25 June 2014

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

Final Results for the year ended 31 December 2013

Richland Resources Ltd, the gemstones producer and developer, today announces its audited results for the year ended 31 December 2013.

Financial Summary

- $ 11.6 million revenues ($ 16.4 million in 2012)
- $ 4.5 million net loss ($13.6 million in 2012)
  - The net loss for the period includes an impairment charge of $2.1 million (2012: $ 4.4 million) primarily as a result of the severe impact of the illegal mining on mining infrastructure and production quality
  - Loss narrowed from previous period due to increased production levels
- $ 0.9 million consolidated cash and cash equivalents
- $ 2.6 million trade and other receivables
- $ 1.4 million Tanzanite inventory stock ($ 1.7 million total inventory)
- Total assets of $ 29.6 million
  - Total non-current assets of $ 24.3 million
  - Total current assets of $ 5.4 million

Operation Summary

- Joint Venture agreement signed between State Mining Corporation of Tanzania ('**STAMICO**") and the Group's wholly owned subsidiary Tanzanite One Mining Limited ("**TML**"). Mine revenue, costs, assets and liabilities to be shared on a 50:50 basis with effect from 20 June 2013
- Illegal underground mining activities from neighbouring mines continued in 2013 - access limited to only two shafts
- Lower production quality adversely affected revenue
- Gross production levels were increased by 700,000 carats in 2013 up 26% from 2.7 million to 3.4 million carats (inclusive of STAMICO share of production)
  - Production increased to partly counteract negative effects of escalating illegal mining but the restrictions on mining areas imposed by the effects of illegal mining on the safety of our workforce meant a resulting decrease in quality distribution
- Average recovered grade of 112 carats per tonne
  - Grade increased 38% compared with 81 carats per tonne achieved in 2012

- The Tanzanite Experience sales at $ 2.9 million were up by 21% compared to $ 2.4 million in 2012

Post-period Highlights

- Successful placing and Open Offer raising approximately $ 4.3 million (net) via the issue of 81,060,944 New Common Shares.
- Option over Nardoo Sapphire project, Queensland, Australia exercised for consideration of AUD$ 1.18 million (approximately $ 1.1 million) and issue of 18 million fully paid new common shares after a 3 month escrow period (expiring in September 2014):
    - Measured JORC (2004) resource: 109 million carats (21.8 million grams) with an average grade of 20 carats per tonne (8 grams per loose cubic metre "LCM"); and
    - Mine restart planned by Q1 2015.
- Memorandum of Understanding signed with Kibaran Resources Ltd ("Kibaran") over consolidation and development of graphite assets:
    - Terms have been proposed to Richland and are subject to approval by STAMICO
- Richland restricted ongoing funding of Tanzanite mining activities. Tanzanite Mining Limited and STAMICO taking cost cutting steps and efficiency drives
- Continuation of disruption to Tanzanite mining activities throughout first half of 2014, leading to material adverse impact to be reported in interim results

Commenting on the results, Chief Executive Officer, Bernard Olivier said: "While 2013 saw the beginning of action by the Tanzania Government against illegal tanzanite miners, ultimately a comprehensive solution failed to be implemented and one of our employees was tragically shot dead by armed attackers. Since the year end we have made significant steps to move the Company forward and focus on what we excel at: efficient production of coloured gemstones and developing secure sales channels. Our completed acquisition of the Nardoo sapphire allows Richland to build a new gemstone production hub in a politically stable and effectively policed region for 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.

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1. Financial Performance

The Group's financial performance summarised below has taken account of the State Mining Corporation of Tanzania ("STAMICO")'s 50% share of the results of the Joint Operation between STAMICO and TanzaniteOne Mining Limited ("TML" or "TanzaniteOne") post 20 June 2013.

Revenue for the year of US$ 11.6 million was 29% lower than prior year (2012: US$ 16.4 million). The decrease in revenue is primarily due to lower quantities of high grade tanzanite available for sale due to production constraints at the mine operated by TML arising from the continuing effect of illegal mining. In addition to this, following the joint venture agreement between TML and STAMICO, TML revenues for the second half of the year have been reduced to account for STAMICO's 50% share of mine revenue.

