



9 September 2013

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

Interim Results for the half year ended 30 June 2013 (unaudited)

Richland Resources Ltd, the gemstones producer and developer, today announces its interim results for the half year ended 30 June 2013.

Financial Summary

- EBITDA of \$0.2 million (\$0.1 million in 1H 2012)
- Revenue of \$7.5 million (\$8.4 million in 1H 2012)
- Gross margin achieved 43% (48% in 1H 2012)
- As at 30th June 2013
 - \$1.5 million cash and cash equivalents
 - \$3.8 million trade and other receivables
 - \$1.9 million Tanzanite inventory stock (\$1.7 million at YE2012)
 - Total assets of \$36.8 million
 - Total current assets of \$8.5 million
 - Total non-current assets of \$28.3 million
- Illegal underground mining activities from neighbouring mines during the period had a very severe negative impact on results
 - Large areas of known high grade zones made inaccessible to the Company due to violence associated with illegal miners

Operation Summary

- Production levels were increased to 1.54 million carats in the first half of 2013, up 28% from 1.21 million carats in 1H 2012
- Average recovered grade of 93 carats per tonne achieved in 1H 2013 compared to 61 carats per tonne achieved in 1H 2012
- The Tanzanite Experience ("TTE") sales were 28% higher in first half of 2013 compared to the same corresponding period in 2012, at \$1.27 million
- Letter of Intent ("LOI") executed with State Mining Corporation of Tanzania ("STAMICO") and TanzaniteOne Mining Limited ("TML") for 50/50 joint licence ownership
- New Mining License ("ML") for the tanzanite mine issued on 20 June 2013



Post-period Summary

- Government assistance with removing illegal miners on northern part of licence area, as shown in the following diagram highlighting the areas reclaimed post the period end, see Diagram 1. Area now reclaimed by the Company and mining being prepared for restart in Q4 2013
- Removal of illegal miners to southern part of licence area due to commence shortly
- Director considering various financing options to address current financial position and working capital requirements
- Online direct sales portal launched

Commenting on the results, Chief Executive Officer, Bernard Olivier said: “Richland’s tanzanite mine is highly efficient and complimented by a developing beneficiation and retail arm growing revenues and new points of sale. The period saw our investments in deriving increase value from extracted coloured gemstone marred by the ongoing break down in local security at the tanzanite mining areas in Northern Tanzania. Sub surface tunnelling into some of Richland’s most prospective mine areas and increasing violence, led us to a situation where the Company’s clear responsibility was to evacuate contested areas for workforce safety on and off the mine.

During the second quarter of the year we entered into an agreement with the Tanzanian State Mining Corporation (“STAMICO”) that clearly aligns the interest of Richland and the Tanzania Government to develop the countries tanzanite industry. A Government initiative subsequently commenced post period to address illegal mining activities. Tragically during the process to secure underground areas within Block C mining area one of our employees was shot dead by illegal miners as he assisted police. The Government led operation cleared the majority of the northern side of the Block C licence area of illegal miners (including Investor and Delta shaft) and we have now re-entered these areas and are preparing to restart mining.”

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Notes to the Editor:

Further information is available on the Company's website: 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.



Key Statistics 1H 2013

	1H 2013 US\$M	1H 2012 US\$M	Change US\$M
EBITDA FX gain of \$0.9M in 2013 (\$0.2M in 2012)	0.2	0.10	0.10
Net loss after tax	(0.56)	(0.03)	(0.53)
Revenue	7.50	8.40	(0.90)
Depreciation and amortisation	0.80	0.90	0.10
Corporate admin & other operating costs	0.70	0.90	0.20
Mine administration	1.50	1.70	0.20

Financial Performance

Sales:

The result for the period was adversely affected by reduced sales volume and quality mix, a direct result of loss of production optimisation due to sustained illegal underground mining activities, although this was partially offset by an increase in retail sales by the Tanzanite Experience.

	1H 2013	1H 2012	Change %
Gross margin as %	42%	48%	(5%)
Other sales in \$M	6.23	7.4	(16%)
Tanzanite Experience in \$M	1.27	1.0	28%

Costs:

Management continued to focus on cost control. There were increases in the price of consumables, while salaries and wages remained constant. Favourable rainfall during the first half of 2013 resulted in a more stable power supply from the national grid and reduced power generation costs.

