

Richland Resources Limited

Exempt Company No. 33385

Notice of Annual General Meeting

and

Explanatory Memorandum

Date of Meeting:	Friday, 25th July 2014
Time of Meeting:	10:00 am
Place of Meeting:	Clarendon House 2 Church Street Hamilton BERMUDA

<p>This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.</p>
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RICHLAND RESOURCES LIMITED

Exempt Company No. 33385

Notice of Annual General Meeting

Notice is hereby given that an annual general meeting of shareholders of Richland Resources Limited ("**Company**" or "**Richland Resources**") will be held at 10:00 am on Friday, 25th July 2014 at Clarendon House, 2 Church Street, Hamilton, Bermuda.

The Explanatory Memorandum which accompanies and forms part of this Notice of Annual General Meeting describes the various matters to be considered and contains a glossary of defined terms for 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 Period Ended 31 December 2013**

To receive the financial statements, Directors' report and Auditor's report for the Company and its controlled entities for the period ended 31 December 2013.

- 4. Resolution 1 – Re-election of Mr Edward Nealon**

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

"That Mr Edward 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 - Appointment of Auditor**

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

"To re-appoint PricewaterhouseCoopers 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."

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Special Business

6. Resolution 3 - Increase of authorised capital

To consider, and if thought fit, to pass, with or without amendment, the following resolution:

"That the authorised share capital of the Company be increased to US\$150,000"

Note: Information about the proposed amendment appears in the Explanatory Memorandum.

7. Resolution 4 - Amendments to Bye-laws

To consider and if thought fit, to pass, with or 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 purpose of identification."

Note: Information about the proposed amendments appears in the Explanatory Memorandum.

By Order of the Board

Michael Allardice
Group Company Secretary
DATED: 25th June 2014

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Proxy and Voting Entitlement Instructions for registered shareholders

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 half 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 facsimile 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 facsimile transmission to one of the following locations, not less than 48 hours before the time for holding the Meeting, or adjourned Meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Codan Services Limited
2 Church Street
Clarendon House
Hamilton HM CX
Bermuda
Facsimile (1 441) 292 4720

OR

Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS13 8AE
England
Facsimile 44 (870) 703 6115

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Companies Act. 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 attached to this Notice.

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 10:00 am on 23rd July 2014. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Voting instructions for Depositary Interest Holders

Depositary Interest Holders should vote using the Form of Instruction attached to this notice and available from Computershare Investor Services PLC whose details are above. To be valid, the Form of Instruction, duly signed and executed, together with any power of attorney (if any) or other authority under which it is signed (if any) must be deposited at the offices of the Custodian, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 10:00am (UK Time) on Tuesday 22nd July 2014.

Accounts for the period ended 31st December 2013

Any shareholder wishing copies of the Account for the period ended 31st December 2013 can obtain these either from Computershare Investor Services PLC whose details are above or from the Company's website at <http://richlandresourcesltd.com>.

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Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of members in Richland Resources 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, Bermuda on Friday, 25th July 2014 at 10:00 am.

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice of Annual General Meeting. A glossary of terms is included at the end of this Explanatory Memorandum.

Full details of the Resolutions to be considered at the Meeting are set out below.

3 Resolution 1 – Re-Election of Mr Edward Nealon as a Director

It is a requirement under the Company's Bye-laws that Mr Edward Nealon retires by rotation. Mr Nealon has offered himself for re-election as a Director.

The remaining Directors recommend to shareholders to vote in favour of Resolution 1 that Mr Nealon be re-elected.

4 Resolution 2 - 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 AGM 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 14th April 2014 the Company is undertaking a group wide strategic review of its operation including a review of all costs. As part of this review the Company is looking at ways to reduce the audit costs. In 2013 the audit and tax fees of the current auditors PricewaterhouseCoopers were approximately US\$296,000. The Company has requested the current auditors PricewaterhouseCoopers and other audit firms with experience of auditing companies listed on AIM to submit proposals for the audit of the 2014 accounts (the "**2014 Audit Tender**"). This process is ongoing and a decision as to who the auditors will be for 2014 has not yet been made. The Directors are therefore seeking approval

"To re-appoint PricewaterhouseCoopers 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."

All the Directors recommend shareholders to vote in favour of Resolution 2 .

