holder of Common Shares who is present in person shall have one vote and on a poll every holder who is present in person or by proxy shall have one vote for each Common Share held by him. A corporation which is a member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual member, and that member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives. Any question proposed for the consideration of the members at a general meeting shall unless specifically stated to the contrary require a majority of the votes cast at the general meeting and in the case of an



equality of votes the resolution shall fail. Where a three quarters or 75 per cent. majority of the votes cast at the general meeting is required such proposed question shall be decided by the affirmative votes of three quarters or 75 per cent. of the votes cast.

(c) *Restrictions on voting*

A member of the Company is not entitled, in respect of any share held by him, to be present or vote either personally or by proxy at any general meeting of the Company unless such member has paid all the calls on all the shares held by such member.

(d) *Dividends*

Under Bermuda law, a company's Board of Directors may declare and pay dividends from time to time unless there are reasonable grounds for believing that the company is or would, after the payment, be unable to pay its liabilities as they become due or that the realisable value of its assets would thereby be less than the aggregate of its liabilities and issued share capital and share premium accounts.

Under the Bye-laws, each Common Share is entitled to dividends in proportion to the number of shares held by each member. With the sanction of a resolution at a general meeting and on the recommendation of the Board, payment of any dividend may be satisfied wholly or in part by the distribution of specific assets (in particular, paid up shares or debentures of any other company).

Unpaid dividends do not bear interest as against the Company.

(e) *Return of capital*

On a winding-up, subject to any special rights attaching to shares (of which there are none at present), the assets available for distribution shall be divided among the members in proportion to the amounts of capital paid up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary, under supervision or by the court), the liquidator may, with the sanction of a resolution of the members and any other sanction required by law, divide among the members *in specie* or kind the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may with the same sanction, vest the whole or any part of the whole of the assets in trustees on trust for the benefit of the members as he with the same sanction thinks fit, but no member shall be compelled to accept any shares or other securities on which there is a liability.

(f) *Variation of rights*

If at any time the Company has more than one class of shares, the rights attaching to any class, unless otherwise provided for by the terms of issue of the relevant class, may, whether or not the Company is being wound-up, be varied either: (i) with the consent in writing of the holders of 75 per cent. of the issued shares of that class; or (ii) with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the relevant class of shareholders. The creation or issue of shares ranking equally with existing shares will not, unless expressly provided by the terms of issue of those shares, vary the rights attached to existing shares.

(g) *Transfer of shares*

The Board may in its absolute discretion and without assigning any reason refuse to register the transfer of a share that it is not fully paid. The Board may also refuse to recognise an instrument of transfer of a share unless it is accompanied by the relevant share certificate and such other evidence of the transferor's right to make the transfer as the Board shall reasonably require. Subject to these restrictions, a holder of Common Shares may transfer the title to all or any of his Common Shares by completing a form of transfer in the form set out in the Bye-laws (or as near thereto as circumstances admit) or in such other common form as the Board may accept. The instrument of transfer must be signed by the transferor and transferee, although in the case of a fully paid share the Board may accept the instrument signed only by the transferor.



(h) *Alteration of capital and purchase of own shares*

The Company may alter its share capital as follows:

- (i) by resolution of the members (and subject to the provisions of the Bermudian Companies Act 1981), it may increase its share capital, consolidate, change the currency of denomination and divide all or any of its shares into shares of larger amount, sub-divide all or any of its shares into shares of smaller amount and cancel any shares not taken or agreed to be taken by any person;
- (ii) by resolution of the members and subject to the provisions of the Bermudian Companies Act 1981, it may reduce its share capital, any capital redemption reserve or any share premium account or other undistributable reserves in any manner;
- (iii) the Company may purchase its own shares for cancellation or acquire them as treasury shares, in accordance with the provisions of the Bermudian Companies Act 1981 and on such terms as the Board shall think fit.

(i) *Directors*

Number

The Board shall consist of not less than two, and not more than fifteen Directors.

Remuneration

The remuneration of the Directors is determined by the Company in general meeting. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in connection with the Company's business or their duties as directors.

Election, removal and retirement of Directors

Any member or the Board may propose a person for election as a Director. Any person proposed for election as a Director who is not an existing Director must give notice to the Company at its registered office of the intention to propose the person for election as a Director not less than seven days prior to the meeting at which Directors are to be elected.

A Director may be removed by the shareholders at any special general meeting, provided notice is given to the Director of the shareholders meeting convened to remove the Director. The notice must contain a statement of the intention to remove the Director and must be served on the Director not less than twenty-one days before the meeting. The Director is entitled to attend the meeting and be heard on the motion for his removal.

At each annual general meeting, any Director who is still in office at the start of the annual general meeting which falls to the nearest third anniversary of the annual general meeting at which he was appointed or was last reappointed shall retire by rotation. Subject to the previous sentence, at each annual general meeting, one third of all the Directors shall retire by rotation.

(j) *Directors' interests*

Provided a Director discloses a direct or indirect interest in any contract or arrangement with the Company as required by Bermuda law and provided that the Director is not disqualified by the chairman of the relevant Board meeting, such Director is entitled to vote in respect of any such contract or arrangement in which he or she is interested.

(k) *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party.

(l) *Indemnity of Directors/Officers*

The Company indemnifies its directors and officers in respect of their actions and omissions, except in respect of their fraud or dishonesty. Each member waives any claim or right of action they may otherwise have (whether individually or by or in the right of the Company) against any director or officer to take or omit to take, any action in the performance of his duties with the Company, provided that such waiver shall not extend to the Director's fraud or dishonesty.

(m) *Limitations on the right to hold voting securities*

Subject to certain exceptions, no Shareholder may acquire a Relevant Interest (as defined in paragraph (n) below) in Common Shares if, because of the transaction, the total number of votes attached to all Common Shares held by a Shareholder (together with his associates or under a nominee or trustee arrangement) would directly or indirectly increase:

- (i) from thirty per cent. or below to more than thirty per cent.; or
- (ii) from a starting point that is above thirty per cent. and below ninety per cent.

(a “**Restricted Acquisition**”).

If a Shareholder (together with his associates or under a nominee or trustee arrangement) is found to have carried out a Restricted Acquisition, the Company may:

- (i) require, by notice in writing, that the Shareholder disposes of all or part of those Common Shares so held in breach;
- (ii) suspend and disregard the exercise by such Shareholder of all or part of the voting rights arising from such Common Shares so held in breach; or
- (iii) suspend such Shareholder from the right to receive all or part of the dividends or other distributions arising from the Common Shares so held in breach.

The Company can only exercise these remedies if it has obtained a judgment from a competent court that confirms that a breach has occurred and is continuing. The Company must act in accordance with the judgment of the court.

The main exceptions where an acquisition may take place and not contravene this provision (notwithstanding that the acquisition may be a Restricted Acquisition) are where:

- (i) the acquisition results from acceptances of offers under an off-market bid or on-market bid for Common Shares (in each case a “**Bid**”) or occurs on-market during the currency of a Bid (subject to specified restrictions on the form of the Bid);
- (ii) the acquisition constitutes not more than a 2 per cent. “creep” in the Relevant Interest of the Shareholder in a rolling 12 month period;
- (iii) the acquisition has received the prior approval of the Board and conforms to the principles set out in the Amended Bye-Laws;
- (iv) the acquisition has received the prior approval of the Company in special general meeting (where no votes are cast in favour of the resolution by persons making the acquisition or from whom the acquisition is to be made), provided that Shareholders were given all information known to the Company or the person proposing to make the acquisition that is material to the decision on how to vote on the resolution;
- (v) the acquisition is the result of a buy-back that is authorised under the Bermuda Companies Act;
- (vi) the acquisition is the result of a *pro-rata* offer of Common Shares to Shareholders; or
- (vii) the acquisition resulted from an acquisition by operation of law including by way of a merger conducted in accordance with the Bermuda Companies Act

(n) *Disclosure of interests*

The Company may require the holder of a share to provide to the Company a statement in writing setting out (i) the full details of the holder’s interest in any shares that causes or permits a person to: (a) exercise or the power to exercise of voting rights on shares (whether through the giving of voting instructions or as a proxy or otherwise); or (b) dispose or the power to dispose of shares, (a “**Relevant Interest**”) and of the circumstances giving rise to that Relevant Interest; and (ii) the name and address of each other person who has a Relevant Interest together with full details of the nature and extent of the Relevant Interest; and the circumstances that give rise to the person’s Relevant Interest; and (iii) the name and address of each person who has given the holder of the shares or the person as referred to in (ii) above instructions about the acquisition or disposal of a Relevant Interest or the exercise of any voting or other rights attached to a Relevant Interest or any other matter relating to a Relevant Interest.

Where a statement is delivered to the Company containing any details as referred to in (ii) or (iii) above, the Company may, by giving notice in writing, require a holder of a share to give to the Company or to use its best endeavours to procure that any other persons as referred to in (ii) or (iii) above give to the Company, a statement in writing setting out the details as referred to in (i), (ii) and/or (iii) above.

*(o) Disclosure of a Proportional Takeover Bid*

If a Bid is made for a specified proportion of all Common Shares (a “**Proportional Takeover Bid**”), the Company must give to Shareholders, AIM and the offeror a document in a timely manner setting out all information (subject to specified limitations) that Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept an offer.

The document prepared by the Company must also contain a statement by each member of the Board making a recommendation regarding the offer and giving reasons for such recommendation, or otherwise giving reasons why a recommendation is not made.

The Amended Bye-Laws set out the procedure that must be followed if a Proportional Bid is made.

*(p) Proportional Bid Approval*

Any Proportional Takeover Bid may only proceed if it is approved (by a 50 per cent. majority) by a meeting of all Shareholders who are not either the bidder or associated with the bidder.

If the Proportional Takeover Bid is not approved by Shareholders, the Company must refuse to register any transfer of Common Shares which purports to give effect to a takeover contract pursuant to that Proportional Takeover Bid. If the approving resolution is passed, the Proportional Takeover Bid may proceed and the Company is not prevented from registering transfers pursuant to the Proportional Takeover Bid.

This provision will expire on the third anniversary of the date of adoption of the Amended Bye-Laws if not renewed or re-adopted within such time frame.

7.3 Assuming that Resolution 11 is passed at the AGM, the following new provisions will be inserted into the Bye-laws:

*(a) Disclosure Guidance and Transparency Rules (new Bye-law 2.7)*

New Bye-law 2.7 will be inserted, to be effective for so long as the Company’s shares are admitted to trading on AIM, to provide that the provisions of Chapter 5 of the disclosure guidance and transparency rules made by the Financial Conduct Authority of the United Kingdom under Part VI of FSMA shall be deemed to apply to the Company (“**DTR5**”). Accordingly, Shareholders are required to notify the Company of the percentage of their voting rights if the percentage of voting rights which they hold as a Shareholder (or through their direct or indirect holding of financial instruments (as further described in DTR5) reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. or reaches, exceeds or falls below any of these thresholds as a result of events changing the breakdown of voting rights.

The Board has the power by notice to require any Shareholder to disclose to the Company the identify of any person other than the Shareholder who has any interest in the shares held by the Shareholder and the nature of such interest. If any Shareholder has been served with such notice and fails to supply the information required within the prescribed period, the Board may serve a further notice on the Shareholder (a “**Disclosure Notice**”) directing that such Shareholder is not entitled to vote at a general meeting or meeting of the holders of any class or exercise any other right conferred by membership in relation to the meetings of the Company or holders of any class of shares in the Company.

If the information requested is not provided by the Shareholder to the Company within 28 days (or 14 days if the shares held by the Shareholder represent at least 0.25 per cent. of the issued share capital of the relevant class) the Board may serve a further notice on the Shareholder whereupon the following sanctions shall apply (unless the Board otherwise decides):

- (i) the Shareholder shall not be entitled to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares on or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll; and
- (ii) where such shares in question represent at least 0.25 per cent. of the issued shares of the relevant class:
  - (1) all dividends (or any part of a dividend) or other amount payable shall be withheld (with no obligation by the Company to pay interest); and
  - (2) (subject to certain exemptions) no transfer of the shares in question shall be registered.

(b) *Pre-emption Rights (new Bye-law 3)*

New Bye-law 3 will provide that the Board must not exercise any power of the Company to issue shares (or rights to subscribe for or convert securities into shares) (“**Equity Securities**”) in the Company to any person (“**Proposed Issue**”) unless it has first made an offer to each Shareholder to issue them, on the same or more favourable terms as the Proposed Issue, a proportion of the Equity Securities which is equal to the proportion of the shares held by that Shareholder in relation to the entire issued share capital of the Company (the “**Pre-Emption Rights**”).

The Pre-Emption Rights shall not apply:

- (i) to any issue of Equity Securities which the Board has been previously authorised by the Shareholders to issue;
- (ii) to any issue of Equity Securities that would be held under any equity incentive scheme operated by the Company for the benefit of its employees;
- (iii) where at least 75 per cent. of the Shareholders have passed a resolution authorising the Board to issue Equity Securities as if the Pre-Emption Rights did not apply; and
- (iv) to any issue of shares pursuant to the exercise of any share options issued pursuant to a share option scheme representing up to 10 per cent. of the issued share capital of the Company from time to time.

The subsequent bye-laws will be renumbered in light of these insertions and certain other consequential and non-material amendments will be made.

## 8. Directors’ and other interests

- 8.1 As at the date of this document, the interests (all of which are beneficial unless stated otherwise) of the Directors in the securities of the Company which have been notified to the Company (or which are required under the AIM Rules to be notified) including (to the extent known or which can with reasonable diligence be ascertained by the relevant Director) the interests of persons connected with that Director, and as these interests are expected to be immediately following Admission, together with details of the amount and percentage of immediate dilution, if any, of their interest in the capital of the Company as a result, *inter alia*, of the Placing, the Subscription and the Acquisition, are as follows:

Name	As at the date of this document		Immediately following Admission*	
	Number of Common Shares	Percentage of issued Common Shares	Number of New Common Shares	Percentage of issued New Common Shares
Bernard Olivier	17,769,379	1.60%	1,776,937	0.68
Edward Nealon	29,644,415	2.68%	6,259,895	2.39
Melissa Sturgess	—	—	—	—
Rhoderick Grivas	—	—	3,084,013	1.18

\* The interests immediately following Admission reflect the effect of the Share Consolidation assuming Resolution 9 consolidating the Company’s common share capital is approved.

- 8.2 Shortly following Admission, it is intended that new Options, representing approximately 7.5 per cent. of the Enlarged Share Capital, will be granted to the Existing Directors, Proposed Director and senior management pursuant to the abovementioned Share Option Scheme.
- 8.3 Save as disclosed in this document, none of the Directors has any interest, beneficial or non-beneficial, in the share or loan capital of the Company.
- 8.4 Save as disclosed in this document, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Enlarged Group and no contract or arrangement exists in which any Director is materially interested and which is significant in relation to the business of the Enlarged Group.
- 8.5 Save as disclosed in this document, no Director has or has had any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Enlarged Group and which was effected by any member of the Enlarged Group during the current or immediate preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.
- 8.6 There are no outstanding loans granted by the Company or the Enlarged Group to any Existing Director or Proposed Director, nor are there any guarantees provided by the Company or Enlarged Group for their benefit.
- 8.7 No Existing Director or Proposed Director nor persons connected with them within the meaning of the Companies Law of Bermuda or the AIM Rules has a related financial product (as defined in the AIM Rules for Companies) referenced to the Common Shares.
- 8.8 Save as disclosed in this document, no Director or Proposed Director is or has been interested in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company or the Enlarged Group during the current or immediately preceding financial year or which were effected during any earlier financial year and which remain in any respect outstanding or unperformed.
- 8.9 Save as disclosed in Parts III and IV of this document, there have been no related party transactions of the kind set out in the Standards adopted according to Regulation (EC) No. 1606/2002 that the Enlarged Group has entered into since 1 January 2017.
- 8.10 Save as disclosed in this document, there are no actual or potential conflicts of interest between any Director's or Proposed Director's duties to the Company and any private interests and/or other duties he may have.

