



7 May 2014

**Richland Resources Limited**  
**("Richland" or "the Company") (AIM:RLD)**  
**Quarterly Operational and Sales Update**

**Richland Resources Ltd**, the gemstones producer and developer, today announces an operational, sales and marketing update for Q1 2014. All figures are unaudited.

**Operational Highlights**

- 1,336,094 carats total tanzanite production for Q1 2014 (788,198 carats for Q1 2013);
- 199 carats per tonne average grade achieved (97 carats for Q1 2013);
- US\$2.55m total sales achieved
  - TanzaniteOne Mining Limited ("TML") / STAMICO joint sales of US\$1.8 million
  - US\$0.77 million other sales (including The Tanzanite Experience ("TTE") retail stores and Online).

**Corporate Highlights**

- Closing of Open Offer and Placement to raise gross proceeds of approximately £2.76 million (approximately US\$4.5 million);
- 90 day Non-binding Memorandum of Understanding ("MoU") executed on 3 February 2014 with Kibaran Resources Limited ("Kibaran") for development of graphite assets.

**Post Period Highlights**

- Company initiated a group wide strategic review:
  - Focus on costs and revenue optimisation
  - Examining best use of funds available for investment in gemstone projects
  - 50% salary and fee reduction for entire Richland board

- Richland has now signed a 3 month extension to the MoU with Kibaran to consolidate its Merelani-Arusha Graphite Project with Kibaran's graphite assets in the region.

**Commenting today Bernard Olivier, CEO, of Richland Resources said:**

“Richland is working with its Tanzanian operating company TML, to alleviate significant costs at the Merelani tanzanite mine as illegal mining activities are still severely hampering operations and financial performance. As previously stated, no further capital will be provided to the TML/STAMICO joint venture by Richland while this situation is left to persist by the authorities. We shall wait to see if the Government of Tanzania completes its programme of clearing illegal mining from our licence area and thus provide a safe working environment for our workers. We are extremely disappointed by the lack of support received to date in this regard, especially after signing the binding agreement with STAMICO in December 2013.”

**Production and Sales**

Through Richland's wholly owned subsidiary, TML, tanzanite production totalling 1,336,094 carats was achieved in the first quarter of 2014. 6,693 tonnes of material was processed with recovery at an average grade of 199 carats per tonne. An estimated US\$1.8 million of revenues was realised in Q1 2014 by the TML/STAMCO JV pursuant to the agreement that was signed last year and covers all rough production from tanzanite mining. The quality of the tanzanite produced remained low due to the continuing 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. During the quarter the Company and TML continued its appeal to the Tanzanian Government to address the illegal mining within the Block C licence area.

The Company achieved approximately US\$0.77m of additional revenues for the quarter from retail and beneficiation operations including TTE and [TanzaniteOneOnline](#).

**Graphite Project**

On 5 February 2014, Richland announced a MoU with ASX quoted Kibaran to consolidate and mine both companies' graphite deposits in the Merelani region. Richland has now signed a 3 month extension to the MoU until 5 August 2014. Kibaran has largely completed its due diligence and the parties are now working together to finalise the terms of the binding agreement. Both parties are keen to finalise an agreement to allow the recommencement of graphite production at Merelani. Further updates will be made in due course.

### **Corporate Activities**

On 18 December 2013 the Company announced that it was proposing to raise up to £4.0 (£3.9 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. On 16 January 2014 the Company announced that it had raised approximately £2.76 million (approximately US\$4.5 million) (gross) via the issue of, in aggregate, 81,060,944 New Common Shares. This exceeded the Company's minimum fundraising target of £2.1 million.

### **Post Period Strategic Review**

As announced on 14 April 2014, the Company is undertaking a group wide strategic review of its operations, which will include a review of all costs, revenue optimization and best use of funds available for investment in gemstone projects. Further updates will be made in due course.

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