

Richland Resources Ltd.

(incorporated and registered in Bermuda)

EXEMPT COMPANY NO. 33385

Notice of Annual General Meeting

and

Explanatory Memorandum

Date of Meeting: Monday, 19 August 2019
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, together with the accompanying Chairman's Letter, 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 Monday, 19 August 2019 at Clarendon House, 2 Church Street, Hamilton, Bermuda.

The Chairman's Letter explains the Resolutions being proposed at the Annual General Meeting and provides certain background information in relation to Resolutions 3 and 4 which are being proposed as Special Business items at the Annual General Meeting and explains why the Board is unanimously recommending that shareholders vote in favour of Resolutions 3 and 4 as well as the other Resolutions (save for Resolution 1 which is recommended by Messrs. Brooke and Sibley as it involves the re-appointment of Mr. Nealon as a director of the Company).

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 2018**

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 2018.

4. Resolution 1: Re-election of Mr. Edward Francis Gerrard Nealon as a Director

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

“That Mr. Edward Francis Gerrard Nealon, 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: 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

6. Resolution 3: Approval of the Fura Transaction

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

*“That the option agreement dated 26 June 2019 between the Company and Fura Gems Inc. (“**Fura**”) as amended and restated on 19 July 2019 (the “**Option Agreement**”), under which Fura was granted an option valid until 31 July 2019 (the “**Option**”) to conditionally acquire from the Company: (i) all of the issued shares of its wholly owned subsidiary Richland Corporate Ltd (“**Richland Corporate**”) (the “**Shares**”); and (ii) all of the Company's loans to Richland Corporate (the “**Shareholder Loan**”) (together, the “**Option Assets**”) (the “**Proposed Disposal**”) is hereby approved, confirmed and ratified and the Board are hereby authorised for and on behalf of the Company to approve the signature of any document and / or taking of any action they deem necessary or appropriate in relation to the Proposed Disposal and the Option Agreement.”*

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\$750,000 to US\$3,000,000 by the creation of an additional 7,500,000,000 common shares of par value US\$0.0003 each ranking pari-passu with the existing common shares of the Company.”

8. Resolution 5: Amendments to Bye-laws

Provided Resolution 4 has been passed, 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 26 July 2019

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, by 10.00 a.m. (U.K. Time) on Thursday, 15 August 2019 or not less than 48 hours before the time of any 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
Hamilton HM CX
Bermuda
Facsimile (1 441) 292 4720

OR

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.

Depositary Interest Holders

If you are a Depositary Interest Holder, you will need to submit a Form of Instruction to the Custodian "Computershare Company Nominees Limited" by 10.00 a.m. (U.K. Time) on Wednesday 14 August 2019. 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 the close of business (U.K. Time) on Wednesday, 14 August 2019. 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 Ltd 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 Monday, 19 August 2019 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. The Company also recommends that shareholders read the Chairman's Letter. Full details of the Resolutions to be considered at the Meeting are set out below.

Agenda Item

4. Resolution 1: Re-election of Mr. Edward Francis Gerrard Nealon as a Director

It is a requirement under the Company's Bye-laws that Mr. Edward Francis Gerrard Nealon retires by rotation. Mr. Edward Francis Gerrard Nealon has offered himself for re-election as a Director.

The remaining Directors recommend shareholders to vote in favour of Resolution 1, that Mr. Edward Francis Gerrard Nealon be duly re-elected as a Director.

5. 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. 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 2, 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 2, that BDO Audit (WA) Pty Ltd. or another member of the BDO International group of auditors be appointed as the Company's auditors.

6. Resolution 3: Approval of the Fura Transaction

AIM Rule 15: In accordance with AIM Rule 15, the Proposed Disposal will constitute a fundamental change of business for the Company and therefore requires the approval of shareholders at a duly convened general meeting.

AIM Rule 15 cash shell status: On the Completion Date, the Company will become an AIM Rule 15 cash shell and, as such, will be required to make an acquisition, or acquisitions, which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission under the AIM Rules for Companies) within six months from the Completion Date. Alternatively, within such time period, the Company could seek to become an investing company pursuant to AIM Rule 8, which requires, *inter alia*, the raising of at least £6 million and publication of an admission document.

Background to the Fura Transaction: As announced previously, the Company has, for some time, been engaged in discussions with potential strategic investors to procure sufficient funding to enable the recommencement of production at the Capricorn Sapphire Project or, alternatively, conclude negotiations in respect of the sale of all or part of Capricorn Sapphire. Accordingly, the granting of the Option and successful consummation of the Proposed Disposal in due course will result in the sale of the entire Capricorn Sapphire project.

Consequences of Fura Transaction being approved and successfully completed: The Proposed Disposal will generate sufficient proceeds to repay the Convertible Loan with the surplus net proceeds providing working capital for the Company as an AIM Rule 15 cash shell seeking to identify and consummate a suitable reverse takeover transaction under AIM Rule 14 or otherwise become an investing company pursuant to AIM Rule 8 within six months of the Completion Date.

Consequences of Fura Transaction not being approved: The Capricorn Sapphire Project is the Company's sole project and principal asset and if the Fura Transaction is not approved the Board considers it most likely that the Company would have to close the project in light of the Company's inability to date to raise sufficient funding to enable the recommencement of production at the Capricorn Sapphire Mine. Closure of the Capricorn Sapphire Project would trigger a default under the terms of the Secured Convertible Loan Facility and as at the date of this notice of meeting the Company does not have sufficient cash resources to repay the Convertible Loan such that it is deemed likely that the Lender would, amongst other potential collection actions, enforce its security and appoint a receiver over the Secured Assets which include Capricorn Sapphire and the Company's shareholding in Richland Corporate.