## 9. Additional Information on the Existing Directors and the Proposed Director

- 9.1 In addition to their directorships of the Company, the Existing Directors and the Proposed Director are, or have been, members of the administrative, management or supervisory bodies (“directorships”) or partners of the following companies or partnerships, at any time in the five years prior to the date of this document:

<b>Name</b>	<b>Current directorships / partnerships</b>	<b>Past directorships / partnerships</b>
Dr Bernard Olivier (aged 44)	Kigelia Services (Pty) Ltd Mozsino Mining Services Limitada	African Lion Resources Ltd Anglo Tanzania Gold Limited Bezant Resources Plc Burgundy Services Pty Ltd Capricorn Sapphire (Pty) Limited Emerging Market Minerals Plc Enviropalats Limited New Energy Minerals Ltd Richland Resources Ltd Serengeti Resources (Pty) Ltd Southmill Holdings (Pty) Limited Tanzania Gold Limited Tranomaro Mineral Development Corporation Limited
Edward Francis Gerrard Nealon (aged 70)	Africa Critical Metals Limited Athlone International Consultants Pty Ltd Almaretta Pty Ltd	Bezant Resources Plc Danwell Holdings Pty Ltd
Melissa Josephine Sturgess (aged 54)	Aristaeus Elements Limited Ananda Developments Plc DJT Plants Limited DJT Group Limited Hartford Corporate Limited Imperial Minerals (UK) Limited Imperial X plc LB-Shell plc Liberty Herbal Technologies Limited Montana Global Limited Tiamat Agriculture Limited	Haulover Investments Limited Imperial Minerals Limited URA Holdings plc
Melissa is a director of LB-Shell plc which entered into a creditors voluntary liquidation on 13 May 2020. It is expected that there will be a balance of approximately £300,000 owed to unsecured creditors upon completion of the liquidation.		
Rhoderick Gordon John Grivas (aged 54)	Adelaide Exploration Pty Ltd Aldoro Resources Limited Altium Metals Pty Ltd AND LFESP Pty Ltd Andromeda Metals Limited Blue Mountains Grammar School Ltd Global Asset Resources Holdings Inc. Global Asset Resources Limited Golden Mile Resources Limited Goodheart Pty Ltd Okapi Resources Limited Peninsula Resources Limited	Canyon Resources Limited Canyon Cameroon Pty Ltd Metsol Limited SC Resources Pty Ltd Yojee Limited



Rhoderick was a director of Metsol Limited which entered into receivership on 30 May 2017. Liquidators were appointed on 14 November 2017 with an estimated shortfall to creditors of AU\$8,000.

9.2 Save as disclosed in this document, no Existing Director or Proposed Director:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been declared bankrupt or has entered into an individual voluntary arrangement;
- (c) was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;
- (d) was a partner in a partnership at the time of or within the 12 months preceding a compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- (e) has had his/her assets the subject of any receivership or was a partner in a partnership at the time of or within the 12 months preceding any assets thereof being the subject of a receivership; or
- (f) has been the subject of any public criticisms by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

**10. Existing Directors', Proposed Director's and Senior Management's remuneration and service agreements**

10.1 The following agreements have been entered into between the Existing Directors, the Proposed Director, senior management and the following members of the Enlarged Group:

*Executive Director*

- (a) Bernard Olivier was appointed by the Company to act as Chief Executive Officer pursuant to an agreement dated 24 July 2020. His appointment continues unless terminated on not less than three months' prior written notice by either party. He is entitled to a director's fee of US\$22,500 per annum. He will be reimbursed for all proper and reasonable expenses incurred in performing his duties. He is not entitled to pension contributions or to participate in any of the Company's benefit arrangements. Bernard (through his personal service company) has also entered into a consultancy agreement with the Company, dated 24 July 2020). Under the terms of this consultancy agreement, a fee of US\$6,500 per month is payable for the provision of the services of Bernard Olivier, and any proper and reasonable expenses incurred in the delivery of the services will be reimbursed by the Company. The consultancy agreement is terminable by either party on not less than three months' notice. The agreement will terminate automatically without the requirement for notice if the Acquisition does not complete before the longstop date provided for in the SPA.

*Non-Executive Directors*

- (b) Edward Nealon has entered into an appointment letter dated 29 October 2020. Under the terms of his appointment letter, Edward will be Non-Executive Chairman of the Company. The appointment letter is subject to termination by either party on not less than three months' notice. Edward is entitled to an annual fee of US\$22,500. He will be reimbursed for all proper and reasonable expenses incurred in performing his duties. He is not entitled to pension contributions or to participate in any of the Company's benefit arrangements. Edward Nealon (through his personal service company) has also entered into a consultancy agreement with the Company, dated 30 October 2020. Under the terms of this consultancy agreement, a fee of US\$1,125 per month is payable for the provision of the services of Edward Nealon (through his personal service company), and any proper and reasonable expenses incurred in the delivery of the services will be reimbursed by the Company. The consultancy agreement is terminable by either party on not less than three months' notice. The agreement will terminate automatically without the requirement for notice if the Acquisition does not complete before the longstop date provided for in the SPA.

- (c) Melissa Sturgess has entered into an appointment letter dated 24 July 2020. Under the terms of her appointment letter, Melissa will be a Non-Executive Director of the Company. The appointment letter is subject to termination by either party on not less than three months' notice. Melissa is entitled to an annual fee of US\$22,500. She will be reimbursed for all proper and reasonable expenses incurred in performing her duties. She is not entitled to pension contributions or to participate in any of the Company's benefit arrangements.
- (d) Rhoderick Grivas has entered into an appointment letter dated 30 October 2020. Under the terms of his appointment letter, Rhoderick will, upon Admission, be appointed as a non-executive director of the Company. The appointment letter is subject to termination by either party on not less than three months' notice, such notice not to expire before the first anniversary of Admission. Rhoderick will be entitled to an annual fee of US\$22,500. He will be reimbursed for all proper and reasonable expenses incurred in performing his duties. He is not entitled to pension contributions or to participate in any of the Company's benefit arrangements. Rhoderick Grivas (through his personal service company) has also entered into a consultancy agreement with the Company, dated 30 October 2020. Under the terms of this consultancy agreement, a fee of US\$1,125 per month is payable for the provision of the services of Rhoderick Grivas (through his personal service company), and any proper and reasonable expenses incurred in the delivery of the services will be reimbursed by the Company. The consultancy agreement is terminable by either party on not less than three months' notice. The agreement will terminate automatically without the requirement for notice if the Acquisition does not complete before the longstop date provided for in the SPA.

#### *Senior Management*

- (e) Michael Allardice, the Group Company Secretary, has (through his personal service company) entered into a consultancy agreement with the Company dated 30 October 2020. Under the terms of this consultancy agreement, a fee of US\$5,500 per month is payable for the provision of the services of Michael Allardice, and any proper and reasonable expenses incurred in the delivery of the services will be reimbursed by the Company. There is no entitlement to pension contributions or to participate in any of the Company's benefit arrangements. The consultancy agreement is terminable by either party on not less than three months' notice. Michael Allardice's personal investment company, Strategic Investments International Ltd, will be issued a portion of the Director and Senior Management Fee Shares in satisfaction of certain accrued liabilities incurred prior to the date of this document.
  - (f) Louis Swart, the Chief Financial Officer, has entered into a consultancy agreement with the Company dated 30 October 2020. Under the terms of this consultancy agreement, a fee of US\$5,500 per month is payable for the services provided by Louis Swart and any proper and reasonable expenses incurred in the delivery of the services will be reimbursed by the Company. There is no entitlement to pension contributions or to participate in any of the Company's benefit arrangements. The consultancy agreement is terminable by either party on not less than three months' notice. Louis Swart will be issued a portion of the Director and Senior Management Fee Shares in satisfaction of certain accrued liabilities incurred prior to the date of this document.
- 10.2 Save as disclosed above, there are no service agreements existing or proposed between any Existing Director, the Proposed Director or senior management and the Company or any member of the Enlarged Group.

## 11. Significant shareholders

- 11.1 In addition to the interests of the Existing Directors and the Proposed Director set out in paragraph 8.1 above, the following persons are, or will at Admission be, interested in 3 per cent. or more of the issued share capital of the Company:

Name	As at the date of this document		Immediately following Admission*	
	Number of Common Shares	Percentage of issued Common Shares	Number of New Common Shares	Percentage of issued New Common Shares
Doris Chiatanasen	—	—	36,363,636	13.91%
Trevor Allan**	—	—	36,363,636	13.91%
Mark Mitchell Greenwood	332,449,999	29.99%	33,244,999	Below 3%
Argon Financial Limited	—	—	10,909,092	4.17%
Nicholas Sibley	65,287,201	5.89%	6,954,856	Below 3%
Anthony Brooke	54,961,530	4.96%	6,348,426	Below 3%
Strategic Investments International Ltd	54,304,379	4.90%	6,566,801	Below 3%
Louis Swart	51,222,162	4.62%	5,889,261	Below 3%
Ashwath Mehra	36,911,127	3.33%	3,691,112	Below 3%

\* The interests following Admission reflect the effect of the Share Consolidation assuming Resolution 9 consolidating the Company's common share capital is approved.

\*\* Held via Pure Ice Ltd.

- 11.2 Save as disclosed above, there are no persons, so far as the Company is aware, who are or will be immediately following Admission interested in 3 per cent. or more of the Company's issued share capital, nor, so far as the Company is aware, are there any persons who at the date of this document or immediately following Admission, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 11.3 Save as disclosed in this document, there are no arrangements known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.
- 11.4 All of the Company's significant Shareholders have the same voting rights as all other Shareholders.

## 12. Taxation

**The following statements are intended only as a general guide to certain UK and Bermudan tax considerations and do not purport to be a complete analysis of all potential UK and Bermudan tax consequences of acquiring, holding or disposing of Common Shares. They are based on current tax law and practice in the UK and Bermuda in the areas referred to below. They apply only to Shareholders who are resident or ordinarily resident in the UK for tax purposes, who are not share dealers or charities or persons with special tax status and who beneficially own shares as investments. A person who is in any doubt as to his/her tax position or who requires further information should consult an appropriate professional adviser.**

### 12.1 UK Taxation

#### General

The following paragraphs are intended as a general guide only and summarise advice received by the Directors about the UK tax position of Shareholders who are resident and domiciled in the UK and who are holding shares as an investment. They do not address the implications for Shareholders who acquire any shares or rights over shares in connection with any office or employment. Further, the position of certain Shareholders who are subject to special rules, such as dealers in securities, broker-dealers, insurance companies and collective investment schemes is not considered in this section. The paragraphs below are based on current UK legislation and HMRC practice (which may be subject to change). It should be noted that although a number of UK tax treatments referred to below refer to unquoted shares, shares traded on AIM are generally treated as unquoted for these purposes.

Shareholders should note that tax law and interpretation can change and that, in particular, the levels and basis of, and reliefs from, taxation may change and may alter the benefits of investment in the Company.

Any person who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK should consult their own professional adviser.

The information in these paragraphs is intended as a general summary of the UK tax position (without aiming for completeness) and should not be construed as constituting advice.

### **Taxation of dividends**

No tax is required to be withheld from dividend payments made by the Company.

#### *Individuals*

An individual Shareholder receiving a dividend from the Company whose total income from dividends in the relevant financial year does not exceed £2,000 (the “Tax Free Dividend Allowance”) will not pay any income tax on such dividend.

Based on current law at the date of this document, an individual Shareholder receiving a dividend from the Company whose total income from dividends in the relevant tax year does exceed £2,000 will be taxed as follows:

- (a) the individual Shareholders will not pay income tax on the first £2,000 of dividend income in any tax year;
- (b) to the extent that the individual’s Total Income (as defined below) exceeds the personal allowance but does not exceed the basic rate tax band for that tax year, the individual will be liable to income tax on the Excess Dividend (as defined below) at the rate of 7.5 per cent.;
- (c) to the extent that the individual’s Total Income (as defined below) exceeds the basic rate band but does not exceed the higher rate tax band for that tax year, the individual will be liable to income tax on the Excess Dividend (as defined below) at the rate of 32.5 per cent.;
- (d) to the extent that the individual’s Total Income (as defined below) falls within the additional rate band for that tax year, the individual will be liable to income tax on the Excess Dividend (as defined below) at the rate of 38.1 per cent.;
- (e) “**Total Income**” means the total of the individual’s dividend income and other taxable income for a tax year; and
- (f) “**Excess Dividend**” means the total of that individual’s dividend income in that tax year less £2,000.

For the tax year 2020/2021 in England and Wales, the basic rate band is the first £37,500 of income in excess of any personal allowance, the higher rate band is income between £37,501 and £150,000 in excess of any available personal allowance and the additional rate band applies to income in excess of £150,000 (these bands differ slightly in Scotland).

Where an individual’s taxable income exceeds £100,000, their personal allowance is abated by £1 for every £2 of income such that individuals with income in excess of £125,000 will have no personal allowance.

Trustees of interest in possession trusts and representatives of deceased persons receiving dividends from shares are also liable to account for income tax at a rate of 38.1 per cent., unless the dividends are mandated directly to beneficiaries, in which case only the beneficiaries need to account for the income. In either case, the beneficiaries will be taxable at the rates detailed above. Trustees and personal representatives do not qualify for the dividend allowance available to individuals.

#### *Companies*

Shareholders within the charge to UK corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally expect to be subject to tax on dividends from the Company.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid on shares that are “ordinary share capital” for UK tax purposes and are not redeemable, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) are examples of dividends that generally fall within an exempt class.

Persons who are not resident in the UK should consult their own tax advisers on what tax may be payable in respect of a dividend received from the Company, in the jurisdiction in which they are resident.

### **Taxation of chargeable gains**

For the purpose of UK tax on chargeable gains, the acquisition of Common Shares pursuant to the Placing or Subscription will be regarded as an acquisition of a new holding in the share capital of the Company. The amount paid for the Common Shares will usually constitute the allowable cost of a Shareholder's holding.

If a Shareholder disposes of all or some of his or her Common Shares, a liability to tax on chargeable gains may arise, depending on the Shareholder's circumstances and subject to any available exemptions and reliefs.

A UK tax resident individual Shareholder who disposes (or is deemed to dispose) of all or any of their Common Shares may be liable to capital gains tax in relation to the disposal proceeds (or deemed disposal proceeds) at rates up to 20 per cent., subject to the deduction from the disposal proceeds (or deemed disposal proceeds) of the relevant Common Shares' allowable cost and incidental costs of acquisition and disposal, and subject to any available exemptions and reliefs. In addition, an individual UK Shareholder who ceases to be tax resident in the UK for a period of less than five complete years and who during that period of temporary non-residence disposes of the Common Shares held prior to such period may, under anti avoidance legislation, be liable to capital gains tax on his or her return to the UK.

