

18 July 2019

Richland Resources Ltd

("Richland" or the "Company")

Update re: Option Agreement to sell the Capricorn Sapphire Project

Richland (AIM: RLD), the Australian sapphire producer and gemstones developer, is pleased to provide an update in respect of the Option Agreement dated 26 June 2019 with Fura Gems Inc. ("**Fura**"), under which Fura has an option valid until 31 July 2019 (the "**Option**") to conditionally acquire from the Company: (i) all of the issued shares of its wholly owned subsidiary Richland Corporate Ltd ("**Richland Corporate**") (the "**Shares**"); and (ii) all of the Company's loans to Richland Corporate (the "**Shareholder Loan**") (together, the "**Option Assets**") (the "**Proposed Disposal**"). Further details of the Proposed Disposal are set out in the Company's announcement of 27 June 2019.

Since 27 June 2019, the Company has satisfied certain of the conditions precedent to completion of the Proposed Disposal as follows:

- i) The Company has received the requisite "no-objection" letter from the Bermuda Monetary Authority in respect of the transfer of the shares in Richland Corporate from the Company to Fura; and
- ii) The two main licences in respect of the Capricorn Sapphire Project, namely ML 70419 and ML 70447, have been duly renewed to 31st March 2024 by the requisite authorities in Australia.

The remaining Conditions Precedent, including obtaining the approval of Richland's shareholders at a duly convened general meeting and the applicable TSX-V approvals, are required to be satisfied or waived by the longstop date of 31 October 2019 or such later date as may be agreed between the parties.

The initial non-refundable CAD25,000 payment in respect of the Option Fee has been duly received from Fura, however, payment of the balancing amount of CAD125,000 remains pending, as it is subject to TSX-V approval. Whilst the requisite TSX-V approval process for the transaction is underway, the Company is currently discussing with Fura a potential addendum to the Option Agreement to facilitate this process, expedite exercise of the Option and thereby shorten the period to Completion.

A further announcement(s) will be made, as appropriate, in due course.

Capitalised terms used in this announcement, unless otherwise defined herein, have the same meanings as set out in the Company's announcement of 27 June 2019.

RICHLAND

RESOURCES LTD

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014.

Note to Editors:

Further information is available on the Company's website: www.richlandresourcesltd.com. Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.