Cost of sales, selling and distribution and administrative expenses was US$12.2 million for the year, representing a decrease of 37% on prior year, primarily due to the Group's cost cutting measures, and following the joint venture agreement between TML and STAMICO, TML costs for the second half of the year have been reduced to account for STAMICO's 50% share of mine costs.

Other operating expenses for the year, of US$ 4.6 million, were 54% lower than prior year (2012: US$ 10 million) predominantly due to lower impairment charges and lower taxes and penalties.

Net loss for the year, as a result of the factors discussed above, was US$4.5 million against the prior year loss of US$ 13.6 million. The Group made a loss before interest, taxes, depreciation, amortisation and impairment ("EBITDA") of US$ 1.7 million for the year (2012: US$ 6.8 million).

The net book value of **property, plant and equipment** decreased from US$ 19.8 million at 31 December 2012 to US$ 17.2 million at 31 December 2013. The main capital expenditure drivers included US$1.2 million spent mainly on development of existing shafts to seek to access higher grade tanzanite ore bodies and on mining plant and equipment. This was offset by depreciation and amortisation charges of US$ 1.2 million and impairment charges of US$ 2.1 million.
The Group's **inventory** of tanzanite decreased by 18%, to US$ 1.4 million, and is stated at its net realisable value.

The Group had US$ 0.4 million in **trade receivables** at year end, all of which was collected within 3 months of the year end.

The Group had a net **cash** position (net of overdraft) of US$ 0.5 million as at year end.

Key Statistics 2013

Key statistics:	FY 2013	FY 2012	Movement
Net loss	($ 4.5) m	($ 13.6) m	67%
Revenue	11.6 m	$ 16.4 m	(29%)
Gross margin	39%	25%	54%
Mine administration cost	$ 2.1 m	$ 3.9 m	(46%)
Tanzanite inventory stock	$ 1.4 m	$ 1.7 m	(18%)
Cash and cash equivalents excluding overdraft	$ 0.9 m	$ 1.5 m	(40%)

Dividend

The directors have not declared a dividend as the Board feel it prudent to defer dividends until the market conditions strengthen and the Group returns to relative stable profitability.

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2. Licence negotiations with Government

During 2013, TML concluded negotiations with the Tanzanian Government (the "**Government**") and the State Mining Corporation of Tanzania ("**STAMICO**") regarding a co-ownership structure of the Block C Mining Licence as summarised below:

Date	**Event**
2 May 2013	Letter of Intent ("LOI") signed with STAMICO
20 June 2013	TML and STAMICO issued 10-year mining licence on a 50:50 basis.
5 December 2013	Joint Venture Agreement signed with STAMICO and TML appointed as mine operator (the "STAMICO Agreement"), with STAMICO undertaking to use its best endeavour to liaise with Government in stopping rampant tanzanite smuggling and stopping large scale illegal mining operations in the Mining Licence Area.

We believed that the above agreements would secure a long-term licence for our tanzanite operations and significantly curtail the illegal mining, security and theft issues, however, as referred to below illegal mining remains a major issue.

3. Illegal Mining

The significant increase in illegal underground mining into TML's operations during 2012 continued in 2013, with the illegal miners entering underground from neighbouring blocks. The illegal mining activities have resulted in significant danger to our employees and the period saw one of our workers tragically shot dead within a shaft belonging to the project. Very substantial damage has also been made to mining infrastructure at Bravo, Delta, Investor and CT-Shafts; with considerable theft of gemstones, especially those of high quality. Due to the aggressive nature of these incursions, which include firearms and home-made explosive devices, and the moratorium placed on us by the Government to protect our workforce, production was again scaled back in 2013.

Following the issue of the Mining Licence, the Government co-ordinated an initial effort to clear illegal miners from Block C. Tragically during this operation, Mr. Mushi, a TML employee who was assisting police was shot dead by illegal miners. Subsequently, in August 2013, the operation removed illegal miners from the northern area of Block C.