Shareholders who are not resident in the UK (or who are temporarily non-resident – see above) and do not carry on a trade, profession or vocation through a branch or agency in the UK with which the Common Shares are connected, will not normally be liable to UK taxation on capital gains arising on the sale or other disposal of Common Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

A UK tax resident corporate Shareholder disposing of its Common Shares may be liable to corporation tax on chargeable gains arising on the disposal at the corporation tax rate applicable to its taxable profits (the main rate currently being 19 per cent.).

In computing the chargeable gain liable to corporation tax, the corporate Shareholder is entitled to deduct from the disposal proceeds the cost to it of the Common Shares as increased by an indexation allowance to adjust for inflation, together with incidental costs of acquisition and disposal costs. In the Autumn 2017 budget it was announced that Indexation Allowance will no longer arise to UK Corporate Shareholders. Subject to the 2018 Finance Act receiving Royal assent, indexation allowance will no longer accrue from 1 January 2018.

The UK operates a substantial shareholding exemption regime which may apply to the disposal of Common Shares by corporate Shareholders subject to certain conditions being met.

### **Inheritance tax**

Common Shares are assets situated in the UK for the purposes of UK inheritance tax.

Investors who are concerned with the potential UK inheritance tax implications of their Common Shares should consult their own tax adviser.

### **Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

No stamp duty or SDRT will generally be payable on the issue of the Placing Shares or Subscription Shares.

SDRT should not arise on transfers of Common Shares on AIM (including instruments transferring Shares and agreements to transfer Common Shares) based on the following assumptions:

- (1) the Shares are admitted to trading on AIM, but are not listed on any market (with the term "listed" being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- (2) AIM continues to be accepted as a "recognised growth market" as construed in accordance with section 99A of the Finance Act 1986).



In the event that either of the above assumptions does not apply, SDRT may apply to transfers of Common Shares in certain circumstances.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

## 12.2 Bermudan Taxation

- (a) At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or by the Company's shareholders in respect of the Company's shares. No stamp duty is payable in Bermuda on the issue, transfer or redemption of the Company's shares. The Company has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until 28 March 2035, be applicable to the Company or any of the Company's operations or to the Company's shares debentures or other obligations except in so far as such tax applies to persons ordinarily resident in Bermuda or to any taxes payable by the Company in respect of real property owned or leased by the Company in Bermuda.
- (b) The permission of the Bermuda Monetary Authority is required, under the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of shares (which includes the Common Shares) of Bermuda companies to or from a non-resident of Bermuda for exchange control purposes, other than in cases where the Bermuda Monetary Authority has granted a general permission. The Bermuda Monetary Authority, in its notice to the public dated June 1, 2005, has granted a general permission for the issue and subsequent transfer of any securities of a Bermuda company from and/or to a non-resident of Bermuda for exchange control purposes for so long as any "Equity Securities" of the company (which would include the Common Shares) are listed on an "Appointed Stock Exchange" (which would include the London Stock Exchange). In granting the general permission the Bermuda Monetary Authority accepts no responsibility for the Company's financial soundness or the correctness of any of the statements made or opinions expressed in this document.
- (c) As an exempted company, the company is liable to pay an annual registration fee in Bermuda based on its assessable capital (being its authorised share capital and share premium (if any)). The annual registration fee payable, and paid for 2020 is US\$10,980 and the maximum annual registration fee payable by an exempted Company for 2020 was US\$32,676.
- (d) Pursuant to the Economic Substance Act 2018 (as amended) of Bermuda (the "ES Act") that came into force on 1 January 2019, a registered entity other than an entity which is resident for tax purposes in certain jurisdictions outside Bermuda ("non-resident entity") that carries on as a business any one or more of the "relevant activities" referred to in the ES Act must comply with economic substance requirements. The ES Act may require in-scope Bermuda entities which are engaged in such "relevant activities" to be directed and managed in Bermuda, have an adequate level of qualified employees in Bermuda, incur an adequate level of annual expenditure in Bermuda, maintain physical offices and premises in Bermuda or perform core income-generating activities in Bermuda. The list of "relevant activities" includes carrying on any one or more of: banking, insurance, fund management, financing, leasing, headquarters, shipping, distribution and service centre, intellectual property and holding entities.

**This summary is for general information only and is not intended to be, nor should it be construed to be, legal advice to any shareholder or prospective investor. Further, this summary is not intended to constitute a complete analysis of all UK and Bermudan tax consequences relating to UK holders of their acquisition, ownership and disposition of the Common Shares. Accordingly, prospective UK holders of the Common Shares should consult their own tax advisers.**

## 13. Material Contracts

- 13.1 The following subsisting contracts (not being contracts entered into in the ordinary course of business) have been entered into:



- (a) by the Company within the two years preceding the date of this document and are or may be material; or
- (b) have been entered into by a member of the Enlarged Group and contain provisions under which any member of the Enlarged Group has any obligation or entitlement which is or may be material to any member of the Enlarged Group at the date of this document.

13.2 The Company is party to the following agreements:

(a) SPA

The Company entered into a conditional share purchase agreement dated 24 July 2020 with GAR and the Sellers (as subsequently amended by a deed of amendment dated 30 October 2020) which governs the acquisition by the Company of the entire issued share capital of GAR for which the consideration comprises:

- an initial cash consideration of AU\$60,000 to URI;
- initial equity consideration comprising:
  - the issue of AU\$900,640 of New Common Shares at the Placing Price to the Sellers; and
  - the issue of AU\$139,360 of New Common Shares at the Placing Price to URI.

In addition, the Company has made two non-refundable cash payments to GAR of US\$29,340 on 31 July 2020 and US\$22,818 on 30 September 2020. On Admission, Rhoderick Grivas is entitled to a payment from GAR of AU\$25,000 plus goods and services tax by way of a transaction success fee; certain outstanding expenses owed to him by GAR in the amount of AU\$3,013.67 will also be reimbursed by GAR.

Furthermore, the Company may also be required to make two additional future deferred consideration payments as follows:

- (i) a payment of AU\$1.5m, to be satisfied in cash or by the issue of further New Common Shares at the Relevant Price (at the Company's sole discretion), and payable as to AU\$1,299,000 to the Sellers and AU\$201,000 to URI (the "Tranche 1 Deferred Consideration"); and/or
- (ii) a payment of AU\$3m to be satisfied in cash or by the issue of further New Common Shares at the Relevant Price (at the Company's sole discretion), and payable as to AU\$2,598,000 to the Sellers and AU\$402,000 to URI (the "Tranche 2 Deferred Consideration"),

such payments being linked to, and conditional on, the occurrence after Completion but prior to the fifth anniversary thereof of:

(iii) in the case of the Tranche 1 Deferred Consideration:

- (1) confirmation by an independent geologist of a JORC 2012 Compliant Resource in respect of any one of the GAR Projects (including any Additional Projects) that are not Excluded Projects of at least:
  - 0.8 million ounces of gold at a grade of more than 1g/t; or
  - 0.6 million ounces of gold at a grade of more than 2.5g/t; or
  - 0.4 million ounces of gold at a grade of 5g/t or more;
 (being the "Tranche 1 Performance Milestone"); and/or
- (2) completion and release by the Company, in accordance with the AIM Rules, of a pre-feasibility study in respect of any one of the GAR Projects (including any Additional Projects) that are not Excluded Projects confirming a pre-tax NPV of more than US\$50m at a discount rate of at least 8 per cent. (being the "Tranche 2 Performance Milestone"); and/or
- (3) payment of the Tranche 2 Deferred Consideration; and/or
- (4) any of the following events (each being a "Vesting Event"):

- a takeover or a change of control of the Company; or
- the execution by any member of the Enlarged Group of an agreement for the sale of gold resources in respect of any one of the GAR Projects and Additional Projects (if any); or
- the execution by any member of the Enlarged Group of a tribute mining agreement, being an agreement pursuant to which a third party will acquire a right to all gold in respect of any one of the GAR Projects and Additional Projects (if any), which will be separately accounted for, and in return for which any member of the Enlarged Group shall be entitled to a payment for the grant of such right, with payments determined by reference to the minerals won or the proceeds of their sale; or
- the execution by any member of the Enlarged Group of a toll milling agreement with a third party in respect of gold resources in respect of any one of the GAR Projects and Additional Projects (if any); and

(iv) in the case of the Tranche 2 Deferred Consideration:

- (1) satisfaction of the Tranche 2 Performance Milestone; and/or
- (2) the occurrence of a Vesting Event.

The Sellers are giving customary warranties concerning their title to the GAR Shares held by them, and the Founder Sellers are giving customary warranties about GAR, and completion of the SPA is conditional upon, amongst other things, publication of this document, there having been no material adverse change in the market value of the GAR Projects or the total assets or liabilities of GAR or the Company, the warranties remaining true, and Resolutions 4, 7, 9, 10, 11, 12 and 13 as set out in the Notice of Annual General Meeting being passed and Admission; the conditions must be satisfied on or before a long stop date of 15 December 2020. The Company may terminate the SPA prior to Completion if, amongst other things, the Founder Sellers commit a material breach of certain pre-completion undertakings contained in the SPA.

(b) Placing Agreement with Strand Hanson and Peterhouse Capital

On 30 October 2020, (1) the Company, (2) the Directors, (3) Strand Hanson and (4) Peterhouse Capital entered into a placing agreement. Under the placing agreement, Strand Hanson and Peterhouse Capital agreed to act as agents to the Company for the Placing, and Peterhouse Capital agreed to use their reasonable endeavours (as agent of the Company) to procure subscribers for the New Common Shares at the Placing Price. In consideration for the services provided by Strand Hanson and Peterhouse Capital, the Company agreed upon Admission to:

- (i) pay Strand Hanson the fees set out in the Strand Hanson Transaction Engagement Letter summarised below;
- (ii) issue the Strand Warrants to Strand pursuant to the Strand Warrant Instrument; and

(iii) pay Peterhouse Capital the fees set out in the Peterhouse Capital Engagement Letter described at paragraph (f) below.

in each case to the extent not already paid. The Company and the Existing Directors and Proposed Director gave certain customary warranties, including as to the accuracy of the information contained in this document, certain financial information and other matters relating to the Enlarged Group, and indemnities to Strand Hanson and Peterhouse Capital.

(c) Strand Hanson Transaction Engagement Letter

Pursuant to an engagement letter dated 26 March 2020, Strand Hanson agreed to act as the Company's financial adviser in connection with the Proposals and Admission and the Company's nominated adviser for the purposes of the AIM Rules. In consideration of the services set out in the engagement letter, the Company agreed to pay Strand Hanson a fee of £235,000 plus applicable VAT and disbursements of which £35,000 is to be settled by way of the allotment and issue of the Strand Hanson Fee Shares at the Placing Price.

(d) Strand Hanson Warrant Agreement

Pursuant to an instrument executed by the Company dated 30 October 2020, the Company granted 3,268,485 Warrants to Strand Hanson. Each Warrant entitles Strand Hanson to subscribe for 1 New Common Share at the Placing Price for a period of three years from Admission. The warrants are unlisted, have limited transfer rights and are exercisable in whole or in part.

(e) Strand Hanson Nomad Agreement

The Company entered into a nominated adviser agreement with Strand Hanson on 30 October 2020 in respect of Strand Hanson acting as the Company's nominated adviser. The agreement is subject to a minimum term and thereafter is terminable on three months' notice by either party. The Company has agreed to pay to Strand Hanson an annual retainer of £45,000 for acting as nominated adviser, as well as its properly incurred out of pocket expenses. Strand Hanson will, *inter alia*, assist the Company with complying with the AIM Rules. The agreement also contains a customary indemnity given by the Company to Strand Hanson in relation to the provision by Strand Hanson of its services under the agreement.

(f) Peterhouse Capital Engagement Letter

The Company and Peterhouse Capital entered into an engagement letter dated 18 June 2019 (the "**2019 Engagement Letter**") with respect to the appointment by the Company of Peterhouse Capital as broker for the purposes of the AIM Rules.

Pursuant to the terms of this agreement, Peterhouse Capital received:

- (i) a 5 per cent. placing commission fee in respect of the gross funds raised and/or introduced by Peterhouse Capital through the placing of 105,000,000 Common Shares at an issue price of 0.10 pence per share; and
- (ii) a 1 per cent. placing commission fee in respect of the gross funds raised and/or introduced by Peterhouse Capital in connection with the subscription of 45,000,000 Common Shares by a new investor at an issue price of 0.10 pence per share,

in each case as announced by the Company on 13 January 2020 (the "**Placing and Subscription**"). The payment of the six monthly retainer fee due to Peterhouse Capital under the 2019 Engagement Letter as at the date of the Placing and Subscription was settled by the issue to Peterhouse Capital of 10,000,000 Existing Common Shares at an issue price of 0.10 pence per share.

The Company and Peterhouse Capital entered into a new engagement letter dated 21 August 2020 with respect to the appointment by the Company of Peterhouse Capital as broker for the purposes of the AIM Rules. In consideration of the services to be provided by Peterhouse Capital, the Company has agreed to pay an annual retainer of £16,000 conditional on Admission. In addition, Peterhouse Capital will be entitled to the following:

- (i) a 7.5 per cent. placing commission fee in respect of the funds raised and/or introduced by Peterhouse Capital in any fundraising by the Company, such commission rate reducing to 5 per cent. upon the end of the COVID-19 Coronavirus Pandemic or 1 January 2021 (whichever is the earlier);

- (ii) broker warrants in the Company over such number of New Common Shares as is equal to 1.75 per cent. of the Enlarged Share Capital, exercisable at the Placing Price for a period of 3 years from the date of completion of such Placing; and
- (iii) a 1 per cent. handling fee in respect of funds not raised by Peterhouse Capital whereby it sends out placing letters and/or subscription agreements on behalf of the Company.

The appointment is for an initial period of 12 months and may be terminated thereafter by either party on giving not less than 3 months' prior written notice.

(g) Peterhouse Capital Warrant Agreement

Pursuant to an instrument executed by the Company on 30 October 2020, the Company granted 4,575,879 Warrants to Peterhouse Capital. Each Warrant entitles Peterhouse Capital to subscribe for 1 New Common Share at the Placing Price for a period of three years from Admission. The warrants are unlisted, have limited transfer rights and are exercisable in whole or in part.

(h) Lock-in Agreements

*Rule 7 Locked-In Shareholders*

On 30 October 2020, the Company, Strand Hanson and Peterhouse Capital entered into a lock-in deed with the Rule 7 Locked-In Shareholders pursuant to which each Rule 7 Locked-In Shareholder has undertaken to the Company, Strand Hanson and Peterhouse Capital that, in accordance with Rule 7 of the AIM Rules for Companies, subject to limited exceptions, they will not dispose of any interest in New Common Shares during the period of 12 months from Admission. The limited exceptions include the acceptance of a takeover offer for the Company, the execution of an irrevocable commitment to accept such an offer, a disposal following the death of a Rule 7 Locked-In Shareholder to his personal representatives or to the beneficiaries of his estate and a disposal pursuant to a court order.

