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8 February 2016

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

Quarterly Operational and Sales Update

Richland Resources Ltd, the gemstones producer and developer, today announces its quarterly operational, sales and market update for Q4 2015. All figures are unaudited.

Highlights

- 720,000 carats produced during Q4 2015 as part of production start-up and ramp-up process
- 52,266 tonnes of sapphire bearing alluvials mined and processed
- Average grade of 14 carats per tonnes achieved
- US\$226,180 total revenue achieved from the sale of approximately 203,000 carats of lower quality sapphire and corundum
 - Average price per carat of US\$1.11 achieved for lower quality sapphire and corundum
- Operational cash cost per carat of approximately US\$1 / carat
- Two new exploration licences awarded for highly prospective sapphire exploration areas in Central Queensland

Commenting on the results, Chief Executive Officer, Bernard Olivier said: *"I am delighted by our success during the first full quarter of production. During the last quarter of 2015 we not only surpassed our ramp-up production targets but we also achieved first revenue from the sales of our lower-quality material. We continue to ramp up operations at the Capricorn Sapphire mine as we establish a cost effective, advanced mining and sorting operation. We also managed to bring our total operational cash cost per carat down to approximately US\$1 / carat during the quarter through ongoing stringent cost control."*

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Production and Sales

Richland's wholly owned subsidiary, Capricorn Sapphire Pty Ltd ("Capricorn"), achieved sapphire production totalling approximately 720,000 carats in the fourth quarter of 2015 as part of the mine start-up and ramp-up process. 52,266 tonnes of sapphire-bearing alluvial gravels were extracted and processed at an average grade of approximately 14 carats per tonne.

During the quarter Capricorn conducted various processing treatment feasibility tests to establish the appropriate cut-off size for its material. During Q3, material smaller than 4mm was not sorted or graded and was stockpiled for potential future sorting. Following the results of the studies, Capricorn modified and adjusted its processing systems to enable extraction and sorting of material larger than 3mm. All current and future production values and grades therefore refer to material larger than 3mm and any material smaller than 3mm will not be stockpiled or processed as it is not deemed economically viable. The minus 4mm material stockpiled during Q3 2015 is not included in the Q4 quarterly production figures, but will be processed at a later date.

During the quarter various parcels of lower quality sapphire and corundum totaling approximately 203,000 carats were sold for total revenue of approximately US\$226,180. An average price per carat of US\$1.11 was achieved for the lower quality sapphire and corundum sold.

The total operational cash-cost per carat for the fourth quarter, which represents the first full quarter of uninterrupted production, is estimated at approximately US\$1 / carat. The cash-cost per carat includes all operational costs but excludes depreciation, amortisation and corporate costs.

The Company has commenced branding, marketing, treating, cutting and polishing of its higher quality material in preparation for its first sale of its higher quality sapphire. The sale is planned to occur during H1 2016.

Exploration

Two exploration licences, were granted during the quarter, covering a total area of approximately 230 sq. km and are located adjacent to known sapphire producing areas and RA1 Areas (restricted areas earmarked for sapphire mining and fossicking with the grant of exploration licences within the area prohibited). The exploration areas were also selected to include sapphire bearing palaeo-alluvial terraces with adjoining reworked colluvial and alluvial deposits. Historical sampling of the terraces has recovered sapphire samples from the basal gravels.

Qualified Person's Declaration

Bernard Olivier has reviewed and approved for release the technical information contained within this press release in his capacity as a qualified person, as required under the June 2009 Edition of the AIM Note for Mining, Oil and Gas Companies. Dr Olivier, CEO of the Company, has relevant experience and knowledge in the gemstone exploration and is a Member, in good standing, of the Australasian Institute of Mining and Metallurgy.

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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.