Since that time, no further physical action has been taken by the Government to clear illegal miners from the other areas of Block C. Safe and productive mining cannot be carried out by the Company in any of the un-cleared areas.

The Board understood that following the formalisation of the joint venture with STAMICO, in December 2013, the illegal miners in Block C would be removed, allowing reinvestment in the mining infrastructure and therefore boosting production. However, due to Government inaction, we continue to be unable to operate in most of the undersigned mining areas in the Mining Licence Area.

4. TanzaniteOne Mining Ltd

4.1 Operational Overview

TML is the largest and most scientifically advanced miner and supplier of tanzanite in the world. The tanzanite resource is divided into five blocks. In full operation the Merlani mine is considered a modern, low-cost operation and boasts an exemplary safety record. It applies international best practice in the design of its employment, social and environmental policies.

4.2 Resource upgrade

During the first quarter of 2012 the Company achieved a significant upgrade of its tanzanite resource at its Merelani mine announcing a JORC compliant resource on 6 February 2012. A JORC compliant Indicated Resource of 30.6 million carats and a JORC compliant Inferred Resource of 74.4 million carats, totalling a combined Resource of 105 million carats was issued on 18 January 2012. Since then the total carats produced was 6.2 million leaving the total estimated resource at 98.8 million at 31 December 2013.

4.3 Mining

The Company again achieved a record volume production of tanzanite in 2013, with 3,448,886 carats (inclusive of STAMICO's share) of tanzanite produced from processing 30,906 tonnes of ore. The average grade recovered was 112 carats per tonne, however, similar to 2012 (a) the average quality profile was lower than previous years and (b), the increase in production was achieved despite large scale illegal mining within the boundaries of our mining licence, which resulted in a significant reduction in the number of faces which could be mined.

As explained in the security section of this review illegal undermining again severely restricted the available mining areas

4.4 On Mine Cash Costs

The on-mine cash cost for the period reduced by 22% to US$ 3.47 per carat versus US$ 4.47 per carat for the previous reporting period. The change in the on-mine cash cost is attributed to increased production attention to efficiencies and recycling of used equipment remains a management priority. On mine cash costs include operating costs, mine administration costs and royalty charges incurred at the Merelani mine.

4.5 Processing

Processing and sorting takes place on site within purpose built infrastructure and facilities. The ore treatment plant, which includes a Dense Media Separator ("DMS"), has a current capacity estimated at approximately 10,000 tonnes per month on a single shift. The DMS concentrate passes through a fully automated optical sorting system, after which the concentrate is then hand sorted and graded. Rough tanzanite is sorted both manually and using a fully automated optical sorting and primary grading system, a world first within the coloured gemstones industry.

The DMS plant processed 30,906 tonnes in 2013, thus leaving ample capacity to introduce a second shift should this be required.

4.6 Production Statistics

	2013	**2012**	***Movement***
Tonnes processed	30,906	33,287	(7%)
Carats per tonne	112	81	38%
Production (carats recovered)	3.4 million(1)	2.7 million	26%
On mine cash costs per carat	3.47(2)	$ 4.47(2)	(22%)

(1) Includes STAMICO's share of joint operation's production.

(2) On mine cash costs include operating costs, mine administration costs and royalty charges incurred at the Company's Merelani mine.

4.7 Safety, Training and Environmental Management

The Company achieved a Lost Time Injury Frequency Rating ("LTIFR") of 0.79 for 2013, which was significantly improvement from the LTFIR of 1.19 in 2012. The decrease in LTIFR was achieved despite the continuing negative impact of the illegal mining activities on operations.

Training during 2013 continued to focus on skills enhancement and exposure to outcomes-based training and assessment. Training courses consisted of both theory and practical assignments. Practical evaluation was achieved through planned task observations, interviews, random inspections and verbal assessments.

Environmental training and awareness continued through inductions, toolbox meetings and presentations. Environmental monitoring, auditing and inspections continued as per the Environmental Management Plan.