5 Resolution 3 - Increase authorised capital

The Company's authorised capital is US\$100,000 comprising 333,333,333 common shares of par value US\$0.0003 each as approved at the Annual General Meeting on 26th July 2013 . As at the date of this notice 199,209,895 common shares have been issued and as announced on 4th June 2014 a further 18,000,000 common shares are due to be issued in connection with the acquisition of the Nardoo Sapphire project in Queensland, Australia (the "**Nardoo Sapphire Project**") and the Board

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therefore has the authority to issue up to an additional 116,123,439 common shares (the “**Current Maximum Share Issue**”).

The Company is seeking shareholder approval to increase the Company's authorised capital to US\$150,000 comprising 500,000,000 common shares of par value US\$0.0003 each. The proposed increase in the authorised share capital of the Company will allow the Board to issue up to an additional 282,790,105 common shares (the “**Maximum Additional Shares**”).

The Company announced on 4th June 2014 the issue of 18,000,000 shares in connection with the acquisition of the Nardoo Project and has also announced its intention to diversify its gemstone production. The Company may therefore in the future wish to issue shares in connection with the acquisition of new gemstone projects and/or to provide working capital for its current or future operations.

The Company experiences delays and incurs significant costs when obtaining shareholder approvals (including approval to increase the Company's authorised capital). Accordingly, the Company has chosen this opportunity to seek shareholder approval to increase its authorised capital, to provide the Company with flexibility to raise money in the capital markets and / or acquire additional assets by the issue of shares were the Board to determine it in the best interest of the Company to do so. The Company currently has no intention to acquire new assets but may in the future decide to.

Bye-law 79 sets out that any amendment to the Bye-laws of the Company, which includes an increase of authorised share capital, must be approved by a resolution of the Board and by a resolution passed by a three quarters or 75% majority of the votes cast at a general meeting.

All the Directors recommend that shareholders vote in favour of Resolution 3 to increase the authorised capital of the Company

6 Resolution 4 - Amendments to Bye-laws

The approval of shareholders is sought to amend the Company's Bye-laws to incorporate the provisions set out below depending upon whether Resolution 3 is passed.

If Resolution 3 is passed Bye-law 3.1 is to read:

“The authorised share capital of the Company is US\$150,000 comprising of 500,000,000 common shares of par value US\$0.0003 each (“Common Shares”)”

If Resolution 3 is not passed Bye-law 3.1 will continue to read:

“The authorised share capital of the Company is US\$100,000 comprising of 333,333,333 common shares of par value US\$0.0003 each (“Common Shares”)”

There are no other proposed changes to the existing Bye-laws other than the correction of typographical errors.

Bye-law 78 sets out 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% majority of the votes cast at a general meeting.

A copy of the Bye-laws incorporating the proposed amendments will be sent to any Shareholder upon request and will also be available for inspection during normal business hours at the Company's registered office in Bermuda and at the offices of the Company's share registry in England and Bermuda.

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7 Glossary of Terms

In the Notice of Annual General Meeting and this Explanatory Memorandum the following words and expressions have the following meanings:

"the 2014 Audit Tender" has the meaning ascribed to it in the 4th paragraph of the explanatory note in the Explanatory Memorandum regarding Resolution 2.

"AIM" means the alternative investment market of the London Stock Exchange

"Board" means the board of Directors of the Company

"Companies Act" means the Companies Act 1981 of Bermuda as amended from time to time.

"Company" and **"Richland Resources"** means Richland Resources Limited Exempt Company No. 33385.

"Current Maximum Share Issue" has the meaning ascribed to it in the 1st paragraph of the explanatory note in the Explanatory Memorandum regarding Resolution 3.

"Directors" mean the directors of the Company from time to time.

"Explanatory Memorandum" means this explanatory memorandum.

"Maximum Additional Shares" has the meaning ascribed to it in the 2nd paragraph of the explanatory note in the Explanatory Memorandum regarding Resolution 3.

"Meeting" and **"Annual General Meeting"** means the annual general meeting of shareholders in the Company or any adjournment thereof, convened by the Notice.

"Nardoo Sapphire Project" has the meaning ascribed to it in the 1st paragraph of the explanatory note in the Explanatory Memorandum regarding Resolution 3.

"Notice" and **"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

"Resolution" means a resolution referred to in the Notice of Annual General Meeting.

"Special Business" means business not ordinarily conducted at an Annual General Meeting.