

28 June 2016

Richland Resources Ltd
("Richland" or the "Company")

US\$500,000 Unsecured Loan Facility

Richland (AIM: RLD), the gemstones producer and developer, today announces that on 27 June 2016 it entered into a US\$500,000 unsecured loan facility (the "**Loan Facility**") with certain of the Company's Directors and a long term significant shareholder (together, the "**Lenders**") to satisfy its ongoing working capital requirements.

Highlights:

- US\$500,000 Loan Facility from two Directors and a significant shareholder.
- Facility provides working capital and financial flexibility whilst the Company's sales channels are built and expanded further and will assist in ensuring that the best possible prices for the Company's gemstone production are achieved.
- Avoids equity dilution for shareholders.

Commenting on the Loan Facility, Bernard Olivier, CEO of Richland said:

"The last six months have seen significant progress at our Capricorn Sapphire mine as we continue to develop long-term sales channels and optimise operations, and we remain on course to meet our ramp-up targets. With an updated JORC resource estimate recently established and a comprehensive 12 month mine-plan in place, we have now secured this Loan Facility from an existing shareholder and two Directors to support the Company during this development phase. We believe that this facility is the most attractive financial solution to bridge the potential funding gap while we further develop our sapphire sales and marketing channels."

Loan Facility

The purpose of the Loan Facility is to provide the Company with additional working capital and financial flexibility as it continues to build various sales channels to best position it to be able to achieve optimum prices for its material and develop markets and buyers for its entire range of production comprising over 120 different categories of gemstones with varying grade, size and value characteristics.

The Loan Facility is unsecured, has a 12 month term from the date of the loan agreement and bears interest at a rate of 10 per cent. per annum, payable quarterly in arrears. The loan agreement includes customary terms and conditions for a facility of this nature, including a condition that the Company will not pledge or charge any assets to any other creditors without the prior consent of the Lenders, such consent not to be unreasonably withheld. Early repayment is permitted subject to the Lenders receiving a minimum interest payment of 7.5 per cent. of the total principal amount of the facility. Of the US\$500,000 Loan, US\$300,000 has been provided equally by two Directors, Edward Nealon and Nicholas Sibley, each providing US\$150,000, with the balance of US\$200,000 provided by long term shareholder Ashwath Mehra.

Since the lending group includes Messrs Nealon and Sibley, two of the Company's directors, the Loan Facility constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Accordingly, the independent directors, being Ami Mpungwe and Bernard Olivier, having consulted with the Company's Nominated Advisor, Strand Hanson Limited, consider that the

RICHLAND

RESOURCES LTD

terms of the Loan Facility are fair and reasonable insofar as the Company's shareholders are concerned.

The Board believes that the Loan Facility represents the most attractive funding option at this time and avoids equity dilution for the Company's shareholders.

For more information, please contact:

Bernard Olivier
Chief Executive Officer
+61 4089 48182

Edward Nealon
Chairman
+61 409 969 955

Mike Allardice
Group Company Secretary
+852 91 864 854

Laurence Read
Corporate Development and
Communications Officer
+44 (0) 20 3289 9923

Nominated Advisor
Strand Hanson Limited
James Harris
Matthew Chandler
James Dance
+44 (0) 20 7409 3494

Broker
Shore Capital
Jerry Keen (corporate broking)
Toby Gibbs / Mark Percy
(corporate finance)
+44 (0) 20 7408 4090