During 2013, both the National Environment Management Council ("NEMC") and Tanzania Mineral Audit Agency ("TMAA") conducted site visits and inspections. The findings and recommendations received from both NEMC and TMAA are currently being addressed. Site Preventive and Corrective Actions were formulated and communicated, compiled and official feedback was provided to the TMAA and NEMC.

4.8 Security

TML continuously engaged with local law enforcement agencies and regional government institutions during 2013 in order to try and address the security situation and risk associated with the illegal mining activities affecting its operations. The year was characterized by a significant increase in both the extent of illegal mining and the level of aggression displayed by the illegal miners.

Every incident of illegal mining within the Block C licence area was reported to the office of the Resident Inspector of Mines in Merelani, as well as to the local police. Formal reports, indicating the extent of the issue, have been submitted to the relevant stake holders at all levels.

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 ("MEM"), worked in conjunction with TML 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 for the Company following a police initiative taken by the Government.

It was the Company's understanding that the second phase of the Government operation, to address and remove all illegal mining on the southern side of the Block C licence, including CT Shaft and Bravo Shaft, would commence shortly after the completion of the operation on the northern side. However, no such operation has been undertaken, to date, by the Government. Both CT and Bravo Shafts have therefore remained closed during 2013 due to the dangers posed to our work force by the illegal miners.

Illegal miners continue to display a total disregard for police and officials of MEM – with police being fired at underground when accompanying TML security personnel. The illegal miners have also made extensive use of Improvised Explosive Devices ("IED"), booby trapping the access tunnels and barricades, which they have built with in TML's mining area. During the year both Richland and TML, continued to appeal to the Tanzanian Government to address the illegal mining within the Block C licence area.

On Sunday 2 December 2012, a break-in occurred at the Company's main sorting facility at its tanzanite mining operation. Approximately 89,066 grams of material with a total value of around US$ 1.46 million was stolen during the break-in. Approximately 6,955 grams of material was recovered by the Tanzania Police Force. Following a thorough loss adjuster's assessment, the Company received a total pay-out during the first quarter of 2013 of approximately US$1.44 million. The Sort House facility has been upgraded in accordance with the specifications of the insurers.

The use of X-Scan (non-invasive personal search facility), used to detect tanzanite concealed upon a person, continued to remain the subject of discussion with Government during the year after a ban was imposed in 2010 due to concerns on the health of employees. This is despite a comprehensive investigation conducted by a team of professionals from the Tanzania Atomic Energy Commission as well as a multi-disciplinary medical team, found no evidence to support these concerns. Post the year end, approval has been granted to use the X-Scan machines which have been in storage. Quotes are being obtained to service and re-commission the machines.

4.9 Human Resources

During 2013 there were significant management changes and restructuring within TML. Several work permit renewals for expatriates were denied on various grounds, including qualifications, localisation and other related policy issues. The majority of the vacant positions left by expatriates were subsequently filled by Tanzanians. During 2013 the average number of employees was 670 compared with 654 in 2012. Management continued to engage with employees through regular meetings in order to consolidate the productivity and relationship gains made in 2011 and 2012.

The evaluation of work performance continued during the year in terms of productivity and efficiency.

In executing day to day operations, the Company continued to be observant and compliant with labour laws and relevant legislation, its policies and procedures in recruitment, training and development, disciplinary regulations, administration of manpower and employee benefits and all other matters relating to human resources capital and or any other related issues were appropriate to improve outcomes and efficiency.

TML continues to be compliant with all labour laws, policies and procedures in training and development, disciplinary regulations and employee benefits. Employees also continue to receive free medical services from the Company's on site clinic and designated hospitals and clinics in Arusha and Moshi.

4.10 Sales and Marketing

The quality of the tanzanite produced during 2013 remained low due to the lack of high-quality production areas available to be mined by TML as a direct result of the illegal mining activities on the Block C licence area. The low quality mining product mix presented challenges to the sale and marketing team as customer programmes needed to be refocused onto lighter materials and sell-through of included material.

