

**5 February 2014**

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

**Non binding Memorandum of Understanding Signed for Graphite JV, Tanzania**

Richland Resources Ltd, the gemstone producer, cutter and polisher, today announces the signing of a Non Binding Memorandum of Understanding ("MoU") with ASX quoted Kibaran Resources Limited (ASX: KNL, "Kibaran") over consolidation and development, through a Joint Venture ("JV") of both companies respective graphite assets located in Northern Tanzania.

**Highlights**

- Non Binding MOU to potentially consolidate Richland's Arusha Graphite Project with Kibaran's Merelani-Arusha Graphite Project in Tanzania.
- Objective to realise Medium-term graphite production from both assets upon conclusion of JV agreement.
- Richland's current tanzanite mining operations previously hosted a graphite mine
- Richland's subsidiary, TanzaniteOne Mining Limited, have a 15,000tpa graphite processing plant and associated infrastructure.
- Kibaran has rights to the Merelani-Arusha Graphite Project, located in the north-east of Tanzania, and neighboring Richland's tenements.
- Kibaran undertaking due diligence over 90 days exclusivity period.

Richland's Chief Executive Officer Bernard Olivier said "Our team in Tanzania led by Ami Mpungwe, the Chairman of TanzaniteOne Mining Limited, are looking forward to working with Kibaran with a view to commercialising the graphite potential of the Merelani mine for the benefit of TanzaniteOne Mining and STAMICO."

Kibaran's Executive Director Andrew Spinks said, "Following the recent milestone achievement of a signed binding off-take agreement for Epanko graphite, we are pleased to be in negotiations to progress the [our] Merelani-Arusha Graphite Project with the Richland group – the owners of the historical Merelani Graphite Mine. This is in line with Kibarans' primary objective of becoming a significant, long term producer of premium quality graphite."

**For more information please contact:**

Bernard Olivier  
Chief Executive Officer  
+61 4089 48182

Mike Allardice  
Group Company Secretary  
+852 91 864 854

Nominated Advisor & Broker (AIM)

RFC Ambrian Limited  
Samantha Harrison  
+44 (0) 20 3440 6800

Laurence Read  
Corporate Development and Communications Officer  
+44 (0)20 3289 9923

<http://www.richlandresourcesltd.com>

## **MoU – Terms**

A Memorandum of Understanding (“MoU”) has been signed focussed on potentially consolidating Kibaran’s Merelani-Arusha Graphite Project and Richland’s Arusha Graphite Project.

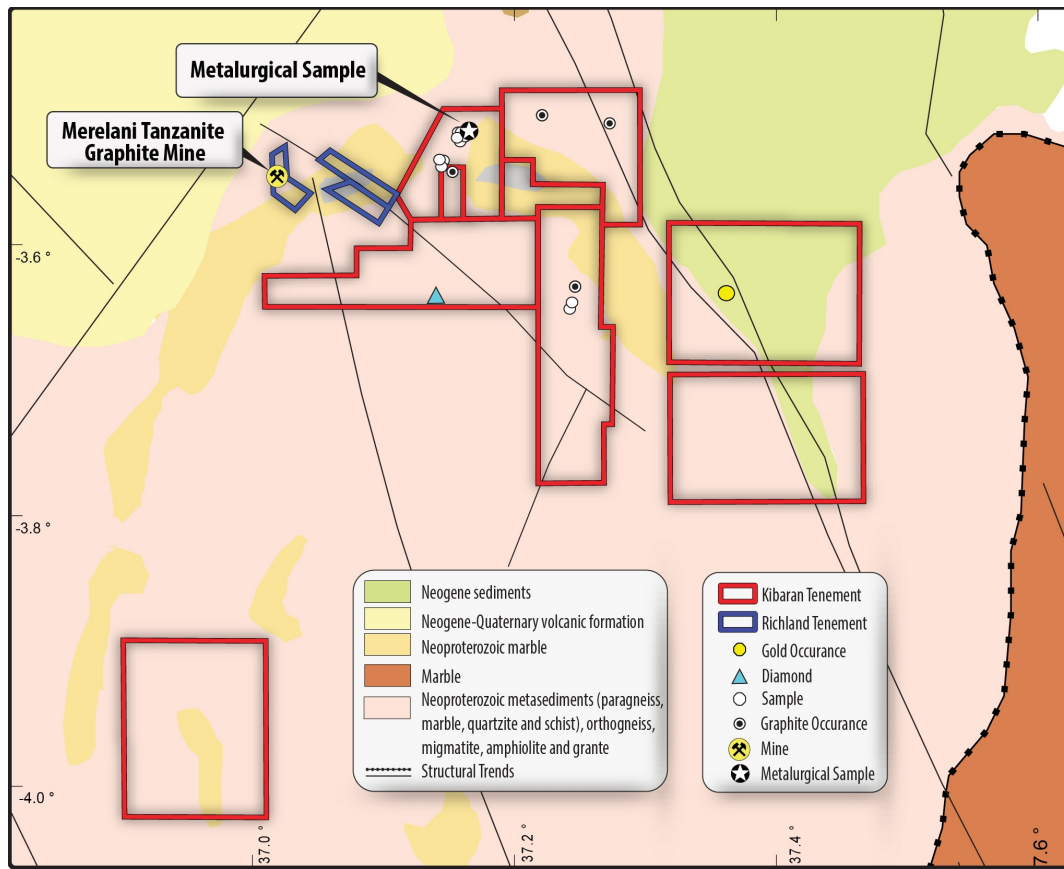
Under the terms of the MoU, the two group’s have agreed to work towards legally binding agreements to consolidate their respective graphite assets in the Merelani region in a Joint Venture (“JV”). The strategic objective of the negotiations is to combine graphite mineral rights and assets, which includes TanzaniteOne Mining Limited’s s graphite processing plant, with an end goal of recommencing graphite production. TanzaniteOne Mining already has in place a processing plant and additional infrastructure, including tailing storage facility, power, water, administration facilities, site camp and services, on a commercial basis.

