

This announcement replaces that released on 19 December 2013 at 7.00 a.m. under RNS number 9244V. This is in order to include the full expected timetable of principal events. All other information remains unchanged.

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

Proposed Placing and Open Offer to raise up to £4.0 million

Richland Resources Ltd is pleased to announce that it is proposing to raise up to £4.0 million (£3.9 million net of expenses) through the issue of up to 118,148,951 New Common Shares by way of a Placing and Open Offer at an issue price of 3.4p per New Common Share.

Highlights:

- Minimum proceeds of £2.0 million (before expenses) pursuant to the Placing and the shares committed by Directors and existing shareholders under the Open Offer
- Minimum proceeds, together with cash and facilities and cash generated from operations will fund capital expenditure at TanzaniteOne Mining Limited ("TanzaniteOne") mine site to allow the restart of activities at two recently recovered mine shafts, fund expansion of operations and settle royalty claims and provide additional working capital
- Seeking up to £4.0 million under the Open Offer
- Additional proceeds, in excess of the minimum, would be applied towards an accelerated capital expenditure programme at the mine site and its diversification programme, including the development of the Tsavorite project and the potential option exercise over the sapphire project
- Recently signed agreement with the State Mining Corporation ("STAMICO") will aid endeavours to curb illegal mining operations

Bernard Olivier, Chief Executive Officer commented: "The recently signed agreement with STAMICO, the Tanzania Government's securing of shaft systems on the northern part of the licence area from illegal intrusion and the commitment of STAMICO to assist the Group's subsidiary, TanzaniteOne, in obtaining government assistance with mine site security now enables TanzaniteOne to further re-commence its mining activities in the recovered areas. Additional funds allow the restart of and expansion of mining within these areas and will also provide the required additional working capital and settle the historical royalty claims. Our intention is to rapidly establish new production and return to profitability, a situation fully supported by our licence partners, STAMICO."

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The Company announces that it proposes to raise up to £4.0 million (£3.9 million net of expenses) through the issue of 118,148,951 New Common Shares by way of a Placing and Open Offer at an issue price of 3.4p per New Common Share. The Open Offer is being made to all Qualifying Holders. Qualifying Holders have the right to subscribe for their Open Offer Entitlements in accordance with the terms of the Open Offer. Further details of the Open Offer are set out in Part IV of the Circular and, for Qualifying Shareholders, in the Application Form.

The accompanying circular to shareholders (the "Circular"), and the Application Form, have been posted to all Qualifying Holders today and will shortly be available on the Company's website at www.richlandresourcesltd.com.

The Issue Price represents a discount of approximately 6 per cent. to the price of 3.62 pence per Existing Common Share, being the closing mid-market price of the Existing Common Shares on 18 December 2013 and at a 21.7 per cent discount to the 5 day weighted average price of 4.3411 pence per Common Share as at 18 December 2013 (the latest practicable date prior to this announcement). The Open Offer is not underwritten, and accordingly, as set out below, the minimum proceeds (assuming the Placing becomes unconditional) under the Fundraising are £2.0 million (before expenses).

Reasons for the Placing and Open Offer and Use of Funds

The Group's financial performance during the year ended 31 December 2012 and for the six months ended 30 June 2013 has been, and its current operations and results are being, severely affected by the impact of illegal underground mining into TanzaniteOne's operations from neighbouring blocks. The effect of illegal mining and violent underground incursions during 2012 and 2013 caused a compacting of the accessible mining area and had a severe and detrimental effect on the Production Profile during this period due to the inaccessible areas having a higher grade profile. This has meant that the Company has suffered significant impairment to its mining infrastructure as well as resulting in net losses after tax in the financial year 31 December 2012 and in the 6 months to 30 June 2013 of US\$13.6 million and US\$0.56 million respectively.

Following the granting of the new Mining Licence and the support TanzaniteOne has received from the Government of Tanzania to curb these illegal incursions since 30 June 2013 and the signing of the STAMICO Agreements between TanzaniteOne and STAMICO, the Directors are seeking to raise finance in order to, amongst other things, re-enter, secure and re-equip the areas of the mine which have not been available to TanzaniteOne over the last 18 months and to fund the work required for the re-commencement of mining operations therein.