Corporate administration and other operating costs reflect costs incurred in administering the company's stock exchange listing, corporate compliance, investors relations activities, financial and legal consulting and other general administrative costs.

Production:

More carats were realised from a lower tonnage mined at the same cost of sales.

	1H 2013 US\$M	1H 2012 US\$M	Change %
Production in million of cts	1.5	1.2	28%
Tonnages processed in 000 tonnes	16.6	18.1	(8%)
Cost of sales in \$M	4.3	4.3	Nil



Cash and tanzanite inventory:

Cash and tanzanite inventory levels are slightly increased from those as at 31st December 2012.

All figures in US\$M	30 th June 2013	31 st Dec. 2012	30 th June 2012
Cash & cash equivalents ex overdraft	1.5	1.5	2.6
Tanzanite inventory	1.9	1.7	5.6

Overdraft facility of US\$1.1M (US\$900K drawn) is reviewed annually and has been in place since 2008.

Operational Overview

TanzaniteOne Mining Limited ("TML"), a wholly owned subsidiary of Richland, experienced sustained illegal underground mining on its Block C licence from neighbouring blocks during the first half of 2013. The illegal mining activities have resulted in significant danger to our employees and substantial damage to the mining infrastructure in Bravo and CT Shaft as well as theft and damage of underground equipment and stones. The Company is working with the Zonal Mines Office (part of the Tanzanian Ministry of Energy and Minerals), police and other government officials in an effort to counteract the illegal underground mining into its licenced areas and several police cases have been filed.

In order to counteract the impact of the illegal mining activities on its operations, TML optimised its remaining work area as much as possible. Therefore despite the operational challenges in the first half of 2013, the Company achieved production totalling 1,542,783 carats from the processing of 16,646 tonnes of material at an average recovery grade of 93 c/t. This represents a 28% increase in the carats produced, an 8% decrease in the tonnes processed and a 52% increase in the recovery rate compared with 1H 2012. However, despite the mining optimisation and increase in production and grade, the quality distribution remains impacted by the illegal mining activities, resulting in a decrease in the quality and value of the tanzanite mined by TML.

On 6 May 2013 TML announced the execution of a Letter of Intent ("LOI") with the State Mining Corporation of Tanzania ("STAMICO") for 50/50 joint licence ownership and on 20 June 2012 the new Mining Licence (ML 490/2013) was issued by the Minister of Energy and Minerals. Working with STAMICO and the Government of Tanzania, the Company will be focusing on expanding high value production at its tanzanite mining operation and unlocking profits previously unavailable due to the ongoing security situation in the area.

Post Period Overview

On 18 July 2013 a Government led and supported operation to expel the illegal miners, which included the Field Force - a division of the Tanzanian Police Force as well as officials from the Ministry of Energy and Minerals, worked in conjunction with the Company to re-enter areas of the Block C Merelani mine that were previously taken over by hostile illegal miners from neighbouring blocks.

On 19 July 2013 part of Level 18 in Investor Shaft, was re-claimed by the Company following the assistance received from Government.



On 21 July 2013, while the operation was still on-going, tragically, Mr Mushi, a Company employee, was shot and killed by an armed illegal miner underground at Level 23, in Delta shaft in the presence of the Tanzanian Police Force. Following the killing a separate murder investigation was initiated.

Following the killing at Delta Shaft, the Government extended its operations to address the illegal mining activities into the Block C licence area, resulting in the majority of the northern side of the Block C licence, including Investor and Bravo Shaft, cleared of illegal miners. TML's mining and engineering teams are working to make safe the areas that were reclaimed and the Company is expected to be producing again from the reclaimed areas on the northern side area of the licence in Q4 2013. The following diagram shows the areas reclaimed post the period end, see Diagram 1.

It is the Company's understanding that the second phase of the Government operation will commence shortly to address and remove all illegal miners on the southern side of the Block C licence, including CT Shaft and Bravo Shaft, see Diagram 1.