*Locked-In Sellers*

On 30 October 2020, the Company, Strand Hanson and Peterhouse Capital entered into a lock-in deed with the Locked-In Sellers pursuant to which each Locked-In Seller has undertaken to the Company, Strand Hanson and Peterhouse Capital that, subject to limited exceptions, they will not dispose of any interest in the New Common Shares they hold on Admission during the period of 6 months from Admission. The limited exceptions include the acceptance of a takeover offer for the Company, the execution of an irrevocable commitment to accept such an offer, a disposal following the death of a Locked-In Seller to his personal representatives or to the beneficiaries of his estate and a disposal pursuant to a court order.

(i) Working Capital facility

On 29 September 2020, the Company entered into an agreement with Almaretta Pty Ltd ("Almaretta"), a company owned and controlled by Edward Nealon, the Company's Non-Executive Chairman, under which a three month, short term, unsecured and interest free working capital facility of US\$100,000 was made available to the Company and subsequently drawn down in full. The Company and Almaretta have agreed that the working capital facility will be repaid and settled in full at Admission by way of the issue of 2,840,909 Loan Repayment Shares at the Placing Price based on an agreed exchange rate of GBP1 = US\$1.28.

(j) Option Agreement regarding the Disposal

On 26 June 2019, the Company entered into an option agreement with Fura Gems Inc. ("Fura") which was the subject of seven addendums to its terms (the "**Fura Option Agreement**"). Under the Fura Option Agreement, Fura was granted the option to conditionally acquire the Company's wholly owned subsidiary Richland Corporate Ltd ("**RCL**") and the Company's outstanding loans to RCL (the "**Disposal**"). At the time, RCL owned 100 per cent. of Capricorn Sapphire PTY Ltd, which in turn held the Capricorn Sapphire Project in Australia.

Upon completion of the Disposal, it was agreed that the Company would repay the outstanding principal amount due under an existing secured convertible loan facility (the "**Secured Convertible Loan Facility**").

On 19 July 2019, Fura exercised the option under the Fura Option Agreement and completion of the Disposal occurred on 31 December 2019 (the "**Fura Completion Date**"). On the Fura Completion Date, Fura paid the total cash consideration of US\$1,250,000 (approximately

£952,125) due under the Disposal (the “**Consideration**”). US\$880,000 (approximately £670,296), was paid directly to the lender in order to settle the total amount outstanding under the Secured Convertible Loan Facility (including all accrued interest) and the balance was paid to the Company. There is no additional consideration due to the Company in relation to the Disposal.

Under the terms of the Fura Option Agreement, the Company gave certain commercial and other representations and warranties (including with respect to tax) which are customary for a transaction of this nature, together with an indemnity relating to an environmental liability. The warranty and indemnity periods expire on the third anniversary of the Fura Completion Date.

(k) Disposal of TanzaniteOne SA / Rohstein Class A share offer

In May 2004, the Company acquired certain tanzanite mining assets from a third party called African Gem Resources Limited (“**Afgem**”). The transaction was structured in such a way as to accommodate those South African Afgem shareholders (“**Afgem Parties**”) who wished to maintain their investment in the tanzanite assets. In order to comply with relevant South African Reserve Bank foreign exchange regulations pertaining to foreign investments by South African citizens, this mechanism involved the creation, in April 2004, of TanzaniteOne SA, a South African domiciled wholly-owned subsidiary of the Company; the participating Afgem Parties were issued with A class shares in TanzaniteOne SA.

At the same time, in 2004, the Company agreed to facilitate an exit for those participating Afgem Parties by making an offer to acquire the A class shares in TanzaniteOne SA held by them, such offer being binding on the Company until 2024. In 2015, through a scheme of arrangement, the remaining Afgem Parties exchanged their A class shares in TanzaniteOne SA for redeemable class A shares in the capital of Rohstein Class A Proprietary Limited (then a wholly-owned subsidiary of TanzaniteOne SA); the A class shares in TanzaniteOne SA were cancelled. On 27 March 2015, TanzaniteOne SA sold Rohstein Class A Proprietary Limited to the Company; TanzaniteOne SA was sold by the Company on 2 March 2015. The offer to the remaining Afgem Parties, now holding A class shares in Rohstein Class A Proprietary Limited, remains binding on the Company until 29 April 2024. For further details of the terms of the offer, refer to note 11 to the Annual Report and Financial Statements for the Company for the Year Ended 31 December 2019 incorporated by reference in Part III of this document.

(l) Slade Resources Agreement

The Company and Slade Resources entered into an agreement with effect from 1 January 2020 pursuant to which Slade Resources will be entitled to a 4 per cent. introductory fee in respect of funds raised and/or introduced by Slade Resources in any fundraising by the Company up to and including Admission.

(m) Yellow Jersey Agreement

The Company and Yellow Jersey PR Limited (“**Yellow Jersey**”) entered into an agreement dated 23 October 2020, pursuant to which Yellow Jersey will provide public relation services to the Company. In consideration for the provision of such services, the Company has agreed to pay Yellow Jersey a monthly fee of £2,500 plus VAT and an additional annual payment of £2,500 plus VAT to access and compile media coverage and clippings. There is no set term for the agreement and (subject to certain exceptions where termination is effective immediately) either party may terminate by giving the other eight weeks’ written notice.

(n) CS Jordaan Investments Pty Ltd Agreement

The Company and CS Jordaan Investments Pty Ltd entered into an agreement with effect from 31 January 2020 pursuant to which, CS Jordaan Investments Pty Ltd is entitled to a 3 per cent. finder’s fee in respect of the share consideration payable to the Sellers at Completion. The finder’s fee shall be payable by the issue of New Common Shares to CS Jordaan Investments Pty Ltd at the Placing Price.

(o) Quantum Capital and Consulting Agreement

On 2 September 2020, Quantum Capital and Consulting Limited (a company owned and controlled by Michael Allardice) provided an interest free loan of US\$15,000 to the Company. It is intended that this loan will be repaid at Admission in cash.

(p) Subscription Agreement

On 30 October 2020, the Company entered into a conditional subscription agreement with Doris Chiatanasen (the “**Subscriber**”) pursuant to which the Subscriber irrevocably agreed to subscribe for the Subscription Shares at the Placing Price, subject to the passing of the Resolutions and Admission. Subject to the necessary conditions being satisfied, the Subscription Shares will be allotted and issued at the same time as the Placing Shares

13.3 GAR is party to the following agreements:

(a) Joint Venture Implementation Deed

On 31 January 2020, GAR entered a Joint Venture Implementation Deed with (1) CGR and (2) URI, as subsequently amended by deeds of amendment dated 29 April 2020, 3 June 2020, 23 July 2020 and 29 October 2020 respectively (the “**JVIA**”).

The JVIA sets out the terms of the restructuring of the original relationship between GAR, on the one hand, and CGR and URI on the other, in respect of the Farm-in Agreements in relation to the Carolina Belle Project, Jennings-Pioneer Project, Argo Project and Rattlesnake Project and the acquisition of the JKL Project which has since been implemented in full and has resulted in: i) the Rattlesnake Project being returned to URI such that GAR has no interest in or obligations in relation to the Rattlesnake Project; and ii) the establishment of each of the Project SPVs holding the Mining Lease Agreements described below in relation to the GAR Projects. The JVIA also sets out the on-going terms of the relationship between GAR, on the one hand, and CGR and URI, on the other, in respect of each of the GAR Projects (via the relevant Project SPVs).

Pursuant to the JVIA, GAR Holdings is required to satisfy certain minimum funding contributions in respect of each of the Project SPVs. In the event that such minimum funding contribution is not satisfied, URI has the option to acquire GAR Holding’s 51 per cent. membership interest (via GAR) in the relevant SPV for AU\$1. In addition, GAR also has a put option to sell its interest in each of the SPVs, to URI at any time during the four year period following Completion for AU\$1 should the Board determine that the Company no longer wishes to proceed with the relevant GAR Project.

The minimum funding contributions are as follows:

Project	Total	AU\$			
		Minimum Year 1	Minimum Year 2	Minimum Year 3	Minimum Year 4
JKL	1,500,000	250,000	150,000	150,000	150,000
Carolina Belle	1,500,000	250,000	100,000	100,000	100,000
Jennings-Pioneer	1,000,000	100,000	100,000	100,000	100,000
Argo	1,000,000	100,000	100,000	100,000	100,000
	<b>5,000,000</b>	<b>700,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>



Upon GAR satisfying the minimum funding contribution in respect of a GAR Project, URI has the right to make *pro rata* funding contributions going forwards thereafter and require the parties to enter into a joint venture agreement to exploit the project concerned. Should URI not take up such right, GAR Holdings will have the right (but not the obligation) to increase its interest in the relevant Project SPV to 80 per cent. by making further aggregate contributions in years five and six following Completion as follows:

<b>Project</b>	<b>Total</b>	<b>Minimum Year 5</b>	<b>Minimum Year 6</b>
JKL	2,500,000	150,000	150,000
Carolina Belle	2,500,000	100,000	100,000
Jennings-Pioneer	1,500,000	100,000	100,000
Argo	1,500,000	100,000	100,000
	<b>8,000,000</b>	<b>450,000</b>	<b>450,000</b>

In the event that GAR increases its interest in any of the SPVs to 80 per cent. and URI elects not to fund its proportionate share of future costs in respect of its then 20 per cent. residual interest in the SPV concerned or fails to make an election, GAR is able to increase its interest in the relevant Project SPV to 100 per cent. by agreeing to pay a Net Smelter Royalty to URI for the relevant Project of 0.5 per cent. for future production up to 50,000oz gold equivalent, 2 per cent. for future production from 50,000 to 400,000oz gold equivalent and 1.0 per cent. for future production in excess of 400,000oz gold equivalent.

The key provisions of the JVIA, including the capital contribution commitments of GAR Holdings and URI outlined above, have been incorporated into the respective operating agreements adopted by GAR Holdings and URI in respect of each of the Project SPVs (as referred to in paragraph 13.5 below).

(b) SPA

GAR is a party to the SPA as summarised in paragraph 13.2(a) above.

- 13.4 The Project SPVs are party to the following agreements (noting that the names of the respective property owners with whom the agreements have been entered into have not been reproduced for reasons of confidentiality):

*Project Argo LLC*

(a) Mining Lease Agreement, dated 23 February 2017

The original agreement was entered into by (1) URI and (2) the original property owner on 23 February 2017. Pursuant to an assignment agreement dated 17 June 2020, URI assigned its rights, title and interest in the agreement to Project Argo LLC. Pursuant to the agreement, such SPV has the exclusive right to access the 383.5 acre property located in Nash County, North Carolina, owned by the property owner with the exclusive right to conduct mineral exploration activities on the property, and the right to carry out all activities necessary for the conduct of mining operations. The lease is for an initial term of 10 years from October 2016 but shall continue thereafter for so long as any mining, production, processing or development is in progress on the property. Should such SPV elect to conduct open pit mining on the property, the landowner has the right to require the SPV to acquire the property, applying a pre-determined pricing mechanism. The SPV and the landowner have the right to assign their rights under the agreement at any time. The SPV has to pay an annual rental payment to the landowner and also a net smelter royalty of 3 per cent. in respect of any minerals (including gold) extracted from the property. Note that for the purposes of the relevant county land taxes records, the acreage of the property is recorded as being 382.13 and such slightly lower figure has been used elsewhere in this document.

(b) Option and Purchase Agreement, dated 31 August 2016

The original agreement was entered into by (1) URI and (2) the property owners on 31 August 2016. Pursuant to an assignment agreement dated 17 June 2020, URI assigned its rights, title and interest in the agreement to Project Carolina Belle LLC. The agreement grants such SPV the exclusive right to acquire the 15.82 acre property located in Montgomery County, North Carolina, owned by the property owners for a period of 10 years from August 2016, in consideration, *inter alia*, for the payment of an annual rental sum. During the term of the agreement, the SPV has the exclusive right to access, and conduct mineral exploration activities on, the property. The SPV may exercise the option to acquire the property at any time during the term of the agreement whereupon it shall pay a sum calculated by reference to a pre-determined pricing mechanism. As further consideration for the exercise of the option and acquisition of the property, the SPV is required to pay in perpetuity a net smelter royalty of 2 per cent. in respect of any future minerals (including gold) extracted from the property. The property owners have the right to transfer any of the property to other parties provided that such assignment is made subject to and is bound by the option and purchase agreement. Note that for the purposes of the relevant county land taxes records, the acreage of the property is recorded as being 15.47 and such slightly lower figure has been used elsewhere in this document.

(c) Mining Lease Agreement, dated 17 October 2016

The original agreement was entered into by (1) URI and (2) the original property owner on 17 October 2016 and the original property owner subsequently assigned its rights to the current property owner, a related company. Pursuant to an assignment agreement dated 22 June 2020, URI assigned its rights, title and interest in the agreement to Project Carolina Belle LLC. Pursuant to the agreement, such SPV has the exclusive right to access the 188.94 acre property located in Montgomery County, North Carolina, owned by the property owner with the exclusive right to conduct mineral exploration activities on the property, and the right to carry out all activities necessary for the conduct of mining operations. The lease is for an initial term of 10 years from October 2016 but shall continue thereafter for so long as any mining, production, processing or development is in progress on the property. Should the SPV elect to conduct open pit mining on the property, the landowner has the right to require the SPV to acquire the property, applying a pre-determined pricing mechanism. The SPV and the landowner have the right to assign their rights under the agreement at any time. The SPV has to pay an annual rental to the landowner and also a net smelter royalty in respect of any gold (3 per cent.) or other minerals (2 per cent.) extracted from the property. Note that for the purposes of the relevant county land taxes records, the acreage of the property is recorded as being 154.55 and such slightly lower figure has been used elsewhere in this document.

(d) Mining Lease Agreement, dated 4 April 2019

The original agreement was entered into by (1) URI and (2) the property owner on 4 April 2019. Pursuant to an assignment agreement dated 17 June 2020, URI assigned its rights, title and interest in the agreement to Project Carolina Belle LLC. Pursuant to the agreement, such SPV has the exclusive right to access the 226.75 acre property located in Montgomery County, North Carolina, owned by the property owner, with the exclusive right to conduct mineral exploration activities on the property, and the right to carry out all activities necessary for the conduct of mining operations. The lease is for an initial term of 10 years from April 2019 but shall continue thereafter for so long as any mining, production, processing or development is in progress on the property. Should the SPV elect to conduct open pit mining on the property, the landowner has the right to require the SPV to acquire the property, applying a pre-determined pricing mechanism. The SPV and the landowner have the right to assign their rights under the agreement at any time. The SPV has to pay an annual rental to the landowner and also a net smelter royalty of 3 per cent. in respect of any future minerals (including gold) extracted from the property. Note that for the purposes of the relevant county land taxes records, the acreage of the property is recorded as being 221.96 and such slightly lower figure has been used elsewhere in this document.

(e) Option and Purchase Agreement, dated 27 January 2015

The original agreement was entered into by (1) URI and (2) the property owners on 27 January 2015. Pursuant to an assignment agreement dated 17 June 2020, URI assigned its rights, title and interest in the agreement to Project JKL LLC. The agreement grants the SPV the exclusive right to acquire the 163.88 acre property located in Randolph County, North Carolina, owned by the property owners, for a period of 10 years from 27 January 2015, in consideration, *inter alia*, for the payment of an annual rental. During the term of the agreement, the SPV has the exclusive right to access, and conduct mineral exploration activities on, the property. The SPV may exercise the option to acquire the property at any time during the term of the agreement whereupon it shall pay a sum calculated by reference to a pre-determined pricing mechanism. As further consideration for the exercise of the option and acquisition of the property, the SPV is required to pay in perpetuity a net smelter royalty of 3 per cent. in respect of any future minerals (including gold) extracted from the property. The property owners have the right to transfer any of the property to other parties provided that such assignment is made subject to and is bound by the option and purchase agreement.