The gross proceeds of the Placing and Open Offer will be a maximum of £4.0 million (US\$6.5 million). As set out above the minimum proceeds (being the Clawback and Committed Shares) are £2.0 million (US\$3.2 million), before expenses.

As stated above, the Company made a consolidated loss of US\$13 million in the year to 31 December 2012, and of US\$0.56 million in the 6 months to 30 June 2013, and as at 30 November 2013 has available cash resources of US\$560,000. The financial performance and position of the Company is such that the directors are of the opinion that the Company does not have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this announcement unless a minimum of £2.1 million, before expenses, is raised under the Placing and Open Offer.

The minimum proceeds of the Placing and Open Offer are £2.0 million and consequently a further £0.1 million from acceptances under the Open Offer would be required in order to meet the Company's working capital requirements. There can be no certainty that this will be raised. In the event that this is not raised under the Open Offer, it is likely that the Company would experience difficulty in continuing to trade and the directors would be required to seek alternative sources of funding.

Actions by the Company related to this might include:

- (i) the seeking of further Placees in 2014;
- (ii) a sale (or sales) of asset(s);
- (iii) negotiation of alternative sources of finance.

In the event that the actions above are unsuccessful, the Company would be unable to continue to trade.

The minimum proceeds of the Placing and Open Offer, together with existing cash and facilities of US\$560,000 (as at 30 November 2013) and cash generated from operations, will fund capital expenditure needed at the TanzaniteOne's mine site to allow the restart of activities at Delta and Investor Shafts (two of the TanzaniteOne's mine shafts lost to illegal miners and recently recovered which are illustrated in the attached link, which shows longitudinal sections of Block C, indicating areas affected by illegal mining activities and the northern area of deposit cleared in August 2013) and to fund the expansion of operations, further details of which are set out below.

[Click to see Diagram](#)

or enter the following in your browser

http://www.rns-pdf.londonstockexchange.com/rns/9244V_-2013-12-18.pdf

In addition, these funds will mean that TanzaniteOne has the financial resources to settle all known claims for royalty payments for the period from 2004 to 2010 as set out in the Group's consolidated accounts to 30 June 2013, if TanzaniteOne is not successful in negotiating the reduction of the royalty amounts claimed, as well as providing additional general working capital.

The Directors plan to use the minimum net proceeds as below, but may apply the funds differently in the event of material changes in the key factors affecting the Group's current business:

	US\$m	£m
Capital Expenditure at TanzaniteOne mine	0.3	0.2
Contingency for royalties and other Tanzanian taxes & social security payments	2.9	1.8
General Group working capital requirements	0.5	0.3
Net minimum proceeds from Clawback and Committed Shares and Existing Facilities	3.7	2.3
Additional proceeds required under open Offer to fund capital expenditure at TanzaniteOne mine	0.2	0.1
Net minimum proceeds required under Placing and Open Offer to meet working capital requirements	4.0*	2.5*

Assuming a US\$ to £ rate of £1 = US\$1.6242

*May not cast due to rounding

If there are proceeds from the Open Offer in excess of the minimum, then the Company intends to apply these towards an accelerated capital expenditure programme at TanzaniteOne's mine site and its diversification programme. This includes the development of the Tsavorite Project and the potential exercise of the Company's option over the Sapphire Project and the development of this project and other gemstone projects at the exploration, pre-production or production stage. The potential additional proceeds are between £nil and £2.0 million.

If the current Tanzanian Government action against the illegal mining activities and associated smuggling of tanzanite is not sustained, and further extended as per the Company's expectations, then the Company will review the allocation and use of funds in Tanzania.

In the event that the Open Offer is not fully subscribed, the Directors reserve the right to seek places, at not less than the Issue Price, in order to raise up to the maximum proceeds under the Placing and Open Offer.