Glossary

ct	carat
dollar or \$	United States Dollar
g/t	grammes per tonne, measurement unit of grade (1g/t = 1 part per m)
JORC code	Australasian code for reporting of Mineral Resources and Ore Reserves
LTIFR	Lost Time Injury Frequency Rate, being the number of lost-time injuries expressed as a rate per 200,000 man-hours worked
On mine cash costs	On mine cash costs include operating costs, mine administration costs and royalty charges incurred at Merelani mine
tonne	1 Metric tonne (1,000kg)



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RESOURCES

Financial Statements

Richland Resources Ltd

Condensed Consolidated Statement of Comprehensive Income

For the Half Year ended 30 June 2013

(Unaudited)

	1H 2013 \$'000	1H 2012 \$'000	FY 2012 \$'000
Revenue	7,538	8,426	16,375
Cost of sales	(4,320)	(4,345)	(12,332)
Gross profit	3,218	4,081	4,043
<i>Gross margin %</i>	<i>43%</i>	<i>48%</i>	<i>25%</i>
Corporate administration and other operating costs	(692)	(885)	(3,296)
Mine administration	(1,472)	(1,662)	(3,954)
Selling and distribution costs	(1,620)	(1,348)	(2,931)
Royalties	(96)	(128)	(473)
Foreign exchange gains/(loss)	954	182	(240)
Financing costs paid	(93)	(111)	(213)
<i>Profit/(loss) before depreciation, amortisation and impairment</i>	<i>199</i>	<i>129</i>	<i>(7,064)</i>
Depreciation, amortisation and impairment	(750)	(848)	(6,107)
Loss before income tax	(551)	(719)	(13,171)
Income tax credit/(charge)	5	664	(434)
Loss after income tax	(546)	(55)	(13,605)
Non-controlling interest	15	(25)	(18)
<i>Loss attributable to equity holders of parent</i>	<i>(561)</i>	<i>(30)</i>	<i>(13,587)</i>
<i>EPS (basic – cents)</i>	<i>(0.47)</i>	<i>(0.03)</i>	<i>(11.50)</i>
<i>EPS (diluted – cents)</i>	<i>(0.47)</i>	<i>(0.03)</i>	<i>(11.50)</i>



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R E S O U R C E S

Richland Resources Ltd

Consolidated Statement of Financial Position

As at 30 June 2013

(Unaudited)

	1H 2013 \$'000	1H 2012 \$'000	FY 2012 \$'000
Non-current assets			
Property, plant and equipment	23,701	28,287	24,324
Deferred tax assets	4,521	1,847	5,179
Inventories	89	89	87
Total non-current assets	28,311	30,223	29,590
Current assets			
Inventories	2,458	6,412	2,346
Income tax recoverable	721	1,856	699
Trade and other receivables	3,811	4,144	5,156
Cash and cash equivalents	1,463	2,621	1,491
Total current assets	8,453	15,033	9,692
Total assets	36,764	45,256	39,282
Equity			
Share capital	36	36	36
Share premium	46,855	46,855	46,855
Share options outstanding	896	896	896
Foreign currency translation reserve	(1,518)	(1,452)	(1,517)
Accumulated loss	(24,464)	(10,348)	(23,905)
Total equity attributable to parent equity holders	21,805	38,187	22,365
Non-controlling interest	(69)	(65)	(84)
Total equity	21,736	38,122	22,281
Non-current liabilities			
Interest-bearing borrowings	-	572	-



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Provisions	143	130	139
Deferred tax	2,718	3,844	3,630
Total non-current liabilities	2,861	4,546	3,769
Current liabilities			
Bank overdraft	989	1,109	1,105
Interest-bearing borrowings	523	733	897
Current income tax liabilities	2,345	-	2,709
Trade and other payables	8,310	3,746	8,521
Total current liabilities	12,167	2,588	13,232
Total liabilities	15,028	7,134	17,001
Total equity and liabilities	36,764	45,256	39,282
<i>Number of shares in issue (million)</i>	<i>118.1</i>	<i>118.1</i>	<i>118.1</i>
<i>Net asset value per share (US cents)</i>	<i>18.40</i>	<i>32.27</i>	<i>18.86</i>



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Richland Resources Ltd

Condensed Consolidated Statement of Cash Flows For the Half Year Ended 30 June 2013 (Unaudited)

