



11 February 2013

**Richland Resources Limited**  
**("Richland" or "the Company") (AIM:RLD)**

**Q4 Operational and Sales Update**

**Richland Resources Ltd**, the AIM quoted gemstone producer and developer of associated minerals, today announces an operational, sales and marketing update. All figures are unaudited.

**Operational Highlights**

- Total tanzanite production of 795,162 carats for Q4 2012 (554,060 carats for Q4 2011)
- Average grade of 102 carats per tonne achieved (58 carats for Q4 2011)
- US\$3.9 million in sales achieved in Q4 2012 (US\$5.9 million in Q4 2011)
  - Sales adversely impacted by theft of gemstones during quarter
- Commencement of evaluation of proposed graphite production restart on existing Tanzanite licence area
  - Significant non-JORC compliant resource and reserve
  - Discussions with potential commercial partners commenced
- Tsavorite bulk-sampling recommenced with the collection and processing of 370 loose cubic meters ("lcm") of material

**Corporate Highlights**

- December 2012 sorting house break-in
  - cost of stones stolen estimated at US\$1.46m and is subject of insurance claim
- Ongoing negotiations with the Government of the United Republic of Tanzania ("Government") regarding a potential shareholding by the Government

**Production and sales**

In the fourth quarter of 2012, the Company achieved tanzanite production totalling 795,162 carats from the processing of 7,812 tonnes of material at an average grade

of 102 carats per tonne for the quarter. The Company achieved an estimated US\$3.9 million in revenue for the fourth quarter of 2012. This was lower than expected due to the theft of US\$1.46m of tanzanite in the period (as detailed below) which would otherwise have been sold during the period.

### **Sorting house break-in**

Approximately 89,066 grams of material with an estimated total value of approximately US\$1.46m was stolen during a break-in on Sunday 2 December 2012. Both the insurance claim investigation and police investigation are progressing well and the Company believes that it will be in a position to update to market very shortly on the outcome of these investigations.

### **Tsavorite project**

During the fourth quarter the Company recommenced the bulk sampling of the tsavorite project. During the quarter approximately 370 lcb of material (approximately 666 tonnes) were collected and processed from six different sites within the deposit area. The Company aims to release a more detailed update on the project in H1 2013 with the results of all the samples.

### **Graphite project**

An internal evaluation regarding the feasibility of restarting the Merelani Graphite Mine, is underway with current work focusing on historic data to verify the historic production, resource, grade and quality. The Merelani Graphite Mine was operational from 1996 to 1998 before being converted to a tanzanite mining operation only. Historically 8,000 tonnes of graphite concentrate have previously been produced on the licence area, with a 1992 feasibility study determining a significant non-JORC compliant resource and non-JORC compliant reserves.

The internal evaluation is due for completion during H1 2012 and the Company has commenced discussions with third parties to develop the project. Further announcements will be made in due course.

### **Illegal mining activities**

The Company continued to call for assistance from the Tanzanian Government regarding the illegal mining activities into its area from the neighbouring blocks and

are pleased to report that it has started to receive significant assistance from Government in addressing the illegal mining activities.

### **Joint Venture discussion**

As announced on 27 November 2012, TanzaniteOne Mining Limited, a wholly-owned subsidiary of Richland Resources Ltd, is in ongoing negotiations with the Government of the United Republic of Tanzania (“Government”) regarding a potential shareholding by the Government. The potential joint venture and shareholding currently under discussion relates to the ownership structure of the Mining Licence covering Block C at Merelani. Further announcements will be made as soon as these negotiations are concluded.

### **Royalty claim**

The Tanzanian Minerals Audit Agency (“TMAA”) is currently re-auditing financial records of the Company’s subsidiary; TanzaniteOne Mining Limited (“TML”), with regards to the additional, retrospective royalties claim relating to the period from 2004 to 2008 and whilst no additional information is currently available we will update shareholders in due course.

### **Sapphire Project**

The Company's option agreement over the Australian Sapphire project remains valid and the Board continues to review this.

Commenting today, Bernard Olivier, the Company’s CEO, said: “During the recent quarter the company has begun the process of exploring the re-commencement of graphite production. With a significant non-JORC compliant resource and reserves determined at the Merelani Graphite Mine, coupled with increased global demand for graphite flakes, the company is confident that this low-cost and near-term revenue diversification strategy will greatly contribute in helping to realise share-holder value moving forward in 2013.

Despite the operational issues that we faced during 2012 as a result of the increased illegal mining into our mining area, we continue to remain focused on our tanzanite mining operations. The company is confident that once the on-going negotiations have been completed with the Government, the subsequent JV agreement will greatly assist the company in realising even further value from its tanzanite



operations. Additionally dialogue with the government concerning illegal mining activity at the project has resulted in a positive outcome and our ever improving relationship with the government is extremely encouraging as the company aggressively pursues its growth strategies.

We look forward to updating existing shareholders on several of the outstanding matters in due course.”

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Further information is available on the Company's website:  
[www.richlandresourcesltd.com](http://www.richlandresourcesltd.com)

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