Current trading & Prospects

During the six-month period to 30 June 2013 the Company reported revenue of US\$7.5 million, EBITDA of US\$0.2 million and a net loss after tax of US\$0.56 million. The results for this period were adversely affected by reduced sales volume and quality mix as a direct result of loss of production optimisation due to sustained illegal underground mining activities; although an increase in retail sales from the Tanzanite Experience to US\$1.27 million went some way to offsetting this.

Consolidated net cash for the Group at 30 June 2013 was US\$1.5 million. Combined with trade and other receivables of US\$3.8 million, US\$1.9 million of Tanzanite inventory stock and US\$1.3 million of other current assets, total current assets at 30 June 2013 amounted to US\$8.5 million. As at 30 November 2013, the group's cash and cash equivalent position was US\$560,000.

During the accounting period to 30 June 2013 a letter of intent ("LOI") was executed between STAMICO and TanzaniteOne in respect of a 50/50 joint licence ownership and on 20 June 2013 a new Mining Licence was issued on a joint 50:50 basis to TanzaniteOne and STAMICO.

Since 30 June 2013 the Tanzanian Government has assisted with removing illegal miners on the northern part of the licenced area of the mine. TanzaniteOne is planning to restart mining in these areas before the end of the first quarter of 2014, subject to availability of funds and assuming continued Government assistance with security. TanzaniteOne's mine team are liaising with STAMICO and the Tanzanian Government so as to obtain their assistance for the commencement of the removal of illegal miners in the southern part of the licenced area of the mine during the 1st Quarter of 2014. Once this area is cleared, TanzaniteOne can begin the necessary work to repair the damage caused by the illegal miners to TanzaniteOne's infrastructure. Once production is restarted, the Company expects an improvement in the Production Profile as there are known areas of higher quality material in both the northern and southern sides of the mine.

Since August 2013, the Company believes the tanzanite price has risen by, on average, approximately 5 per cent. and the Company is hopeful of further uplift as the downward pressure created by the black market selling of tanzanite illegally mined from the Mining Licence Area is reduced. In the third quarter of 2013, the Company achieved tanzanite production totalling 810,347 carats from the processing of 7,182 tonnes of material at an average grade of 108 carats per tonne for the quarter. The Company achieved approximately US\$3 million in sales for the third quarter of 2013.

As announced on 12 December 2013 the STAMICO Agreements were signed between TanzaniteOne and STAMICO and govern the relationship between the parties, the operation of mining in the Mining Licence Area and the sharing of revenue, income and costs arising from mining in the Mining Licence Area. The STAMICO Agreements only relate to the mining operations in the Mining Licence Area and do not include other group activities in Tanzania including the Tsavorite Project and the trading activities of the Company's subsidiary TanzaniteOne Trading Limited which includes the Tanzanite Experience retail operations.

TanzaniteOne and STAMICO have agreed to use their respective reasonable endeavours to curb tanzanite smuggling and illegal mining operations in the area to which the Mining Licence relates and which have had an adverse effect on the profitability of the operations under the Mining Licence and underground mining operations.

TanzaniteOne and STAMICO have agreed to work together to evaluate the graphite resource found in the Mining Licence Area with a view to re-starting graphite mining operations and developing a mechanism for financing the graphite mining operations by attracting new investment into the venture.

The exclusivity agreement, including the right of first refusal period, signed in February 2013 with a major international trading company regarding the graphite potential of Block C lapsed in August 2013 without a definitive decision being reached regarding their future interest. The Company is continuing discussions with the trading company and has also initiated discussions with other interested parties.

During 2012 TanzaniteOne received a notification from the Ministry of Energy and Minerals in Tanzania ("TMAA") regarding a claim for alleged unpaid royalties for the period from 2004 to 2010. TanzaniteOne responded in July and October 2013 to the TMAA's questions and requests for additional information and is awaiting the TMAA's response. In their request for this information the TMAA referred to additional potential unpaid royalties of approximately US\$0.36 million in relation to 2010 in respect of an understatement of sales by transfer pricing.