All the Directors recommend that shareholders vote in favour of Resolution 3, to approve the Fura Transaction.

7. Resolution 4: Increase in authorised share capital

The Company's authorised share capital is US\$750,000 comprising 2,500,000,000 common shares of par value US\$0.0003 each as approved at the Annual General Meeting held on 25 July 2018. As at the date of this notice, 758,168,533 common shares have been issued, the Board therefore currently has the authority to issue up to an additional 1,741,831,467 Common Shares.

The Company is seeking shareholder approval to increase the Company's authorised share capital to US\$3,000,000 comprising 10,000,000,000 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 9,241,831,467 Common Shares.

As announced on 27 June 2019, conditional upon Completion of the Proposed Disposal the Company will become an AIM Rule 15 cash shell as the Proposed Disposal will constitute a fundamental change of business for the Company. As an AIM Rule 15 cash shell the Company will be required to make an acquisition, or acquisitions, which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission under the AIM Rules) within six months from the Completion Date (a "**Reverse Takeover Transaction**"). Alternatively, within such time period, the Company could seek to become an investing company pursuant to AIM Rule 8, which requires, *inter alia*, the raising of at least GBP6 million and publication of an admission document (an "**Investing Company Transaction**").

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 a potential Reverse Takeover Transaction or Investing Company Transaction 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.

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: 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\$3,000,000 comprising of 10,000,000,000 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\$750,000 comprising of 2,500,000,000 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 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.

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 5, 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:

"Additional Consideration" means the additional consideration payable by Fura:

i) at the Completion Date being a) US\$90,000 in cash and b) such number of new Fura shares as is equivalent to AUD150,000 by way of a partial refund of the Financial Assurance Deposits; and

ii) 18 months after the Completion Date a further AUD221,911 in cash less any environmental liability claims made against the Financial Assurance Deposits by the relevant government authorities.

"AIM" means the AIM Market operated by the London Stock Exchange plc.

"AIM Rules" means the AIM Rules for Companies in force from time to time published by the London Stock Exchange plc.

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

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

"CAD" means the lawful currency of Canada.

"Capricorn Sapphire" means the Company's wholly owned subsidiary Capricorn Sapphire Pty Ltd which owns the Capricorn Sapphire Project.

"Capricorn Sapphire Project" means the sapphire mine in Queensland, Australia owned by Capricorn Sapphire.

"Cash Consideration" means US\$185,000 and CAD125,000.

"Chairman's Letter" means the letter dated the same date as the Notice and enclosed with the papers being sent to the Company's shareholders in relation to the Annual General Meeting.

"Completion" means completion of the Proposed Disposal.

"Completion Date" means the completion date of the Proposed Disposal.

"Common Share" or **"Share"** means the 2,500,000,000 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.

"Convertible Loan" means the amount owed by the Company to the Lender under the terms of the Convertible Loan Agreement which as at the date of this notice of meeting is £412,000 plus US\$150,000 plus CAD125,000.

"Convertible Loan Agreement" means the Secured Convertible Loan Agreement dated 22 June 2018 between the Company and Astor Management AG as subsequently amended which, conditional upon the conditions in the Option Agreement being met has a maturity date the same date as the longstop date under the Option Agreement, details of which were provided in the Company's regulatory announcements made on 25 June 2018, 28 September 2018, 31 December 2018, 28 February 2019, 1 April 2019, 1 May 2019, 3 June 2019 and 22 July 2019.

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

"Explanatory Memorandum" means this explanatory memorandum.

"Financial Assurance Deposits" means the financial assurance deposits of AUD371,911 funded by the Company and lodged by Capricorn Sapphire.

"Fura" has the meaning ascribed to it in Resolution 3.

"Fura Shares" means the common shares of Fura.

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

"Investing Company Transaction" has the meaning ascribed to it in the Explanatory Memorandum in relation to Agenda Item 7.

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

"Lender Repayment Proceeds" means the proceeds from the Proposed Disposal necessary to repay the Convertible Loan.

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

“Net Proceeds from the Proposed Disposal” means the Purchase Price and the Additional Consideration in respect of the Proposed Disposal less the Lender Repayment Proceeds.

“Notice” or **“Notice of Annual General Meeting”** means the notice of Annual General Meeting, which accompanies this Explanatory Memorandum.

“Option” has the meaning ascribed to it in Resolution 3.

“Option Assets” has the meaning ascribed to it in Resolution 3.

“Option Agreement” has the meaning ascribed to it in Resolution 3.

“Ordinary Business” means business ordinarily conducted at an Annual General Meeting.

“Proposed Disposal” has the meaning ascribed to it in Resolution 3.

“Purchase Price” means the Cash Consideration and the Share Consideration which are payable by Fura on the Completion Date.

“Reverse Takeover Transaction” has the meaning ascribed to it in the Explanatory Memorandum in relation to Agenda Item 7.

“Resolution” means a resolution referred to in the Notice of Annual General Meeting.

“Richland Corporate” has the meaning ascribed to it in Resolution 3.

“Secured Assets” means the security provided to the Lender which includes but is not limited to a charge over the Company’s shareholding in Richland Corporate, the group’s shareholding in Capricorn Sapphire and the assets of Capricorn Sapphire including its mining tenements.

“Share Consideration” means the issue of 4,859,825 new common shares in Fura.

“Shareholder Loan” has the meaning ascribed to it in Resolution 3.

“Special Business” means business not ordinarily conducted at an Annual General Meeting.