

6 March 2013

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

**Graphite Exclusivity and Right of First Refusal Agreement signed  
with Major International Trading Company**

**Highlights**

- Agreement signed between Richland and a major international trading company to evaluate Richland's graphite project in Tanzania to determine the feasibility of establishing a business relationship between Richland and the Trading Company
- Three month exclusivity agreement signed with an additional three month right-of-first-refusal period

Richland Resources Ltd, the gemstone producer and developer of associated minerals, today announces that it has entered into an exclusivity agreement with a major international trading company (Trading Company) regarding Richland's graphite project, located within its existing Block C licence area in Tanzania, 1 km from where the Company has mined tanzanite since 2004. Historically, the licence area hosted the producing Merelani Block C Graphite Mine that produced 6776 tonnes during 1996 before running into financial trouble resulting in the closure of the operations in 1998.

Richland and the Trading Company have entered into an agreement to determine the feasibility of a potential business relationship in connection with flake graphite mining and processing in Tanzania. Under the terms of the confidentiality and exclusivity agreement, the Trading Company has a three month exclusivity period to conduct its studies of the graphite project followed by an additional three month right-of-first-refusal period in respect of any business relationship with Richland.

**Graphite Project Background**

Merelani Block C Graphite deposit was mined from 1995 and produced 6,776 tonnes of graphite in the full year of production in 1996. Sufficient reserves were initially identified for a 40-year operation at a mining rate of 15,000 tonnes per annum of high-grade flake graphite of 97-98% purity.

Commenting on the announcement, Chief Executive Officer, Bernard Olivier said: “We are pleased to announce the signing of this agreement as further evidence of the company’s commitment to its growth and diversification plan into other associated minerals. The agreement is with a globally recognised integrated trading company with a track record of success working alongside mining companies of all sizes to deliver value for stakeholders. The initial three month period will involve the Company working with Richland’s experienced technical and management personnel at Merelani to evaluate all aspects of the graphite asset, with a view to establishing a long-term source of flake graphite. China’s imposition of a 20% duty on all exports and the long term growth potential in the electric car battery industry will drive global demand for graphite and supports our decision to pursue this opportunity. We look forward to updating shareholders on the outcome of these evaluations in due course.

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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.

### **Note to the Editor**

As part of the Company's growth and diversification plan into other gemstones and associated minerals that was initiated in 2011, the Company has commenced a feasibility study with a view to restarting the Block C Merelani Graphite Mine. Graphtan Limited ("Graphtan"), a company managed by SAMAX, began its mining operations in 1995 and produced 6,776 tonnes of graphite in the full year of production in 1996. Sufficient reserves were initially identified for a 40-year operation at a mining rate of 15,000 tonnes per annum of high-grade flake graphite of 97-98% purity. The mine, however, ran into financial problems in 1997, and the last shipment of remaining stockpiled ore was made in February 1998.

An historic prefeasibility study at Merelani undertaken in 1992 on the Block C Graphite determined a Measured Resource, at an open pit depth of up to 50 meters, of 25m tonnes assaying 6.9% C, located within the Upper Horizon using a 5% C cut-off. Using a 7% C cut-off, the Resource at a depth of 40m was calculated to contain approximately 5.4m tonnes assaying 10.1 % carbon. Proven reserves for the project were reported at 7.6 tonnes of graphite ore grading 5.5 – 11.2 wt% C, containing 530,000 tonnes of graphitic C. These figures do not take into account mine production of around 8,000t in the period from 1992 to closure of the Merelani Graphite Mine and are non-JORC compliant.

The Company has mined more than 200,000 tonnes of ore material from its tanzanite mining operation during the last 6 years. In addition to the ore material extracted from the mine, the Company also mined approximately 100,000 tonnes of non-tanzanite but graphite bearing "waste" material that constitutes the hanging and footwall of the tanzanite ore-zone. The tanzanite waste material has been dumped on the Company's property and the tanzanite waste is effectively a graphite stockpile which the Company estimates may contain approximately 6,000 tonnes of graphite ore. The exact tonnes and quality of the graphite within the waste dump will be calculated as part of the current feasibility study.

Mean grain size composition of graphite flakes produced from the Block C Graphite mine is approximately 35% > 300  $\mu\text{m}$ , ca. 35% at 150 – 300  $\mu\text{m}$  and about 30% <150  $\mu\text{m}$ . Graphite concentrates from the Block C mine returned an apparent density of 580-620 g/l and contained 2.1-3.1 wt% H<sub>2</sub>O and 98.66-98.67 wt% graphitic C.

The Company acquired the Block C tanzanite and graphite mine in 2004 from African Gem Resources Limited (“AFGEM”), who in turn acquired it from Graphtan. The graphite mining operation and plant were modified by AFGEM to focus on tanzanite extraction only. However, significant infrastructure and equipment originally installed for the extraction and processing of graphite still exist and are currently partly in use for the Company’s tanzanite mining operation. The Company currently has over 650 employees and well established infrastructure on the same property, including offices, accommodation, engineering facilities, water, electricity, haulage roads and a tanzanite processing plant.

Richland currently has a wealth of technical and management personnel on site, including several geologists and mining engineers, as well as several employees and senior management, including the plant manager and chief geologist, who previously worked for Graphtan Ltd, and thus have a significant skill base in the extraction and processing of graphite from this deposit. The Company also has copies of the database that covers all aspects of the mining operation including diamond drill holes, core logs, geology reports, survey maps, resource estimations, graphite quality analyses, processing data and flow sheets, as well as processing and mine production and sales reports.