



19 February 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 Q4 2013. All figures are unaudited.

Operational Highlights

- 1,095,753 carats total tanzanite production for Q4 2013 (795,162 carats for Q4 2012);
- 166.05 carats per tonne average grade achieved (102 carats for Q4 2012);
- US\$2.7m total sales achieved
 - TML/STAMICO joint sales of US\$1.8 million
 - US\$0.9 million other sales (including TTE and Online).

Corporate Highlights

- Binding agreement signed between TML and STAMICO.
 - Net profit share (annualized) arrangement on 50:50 basis between TML and STAMICO
 - US\$ 4 million payable by STAMICO to TML from STAMICO's share of future profits from joint operations.
- New STAMICO JV working with Government on establishing secure working environment in the local area;
- Sale of Dubai office for net sale proceeds of approximately US\$640,000.

Post Period Highlights

- Closing of Open Offer and Placement to raise gross proceeds of approximately £2.7 million (approximately US\$4.5 million);
- Non-binding Memorandum of Understanding with Kibaran Resources Limited ("Kibaran") for development of graphite assets.

Commenting today Bernard Olivier, CEO, of Richland Resources said: "The fourth quarter of 2013 saw us complete a number of key tasks that will allow

Richland to move production and sales forward. An agreement has been reached over tanzanite mining with the Government of Tanzania, previously producing areas in the northern part of Block C have been re-entered by our workers and complementary revenue streams to rough tanzanite sales are now well established. We are now focussed on bringing high value gemstone areas of the mine back into the tanzanite production profile. Our work increasing value in the company from new revenue lines, such as graphite, will also continue.”

Production and Sales

Through the Richland wholly owned subsidiary, TanzaniteOne Mining Limited (“TML”), tanzanite production totalling 1,095,753 carats was achieved in the fourth quarter of 2013. 6,599 tonnes of material was processed with recovery at an average grade of 166.05 carats per tonne. An estimated US\$1.8 million of revenues was realised in Q4 2013 under the TML/STAMCO JV agreement that was signed last year and covers all rough production from tanzanite mining, The Company also achieved US\$0.9m of additional revenues for the quarter from retail and beneficiation operations including TTE and [TanzaniteOneOnline](#).

As anticipated tanzanite production in the quarter was restricted as underground teams were diverted to re-enter high-grade areas secured by the Government from illegal miners during the second half of 2013. TML employees have been working to make the reclaimed shafts and drives safe and ready for refurbishment. It is anticipated that production restart and ramp up will commence during H1 in 2014.

TML and STAMICO Agreement

On 12 December 2013 the Company announced that TML and the State Mining Corporation (“STAMICO”) had reached a full and formal legally binding Agreement. The key terms of the agreement are:

- Net profit share arrangement on 50:50 basis between TML and STAMICO;
- US\$ 4 million payable by STAMICO in recognition of the previous expenditure incurred by TML, to be paid by STAMICO utilising 40% of its future share of the net residual profit;
- All existing assets, including all buildings, plant, equipment etc., remain in the sole ownership of TML.

Graphite Project

During Q4 2013, the Company continued discussions regarding potential Joint Venturing of the Merelani Graphite project. The Merelani Graphite mine was operational from 1996 to 1998 before being converted to a tanzanite mining operation only. 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.

Tsavorite Project

During the fourth quarter the Company compiled and reviewed the results of the pilot sampling and resource definition programme and an update on the status of the project will be released once the review and independent reports have been completed.

Corporate Activities

On 18 December 2013 the Company announced that it is 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. Post reporting period, on 16 January 2014 the Company announced that it has 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.

For more information please contact:

Bernard Olivier	Mike Allardice
Chief Executive Officer	Group Company Secretary
+61 4089 48182	+852 91 864 854

Nominated Advisor & Broker

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



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R E S O U R C E S

Laurence Read

Corporate Development and Communications Officer

+44 (0)20 3289 9923