(f) Option and Purchase Agreement, dated 8 August 2015

The original agreement was entered into by (1) URI and (2) the property owners on 8 August 2015. Pursuant to an assignment agreement dated 17 June 2020, URI assigned its rights, title and interest in the agreement to Project JKL LLC. The agreement grants the SPV the exclusive right to acquire the 61.04 acre property located in Randolph County, North Carolina, owned by the property owners for a period of 10 years from 8 August 2015, in consideration for, *inter alia*, the payment of an annual rental. During the term of the agreement, the SPV has the exclusive right to access, and conduct mineral exploration activities on, the property. The SPV may exercise the option to acquire the property at any time during the term of the agreement whereupon it shall pay a sum calculated by reference to a pre-determined pricing mechanism. As further consideration for the exercise of the option and acquisition of the property, the SPV is required to pay in perpetuity a net smelter royalty of 2 per cent. in respect of any future minerals (including gold) extracted from the property. The property owners have the right to transfer any of the property to other parties provided that such assignment is made subject to and is bound by the option and purchase agreement.

(g) Option and Purchase Agreement, dated 8 August 2015

The original agreement was entered into by (1) URI and (2) the property owners on 8 August 2015. Pursuant to an assignment agreement dated 17 June 2020, URI assigned its rights, title and interest in the agreement to Project JKL LLC. The agreement grants such SPV the exclusive right to acquire the 98.57 acre property located in Randolph County, North Carolina, owned by the property owners, for a period of 10 years from 8 August 2015, in consideration for, *inter alia*, the payment of an annual rental. During the term of the agreement, the SPV has the exclusive right to access, and conduct mineral exploration activities on, the property. The SPV may exercise the option to acquire the property at any time during the term of the agreement whereupon it shall pay a sum calculated by reference to a pre-determined pricing mechanism. As further consideration for the exercise of the option and acquisition of the property, the SPV is required to pay in perpetuity a net smelter royalty of 2 per cent. in respect of any future minerals (including gold) extracted from the property. The property owners have the right to transfer any of the property to other parties provided that such assignment is made subject to and is bound by the option and purchase agreement.

(h) Option and Purchase Agreement, dated 21 February 2015

The original agreement was entered into by (1) URI and (2) the property owners on 21 February 2015. Pursuant to an assignment agreement dated 17 June 2020, URI assigned its rights, title and interest in the agreement to Project JKL LLC. The agreement grants such SPV the exclusive right to acquire the 7.31 acre property located in Randolph County, North Carolina, owned by the property owners, for a period of 10 years from 21 February 2015, in consideration for, *inter alia*, the payment of an annual rental. During the term of the agreement, the SPV has the exclusive right to access, and conduct mineral exploration activities on, the property. The SPV may exercise the option to acquire the property at any time during the term of the agreement whereupon it shall pay a sum calculated by reference to a pre-determined

- pricing mechanism. As further consideration for the exercise of the option and acquisition of the property, the SPV is required to pay in perpetuity a net smelter royalty of 2 per cent. in respect of any future minerals (including gold) extracted from the property. The property owners have the right to transfer any of the property to other parties provided that such assignment is made subject to and bound by the option and purchase agreement. Note that for the purposes of the relevant county land taxes records, the acreage of the property is recorded as being 7.17 and such slightly lower figure has been used elsewhere in this document.
- (i) Option and Purchase Agreement, dated 4 October 2015
- The original agreement was entered into by (1) URI and (2) the property owners on 4 October 2015. Pursuant to an assignment agreement dated 17 June 2020, URI assigned its rights, title and interest in the agreement to Project JKL LLC. The agreement grants the SPV the exclusive right to acquire the 13.31 acre property located in Randolph County, North Carolina, owned by the property owners, for a period of 10 years from 4 October 2015, in consideration for, *inter alia*, the payment of an annual rental. During the term of the agreement, the SPV has the exclusive right to access, and conduct mineral exploration activities on, the property. The SPV may exercise the option to acquire the property at any time during the term of the agreement whereupon it shall pay a sum calculated by reference to a pre-determined pricing mechanism. As further consideration for the exercise of the option and acquisition of the property, the SPV is required to pay in perpetuity a net smelter royalty of 2 per cent. in respect of any future minerals (including gold) extracted from the property. The property owners have the right to transfer any of the property to other parties provided that such assignment is made subject to and is bound by the option and purchase agreement. Note that for the purposes of the relevant county land taxes records, the acreage of the property is recorded as being 13.24 and such slightly lower figure has been used elsewhere in this document.
- (j) Option and Purchase Agreement, dated 17 June 2015
- The original agreement was entered into by (1) URI and (2) the property owners on 17 June 2015. Pursuant to an assignment agreement dated 17 June 2020, URI assigned its rights, title and interest in the agreement to Project JKL LLC. The agreement grants such SPV the exclusive right to acquire the 4.55 acre property located in Randolph County, North Carolina, owned by the property owners, for a period of 6 years from 17 June 2015, in consideration for the payment of an annual rental. During the term of the agreement, the SPV has the exclusive right to access, and conduct mineral exploration activities on, the property. The SPV may exercise the option to acquire the property at any time during the term of the agreement whereupon it shall pay a sum calculated by reference to a pre-determined pricing mechanism. As further consideration for the exercise of the option and acquisition of the property, the SPV is required to pay in perpetuity a net smelter royalty of 2 per cent. in respect of any future minerals (including gold) extracted from the property. The property owners have the right to transfer any of the property to other parties provided that such assignment is made subject to and is bound by the option and purchase agreement. Note that for the purposes of the relevant county land taxes records, the acreage of the property is recorded as being 4.05 and such slightly lower figure has been used elsewhere in this document.
- (k) Option and Purchase Agreement, dated 22 June 2015
- The original agreement was entered into by (1) URI and (2) the property owners on 22 June 2015. Pursuant to an assignment agreement dated 17 June 2020, URI assigned its rights, title and interest in the agreement to Project JKL LLC. The agreement grants such SPV the exclusive right to acquire the 28.00 acre property located in Randolph County, North Carolina, owned by the property owners, for a period of 10 years from 22 June 2015, in consideration for the payment of an annual rental. During the term of the agreement, the SPV has the exclusive right to access, and conduct mineral exploration activities on, the property. The SPV may exercise the option to acquire the property at any time during the term of the agreement whereupon it shall pay a sum calculated by reference to a pre-determined pricing mechanism. As further consideration for the exercise of the option and acquisition of the property, the SPV is required to pay in perpetuity a net smelter royalty of 2 per cent. in respect of any future minerals (including gold) extracted from the property. The property owners have the right to transfer any of the property to other parties provided that such assignment is made subject to

and bound by the option and purchase agreement. Note that for the purposes of the relevant county land taxes records, the acreage of the property is recorded as being 26.20 and such slightly lower figure has been used elsewhere in this document.

*Project Jennings-Pioneer LLC*

(l) Mining Lease Agreement, dated 22 June 2018

The original agreement was entered into by (1) URI and (2) the original property owner on 22 June 2018. Pursuant to an assignment agreement dated 17 June 2020, URI assigned its rights, title and interest in the agreement to Project Jennings-Pioneer LLC. Pursuant to the agreement, such SPV has the exclusive right to access the 400.63 acre property located in McCormick County, South Carolina, owned by the property owner, with the exclusive right to conduct mineral exploration activities on the property, and the right to carry out all activities necessary for the conduct of mining operations. The lease is for an initial term of 10 years from 22 June 2018 but shall continue thereafter for so long as any mining, production, processing or development is in progress on the property. Should the SPV elect to conduct open pit mining on the property, the landowner has the right to require the SPV to acquire the property, applying a pre-determined pricing mechanism. The SPV and the landowner have the right to assign their rights under the agreement at any time. The SPV has to pay an annual rental to the landowner and also a net smelter royalty of 2.25 per cent. in respect of any future minerals (including gold) extracted from the property. Note that for the purposes of the relevant county land taxes records, the acreage of the property is recorded as being 398.98 and such slightly lower figure has been used elsewhere in this document.

13.5 GAR Holdings is a party to the following agreements:

(a) Operating Agreements

GAR Holdings and URI have entered into operating agreements in respect of each of the Project SPVs pursuant to which each of them, and the relevant Project SPV, have agreed to be bound by and observe the provisions of the JVIA. Each operating agreement includes provisions governing the minimum capital contribution commitments of GAR Holdings and URI, and their respective rights as regards membership interest in relation thereto, such provisions being identical to those contained in the JVIA.

(b) Management and Technical Services Agreement

On 13 October 2020, GAR Holdings and URI entered into a management and technical services agreement (the “MTSA”). Pursuant to the terms of the MTSA, URI (via two individual consultants) shall provide consultancy services to GAR Holdings in relation to (amongst other matters) project management services, land management services and overseeing and executing the exploration work programme for each of the GAR Projects. The agreement becomes effective from completion of the Acquisition. URI shall charge a weekly rate of US\$1,000 - US\$1,200 for each individual consultant, and GAR Holdings is obligated to pay all incurred fees on a monthly basis. If URI undertakes any extra services, such additional fees shall be agreed between the parties. URI will also charge a 10 per cent. handling fee for any expenditure paid for by URI on behalf of GAR Holdings or the Project SPVs. There is no set term for the agreement, and (subject to certain exceptions where termination is effective immediately) either party may terminate by giving the other three months’ notice.

**14. Working Capital**

Taking into account the net proceeds of the Placing and Subscription, the Existing Directors and Proposed Director are of the opinion, having made due and careful enquiry, that the Enlarged Group will have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

**15. CREST and DIs**

- 15.1 On Admission, the New Common Shares may be delivered, held and settled in CREST by means of the creation of dematerialised depository interests representing such shares. Pursuant to a method proposed by CRESTCo under which transactions in international securities may be settled through the CREST system, Computershare Investor Services Plc, the Company’s Transfer Secretary, will issue



dematerialised depository interests representing entitlements to New Common Shares, known as Depository Interests (“DIs”). The DIs will be independent securities constituted under English Law which may be held and transferred through the CREST system.

- 15.2 As required to meet market demand for New Common Shares through CREST, such shares will be transferred to an account of Computershare Investors Services Plc which will then issue DIs (one DI representing one New Common Share) to participating members.
- 15.3 Each DI will be treated as one New Common Share for the purposes of determining, for example, eligibility for any dividends. Computershare Investors Services Plc (or its custodian) will pass on to holders of DIs any stock or cash benefits received by it (or its custodian) as holder of New Common Shares on trust for such DI holder.
- 15.4 Information received by Computershare Investors Services Plc in respect of its (or its custodian’s) holding of New Common Shares will be passed on to DI holders.
- 15.5 The DIs will have the same international security number (“ISIN”) as the underlying New Common Shares and will not require a separate quotation on AIM.
- 15.6 The DIs will be created pursuant to a deed poll by Computershare Investor Services Plc.

## **16. Litigation**

No member of the Enlarged Group is or has been involved in any legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Enlarged Group’s financial position nor are the Existing Directors and Proposed Director aware of any such proceedings pending or threatened against any member of the Enlarged Group.

## **17. Significant change**

Save as described in paragraph 9 of Part I of this document, there has been no significant change in the financial performance or financial position of the Company since 30 June 2020, being the date to which the unaudited consolidated interim financial information of the Company was prepared, and of GAR since 31 December 2019 being the date to which the unaudited consolidated interim financial information of GAR was prepared.

## **18. General**

- 18.1 The net proceeds of the Placing and Subscription are expected to be approximately £2.53 million net of the expenses of the Proposals which are estimated at £0.80 million, excluding VAT, and are payable by the Company.
- 18.2 PKF Littlejohn LLP of 15 Westferry Circus, London E14 4HD has given and not withdrawn its written consent to the issue of this document with the inclusion in it of its reports as set out in Part IV and Part V of this document and the references thereto and to its name in the form and context in which they appear and have accepted responsibility for the content of such reports.
- 18.3 Strand Hanson has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 18.4 Peterhouse Capital has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 18.5 Westoria Capital Pty Ltd has given and not withdrawn its consent to the issue of this document with the inclusion in it of their report as set out in Part VI of this document and the references thereto and to its name in the form and context in which they appear and have accepted responsibility for the content of such report. Westoria Capital Pty Ltd has also confirmed to the Company and Strand Hanson that, to the best of its knowledge and belief, there has been no material change in circumstances to those stated in the Competent Person’s Report since the effective date of such report. Westoria Capital Pty Ltd has no material interests in the Company.
- 18.6 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, within the 12 months preceding the date of this document or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:



- (a) fees totalling £10,000 or more;
  - (b) securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or
  - (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 18.7 Information in this document which has been sourced from third parties has been accurately reproduced and so far as the Company is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 18.8 Save as disclosed in this document, the Directors and the Proposed Director are unaware of any exceptional factors which have influenced the Enlarged Group's activities.
- 18.9 Save as disclosed in this document, the Directors and the Proposed Director are unaware of any environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.
- 18.10 Save as disclosed in this document, the Directors and the Proposed Director are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Enlarged Group's prospects for the current financial year.
- 18.11 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors or the Proposed Director have already made firm commitments which are significant to the Enlarged Group.
- 18.12 Save as disclosed in this document, the Directors and the Proposed Director believe that the Enlarged Group is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Enlarged Group's business or profitability.
- 18.13 Under the Bermuda Companies Act, if an offer to acquire shares (or any class of shares) of a company is accepted by the holders of 90 per cent. in value of the shares (which are the subject of the offer) within four months of the offer then the acquiring company can, within two months of the date of the approval, compulsorily acquire the shares of dissenting shareholders (which includes a shareholder who has not assented to the scheme or contract, or any shareholder who has failed or refused to transfer his shares to the acquirer in accordance with any such scheme or contract) by giving notice to such shareholders of the compulsory acquisition of their shares. Shares already owned by the offeror or its subsidiary or their nominees at the date of the offer do not count in calculating the 90 per cent. approval.

A dissenting shareholder has one month from the date on which the compulsory acquisition notice is given in order to make an application to the Court, which has power to make such orders as it thinks fit, to order to the contrary.

If no application to the Court is made, then on the expiry of one month from the date on which the compulsory acquisition notice was given, the acquirer becomes entitled to acquire the subject shares (on the same terms as those offered to the shareholders who accepted the offer).

Dissenting shareholders also have the right to serve a notice on the acquirer requiring it to acquire their shares on the terms of the original offer, or on such terms as may be agreed or as the Court (on the application of either the acquirer or the dissenting shareholder) thinks fit to order. This right must be exercised within 3 months from the giving of notice by the acquirer that the 90 per cent. threshold has been reached.

- 18.14 The Bermuda Companies Act also allows for the holders of not less than 95 per cent. of the shares (or any class of shares) in a company to give notice of the intention to acquire their shares to the remaining shareholders (or class of shareholders), on the terms set out in a compulsory acquisition notice. The purchaser must offer the same terms to all shareholders in respect of the shares to be acquired.

