



3 November 2014

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

Capricorn Sapphire Mine Redevelopment Update, Australia

Highlights

- Reassembly of the plant is scheduled to be complete during the next 10 days
- All engineering work to be completed within 15 days ready for electrical work to begin
- Stage 2 Plan Of Operations pertaining to the Earthworks and Mining activities lodged with Queensland Government and awaiting approval
- Tailings dam options being assessed and water rights applications currently being prepared
- Refurbishment and recommissioning of the Plant and Capricorn Sapphire Mine remain on Schedule for production to commence Q1 2015

Richland Resources Ltd, the AIM listed gemstone producer and developer, today announces an update on redevelopment operations at the Capricorn Sapphire mine ("the Project") in Queensland Australia. The Project team has been mobilised to the sapphire mine site since late August 2014 and have accomplished a series of key tasks to bring the mine back into production.

On 18 August 2014, work commenced onsite with the recommissioning and refurbishment of the processing plant, plant site, including the site office, workshop, water storage and dam facilities for the plant site.

The purpose-built alluvial processing plant is one of the largest of its kind in the southern hemisphere capable of treating up to 200 loose cubic metres ("LCM") per hour. All major plant components have been stripped down and assessed for working condition and future integrity and where required they have either been repaired or replaced with new components.

The plant is at the stage where all sand blasting of most major components and repainting with anti-abrasive paint have been completed, ready for reassembly. Reassembly of the plant is scheduled to be complete during the next 10 days.

The majority of mechanical repairs are expected to be complete within the next 15 days, following which electrical reinstallation work will commence. Australia has one of the highest safety standards for industrial electrical compliance in the world and Richland will ensure the whole project is fully compliant when commissioning begins.

An assessment of the best solution for re-establishing a tailings dam system is underway. Options being assessed include the redevelopment of the existing tailings combined with the development of a new section to the tailings dam circuit. Safety is key to sustainable mining



operations at Capricorn Sapphire and a redevelopment of the pre-existing tailings area will only be entered into if the highest levels of safe containment can be reached. Although it is worth noting that the separation process for the Project involves no chemical additives relying purely on gravity and water.

Work has also commenced on the Project's sapphire sorting, concentrating and grading facility. All site works related to the refurbishment of the plant and plant site remain on schedule and are progressing systematically.

All statutory requirements of Licencing and Approvals required are progressing within the estimated time frames and the required documents pertaining to commencement of mining have been prepared and lodged with the relevant Queensland Government Authorities.

The Capricorn Sapphire Project remains on schedule to start production by Q1 2015.

Commenting on the announcement Bernard Olivier, CEO, of Richland Resources said: "A series of key engineering tasks have now been completed at the Capricorn Sapphire mine in Queensland and no major issues have surfaced affecting the commissioning schedule. Our objective is to be able to rapidly restart sapphire production at the mine and sell quality, certificated sapphire sourced within a politically stable region for mining."

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1. <http://www.richlandresourcesltd.com>



Project Summary

The Sapphire project consists of two new mining leases comprising approximately 490 hectares and associated assets and is 100% indirectly owned by Richland . The mining leases contain a JORC (2004) Measured Sapphire Resource of approximately 21.6 million grams (109 million carats) of sapphire, based on extensive exploration and a brief period of mining by the previous owners.

While first production can be achieved through mine restart in Q1 2015, Richland has identified Nardoo as having the capacity for significant scalability in terms of sapphire production. Mining of the current JORC (2004) delineated resource can be increased through low cost exploration at prospective targets within the licence acquiring a significant proven sapphire mine with existing mine infrastructure and straightforward alluvial mining which will enable production during Q1 2015.