

Richland Resources Ltd.

(incorporated and registered in Bermuda)

EXEMPT COMPANY NO. 33385

Notice of Annual General Meeting

and

Explanatory Memorandum

Date of Meeting: Wednesday, 25 July 2018
Time of Meeting: 10.00 a.m. (Bermudan Time)
Place of Meeting: Clarendon House
2 Church Street
Hamilton
Bermuda

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in any doubt about the contents of this notice or as to how they should vote, they should seek their own independent personal financial advice from their stockbroker, bank manager, accountant, solicitor or other appropriate independent financial adviser prior to voting.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the shareholders of Richland Resources Ltd. (the "**Company**" or "**Richland Resources**") will be held at 10.00 a.m. (Bermudan Time) on Wednesday, 25 July 2018 at Clarendon House, 2 Church Street, Hamilton, Bermuda.

The Explanatory Memorandum which forms part of this Notice of Annual General Meeting describes the various matters to be considered and contains a glossary including those 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 Year Ended 31 December 2017**

To receive the annual report and financial statements and the Directors' report and Auditor's report therein for the Company and its controlled entities for the year ended 31 December 2017.

4. **Resolution 1: Re-election of Mr. Nicholas Theobald Sibley as a Director**

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

"That Mr. Nicholas Theobald Sibley, 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: Election of Mr. Anthony Peter Brooke as a Director

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

"That Mr. Anthony Peter Brooke be elected as a director of the Company."

6. Resolution 3: 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. or another member of the BDO International group of auditors 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."

Special Business

7. Resolution 4: Increase in authorised share 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 from US\$240,000 to US\$750,000 by the creation of an additional 1,700,000,000 common shares of par value US\$0.0003 each ranking pari-passu with the existing common shares of the Company."

8. Resolution 5: Non application of Bye-law 14.2 in relation to the potential issue of shares to a convertible loan provider

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

"That the restriction in Bye-law 14.2 in respect of any shareholder acquiring a Relevant Interest in Voting Securities of the Company in excess of thirty percent (30%) does not apply in relation to any common shares issued pursuant to the Convertible Loan Agreement dated 22 June 2018 between the Company and Astor Management AG."

9. Resolution 6: 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."

Information about the proposed resolutions appears in the Explanatory Memorandum.

By Order of the Board 29 June 2018

Michael Allardice
Group Company Secretary

Proxy and Voting Entitlement Instructions

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 an equal proportion 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.

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

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZY
United Kingdom
Facsimile +44 (0) 370 703 6116

The Proxy Form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, by its duly authorised representative. 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 enclosed with this Notice if you are a registered shareholder. If you need an additional Proxy Form these can be obtained from Computershare Investor Services PLC at the contact details provided above.

Depository Interest Holders

If you are a Depository Interest Holder, you will need to submit a Form of Instruction to the Custodian "Computershare Company Nominees Limited" by 10 a.m. (U.K. Time) on Friday 20 July 2018. A Form of Instruction is available from Computershare Investor Services PLC at the contact details provided above.

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 close of business (U.K. Time) on Monday, 23 July 2018. Accordingly, transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

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 Wednesday, 25 July 2018 at 10.00 a.m. (Bermudan Time).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice of Annual General Meeting. A glossary of defined 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.

Agenda Item

4. Resolution 1: Re-election of Mr. Nicholas Theobald Sibley as a Director

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

The remaining Directors recommend shareholders to vote in favour of Resolution 1, that Mr. Nicholas Theobald Sibley be duly re-elected as a Director.

5. Resolution 2: Election of Mr. Anthony Peter Brooke as a Director

Mr. Anthony Peter Brooke was appointed as a Director and Chief Executive Officer of the Company by the Board on 5 February 2018 which was subsequent to the Company's last Annual General Meeting.

The remaining Directors recommend shareholders to vote in favour of Resolution 2, that Mr. Anthony Peter Brooke be elected as a Director of the Company.