Any shareholder who receives such compulsory acquisition notice has the right to apply to the Court to appraise the value of their shares within one month of receiving the offer. Within one month of the Court's appraisal, the purchaser is entitled to either acquire all of the shares involved at the price fixed by the Court or choose to cancel the offer. There is no appeal process available in relation to the Court's appraisal decision.

If the Court has appraised any shares and the purchaser has, prior to the appraisal, acquired any shares, then if the price of the shares that was paid is less than that appraised by the Court the purchaser must either pay the difference to the shareholder(s) between the price paid and the price appraised, or cancel the offer, return the shares to the shareholder(s) and repay the shareholder(s) the purchase price. This must be done within one month of the Court appraising the value of the shares.

18.15 The accounting reference date of the Company is 31 December. The current accounting period of the Company will end on 31 December 2020.

18.16 On Completion, existing Shareholders will suffer a dilution of their interest in the Company's share capital of approximately 57.62 per cent.

**19. Availability of this document**

Copies of this document will be available to the public free of charge at the offices of Joelson JD LLP, 30 Portland Place, London W1B 1LZ during normal business hours on any weekday (other than Saturdays, Sundays and public holidays), for a period of at least one month from the date of Admission. A copy of this document is also available on the Company's website at: [www.richlandresourcesltd.com](http://www.richlandresourcesltd.com).

Dated: 30 October 2020

## APPENDIX I

### OVERVIEW OF REGULATIONS IN NORTH CAROLINA AND SOUTH CAROLINA IN RELATION TO EXPLORATION AND MINING ACTIVITIES

The following information comprises a brief high level summary of the pertinent laws and regulations in North Carolina and South Carolina in relation to exploration and mining activities as at the date of this document.

#### Background

The GAR Projects are situated in North Carolina and South Carolina in the United States and are subject to various federal, State and local (including county and municipal level) laws and regulations. North Carolina and South Carolina have separate but similar regulations and this summary focusses, firstly, in respect of North Carolina and, secondly, in respect of South Carolina, on the laws and regulations covering the exploration activities currently planned by the Enlarged Group for the first two years following Admission which include a combination of magnetic and other geophysical surveys, multi-element surface geochemical testing, drilling and trenching with no large-scale excavations or workings (the “**Proposed Exploration Activities**”) and then proceeds to summarise additional permitting considerations for larger scale exploration and mining. These laws and regulations, and the permits, authorisations and approvals issued pursuant to such laws and regulations, are intended to protect, among other things: air quality; ground water and surface water resources, including drinking water supplies; wetlands; waterways; endangered plants and wildlife; natural resources and the health and safety of the Enlarged Group’s consultants and contractors and the communities in which the Enlarged Group will operate.

#### Sources of Law

The US legal system comprises of both codified and uncoded federal, State and local laws. Government authorities may be sources for constitutions, statutes, administrative regulations or ordinances, and judicially created common law. Both North Carolina and South Carolina have their own State laws and regulations in relation to mineral exploration and mining activities in addition to federal laws and regulations.

The GAR Projects are on private land, such that ownership and the granting of mineral rights is a matter of State contract law, whereas operations and environmental compliance are regulated by applicable federal and State laws.

#### Title

In the United States, land generally can be severed into surface and subsurface estates, creating a split estate whereby the surface and mineral rights can be held by different parties. The specifics of severance of private land estates is governed by State law, but generally private citizens are free to split their surface and mineral estates by contract.

In order to commence the exploratory phase, the Enlarged Group must demonstrate that it holds a legal right to access the minerals which has been obtained via the Mining Lease Agreements as described in paragraph 13.4 of Part VII of this document.

#### Typical Exploration Permits: North Carolina

Paragraphs A to C below set out the typical permits, certifications, approvals and authorisations that are likely to be required in relation to the Proposed Exploration Activities on the GAR Projects in North Carolina, but are not intended to be an exhaustive list of all the requirements.

**A. North Carolina Mining Permit.** As an initial consideration, North Carolina mineral exploration is subject to the North Carolina Mining Act of 1971 (“**NC Mining Act**”). However, the following exploration activities are exempted from the definition of Mining:

*“Removal of overburden and mining of limited amounts of any ores or mineral solids when done only for the purpose and to the extent necessary to determine the location, quantity, or quality of any natural deposit, provided that no ores or mineral solids removed during exploratory excavation or mining are sold, processed for sale, or consumed in the regular operation of a business, and provided further that the affected land resulting from any exploratory excavation does not exceed one acre in area”* N.C. Gen. Stat. § 74-49(7)(e).

“Affected land” is further defined as: “...the surface area of land that is mined, the surface area of land associated with a mining activity so that soil is exposed to accelerated erosion, the surface area of land on which overburden and waste is deposited, and the surface area of land used for a processing or treatment plant, stockpiles, non-public roads, and settling ponds.” N.C. Gen. Stat. § 74-49(1).

Therefore, as long as the “Affected land” remains below one acre, no mining permit is expected to be required because such activities are not deemed “mining”.

If exploration includes the use of seismic methods, defined as “any geophysical exploration method which involves the use of explosives”, then a Seismic Exploration Permit is required.

**B. North Carolina Sedimentation Pollution Control Act.** If the exploration activity is exempt from the definition of “mining”, it will be subject to the North Carolina Sedimentation Pollution Control Act. The act states: “No land-disturbing activity during periods of construction or improvement to land shall be permitted in proximity to a lake or natural watercourse unless a buffer zone is provided along the margin of the watercourse of sufficient width to confine visible siltation within the twenty-five per cent. (25%) of the buffer zone nearest the land-disturbing activity.” N.C. Gen. Stat. §113A-57(1). In addition, any land-disturbing activity over one acre requires a written Sedimentation & Erosion Control Plan to be approved in advance by the Department of Environmental Quality.

**C. Clean Water Act.** Regardless of the acreage of the “Affected land”, if the exploration activity impacts streams or wetlands, then those activities generally must be authorised by a federal permit issued by the U.S. Army Corps of Engineers pursuant to Section 404 of the federal Clean Water Act and a North Carolina Water Quality Certification pursuant to Section 401 of the Clean Water Act certifying that the 404 Permit will “reasonably ensure compliance with water quality standards”. If the planned exploration activities will impact less than 300 linear feet of stream bed and less than half an acre of wetlands and/or open water, then the activity may usually be authorised to proceed under the U.S. Army Corps of Engineers Nationwide Permit 44 that simply requires notice and minimal processing and a general 401 Water Quality Certification from the State that also involves serving notice and minimal processing.

Paragraphs A, B, and C above are the three permitting areas most directly related to mineral exploration that does not exceed one acre of “Affected land”. If the exploration activities will affect more than one acre, a Mining Application will be required. In addition, if a Mine Permit is required, it may make a Sedimentation & Erosion Control plan approval unnecessary.

#### **Additional permitting considerations in North Carolina**

Additional permitting considerations for larger scale exploration and mining activities include, but are not limited to, those set out in paragraphs D to L below:

**D. Floodplain Impacts.** If there are potential impacts to floodplains (generally a larger expanse of land than waters of the US or State) from certain periodic rainfall events such as 10 year, 100 year and 500 year rainfall events, federal, State, or local authorisation may be required.

**E. State Groundwater Water Withdrawal Permit.** Depending upon site specific information and needs, a groundwater withdrawal permit may be required under North Carolina law for certain areas designated as Capacity Use Areas. The withdrawal may not have “an unreasonably adverse effect upon” groundwater, in order to obtain a permit. Otherwise, groundwater withdrawals are primarily regulated using well permits issued as a matter of County administration and local ordinances.

**F. State Surface Water Withdrawal Permit.** If the operation of a potential future mine requires withdrawal of surface water of one hundred thousand gallons or more of water a day, the withdrawal must be registered with the State. Notwithstanding the registration requirement, the amount of withdrawal will be subject to the “reasonable use” doctrine under North Carolina common law, whereby withdrawal must not impair the “reasonable use” rights of downstream riparian owners/users: “A riparian proprietor is entitled to the natural flow of a stream running through or along his land in its accustomed channel, undiminished in quantity and unimpaired in quality, except as may be occasioned by the reasonable use of the water by other like proprietors.” *Smith v. Town of Morganton*, 187 N.C. 801, 802-803, 123 S.E. 88, 89 (1924); *Coastal Plains Utils., Inc. v. New Hanover County*, 166 N.C. App. 333, 601 S.E.2d 915 (2004). Under North Carolina statutes, water use may be improved by developing authorised impoundments, which entitle the developer to withdraw certain amounts of the water impounded. See N.C. Gen. Stat. § 143-215.

**G. State Wastewater Discharge Permit.** An NPDES permit is required to discharge mine dewatering effluent and mine process water to any surface waterbody and a separate stormwater permit will be required to handle non-contact stormwater flowing from a project site. In North Carolina, this authorisation is issued

by the State, which is delegated authority under the federal Clean Water Act, and requires among other things a Certification by the State that the permit will “*reasonably ensure compliance with water quality standards.*”

**H. Federal Coastal Zone Management Act (CZMA) and Coastal Area Management Act (CAMA) authorisations.** Activities affecting the coastal zones in North Carolina may require additional authorisations, including a concurrence and/or permit, depending upon location, to ensure compliance with coastal zone management programmes. Based upon the North Carolina counties in which the mineral leases that are the subject of the relevant GAR Projects are located, it is unlikely that the requirements of this act will be applicable.

**I. Air Quality Permit.** Implementation of the federal Clean Air Act is also delegated to the State of North Carolina. An air permit is unlikely to be required for exploratory activities, but is likely to be required for actual mining. The limitations and conditions of such an air permit are dependent upon the air emissions generated. However, if an air permit is required, an Authorisation to Construct must be obtained before construction at a project site can begin.

**J. Resource Conservation and Recovery Act (RCRA) Permit for hazardous waste disposal.** Depending upon the extent of exploration activities and/or the type of mining extraction operations used, a hazardous waste generator permit will likely be required. This permitting programme has also been delegated to the State.

**K. State Dam Safety Permit.** If a future mine development and operation involves the impoundment or diversion of water, including a tailings storage facility, a dam safety approval may be required by the State. Such permit will require engineering approval of the dam design, but should not be problematic to obtain.

**L. Local Land Use Permits.** County and/or municipal land use restrictions and requirements may include a use prohibition requiring re-zoning or a requirement to obtain a variance, conditional-use permit, or special-use permit prior to any exploratory, mining or mining-related activity. Additionally, local ordinances may include buffers and other requirements which affect the development of a site, including mining activities and construction of support structures. Required authorisations may require approval by multiple boards or commissions.

#### **Typical Exploration Permits: South Carolina**

Set out in paragraphs A to C below are the typical permits, certifications, approvals and authorisations that are likely to be required in relation to the Proposed Exploration Activities in South Carolina, but are not intended to be an exhaustive list of all the requirements.

**A. South Carolina State Mining Permit.** In South Carolina, a certificate of exploration is required for exploration activities of two acres or less. S.C. Code Ann. § 48-20-50. A mine operating permit is required where exploratory or mining activities affect more than two acres. For the purposes of exploration or mining, “affected land” is defined as: “*the area of land from which overburden or minerals have been removed or upon which overburden has been deposited, or both, including an area on which a plant is located which is an integral part of the removal of ores or mineral solids from natural deposits; or stockpiles and settling ponds located on or adjacent to lands from which overburden or minerals have been removed.*” S.C. Code Ann. § 48-20-40(5). The State agency’s decision on an application for an operating permit will be based on findings related to the potential impacts on air quality, surface water quality and groundwater quality standards and potential physical hazards and impacts to any neighboring residences, schools, churches, hospitals, public road, and public properties, including, public parks, forest, and recreation areas. S.C. Code Ann. § 48-20-70. The State agency has facilitated permitting for renewed mining activities on sites with historical mining impacts and takes these historical impacts into consideration when making the findings required under this statute in respect of the issuance of a new mining permit.

**B. State Sediment and Erosion Control and Stormwater NPDES General Permit Coverage for Construction Activities.** Stormwater discharges resulting from land-disturbing activities not otherwise covered by a mine permit, including construction of infrastructure and buildings, will require authorisation under a general NPDES permit for stormwater discharges associated with construction activities. Actual mining activities will likely also require coverage authorisation under a general permit for stormwater discharges associated with industrial activities. In South Carolina, these authorisations are issued by the State, which has delegated authority under the federal Clean Water Act. See generally, S.C. Code Ann. § 48-1-50.



**C. Federal Clean Water Act 404 Permit and State 401 Certification authorisation for Wetlands/Stream Impacts.** If any planned exploration or mining activities will result in impacts to waters of the United States or a State (although the definition of waters may vary between federal and State and from State to State, this generally covers streams or wetlands), a federal 404 Permit and a State 401 Water Quality Certification will be required. See 33 CFR Part 320; S.C. Code Ann. Reg. 61-101.

**Additional permitting considerations in South Carolina**

Additional permitting considerations for larger scale exploration and mining activities include, but are not limited to, those set out in paragraphs D to L below:

**D. State NPDES Industrial Wastewater Discharge Permit.** An NPDES permit is required to discharge mine dewatering effluent and mine process wastewater to any surface waterbody. In South Carolina, this permit is also issued by the State, which is delegated authority under the federal Clean Water Act, and requires that the discharge not contravene water quality standards. S.C. Code Ann. Reg. 61-9.

**E. Wastewater Facilities Construction Permit.** If future mining operations require construction of a waste water treatment plant to treat process water and contact storm water, a State construction permit will be required. Design criteria will depend on the effluent limits in the associated NPDES wastewater discharge permit. S.C. Code Ann. Reg. 61-67.

**F. State Surface Water Withdrawal Permit.** If the operation of a future mine requires withdrawal of surface water in excess of three million gallons during any one month, a surface water withdrawal permit will be required under South Carolina law. Prior to issuing a permit, the State agency must consider the effect of the proposed withdrawal on existing users and the quantity of the surface water available and find that the proposed use is reasonable. S.C. Code Ann. § 49-4-10, et seq.

**G. State Groundwater Withdrawal Requirements.** State law requires groundwater users with withdrawals of more than three million gallons per month to register and report use. Additionally, a permit is required for such withdrawals in a designated Capacity Use Area, and a notice of intent to construct a new well is required in the Coastal Plain. S.C. Code Ann. § 49-5-10, et seq.

**H. South Carolina Coastal Zone Management Act (CZMA) authorisations.** Activities affecting the coastal zones require certification or permit, depending on location, to ensure compliance with South Carolina's coastal zone management programme. Based upon the county in which the mineral leases that are the subject of the relevant GAR Project are located, the requirements of this act are unlikely to apply. S.C. Code Ann. §48-39-10, et seq.

**I. Air Quality Permit.** Implementation of the federal Clean Air Act is delegated to the State of South Carolina. An air quality construction permit and operating permit are unlikely to be required for exploratory activities, but will likely be required for any future actual mining and processing. See, generally, S.C. Code Ann. Reg. 61-62.

**J. Resource Conservation and Recovery Act (RCRA) Permit for hazardous waste management.** Depending upon the extent of exploration activities and/or waste created from potential future mining operations, a hazardous waste permit may be required. The management of such permitting programme has been delegated by the federal government to the State of South Carolina.