The product mix change happened at the same time as the marketing team was able to reposition smaller tanzanite into the recovering US market with a renewed focus of tanzanite into bricks and mortar retail stores. This became a trend established at the JCK Las Vegas Show in June 2013 and remained strong through the rest of the year, continuing into 2014. Jaipur polished inventory of the same material dropped over the corresponding period with polished prices strengthening in the smaller sizes.

The sell through of the entire production range remained a key focus for the sales team, with non-blue colour tanzanite being given specific analysis and strategies formulated to bring it into the mainstream product offering.

The Chinese market was quiet for the first few months of the year with the once a decade leadership change causing the manufacturing and retail sector to pause and watch for direction changes. Demand picked up again in May and remained strong through the year. Indications were that tanzanite would be sold during the winter and Chinese New Year seasons, which had not happened in the past. This increased demand had positive implications on polished stocks in the larger and mid sizes by year-end and will be a significant factor in 2014 for demand and price growth as wholesaler inventory reaches low points.

Illegal mining and unregulated supply of large size material continued to be a factor in volatility in the marketplace. Large rough and polished tanzanite was being taken into the Hong Kong market place directly from Arusha sources, somewhat holding back price recovery of this material until towards the end of the year.

With the US and Chinese markets showing simultaneous strength again late in the year, other markets had to compete on price and quality. The European designer market continued in its use of tanzanite from the previous year. The Japanese market has started programmes for smaller sized, top quality material, in particular for products combined with pearls.

Discussions in Hong Kong and Jaipur with the sight holders led to renewed sightholder contracts with an amended structure. The customer base is now organised into large scale sight holders, regular sight holders, and preferred marketing partners of varied supply. These changes positioned a new varying supply of goods to each customer to better focus on market strengths and marketing programmes to drive growth in demand and price. At the same time, a Polished Sightholder was appointed to position a direct-polished mine to market marketing programme in China.

4.11 Cutting and Polishing
The construction of the Urafiki cutting and polishing gemstone facility was completed in 2012. The facility has enabled the implementation of a sales and value add strategy. The 450m^2 facility has the potential capacity of 200,000 stones per annum. This capacity is large enough to cover all TML production affected by the ban on the export of one gram and above rough tanzanite from Tanzania and provides the basis of a processed trading operation.

During the year all the production from TML, affected by the ban on the export of one gram, was cut and polished through the mixture of traditional and precision cutting benches. The facility also provided production to support the expansion of The Tanzanite Experience retail operations and their proposed and ongoing franchise expansion.

Continued in-house training, to maintain and improve on cutting and polishing skills on the cutting benches brought online, remain key to the successful implementation of the value add strategy.

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5. The Tanzanite Experience
The Tanzanite Experience retail operations had sales of US$ 2.9 million for the year from its five stores, an increase of 21% over 2012. This was achieved through increased promotion and marketing activities in Tanzania resulting in growing awareness of the Tanzanite Experience's retail operations by both the local market and tourists. During the year, construction was completed on an additional retail outlet, The Manor, which is on route to the Ngorongoro Crater. Franchise expansion outside of Tanzania remains a key development item in the sales mix and TTE will continue to pursue and explore all avenues. More information on TTE is available on its website www.tanzaniteexperience.com.

6. Tanzanite Foundation
The Foundation continued to provide a platform for marketing Tanzanite internationally and inform buyers about certificated gemstones. Post Period Richland has been working with key tanzanite sight holders

7. TanzaniteOne Online
On 19 August 2013 Richland launched the start of its online retail business and website, TanzaniteOne Online (www.tanzaniteoneOnline.com), an online tanzanite boutique which sells both tanzanite stones and jewellery directly to consumers. Traditionally a wholesaler, this is the first time the Group has offered its gemstones directly to consumers, outside of Africa. The online boutique is also a member of the World Responsible Jewellery Council.

8. Corporate Social Responsibility
Richland is committed to supporting the local communities in which it operates and in the case of TML, this includes not only its designated mining area but also the entire Simanjiro District and Manyara Region as a whole.