Details of the Placing and Open Offer

The Company is proposing to raise up to approximately £4.0 million (before expenses) pursuant to the Fundraising. The proposed Issue Price of 3.4 pence per Open Offer Share is the same price as the price at which the Clawback Shares are being issued under the Placing.

The Fundraising includes a Placing and the Company has entered into a Placing Agreement with RFC Ambrian pursuant to which RFC Ambrian have conditionally agreed to use their

reasonable endeavours to procure subscribers for up to 28,941,178 Clawback Shares and already have commitments for 28,941,178 Clawback Shares (the “Confirmed Clawback Shares”), subject to clawback by Qualifying Holders under the Open Offer at the discretion of RFC Ambrian. Further details of the Placing Agreement are set out in the Circular.

The Board is pleased to confirm that the Company has received Irrevocable Undertakings from existing investors and the Directors for 28,843,721 New Common Shares under the Open Offer (the Committed Shares).

The Open Offer is being made on a pre-emptive basis, allowing all Qualifying Holders the opportunity to participate. The Open Offer is not underwritten. The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer. If no further applications to subscribe under the Open Offer are received the total amount that the Company would raise would be reduced to the Confirmed Clawback Shares and the Committed Shares being £2.0 million (before expenses).

The Open Offer provides Qualifying Holders with the opportunity to subscribe for Open Offer Shares at the Issue Price payable in full on application and free of expenses, *pro rata* to their holdings of Existing Common Shares as at the Record Date on the following basis:

1 Open Offer Shares for every 1 Existing Common Shares

and so on in proportion for any other number of Existing Common Shares then held.

The Open Offer is subject to, amongst other things, Admission of the Open Offer Shares becoming effective by 8.00 a.m. on 17 January 2014 (or such later time or date not being later than 8.00 a.m. on 3 February 2014 as the Company may decide).

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Common Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

The Open Offer is structured to allow Qualifying Holders to subscribe for Open Offer Shares at the Open Offer price *pro rata* to their holdings of Existing Common Shares. Qualifying Holders may also make applications in excess of their *pro rata* initial entitlement. To the extent that *pro rata* entitlements to Open Offer Shares are not subscribed by Qualifying Holders, such Open Offer Shares will be available to satisfy such excess applications. To the extent that applications are received in respect of an aggregate of more than 118,148,951 Open Offer Shares, excess applications will be scaled back accordingly.

To the extent that applications for Open Offer Shares exceeds the number that have not been placed pursuant to the Placing, some or all of the Clawback Shares will be clawed back from the Placees at the discretion of RFC Ambrian and the number of share placed pursuant to the Placing will be reduced.

Qualifying Holders applying for Open Offer Shares should be aware of the potential mandatory bid implications of an increase in their percentage shareholding in the Company under the Bye-Laws, including those of any of the Qualifying Holder's concert parties. A summary of the mandatory bid rules under the Bye-Laws is set out in the Circular. In any event, applications from Shareholders will be rejected if, and to the extent that, acceptance would result in any of them holding [30] per cent. or more of the Enlarged Share Capital following such application.

Qualifying Holders should note that the Open Offer is not a "rights issue". Invitations to apply under the Open Offer are not transferable unless to satisfy bona fide market claims. Qualifying Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Holders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Holders who do not apply under the Open Offer.

The Placing and Open Offer is conditional, among other things, on the following:

- (i) the Placing Agreement not being terminated prior to Admission and being otherwise unconditional in all respects; and
- (ii) Admission becoming effective on or before 8.00 a.m. on 17 January 2014 (or such later date and/or time as the Company and RFC Ambrian may agree, being no later than 8.00 a.m. on 3 February 2014).

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Placing and Open Offer will not proceed and any Open Offer Entitlements admitted to CREST will thereafter be disabled.

Settlement and dealings

Application will be made to the London Stock Exchange for the Clawback and Open Offer Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence at 8.00 a.m. on 17 January 2014.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part IV of the Circular.

Qualifying Shareholders

If you are a Qualifying Shareholder you will have received an Application Form which gives details of your Qualifying Shareholder's Entitlement under the Open Offer (as shown by the number of the Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 2.1 of Part IV of the Circular and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 15 January 2014.