**K. State Dam Safety Permit.** If a future mine development and operation involves the impoundment or diversion of water, including a tailings storage facility, a dam permit may be required in the State of South Carolina, depending on the size of the impoundment and the dam. S.C. Code Ann. 49-11-110, et seq.

**L. Local Land Use Permits.** County and/or municipal land development and zoning ordinance requirements may include a use prohibition requiring re-zoning or a requirement to obtain a variance, conditional-use permit, or special-use permit prior to any exploratory, mining or mining-related activity. Additionally, local ordinances may include buffers and other requirements which affect the development of a site, including mining activities and construction of support structures. Required authorisations may require approval by multiple boards or commissions.



# Richland Resources Ltd

*(Incorporated in Bermuda under the company laws of Bermuda with registration number EC 33385)*

## NOTICE OF ANNUAL GENERAL MEETING

and

## EXPLANATORY MEMORANDUM

Date of Meeting: Monday, 23 November 2020  
Time of Meeting: 10.00 a.m. (Bermuda time)  
Place of Meeting: Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in any doubt about the contents of this notice or as to how they should vote, they should seek their own independent financial advice from their stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser prior to voting.

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the shareholders of Richland Resources Ltd (the “**Company**” or “**Richland**”) will be held at 10.00 a.m. (Bermuda time) on Monday, 23 November 2020 at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.

This Notice of Meeting is set out at the end of an Admission Document which is being circulated to shareholders in connection with the proposed acquisition by the Company of Global Asset Resources Ltd, the proposed change of name to “Lexington Gold Ltd”, proposed placing and subscription of, in aggregate, 120,989,112 new common shares at a price of 2.75 pence per share, proposed 1 for 10 share consolidation, proposed amendments to the Company’s Bye-laws and application for admission of the enlarged share capital to trading on AIM. The letter from the Non-Executive Chairman of Richland in Part I of the Admission Document explains the Resolutions being proposed at the Annual General Meeting and, in particular, provides certain background information in relation to Resolutions 7 to 13 which are being proposed as items of Special Business and further explains why the Board is unanimously recommending that shareholders vote in favour of Resolutions 7 to 13 as well as the other Resolutions (save for Resolutions 1 to 3 which are only being recommended by the directors whose appointment/re-appointment is not being proposed).

The Explanatory Memorandum which forms part of this Notice of Annual General Meeting describes the various matters to be considered and contains a glossary including those terms that are not defined in full in this Notice of Annual General Meeting.

### Agenda

1. **Appointment of Chairman of the Meeting**
2. **Confirmation of the Notice and Quorum**

### Ordinary Business

3. **Accounts for the Year Ended 31 December 2019**

To receive the annual report and financial statements and the Directors’ report and Auditor’s report therein for the Company and its controlled entities for the year ended 31 December 2019 which were posted to shareholders on 9 April 2020 and are available to download from the Company’s website at: [www.richlandresourcesltd.com](http://www.richlandresourcesltd.com).

**4. Resolution 1: Re-election of Mr Edward Francis Gerrard Nealon as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

*“That, Mr Edward Francis Gerrard Nealon, who retires by rotation in accordance with the Company’s Bye-laws and being eligible, offers himself for re-election, be re-elected as a Director.”*

**5. Resolution 2: Election of Dr Bernard Olivier as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

*“That, Dr Bernard Olivier be elected as a director of the Company.”*

**6. Resolution 3: Election of Ms Melissa Josephine Sturgess as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

*“That, Ms Melissa Josephine Sturgess be elected as a director of the Company.”*

**7. Resolution 4: Election of Mr Rhoderick Gordon John Grivas as a Director**

To consider and, if thought fit, to pass, subject to and conditional upon completion of the Acquisition (as defined in the Admission Document), without amendment, the following resolution:

*“That, Mr Rhoderick Gordon John Grivas be elected as a director of the Company.”*

**8. Resolution 5: Re-appointment of Auditor**

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

*“To re-appoint BDO Audit (WA) Pty Ltd as auditor to the Company, to hold office until the earlier of (i) the next annual general meeting of the Company or (ii) their resignation as agreed with the Company upon the identification by the Directors of a replacement auditor at the end of the current tender process for a new auditor, at a fee to be agreed by the Directors.”*

**9. Resolution 6: Electronic Communications Authority**

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

*“That: i) the Company be authorised, subject to contacting shareholders in writing to request their consent, to send, convey or supply all types of notices, documents (including accounts) or information to shareholders by electronic means, including but not limited to making such notices, documents (including accounts) or information available on a website (“**Electronic Communications**”); and ii) shareholders not objecting to the use of Electronic Communications within 28 days of being written to will be deemed to have consented to the use of Electronic Communications.”*

**Special Business**

**10. Resolution 7: Approval of the GAR Transaction**

To consider and, if thought fit, to pass, without amendment, subject to and conditional upon the passing of Resolutions 4 and 8 to 13 (inclusive), the following resolution:

*“That the proposed acquisition (“**Acquisition**”) by the Company of the entire issued share capital of Global Asset Resources Ltd (“**GAR**”) on and subject to the terms of the Acquisition Agreement (as defined in the Admission Document) be and is hereby approved, confirmed and ratified for the purposes of Rule 14 of the AIM Rules for Companies and that the directors of the Company are hereby authorised for and on behalf of the Company to approve the signature of any document and/or taking of any action they deem necessary or appropriate in relation to effecting or facilitating the Acquisition.”*

**11. Resolution 8: Change of Name**

To consider and, if thought fit, to pass, subject to and conditional upon the passing of Resolution 7, without amendment, the following resolution:

*“That the Company change its name to Lexington Gold Ltd as soon as practicable following Admission (as defined in the Admission Document).”*

**12. Resolution 9: Share Consolidation**

To consider and, if thought fit, to pass, subject to and conditional upon the passing of Resolutions 7 and 11, without amendment, the following resolution:

*“That every ten (10) issued and unissued common shares of US\$0.0003 each in the share capital of the Company (“Existing Common Shares”) be consolidated into one (1) common share of US\$0.003 each (“New Common Shares”), such New Common Shares having the same rights and being subject to the same restrictions (save as to nominal value) as the Existing Common Shares as set out in the New Bye Laws to be adopted pursuant to Resolution 11 (the “Share Consolidation”).”*

**13. Resolution 10: Increase in authorised share capital**

To consider and, if thought fit, to pass, subject to and conditional upon the passing of Resolutions 7 and 9, without amendment, the following resolution:

*“That the authorised share capital of the Company be increased from US\$3,000,000 to US\$9,000,000 by the creation of an additional 2,000,000,000 New Common Shares each ranking pari passu with the existing New Common Shares of the Company.”*

**14. Resolution 11: Adoption of new Bye-laws**

To consider and, if thought fit, to pass, subject to and conditional upon the passing of Resolution 7, without amendment, the following resolution:

*“That the Company adopt the Bye-laws in the form tabled at the meeting and signed by the Chairman for the purposes of identification (“New Bye Laws”).”*

**15. Resolution 12: Disapplication of Pre-emption rights (specific)**

To consider and, if thought fit, to pass, subject to and conditional upon the passing of Resolutions 4, 7, 9, 11 and 13, without amendment, the following resolution:

*“That, without prejudice to the authority conferred by Resolution 13, in accordance with:*

- (i) Bye-law 3.3.1 of the New Bye Laws, the Board shall be authorised to issue for non-cash consideration; and/or*
- (ii) Bye-law 3.4 of the New Bye Laws and the Pre-Emption Rights in Bye-law 3.3 of the New Bye Laws shall not apply to the issue by the Company of, and the Board shall be authorised on such basis to issue, for cash consideration,*

*New Common Shares as follows:*

- (iii) up to 21,367,288 New Common Shares pursuant to the issue of the Consideration Shares (as such term is defined in the Admission Document);*
- (iv) such number of New Common Shares as shall be required pursuant to the potential issue of New Common Shares in settlement of the Tranche 1 Deferred Consideration and Tranche 2 Deferred Consideration (as such terms are defined in the Admission Document);*
- (v) up to 120,989,112 New Common Shares pursuant to the issue of the Placing Shares and Subscription Shares (as such terms are defined in the Admission Document);*
- (vi) up to 8,305,121 New Common Shares pursuant to the issue of the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares and the Strand Hanson Fee Shares (as such terms are defined in the Admission Document); and*
- (vii) up to 7,844,364 New Common Shares pursuant to the issue of shares in connection with the Strand Warrants and the Peterhouse Warrants (as such terms are defined in the Admission Document).*

**16. Resolution 13: Disapplication of Pre-emption rights and authority to issue New Common Shares for non-cash and cash consideration (general)**

To consider and, if thought fit, to pass, subject to and conditional upon the passing of Resolutions 4, 7, 9, 11 and 12, without amendment, the following resolution:

*“That, without prejudice to the authority conferred by Resolution 12, in accordance with:*

- (i) Bye-law 3.3.1 of the New Bye Laws, the Board shall be authorised to issue for non-cash consideration, such number of New Common Shares as is equal to 60 per cent. of the total number of New Common Shares in issue from time to time; and*
- (ii) Bye-law 3.4 of the New Bye Laws, the Pre-Emption Rights in Bye-law 3.3 of the New Bye Laws shall not apply to the issue by the Company of, and the Board shall be authorised on such basis to issue for cash consideration, such number of New Common Shares as is equal to 60 per cent. of the total number of New Common Shares in issue from time to time,*

*provided that the authorities provided by this Resolution 13 shall expire on the conclusion of the Company’s next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require New Common Shares to be allotted after such expiry and the directors may issue New Common Shares in pursuance of any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.”*

**Further information about the above resolutions is set out in the accompanying Explanatory Memorandum.**

**By Order of the Board on 30 October 2020**

Michael Allardice  
Group Company Secretary

## **Proxy and Voting Entitlement Instructions**

### **Proxy Instructions**

Shareholders are entitled to appoint another person or persons (including a body corporate) to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the shareholder’s voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise an equal proportion of the votes. If a body corporate is appointed as proxy, the body corporate may appoint an individual as a representative to exercise its powers at the Meeting.

The Proxy Form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or email which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by email to one of the following locations, by 10.00 a.m. (London time) on 19 November 2020 or not less than 48 hours before the time of any adjourned Meeting as the case may be, at which the individual named in the Proxy Form proposes to vote.

Conyers Corporate Services (Bermuda) Limited  
2 Church Street  
Clarendon House  
Hamilton HM CX  
Bermuda  
Facsimile (1 441) 292 4720

OR

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZY  
United Kingdom  
ExternalProxyQueries@computershare.co.uk

The Proxy Form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, by its duly authorised representative. The proxy may, but need not, be a shareholder of the Company. In the case of shares jointly held by two or more persons, all joint holders must sign the Proxy Form.

A Proxy Form is enclosed with the Admission Document if you are a registered shareholder. If you need an additional Proxy Form(s) these can be obtained from Computershare Investor Services PLC at: CSNDITeam@computershare.com.

## Depository Interest Holders

If you are a Depository Interest Holder, you will need to submit a Form of Instruction to the Custodian “Computershare Company Nominees Limited” by 10.00 a.m. (London time) on 18 November 2020. A Form of Instruction is enclosed with the Admission Document if you are a Depository Interest Holder and an additional Form(s) of Instruction can also be obtained from Computershare Investor Services PLC at: CSNDITeam@computershare.com.

## Voting Entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at the close of business (London Time) on Thursday, 19 November 2020. Accordingly, transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of members in Richland Resources Ltd in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda on Monday, 23 November 2020 at 10.00 a.m. (Bermuda time).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice of Annual General Meeting. A glossary of defined terms is included at the end of this Explanatory Memorandum. The Company also recommends that shareholders read the letter from the Non-Executive Chairman of Richland in Part I of the Admission Document. Full details of the Resolutions to be considered at the Meeting are set out below.

## Agenda

### Item

#### 4. Resolution 1: Re-election of Mr Edward Francis Gerrard Nealon as a Director

It is a requirement under the Company’s Bye-laws that Mr Edward Francis Gerrard Nealon retires by rotation. Mr Edward Francis Gerrard Nealon has offered himself for re-election as a Director.

The remaining Directors recommend shareholders to vote in favour of Resolution 1, that Mr Edward Francis Gerrard Nealon be duly re-elected as a Director.

#### 5. Resolution 2: Election of Dr Bernard Olivier as a Director

Dr Bernard Olivier was appointed as a Director and Chief Executive Officer of the Company by the Board on 24 July 2020 which was subsequent to the Company’s last Annual General Meeting.

The remaining Directors recommend shareholders to vote in favour of Resolution 2, that Dr Bernard Olivier be elected as a Director of the Company.

#### 6. Resolution 3: Election of Ms Melissa Josephine Sturgess as a Director

Ms Melissa Sturgess was appointed as a Director of the Company by the Board on 24 July 2020 which was subsequent to the Company’s last Annual General Meeting.

The remaining Directors recommend shareholders to vote in favour of Resolution 3, that Ms Melissa Josephine Sturgess be elected as a Director of the Company.

#### 7. Resolution 4: Election of Mr Rhoderick Gordon John Grivas as a Director

It is a condition of the proposed acquisition of Global Asset Resources Ltd that Mr Rhoderick Gordon John Grivas is appointed as a director of the Company. **Accordingly, if this resolution is not passed the Proposed Acquisition will not complete.**

Conditional on completion of the Proposed Acquisition, the Directors recommend shareholders to vote in favour of Resolution 4, that Mr Rhoderick Gordon John Grivas be elected as a Director of the Company.



#### 8. **Resolution 5: Re-appointment of Auditor**

Section 89(1) of the Companies Act provides that members of a company at each annual general meeting shall appoint one or more auditors to hold office until the close of the next annual general meeting.

Section 89(2) of the Companies Act states that if no auditor is appointed at the annual general meeting by the members the directors shall forthwith make such appointment or appointments.

Section 89(6) of the Companies Act provides that the remuneration of an auditor appointed by the members shall be fixed by the members or by the Directors, if they are authorised to do so by the members, and the remuneration of an auditor appointed by the directors shall be fixed by the directors.

As announced by the Company on 27 July 2020, the Company intends, subject to approval of Resolution 7, to acquire Global Asset Resources Ltd and its interests in the GAR Projects situated in North Carolina and South Carolina, USA. The auditors of the group are currently BDO Audit (WA) Pty Ltd based in Australia. The Company therefore plans to request the current auditors and other audit firms with experience of auditing companies quoted on AIM to submit proposals for the audit of the accounts for the financial year ended 31 December 2020 (the “**2020 Audit Tender**”). This process is ongoing and a decision as to who the auditors will be for 2020 has not yet been made. The Directors are therefore seeking approval to be authorised to appoint the Auditor for 2020 once the 2020 Audit Tender has been completed.

All the Directors recommend shareholders to vote in favour of Resolution 5 that the Directors be authorised to appoint the Auditors for the 2020 audit at a fee to be agreed by the Directors.

#### 9. **Resolution 6: Electronic Communications**

The Company incurs expenses in the distribution of notices, documents (including accounts) or other information to shareholders (“**Documents & Notices Sent to Shareholders**”) and there can be delays in shareholders receiving Documents & Notices Sent to Shareholders. The Company therefore wishes to have the flexibility to send Electronic Communications to shareholders.

The Directors recommend shareholders to vote in favour of Resolution 6, that the Company be authorised to use Electronic Communications.

