



**2 September 2014**

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

### **Tanzanite Foundation Re-focused**

#### **Highlights**

- Richland's subsidiary, the Tanzanite Foundation Limited (the "Tanzanite Foundation") is responsible for tanzanite marketing & promotion, sight-holder engagement and Community & Social Relations ("CSR").
- The Tanzanite Foundation's operations are to be re-aligned following the Company's stakeholder review to support:
  - A coordinated strategy integrated across all regions;
  - A sales and marketing model that can compliment new gemstone product lines, such as sapphire;
- As part of the re-alignment, the dedicated Tanzanite Foundation New York representative office is to close.
- Richland expects to achieve approximately US\$300,000 annualised cost saving.
- CSR projects in Tanzania remain unaffected.

Over the past 9 months Richland has been engaged in an on-going review of operations across all areas of the group. The Company is positioning itself to bring on new gemstone production lines, such as sapphire, and create a more flexible body to engage in tanzanite sales.

While the Tanzanite Foundation has historically acted as a global body to promote the tanzanite gemstone itself, rather than gems solely mined by Richland's subsidiary company, TanzaniteOne Mining Limited ("TML"), currently the Company has been the primary contributor to the costs of its subsidiary. Effective from 1 September 2014, the Tanzanite Foundation will undergo structural and operational changes to better align with global tanzanite markets and the expectations of the sight-holders who buy the gems mined by TML.

Following a consultation period with key stakeholders, including sight-holders, mining, and market stakeholders, it has been decided that tanzanite shall be represented through a centralised global body serving both mature markets like the US and Europe, and growth markets in Asia. The subsequent resource re-allocation will best fit the requirements of Richland and sight-holders alike. The New York representative office will close with promotional, educational, and information distribution functions being absorbed by the existing global operations. It is anticipated that Richland will benefit from an annual cost saving of approximately US\$300,000 that will be achieved from the operational restructuring of the Tanzanite Foundation.

CSR projects in Tanzania remain unaffected and continue to be maintained by TML.

Richland will look to scale operations depending on levels of economic tanzanite produced at the Merelani tanzanite mine, operated by TML. Increased production will allow the Tanzanite Foundation to continue to promote tanzanite as a leading luxury product in an increasingly



competitive market place. The Company awaits the results of commitments made by the Government of Tanzania to increase safety in the Merelani area for TML workers prior to any further decision on mining operations in Tanzania.

Commenting on the announcement Bernard Olivier, CEO, of Richland Resources said: "The Tanzanite Foundation has a significant role in the recognition of tanzanite as a premier gemstone and promoting sightholders and the tanzanite industry. Following an extensive consultation process with sightholders and other key stakeholders we shall implement a series of changes within the Tanzanite Foundation that will support a more flexible and efficient operation. While cost savings are anticipated from this decision we see the main future benefit of the changes as coming from the ability to develop and integrate multiple gemstone sales channels for Richland. We are extremely proud of our CSR projects in Tanzania and will be maintaining them, as well as new projects."

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