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RESOURCES LTD

18 April 2016

Richland Resources Ltd
("Richland" or "the Company") (AIM: RLD)

**Notice of Annual General Meeting,
Proposed Issue of Share Options
and
Proposed Cancellation of Restricted Shares**

Richland confirms that notice of the Company's Annual General Meeting (the "AGM"), has been posted to shareholders together with the Annual Report and Accounts for the year ended 31 December 2015.

The AGM is to be held at 10 a.m. on Friday 20th May 2016 at the Company's registered office, Clarendon House, 2 Church Street, Hamilton, Bermuda.

Copies of the Annual Report and the notice of AGM are available to download from the Company's website at www.richlandresourcesltd.com.

At the AGM, two resolutions will be put to shareholders that relate to shares and options which the Group CEO Dr. Bernard Olivier has an interest in. The Board of Richland has proposed these resolutions in order to secure and remunerate key personnel within the Company through shares and in recognition of the voluntary salary sacrifices and fee restrictions to reserve cash, as Richland develops its new Sapphire operations in Australia at a key time. The Company has not issued any Shares or share options over Shares to Directors or Employees since 2009 save for the Shares issued to Directors today in settlement of Directors fees owed to them. Further information on Dr. Olivier's interest in Shares and share options is set out below.

Resolution 1 - Re-election of Dr. Bernard Olivier

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

"That Dr. Bernard Olivier, 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."

Resolution 2 - 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 next annual general meeting of the Company, at a fee to be agreed by the Directors."

Resolution 3 - Cancellation of 2009 Restricted Shares

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

“That the Company on 10th December 2016 acquire as Treasury Shares the 7,275,000 restricted shares issued to Directors and employees in 2009 as repayment of the 2009 Shares Loan.”

Resolution 4 - Issue of 12 Million Share Options

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

“That the Company issue 12 million share options over Shares in the Company with an exercise price of 3.5 pence per Share and that 3 million of the 12 million share options be issued to Dr. Bernard Olivier with the balance to be issued to the group’s senior management, consultants and employees.”

Information about the proposed resolutions appears in the Explanatory Memorandum which forms part of the AGM Notice and which is copied below.

Resolution 1 - Re-Election of Dr. Bernard Olivier as a Director

It is a requirement under the Company’s Bye-laws that Dr. Bernard Olivier retires by rotation. Dr. Olivier has offered himself for re-election as a Director.

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

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. In addition, 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.

BDO Audit (Wa) Pty Ltd. are the Company’s auditors and, the Directors recommend that BDP Audit (Wa) Pty. Ltd. be re-appointed the Company’s auditors. Pursuant to Resolution 2, BDO Audit (Wa) Pty Ltd. will be re-appointed the Company’s auditors until the close of the next annual general meeting at a fee to be agreed by the Directors.

All the Directors recommend shareholders to vote in favour of Resolution 2 that BDO Audit (Wa) Pty Ltd. be re-appointed as the Company’s auditors.

Resolution 3 – Cancellation of 2009 Restricted Shares

- 1) The Company announced on 28 September 2009 that;
 - a) 7,275,000 Common Shares were to be issued to 20 participating employees and two executive directors (one of whom is Dr. Bernard Olivier who holds 900,000 of the Common Shares issued) (the “**Participants**”) at an issue price of 16.0327 pence per share. (the “**2009 Restricted Shares**”) and that participants would be invited to apply for an interest free loan up to the amount payable in respect of the 2009 Shares to be acquired by the Participants (the “**2009 Shares Loan**”);
 - b) Under the terms of the 2009 Shares Loan, the amount repayable in respect of a 2009 Restricted Share is the lesser of the issue price of the 2009 Restricted Shares (less any cash dividend applied in repayment of the 2009 Restricted Shares) and the market price of the Company’s Shares on the date on which the loan is repaid.
- 2) All the Participants applied for a 2009 Shares Loan and the 2009 Restricted Shares were issued as restricted shares on 10th December 2009.
- 3) The 2009 Shares Loans are due to be repaid on 10 December 2016.
- 4) The current share price of the Share is significantly lower than the 16.0327 pence issue price of the 2009 Restricted Shares.
- 5) The Company proposes on 10 December 2016 to cancel any of the 2009 Restricted Shares whose related 2009 Share Loan has not been repaid by that date and (a) hold the 2009 Restricted Shares cancelled as Treasury Shares and (b) treat the unpaid 2009 Share Loans as being repaid.
- 6) The acquisition of the 2009 Restricted Shares by the Company will not affect the number of the Company’s issued Common Shares which will remain at 219,209,895 Common Shares. The Company is prohibited however from receiving dividends on Treasury Stock and voting Shares which it holds as Treasury so that the number of Shares for voting purposes will reduce by 7,275,000 on 11th December 2016 if Resolution 3 is approved and all the Restricted Shares cancelled.
- 7) To date none of the 2009 Shares Loans have been repaid. As the amount due under the 2009 Shares Loan is the lower of 16.0327 pence and the Company share price on the date of repayment the loan has not been recognized in the Company’s Accounts, and therefore the proposed resolution will not require any provision to be made in the Company’s Accounts nor will any payments be made to any of the holders of the 2009 Restricted Shares.