#### 10. **Resolution 7: Approval of the Proposed Acquisition**

**AIM Rule 14:** In accordance with AIM Rule 14, the Proposed Acquisition constitutes a reverse takeover transaction and therefore requires the approval of shareholders at a duly convened general meeting.

**Background to the Proposed Acquisition:** As announced by the Company on 27 July 2020, the Proposed Acquisition represents a transformational move for the Company away from being an AIM Rule 15 cash shell to becoming an operating company with a clear focus on exploration for gold and other precious metals in North and South Carolina. Full details of the Proposed Acquisition are set out in the Admission Document.

**Consequences of Proposed Acquisition being approved and successfully completed:** The Proposed Acquisition constitutes a reverse takeover transaction pursuant to AIM Rule 14 and approval of the Proposed Acquisition by shareholders will enable completion of the transaction and the Company’s enlarged share capital to be admitted to trading on AIM.

**Consequences of the Proposed Acquisition not being approved:** The Company’s Common Shares are currently suspended from trading on AIM pursuant to AIM Rule 15, and will remain suspended from trading on AIM until Completion of the Proposed Acquisition. If the Proposed Acquisition is not completed, the Company’s Common Shares will remain suspended until such time as an alternative acquisition which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission under the AIM Rules for Companies) is completed or the Company becomes an investing company pursuant to AIM Rule 8 (in either case, a “**Re-admission Transaction**”).

**If the Proposed Acquisition is not approved neither the Acquisition nor the proposed Placing and Subscription will proceed and the Directors will need to consider alternative options for the Company. The Company will have expended sizeable monies in pursuing the proposed transaction and would therefore incur significant abort costs and there can be no guarantee that**



**a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Proposed Placing and Subscription can be obtained on a timely basis or at all. Admission to trading on AIM of the Company's Common Shares will be cancelled pursuant to AIM Rule 41 if a Re-admission Transaction is not completed by 31 December 2020.**

All the Directors recommend that shareholders vote in favour of Resolution 7, to approve the Proposed Acquisition. Approval of Resolution 7 is subject to and conditional upon the passing of Resolution 4 and Resolutions 8 to 13 (inclusive).

**11. Resolution 8: Proposed Change of Name**

The Proposed Acquisition will result in the Company acquiring interests in four gold projects in North Carolina and South Carolina and it is proposed, conditional upon approval of the Proposed Acquisition, to change the Company's name to Lexington Gold Ltd.

Conditional on the passing of Resolution 7, the Directors recommend shareholders to vote in favour of Resolution 8, that the Company's name be changed to Lexington Gold Ltd. It should be noted that the Company will be required to obtain a further new ISIN code in connection with the change of name, if approved, but such new ISIN code cannot be obtained until the resolution has been passed. Accordingly, the name change will be implemented as soon as practicable following admission of the enlarged share capital to trading on AIM and will be announced via a Regulatory Information Service (as defined in the Admission Document) once effected.

**12. Resolution 9: Share Consolidation**

The Company currently has 1,108,172,891 Common Shares in issue (prior to the issue of any of the Consideration Shares, the Placing Shares, the Subscription Shares, the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares and the Strand Hanson Fee Shares). Following the proposed share consolidation, the Company will have 261,478,810 New Common Shares in issue on admission of the enlarged share capital to trading on AIM. The record date of the share consolidation will be 23 November 2020 and, each shareholder in the Company will receive one (1) New Common Share for every ten (10) Common Shares held. As all existing shareholdings in the Company are proposed to be consolidated, the proportion of the issued Common Shares held by each Shareholder immediately before the Share Consolidation and the proportion of the issued New Common Shares held by each Shareholder after the Share Consolidation will remain unchanged, other than for small changes that may arise from the rounding of fractional entitlements.

**If this resolution is not passed, the placing letters and subscription letter signed by the placees and subscriber in relation to the Proposed Placing and Subscription will no longer be binding as the placing letters and subscription letter are in respect of the subscription for New Common Shares. If the Proposed Placing and Subscription do not proceed then the Proposed Acquisition will also not proceed as it is a condition of the Proposed Acquisition that the Proposed Placing and Subscription occurs. If the Proposed Acquisition is not approved the Directors will need to consider alternative options for the Company. The Company will have expended sizeable monies in pursuing the proposed transaction and would therefore incur significant abort costs and there can be no guarantee that a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Proposed Placing and Subscription can be obtained on a timely basis or at all. Admission to trading on AIM of the Company's Common Shares will be cancelled pursuant to AIM Rule 41 if a Re-admission Transaction is not completed by 31 December 2020.**

The Directors recommend shareholders to vote in favour of Resolution 9, that the Company's Common Shares be consolidated on a 1 for 10 basis. Approval of Resolution 9 is subject to and conditional upon the passing of Resolutions 7 and 11.

**13. Resolution 10: Increase in authorised share capital**

The authorised share capital of the Company is currently US\$3,000,000 comprising, prior to the passing of any of the proposed resolutions, 10,000,000,000 Common Shares of US\$0.0003 each. The Company may not issue shares in excess of its authorised share capital without the prior approval of shareholders in accordance with Bye-law 79 of the current Bye-laws.

The Company is seeking shareholder approval to increase its authorised share capital to US\$9,000,000 comprising, assuming and subject to the passing of Resolution 9, 3,000,000,000 New Common Shares. The proposed increase in the authorised share capital of the Company will allow the Company to issue up to an additional 2,000,000,000 New Common Shares.

The Company experiences delays and incurs significant costs when obtaining shareholder approvals (including approval to increase the Company's authorised share capital). Accordingly, the Company has chosen this opportunity to seek shareholder approval to increase its authorised share capital, to provide the Company with flexibility to raise money in the capital markets and/or acquire additional assets via the issue of shares were the Board to determine it to be in the best interests of the Company to do so. The Directors do not currently have any intention that the Company raise further funds in the capital markets or make any additional acquisitions.

According to Bye-law 79 of the current Bye-laws, any proposed increase in the authorised share capital of the Company, must be approved by a resolution of the Board and by a resolution passed by a three-quarters or 75 per cent. majority of the members at a general meeting.

All the Directors recommend that shareholders vote in favour of Resolution 10, to increase the authorised share capital of the Company. It should be noted that approval of Resolution 10 is subject to and conditional upon the passing of Resolutions 7 and 9.

#### **14. Resolution 11: Amendments to Bye-laws**

The approval of shareholders is sought to amend the Company's Bye-laws to make certain amendments to the current Bye-laws as summarised in paragraph 7.3 of Part VII of the Admission Document. It is also proposed to change the existing Bye-laws for the correction of certain typographical errors.

A copy of the proposed Amended Bye-laws (showing all of the proposed amendments as tracked changes) will be made available for inspection by Shareholders during normal business hours at the Company's registered office in Bermuda, and at the office of the Company's share registry in England, and on the Company's website at: [www.richlandresourcesltd.com](http://www.richlandresourcesltd.com).

Bye-law 79 of the current Bye-laws provides that any amendment to the Bye-laws must be approved by a resolution of the Board and by a resolution passed by a three-quarters or 75 per cent. majority of the members at a general meeting.

**It is a requirement of the Company's application for re-admission of the enlarged share capital to trading on AIM that its Bye-laws be amended as summarised in paragraph 7.3 of Part VII of the Admission Document. Accordingly, if this Resolution 11 is not passed, the Company's New Common Shares will not be re-admitted to trading on AIM which would also mean that the Proposed Acquisition does not proceed as it is a condition of the Proposed Acquisition that the Company be re-admitted to trading on AIM.**

All the Directors recommend that shareholders vote in favour of Resolution 11, to amend the Company's Bye-laws. It should be noted that approval of Resolution 11 is subject to and conditional upon the passing of Resolution 7.

#### **15. Resolution 12: Disapplication of Pre-emption rights (specific)**

Assuming that Resolution 11 is approved, the Amended Bye-laws will include, at Bye-law 3, a prohibition on any issue of shares by the Company other than in accordance with the pre-emption provisions and exemptions set out therein including the issue of equity securities to be held under an employee share scheme or an employee share option scheme or an allotment or issue of shares pursuant to the exercise of any share options issued pursuant to a share option scheme representing up to 10 per cent. of the issued share capital of the Company from time to time.

Resolution 12 proposes the disapplication of such pre-emption provisions in respect of the issue of New Common Shares as follows:

- (i) up to 21,367,288 New Common Shares pursuant to the issue of the Consideration Shares (as such term is defined in the Admission Document);
- (ii) such number of New Common Shares as shall be required pursuant to the potential issue of New Common Shares in settlement of the Tranche 1 Deferred Consideration and Tranche 2 Deferred Consideration (as such terms are defined in the Admission Document);

- (iii) up to 120,989,112 New Common Shares pursuant to the issue of the Placing Shares and Subscription Shares (as such terms are defined in the Admission Document);
- (iv) up to 8,305,121 New Common Shares pursuant to the issue of the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares and the Strand Hanson Fee Shares (as such terms are defined in the Admission Document); and
- (v) up to 7,844,364 New Common Shares pursuant to the issue of shares in connection with the Strand Warrants and the Peterhouse Warrants (as such terms are defined in the Admission Document).

**If Resolution 12 is not passed neither the Proposed Acquisition nor the Proposed Placing nor the Subscription will proceed and the Company's shares will not be re-admitted to trading on AIM.**

All the Directors recommend that shareholders vote in favour of Resolution 12, to approve the disapplication of pre-emption rights. It should be noted that approval of Resolution 12 is subject to and conditional upon the passing of Resolutions 4, 7, 9, 11 and 13.

**16. Resolution 13: Disapplication of Pre-emption rights and authority to issue New Common Shares for non-cash and cash consideration (general)**

Assuming that Resolution 11 is approved, the Amended Bye-laws will include, at Bye-law 3, a prohibition on any issue of shares by the Company other than in accordance with the pre-emption provisions and exemptions set out therein including the issue of equity securities to be held under an employee share scheme or employee share option scheme or an allotment or issue of shares pursuant to the exercise of any share options issued pursuant to a share option scheme representing up to 10 per cent. of the issued share capital of the Company from time to time.

The purpose of Resolution 13 is to approve the disapplication of such pre-emption provisions and thereby provide a standing authority to the Board to issue:

- (i) for non-cash consideration, such number of New Common Shares as is equal to 60 per cent. of the total number of New Common Shares in issue from time to time; and
- (ii) for cash consideration, such number of New Common Shares as is equal to 60 per cent. of the total number of New Common Shares in issue from time to time,

provided that, unless they are amended by resolution passed by a three-quarters or 75 per cent. majority of the members at a general meeting, such authorities shall expire at the conclusion of the Company's next Annual General Meeting.

The Directors do not currently have any intention that the Company raise further funds in the capital markets or make any additional acquisitions, but believe, in light of the Company not having an income generating business and having an objective of exploring and developing the GAR Projects, that this resolution should be approved in order to preserve maximum flexibility for the future.

It should be noted that approval of Resolution 13 is subject to and conditional upon the passing of Resolutions 4, 7, 9, 11 and 12.

## Glossary of Terms

In the Notice of Annual General Meeting and this Explanatory Memorandum the following words and expressions have the following meanings:

“Acquisition”	has the meaning ascribed to it in Resolution 7.
“Acquisition Agreement”	has the meaning ascribed to it in the Admission Document.
“Additional Projects”	has the meaning ascribed to it in the Admission Document.
“Admission Document”	means the admission document which is being circulated to shareholders in connection with the Proposed Acquisition, proposed change of name of the Company to “Lexington Gold Ltd”, proposed Placing and Subscription, proposed Share Consolidation, proposed amendment to bye-laws and application for admission of the enlarged share capital to trading on AIM.
“AIM”	means the AIM Market operated by London Stock Exchange plc.
“AIM Rules”	means the AIM Rules for Companies in force from time to time published by London Stock Exchange plc.
“AU\$”	means the lawful currency of the Commonwealth of Australia.
“Board”	means the board of Directors of the Company.
“Completion”	means completion of the Proposed Acquisition.
“Companies Act”	means the Companies Act 1981 of Bermuda as amended from time to time.
“Company” or “Richland”	means Richland Resources Ltd. Exempt Company No. 33385.
“Consideration Shares”	means the 21,367,288 New Common Shares to be issued to the Sellers and URI on Completion.
“Directors”	means the directors of the Company from time to time.
“Electronic Communications”	has the meaning ascribed to it in Resolution 6.
“Excluded Projects”	has the meaning ascribed to it in the Admission Document definitions.
“Existing Common Shares” or “Existing Shares”	means the 10,000,000,000 common shares of par value US\$0.0003 each in the Company.
“Tranche 1 Deferred Consideration”	means the total amount of AU\$1,500,000 payable to the Sellers and URI if the Tranche 1 Performance Milestone or Tranche 2 Performance Milestone are achieved or certain vesting events occur in the five years following completion of the Acquisition.
“GAR”	means Global Asset Resources Ltd, incorporated and registered in Australia with company number ACN 618 792 877 whose registered office is at C/- Moray & Agnew Lawyers, Level 6, 505 Little Collins Street, Melbourne VIC 3000, Australia;
“GBP, £ or pence”	means the lawful currency of the United Kingdom.
“Meeting” or “Annual General Meeting”	means the annual general meeting of shareholders in the Company or any adjournment thereof, convened by the Notice.
“New Common Shares”	has the meaning ascribed to it in Resolution 9.
“Notice” or “Notice of Annual General Meeting”	means the notice of Annual General Meeting, which accompanies this Explanatory Memorandum.
“Ordinary Business”	means business ordinarily conducted at an Annual General Meeting.
“Proposed Acquisition”	means the proposed completion of the Acquisition.
“Proposed Changes to Bye-laws”	means the changes to the Company’s Bye-laws proposed by Resolution 11.

“Proposed Placing and Subscription”	means the conditional placing of 120,989,112 New Common Shares at 2.75 pence per share pursuant to the Placing Agreement and Subscription Agreement (as defined in the Admission Document).
“Tranche 2 Deferred Consideration”	means the total amount of AU\$3,000,000 payable to the Sellers and URI if the Tranche 2 Performance Milestone is achieved or certain vesting events occur in the five years following completion of the Acquisition.
“Tranche 1 Performance Milestone”	means the confirmation of a JORC 2012 Compliant Resource in respect of any one of the GAR Projects and Additional Projects (if any) that are not Excluded Projects, of at least: <ul style="list-style-type: none"> <li>(i) 0.8 million ounces of gold at a grade of more than 1g/t; or</li> <li>(ii) 0.6 million ounces of gold at a grade of more than 2.5g/t; or</li> <li>(iii) 0.4 million ounces of gold at a grade of 5g/t or more.</li> </ul>
“Tranche 2 Performance Milestone”	means the completion and release by the Company, in accordance with the AIM Rules, of a pre-feasibility study in respect of any one of the GAR Projects and Additional Projects (if any) that are not Excluded Projects, confirming a pre-tax net present value of more than US\$50,000,000 at a discount rate of at least 8 per cent.
“Resolution”	means a resolution referred to in the Notice of Annual General Meeting.
“Sellers”	means the Founder Sellers and the Other Sellers as defined in the Acquisition Agreement.
“Share Consolidation”	means the share consolidation proposed by Resolution 9.
“Special Business”	means business not ordinarily conducted at an Annual General Meeting.