Qualifying DI Holders

Application has been made for the Open Offer Entitlements for Qualifying DI Holders to be admitted to CREST. It is expected that the Open Offer Entitlements will be admitted to CREST on 17 January 2014. The Excess CREST Open Offer Entitlements will also be enabled for settlement in CREST on 17 January 2014. Applications through the CREST system will only be made by the Qualifying DI Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

If you are a Qualifying DI Holder, no Application Form is enclosed but you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your Qualifying Holder Entitlement under the Open Offer along with the Open Offer Excess Shares to which you may apply. You should refer to the procedure for application set out in paragraph 2.2 of Part IV of the Circular. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 15 January 2014. For Qualifying DI Holders the relevant CREST instructions must have settled as explained in this document by no later than 11.00 a.m. on 15 January 2014.

Intentions of the Directors in relation to the Open Offer

The Directors listed below, have given irrevocable commitments to acquire Open Offer Shares pursuant to the respective Open Offer Entitlements of the Directors, their immediate families and persons connected with the Directors (all of which are beneficial unless otherwise stated) as set out in column (2) below and will further subscribe for additional Open Offer Shares under the Excess Application Facility (described in the Circular) as specified in column (3) below (provided that such Excess Applications will be rejected or scaled back accordingly to the extent that there are insufficient Open Offer Shares to satisfy those applications).

(1) Name	(2) Open Offer Entitlements	(3) Number of Open Offer Shares intended to be applied for under the Excess Application Facility
Edward Nealon	5,100,680	-
Bernard Olivier	921,746	512,974
Ami Mpungwe	3,122,343	-
Nicholas Sibley	7,155,894	-

Intentions of the Qualifying Holders in relation to the Open Offer

The persons listed below who are not Placees have given irrevocable commitments to procure that the Qualifying Shareholders who hold shares on their behalf will acquire Open Offer Shares pursuant to their respective Open Offer Entitlements as set out in column (2) below and will further subscribe for additional Open Offer Shares under the Excess Application Facility (described in the Circular) as specified in column (3) below (provided that such Excess Applications will be rejected or scaled back accordingly to the extent that there are insufficient Open Offer Shares to satisfy those applications).

(1) Name	(2) Open Offer Entitlements	(3) Number of Open Offer Shares intended to be applied for under the Excess Application Facility
Ashwath Mehra	5,500,000	-
Tomori Enterprises Ltd.	4,530,000	-
Asian Metal Resources Ltd	980,956	-
Quantum Capital and Consulting Limited	81,128	-
Strategic Investments International	938,000	-

Action to be taken

If you are a Qualifying Shareholder you will have received an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the number of Open Offer Entitlements for which you may apply). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the enclosed Application Form in accordance with the procedure for application set out in paragraph 2 of Part IV of the Circular and on the Application Form itself.

If you are a Qualifying DI Holder no Application Form is enclosed and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements and your Excess CREST Open Offer Entitlements. You should refer to the procedure for application set out in paragraph 2 of Part IV of the Circular.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 15 January 2014. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your Open Offer Entitlements, if appropriate, or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part IV of the Circular.

Further details also appear in the Application Forms which have been sent to Qualifying Shareholders. Qualifying DI Holders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlement to participate in the Open Offer	5.00 p.m. on 18 December 2013
Announcement of Fundraising	19 December 2013
Publication and posting of this document and Application Form	19 December 2013
Open Offer Entitlements credited to stock accounts in CREST of Qualifying DI Holders	20 December 2013
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 9 January 2014
Latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 10 January 2014
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 13 January 2014
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 15 January 2014
Admission and commencement of dealings of the New Common Shares	8.00 a.m. on 17 January 2014
Clawback Shares and Open Offer Shares credited to CREST stock accounts in respect and in respect of Depository Interests in Depository Interest form	17 January 2014
Despatch of definitive share certificates for New Common Shares in certificated form	by 3 February 2014

All defined terms have the same meaning as those set out in the Circular.