The remaining Directors recommend shareholders to vote in favour of Resolution 3 to cancel the 2009 Restricted Shares including those held by Dr. Olivier.

Resolution 4 – Approval of issue of share options

- 1) The Company has not issued any Shares or share options over Shares to Directors or Employees since 2009 save for the Shares issued to Directors in settlement of Directors fees owed to them.
- 2) The Company's Share Option Plan rules provide for share options to be issued in any three year period up to 10% of the issued share capital of the Company at the date of issue of the share option.
- 3) The Directors of the Company, with Dr. Olivier abstaining from voting, have approved the issue of up to 12 million share options at an issue price of 3.5 pence per share being a premium of 21% to the 30 day weighted average share price as at 12th April 2016 of 2.88 pence per share being the date of issue of the Company's announcement in relation to its results for the 12 months ended 31st December 2015 (the "**Share Options**"). Based on the current share capital of the Company the issue of 12 million Share Options if exercised would comprise 5.2% of the enlarged share capital of the Company.
- 4) The Remuneration Committee which is comprised of the non-Executive directors believe that the proposed issue of the Share Options both recognises the work done to date by the Executive and Senior management team during 2014 and 2015 a period when the Company managed to exit its tanzanite business in Tanzania which due to Tanzanian government inaction had become plagued by security issues, and to bring the Company's Capricorn sapphire project in Australia into production on a tight budget. The plan will further serve to incentivise them going forward. The Share Options are also aimed at recognising the voluntary salary sacrifice made by the Company's CEO, Dr. Bernard Olivier during this period, Dr. Olivier's voluntary salary sacrifice saved the Company US\$150,000 and resulted in his total Director's fees and salary being US\$97,225 in 2014 and US\$128,004 in 2015 and was done in order to assist the Company during the period of transition and the start-up of the Capricorn Sapphire project.
- 5) It is proposed that, if Resolution 4 is approved:
 - a) the 12 million Share Options be issued at the discretion of the Company's remuneration committee;
 - b) 3 million of the 12 million share options be issued to Bernard Olivier with the balance to be issued to the group's senior management, consultants and employees;
 - c) the share options vest one third on the first 31st December following their issue, one third on the second 31st December following their issue and one third on the third 31st December following their issue (the "**Vesting Dates**");
 - d) the share options have an exercise period of 7 years from their Vesting Date;
 - e) none of the share options will be issued to the Company's non-executive directors.

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The remaining Directors recommend shareholders to vote in favour of Resolution 4 to issue the Share Options to Dr. Olivier, the senior management, consultants and employees.

Change in Director's Interest following the proposals

If both Resolution 3 and Resolution 4 are passed at the AGM, and the proposed cancellation of Restricted Shares subsequently occurs, then Dr. Olivier's interest in shares will be as follow;

	Prior to AGM	Change due to Resolution 3 being passed	Change due to Resolution 4 being passed	Resultant holding if both Resolutions passed	Percentage of the voting Shares in issue
Holding of Common Shares ⁽¹⁾	3,617,751	Nil	Nil	3,617,751	1.63%
Holding of Restricted Shares ⁽²⁾	900,000	(900,000)	Nil	Nil	N/A
Options over Common Shares ⁽³⁾	Nil	Nil	3,000,000	3,000,000	N/A

Notes:

- (1) The Holding of Common shares includes the shares to be issued to Dr. Olivier today in relation to unpaid directors fees as per the separate announcement of todays date
- (2) 900,000 Restricted Shares would be cancelled on 10 December 2016 following approval of Resolution 3.
- (3) Issue of options under Resolution 4. The 3,000,000 Options will vest in three tranches of 1 million each on 31st December 2016, 31st December 2017 and 31st December 2018 and will be exercisable at 3.5 pence each during the 7 year Exercise period which commences on the vesting dates of the Options.

For more information please contact:

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Notes to the Editor: 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.