6. Resolution 3: 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. The Company is reviewing how it can streamline its corporate overheads and as part of this process may wish to appoint another member of the BDO International group of auditors as the Company's auditors and, the Directors recommend that either BDO Audit (WA) Pty. Ltd. or another member of the BDO International group of auditors be appointed as the Company's auditors. Pursuant to Resolution 3, BDO Audit (WA) Pty Ltd. or another member of the BDO International group of auditors will be appointed as the Company's auditors until the close of the next Annual General Meeting of the Company at a fee to be agreed by the Directors.

All the Directors recommend shareholders to vote in favour of Resolution 3, that BDO Audit (WA) Pty Ltd. or another member of the BDO International group of auditors be appointed as the Company's auditors.

7. Resolution 4: Increase in authorised share capital

The Company's authorised share capital is US\$240,000 comprising 800,000,000 common shares of par value US\$0.0003 each as approved at the Annual General Meeting held on 29 June 2017. As at the date of this notice, 485,508,319 common shares have been issued as well as warrants to subscribe for 67,285,714 common shares at a price of 1 pence per share which expire on 12 September 2018, the Board therefore has the authority to issue up to an additional 247,205,967 common shares.

Under the terms of the Convertible Loan Agreement the Lender is entitled to elect to convert the Loan and accrued interest thereon into new common shares (a "**Conversion Election**") at a conversion price which is the lower of (i) 0.25 pence per Share; (ii) the average VWAP for the 30 trading days up to and including the trading day prior to the conversion date; and (iii) any price at which the Company issues shares for cash from the date of the Convertible Loan Agreement to the conversion date (the "**Conversion Price**"). If there is an event of default under the terms of the Convertible Loan Agreement that is not remediated or remedied within 7 business days then the Conversion Price is to be reduced by 50% for any conversion notice issued by the Lender after the date of this provision coming into effect (the "**Explanation of Conversion Terms**").

The Company is seeking shareholder approval to increase the Company's authorised share capital to US\$750,000 comprising 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 1,947,205,967 common shares.

Further to the Company's regulatory announcement of 25 June 2018, the Company is seeking shareholder approval to increase its authorised share capital, to enable the Company to issue shares to the Lender if the Lender elects to convert all or part of the Loan and accrued interest thereon into new common shares, to enable the Company to raise funds in the capital markets to obtain the longer term additional financing which it will require in order to re-start production at its Capricorn Sapphire mine and to facilitate the proposed expansion of the Company's Gemstone Business (the "**Previously Announced Purposes**").

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

Bye-law 79 sets out that any amendment to the Bye-laws of the Company, which includes an increase in the 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 members at a General Meeting.

All the Directors recommend that shareholders vote in favour of Resolution 4, to increase the authorised share capital of the Company.

8. Resolution 5: Non application of Bye-law 14.2 in relation to the potential issue of shares to a convertible loan provider

Under Bye-law 14.2 there is a restriction preventing any shareholder acquiring a Relevant Interest in Voting Securities of the Company in excess of thirty percent (30%) if it does not make a bid in accordance with the Company's Bye-laws to acquire all the Company's Voting Securities not already owned by the person making the bid.

Bye-law 14.6(e) provides an exemption to the prohibition in Bye-law 14.2 if the holding or acquisition of a Relevant Interest in Voting Securities has been approved at a General Meeting of the Company's shareholders at which no person proposing to make the acquisition, or its associates has voted in favour of the resolution.

Acquisition of Common Shares to which this resolution would apply: The purpose of this resolution is to seek shareholder approval that Bye-law 14.2 does not apply in relation to any common shares issued pursuant to the Convertible Loan Agreement.

Person to whom this resolution would apply: The Lender or any person associated with the Lender which the Lender nominates to receive any common shares due to be issued under the terms of the Convertible Loan Agreement.

Maximum number of common shares to which this resolution would apply: As referred to in the Explanation of Conversion Terms above, the number of common shares which the Lender would be due to receive under the Convertible Loan Agreement is dependent on the Conversion Price and also the proportion of the Loan that the Lender elects to convert into common shares. For illustrative purposes only, based on the Company's 30 day volume weighted average share price of 0.33 pence to 26 June 2018, being the latest practicable trading day prior to the printing of this Notice of Meeting, if the Lender had elected to convert £300,000 into Common Shares on 27 June 2018 then the Lender And Its Associates would be issued 120,000,000 new Common Shares at 0.25 pence per share and be interested, in aggregate, in 154,991,127 Common Shares representing approximately 25.9 per cent. of the Company's enlarged share capital. The Lender has confirmed that the Lender and its Associates will not purchase any common shares in the market prior to making a Conversion Election under the Convertible Loan Agreement that would require the approval in Resolution 5 but reserves its right in the meantime to participate in any share subscriptions or other fundraisings that the Company may undertake.

