

16 December 2019

## Richland Resources Ltd

("Richland" or the "Company")

### Further Extension to Amended Option Agreement's Longstop Date to sell the Capricorn Sapphire Project and amendment to form of Consideration

Richland (AIM: RLD) is pleased to announce that, further to its announcements of 18 July, 22 July, 19 August, 31 October, 18 November, 2 December and 9 December 2019 in relation to the proposed disposal to Fura Gems Inc. ("**Fura**") of its wholly owned subsidiary Richland Corporate Ltd, the holder of the Capricorn Sapphire Project (and the Company's loans to Richland Corporate Ltd) (the "**Disposal**"), on 13 December 2019 the parties entered into a sixth deed of amendment to further amend and restate the Option Agreement (the "**Sixth Addendum**") in respect of the Disposal in order to change the form of consideration and facilitate satisfaction of the agreement's final legal and other formalities. Accordingly, pursuant to the Sixth Addendum, it has been agreed that:

- the composition of the purchase price be amended such that the Consideration Shares (as defined in the Option Agreement prior to the Sixth Addendum) shall no longer be payable and, instead, the Cash Consideration shall be increased to US\$1,250,000 (approximately £937,000) (the "**Revised Consideration**");
- Fura's obligation to issue the Financial Assurance Shares and refund the balance of the Financial Assurance Deposits less any environmental liabilities claims 18 months after Completion (as such terms were defined in the Option Agreement prior to the Sixth Addendum) shall be removed;
- Fura's obligation to reimburse the Company the sum of US\$90,000 (approximately £67,500), or pay the Approved Expenses (as defined in the Option Agreement prior to the Sixth Addendum), is no longer applicable; and
- The Longstop Date be extended to 20 December 2019 (the "**Revised Longstop Date**").

In summary, the overall effect of the Sixth Addendum is to facilitate the anticipated near term completion of the Disposal and provide Richland with wholly cash consideration of USD1,250,000 (approximately £937,000). The Company's Board believes that the Sixth Addendum is in the Company's best interests since, the total consideration receivable pursuant to the amended agreement is broadly equivalent, whilst removing the market risk and exposure to transaction costs associated with the previously agreed predominantly equity consideration, as well as the uncertainty associated with the previously agreed deferred consideration elements.

The Revised Longstop Date will enable the parties to finalise the remaining legal and other formalities in relation to completion of the Proposed Disposal with the Revised Consideration.

As previously announced on 27 June 2019, the maturity date of the Secured Convertible Loan Facility was extended to the Longstop Date such that the new maturity date for the facility is now 20 December 2019, as agreed with the provider of the facility.

An amount of US\$880,000 (approximately £660,000), out of the Revised Consideration is to be paid directly to the Lender in order to settle the total amount outstanding under the Company's pre-existing Secured Convertible Loan Facility (including all accrued interest). The balance of the Revised Consideration will be utilised by the Company to pay transaction costs and certain other

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outstanding creditors and to provide additional working capital as the Company seeks to identify a suitable reverse takeover transaction in the mining sector.

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

*Capitalised terms used in this announcement, unless otherwise defined herein, have the same meanings as set out in the Company's announcement of 27 June 2019.*

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*The information contained within this announcement is deemed by the Company to constitute inside 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](http://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.