Richland owns the historical Merelani Graphite Mine plant, which was built with a nameplate capacity of 15,000 tonnes per annum (refer to background below). The graphite plant was closed in the late 1990s due to a change in focus to the production of tanzanite. A joint venture with Kibaran would allow for redevelopment of existing assets and additional cashflow from a new product source; graphite.

Kibaran has been granted a 90-day exclusive due diligence period under the MoU which will include a site visit by Kibaran Directors and design/mechanical engineers to evaluate the processing plant and the cost of refurbishment to return it to operational status for graphite production.

## **Graphite Projects**

Kibaran’s Merelani-Arusha Graphite Project consists of seven tenements and covers an area of 973.4 km<sup>2</sup>. The project is located 12km to the east of TanzaniteOne Mining and STAMICO’s Tanzanite mine which covers an area of 7.6 km<sup>2</sup>.



**Figure 1:** Location of Merelani graphite project

### Merelani Graphite Mine Background

Richland acquired the Merelani Tanzanite and Graphite Mine in 2004 from African Gem Resources Limited (“AFGEM”). The Merelani Graphite Mine commenced mining operations in 1995 and produced 6,776 tonnes of graphite. Graphite sales was through Harbison-Walker Refractories Company located in the USA and was via an offtake agreement. Mineralisation was initially identified to be sufficient for a 40-year operation at a mining rate of 15,000 tonnes per annum of high-grade flake graphite of 97-98% purity. However, the mine encountered financial problems in 1997 and the last shipment of remaining stockpiled ore was made in February 1998.

The graphite mining operation and plant were modified by AFGEM to focus on Tanzanite extraction only.

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. Richland 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.

### About Kibaran Resources Limited:

Kibaran Resources Limited (ASX: KNL or “Kibaran”) is an exploration company with highly prospective graphite and nickel projects located in Tanzania.

Kibaran's primary focus is on its 100%-owned Epanko deposit, located within the Mahenge Graphite Project. Epanko currently has an Inferred Mineral Resource Estimate of 14.9Mt, grading 10.5% TGC, for 1.56Mt of contained graphite, defined in accordance with the JORC Code. This initial estimate only covers 20% of the project area. Metallurgy has found Epanko graphite to be large flake and expandable in nature.

Kibaran also has rights to the Merelani-Arusha Graphite Project, located in the north-east of Tanzania. The Merelani-Arusha Graphite Project is also considered to be highly prospective for commercial graphite.

In addition, the Kagera Nickel Project remains underexplored and is located along strike of the Kabanga nickel deposit, owned by Xstrata, which is considered to be the largest undeveloped, high grade nickel sulphide deposit in the world.

---