In 2013 the Company commenced several new initiatives and continued to support all its long-term community projects. New and existing projects/initiatives undertaken to the end of 2013 include:

- Completion and formal opening of the Nasinyai Police station;
- Ongoing monitoring of the Commissioning of the reverse osmosis plant (OR plant), opened in 2012 that provides purified drinking water to the local communities;
- Continued maintenance of the 14km road that links the Merelani village and tanzanite mining area to the Arusha and Moshi road network;
- New Vision Orphanage renovation and expansion project initiated after employees and board members of the Company raised money by successfully climbing Kilimanjaro;
- The on-going provision of water to over 2,000 villagers and 4,500 heads of cattle on a daily basis;
- On-going donation of our processing plant tailings to the local communities, which also serves as a community uplift project. The tailings contain tanzanite that is uneconomical for TML to extract. The main beneficiaries include Naisinyai Village, orphanage centres and non-governmental groups;
- On-going geological, mining, survey, safety, logistical, operational and other guidance to small-scale tanzanite miners in the area through our Small Miners Assistance Programme ("SMAP"). The aim of the programme is to develop and advance the entire tanzanite mining industry; and
- Provision of employment opportunities, not only to the local Naisinyai Village, but the entire Manyara.

9. Australian Sapphire Project
In 2011 Richland entered into an option and exclusivity agreement to acquire an established sapphire project in Australia. The option remained valid during 2013 while the Company assessed the situation in Tanzania and its diversification programme.

On 4 June 2014, Richland exercised its option for the acquisition of 100 per cent. of the Nardoo Sapphire project in Queensland, Australia ("Nardoo"). The project was acquired by Richland for consideration of AUD$ 1.18 million (approximately US$ 1.10 million) and 18 million fully paid new common shares in Richland (approximately 8.3% of Richland's enlarged share capital) which will be issued after a three month escrow period.

Project highlights include:

- Rapid mine redevelopment of the Nardoo Sapphire project to bring this back into production, facilitated by previous mining on site until 2006;
- The Nardoo sapphire project has a well-defined resource and processing plant on site:
    - Measured JORC (2004) resource: 109 million carats (21.8 million grams) with an average grade of 20 carats per tonne (8 grams per loose cubic metre "LCM");
    - Existing plant capable of treating 200 LCM/hour and annual production of 4 million grams (20 million carats) of sapphire which Richland will be refurbishing as part of the mine restart; and
    - Priority now shifts to mine planning and engagement with regulators and stakeholders to fast track production.
- Richland is planning to use existing cash resources and working capital facilities to take the project into production by Q1 2015; and
- Sapphire with provenance to be sold through established Richland sales channels.

10. TsavoriteOne Mining Limited
In the light of the ongoing operational issues in Tanzania, Richland continued with its decision to tightly control expenditure on the project, but to also utilise the synergies with the tanzanite operation to enable the continuation of the tsavorite exploration programme.

During 2013, excavation and treatment of further large-scale bulk sampling continued alongside excavation of initial samples from prospective joint venture partners. During the year, bulk samples from the Ngrigo Creek area to the north west of Lemshuku were excavated and treated. Overall, bulk samples to date total some 460 cubic metres with results indicating that a potentially economic alluvial operation is possible in the Lemshuku Project Area. Tsavorite recovered to date is in the range of between 8mm and 2mm in size with some bright, clear examples. Detailed work quantifying grade in g/loose cubic metre is continuing with preliminary estimates in the order of up to 1g tsavorite product per loose cubic metre in coarser cobble wash bands.

11. Graphite Project
The Company continued discussions regarding potential Joint Venturing of the Merelani Graphite project during 2013. The Merelani Graphite mine was operational between 1996 and 1998 before being converted to a tanzanite mining operation only. The exclusivity and right-of-first-refusal signed in March 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 has therefore initiated discussions with other interested parties. Following the period end, Richland announced a Memorandum of Understanding with ASX quoted Kibaran to consolidate and mine both companies' graphite deposits in the Merelani region.

