

31 December 2018

Richland Resources Ltd

(“Richland” or the “Company”)

Extension of Secured Convertible Loan Facility and update on Strategy for Capricorn Sapphire

Richland (AIM: RLD), the Australian sapphire producer and gemstones developer, is pleased to announce an extension of its £400,000 Secured Convertible Loan Facility (the “**Convertible Loan Facility**”) and an update on its strategy in relation to its wholly owned subsidiary, Capricorn Sapphire Pty Ltd (“**Capricorn Sapphire**”), owner of the Capricorn sapphire mine in Queensland, Australia.

Extension of the Convertible Loan Facility

The Company has agreed and signed a second addendum to its pre-existing Convertible Loan Facility (originally announced on 25 June 2018), to extend the facility’s Maturity Date from 31 December 2018 to 28 February 2019, for no additional consideration, with all other terms and conditions remaining unaltered. As announced on 28 September 2018, the first addendum to the Convertible Loan Facility involved an increase in the principal amount from £300,000 to £400,000, on the same commercial terms as the original Convertible Loan Facility.

Strategic Update regarding Capricorn Sapphire

On 28 September 2018, the Company announced that it was engaged in discussions with potential strategic investors to procure sufficient funding to enable the recommencement of production at the Capricorn sapphire mine or, alternatively, was seeking to conclude ongoing negotiations with different parties in relation to the potential sale of all or a part of Capricorn Sapphire. The Company is continuing to pursue this stated strategy and remains in discussions with one party, in particular, with regards to the potential sale of the entire Capricorn Sapphire project. However, there can be no guarantee that the Company will be able to either secure the requisite funding to be able to recommence operations or conclude discussions with regard to the potential disposal of Capricorn Sapphire.

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

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The information contained within this announcement is deemed by the Company to constitute inside

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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.