As explained in the Company's regulatory announcement made on 25 June 2018, in the event that shareholders do not approve this resolution at the Meeting or otherwise at a duly convened General Meeting, and the Lender wishes to convert all or part of its outstanding loan amount (the "**Loan Conversion Amount**") into new Common Shares then the Company will be required to convert that portion of the Loan Conversion Amount which is not in breach of Bye-law 14.2 into new Common Shares and repay to the Lender within three business days of the meeting the proportion of the Loan Conversion Amount not so converted together with a 'non conversion fee' in cash equivalent to twice the value of the unconverted portion of the Loan Conversion Amount.

Bye-law 79 sets out that any amendment to the Bye-laws of the Company must be approved by a resolution of the Board and by a resolution passed by a three-quarters or 75% majority of the members at a General Meeting.

All the Directors recommend that shareholders vote in favour of Resolution 5, to disapply Bye-law 14.2 in relation to any shares to be issued under the Convertible Loan Agreement.

9. Resolution 6: Amendments to Bye-laws

The approval of shareholders is sought to amend the Company's Bye-laws to incorporate the provisions set out below, dependent upon whether Resolution 4 is passed.

If Resolution 4 is passed, Bye-law 3.1 is to read:

"The authorised share capital of the Company is US\$750,000 comprising of 2,500,000,000 common shares of par value US\$0.0003 each ("Common Shares")."

If Resolution 4 is not passed, Bye-law 3.1 will continue to read:

"The authorised share capital of the Company is US\$240,000 comprising of 800,000,000 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 79 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 members 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 office of the Company's share registry in England.

All the Directors recommend that shareholders vote in favour of Resolution 6, to amend the Company's Bye-laws.

Glossary of Terms

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

"AUD" means the lawful currency of the Commonwealth of Australia.

"Board" means the board of Directors of the Company.

"Common Share" or "Share" means the 800,000,000 common shares of par value US\$0.0003 each in the Company.

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

"Company" or "Richland Resources" means Richland Resources Ltd. Exempt Company No. 33385.

"Conversion Election" has the meaning ascribed to it in the Explanatory Memorandum in relation to Agenda Item 7.

"Conversion Price" has the meaning ascribed to it in the Explanatory Memorandum in relation to Agenda Item 7.

"Convertible Loan Agreement" means the £300,000 Secured Convertible Loan Agreement dated 22 June 2018 between the Company and Astor Management AG which is repayable by 31 December 2018, details of which were provided in the Company's regulatory announcement made on 25 June 2018.

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

"Explanation of Conversion Terms" has the meaning ascribed to it in the Explanatory Memorandum in relation to Agenda Item 7.

"Explanatory Memorandum" means this explanatory memorandum.

"GBP, £ or pence" means the lawful currency of the United Kingdom.

"Loan" means the secured loan under the Convertible Loan Agreement of up to £300,000 together with the Lender's legal costs of up to AUD20,000.

"Loan Conversion Amount" has the meaning ascribed to it in the Explanatory Memorandum in relation to Agenda Item 8.

"Lender" means Astor Management AG being the lender under the Convertible Loan Agreement.

"Lender and its Associates" means the Lender, Mr. Ashwath Mehra and MRI Advisory AG a company controlled by Mr. Mehra.

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

"Notice" or "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.

"Previously Announced Purposes" has the meaning ascribed to it in the Explanatory Memorandum in relation to Agenda Item 7.

"Relevant Interest in Voting Securities" has the meaning ascribed to it in Bye-law 15.4.

"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.

"Voting Securities" means the issued and outstanding common shares of the Company that give their holders the right to vote at meetings of Members of the Company.