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Glossary

ct	carat
cut-off	The grade below which mineralisation is not included in the assessment of ore resources/reserves.
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)
wt%	weight per cent.
um	micrometre

Financial Statements

Richland Resources Ltd
Condensed consolidated statement of profit or loss
for the Year Ended 31 December 2013
(Audited)

	FY 2013 $'000	**FY 2012** $'000
Revenue	11,587	16,375
Cost of sales	(7,113)	(12,332)
Gross profit	**4,474**	**4,043**
Gross margin %	*39%*	*25%*
Other income	215	-
Corporate administration and other operating costs	(1,917)	(3,296)
Mine administration	(2,063)	(3,954)
Selling and distribution costs	(2,974)	(2,931)
Royalties	(202)	(473)
Net foreign exchange gain/(loss)	773	(240)
Financing costs paid	(133)	(213)
Loss before depreciation and amortisation and impairment	**(1,827)**	**(7,064)**
Depreciation, amortisation and impairment	(3,477)	(6,107)
Loss before income tax	**(5,304)**	**(13,171)**
Income tax credit/(charge)	834	(434)
Loss after income tax	**(4,470)**	**(13,605)**
Non-controlling interest	11	(18)
Loss attributable to equity holders of parent	**(4,481)**	**(13,587)**
EPS (basic and diluted – cents)	*(3.79)*	*(11.50)*

Richland Resources Ltd
Consolidated statement of financial position
As at 31 December 2013
(Audited)

	2013 $'000	2012 $'000
Non-current assets		
Property, plant and equipment	17,239	19,818
Intangible assets	4,571	4,506
Deferred tax assets	2,383	1,549
Inventories	81	87
Total non-current assets	**24,274**	**25,960**
Current assets		
Inventories	1,645	2,346
Income tax recoverable	168	699
Trade and other receivables	2,647	5,156
Cash and cash equivalents	897	1,491
Total current assets	**5,357**	**9,692**
Total assets	**29,631**	**35,652**
Equity		
Share capital	36	36
Share premium	46,855	46,855
Convertible loans	453	-
Share options outstanding	896	896
Foreign currency translation reserve	(1,509)	(1,517)
Accumulated loss	(28,386)	(23,905)
Total equity attributable to parent equity holders	**18,345**	**22,365**
Non-controlling interest	(73)	(84)
Total equity	**18,272**	**22,281**
Non-current liabilities		
Provision for environmental rehabilitation	74	139
Total non-current liabilities	**74**	**139**
Current liabilities		
Trade and other payables	8,388	8,521
Current income tax liabilities	2,199	2,709
Bank overdraft	402	1,105
Interest bearing borrowings	174	897
Provision for environmental rehabilitation	122	-
Total current liabilities	**11,285**	**13,232**
Total liabilities	**11,359**	**13,371**
Total equity and liabilities	**29,631**	**35,652**
Number of shares in issue (million)	*118.1*	*118.1*
Net asset value per share (US cents)	*15.47*	*18.86*

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Richland Resources Ltd
Condensed consolidated statement of cash flows
for the Year Ended 31 December 2013
(Audited)

	FY 2013 $'000	FY 2012 $'000
Cash flows from operating activities		
Cash generated from operations	1,224	2,150
Financing cost paid	(75)	(204)
Income tax paid	(14)	(10)
Net cash from operating activities	**1,135**	**1,936**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	1,414	(1,672)
Proceeds from disposal of property, plant and equipment	650	-
Net cash used in investing activities	**(764)**	**(1,672)**
Cash flows from financing activities		
Repayment of interest-bearing borrowings	(723)	(694)
Proceeds from convertible loans	453	-
Net cash (used in)/ generated from financing activities	**(270)**	**(694)**
Net increase/(decrease) in cash and cash equivalents	**101**	**(430)**
Movement in cash and cash equivalents		
Exchange gains	8	-
At the beginning of the year	386	816
Increase/(decrease)	**101**	**(430)**
At the end of the year	**495**	**386**