	1H 2013 \$'000	1H 2012 \$'000	FY 2012 \$'000
Cash flows from operating activities			
Cash generated from operations	686	1,470	2,150
Financing cost paid	(88)	(111)	(204)
Income tax paid	(9)	-	(10)
Net cash from operating activities	589	1,359	1,936
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	(168)	(377)	(1,672)
Proceeds on disposal of property, plant and equipment	41	-	-
Net cash used in investing activities	(168)	(377)	(1,672)
Cash flows from financing activities			
Repayment of interest-bearing borrowings	(374)	(286)	(694)
Net cash used in financing activities	(374)	(286)	(694)
Net increase/(decrease) in cash and cash equivalents	88	696	(430)
Movement in cash and cash equivalents			
At the beginning of the period	386	816	816
Increase/(decrease)	88	696	(430)
At the end of the period	474	1,512	386

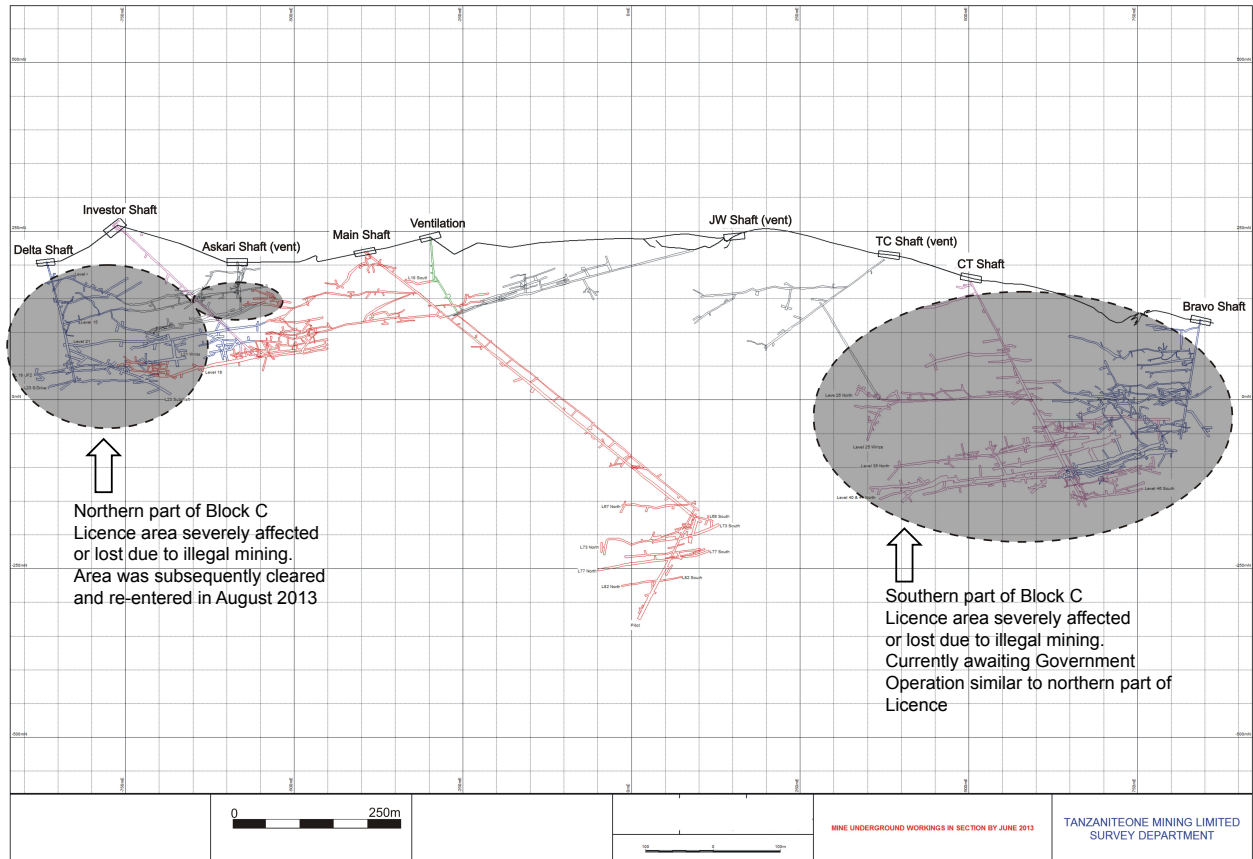


Diagram 1. Longitudinal Section of Block C, indicating areas affected by illegal mining activities and northern area of deposit cleared in August 2013.