22 June 2016

Richland Resources Ltd
("Richland" or the "Company")

JORC Resource Estimate Update for Capricorn Sapphire Mine

Richland (AIM: RLD), the gemstones producer and developer, today announces an updated JORC resource estimate for the group's wholly owned Capricorn Sapphire mine, located in Queensland, Australia.

Highlights:

- Newly defined area of resource, which will be the focus for mining operations over the next 12 months as production ramp-up continues.
- Updated Measured and Inferred Mineral Resource of 115.5 million carats of sapphire and corundum comprising:
    - original JORC Code (2004) compliant historical Measured Resource of 107.5 million carats following the mining of 1.5 million carats since July 2015; and
    - additional JORC Code (2012) Inferred Resource of 8 million carats at a grade of 10 carats per tonne recently established.
- Expansion of project's geological and mineralisation model.

One of the Company's core objectives during Q4 2015 and H1 2016, has been to update the geological model at the group's Capricorn Sapphire mine and further expand the resource estimate in compliance with the JORC Code (2012). The Capricorn Sapphire project remains on schedule to meet its ramp-up targets in 2016, and our geological delineation programme allows the Company to improve and refine its mine programme and scheduling.

During 2016 to date, independent geological consultant, Mr Andrew Cunningham, a highly experienced alluvial diamonds and gemstone geologist, has identified and analysed the paleo channels within which sapphires are predominantly concentrated. The Company's new forward mining model allows for structured grade control as increased capacity is reached across the mining circuits.

Andrew Cunningham, independent geological consultant, commented:

"Following 12 months of focussed geological work, the Capricorn Sapphire mine now has a meaningful additional, independently audited, JORC resource estimate and, perhaps almost as important, a more detailed mine plan in place with a far greater understanding of the geology and mineralisation of the deposit. I am now working on a daily basis with Richland's mining team to assist in expanding production and ensure maximum efficiency in terms of grade control within the plant."

Bernard Olivier, Richland's CEO, commented:

"I am very satisfied with the geological work completed to date and pleased that it has led to the development of an improved and structured 12 month mine plan to support the ongoing efficiency of the Capricorn Sapphire mine as production continued to ramp-up. Following our optimisation work earlier in the year, I am pleased with our resultant progress at the mine and look forward to updating the market on our further progress in the next quarterly operational and sales update."

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Geological and JORC Mineral Resource Update

Geology

The Central Queensland sapphire deposit (the Anakie deposit), which includes the Capricorn Sapphire project's licence area, is predominantly underlain by Cainozoic and Quaternary Alluvials which overlay polymictic gravels, which host the sapphire and associated minerals. Sapphire mineralisation is principally associated with Tertiary and Quaternary alluvial placers, derived through erosion of Tertiary alkali volcanic rocks, mostly basaltic lavas, pyroclastics and volcaniclastics of the Eastern Australian Cainozoic Igneous Province. Sapphires and associated heavy minerals are commonly concentrated along palaeochannels of various depths and often comprise linear zones called "runs".

Mineral Resources

Historic JORC (2004) Measured Resource

As at June 2014, the Company's wholly owned subsidiary, Capricorn Sapphire Pty Ltd ("Capricorn Sapphire"), held two mining leases, ML70419 and ML70447, which had a JORC (2004) Measured Resource of 109 million carats of sapphire and corundum. The JORC (2004) resource estimate was based on Caldwell drilling and bulk sampling conducted in 1991 and infill drilling in 2004 . The JORC (2004) resource work delineated an alluvial placer area of 115 ha and an average grade of 8 g/LCM (ca. 20 carats / tonne) was calculated from the drilling and bulk sampling of the mining leases. Since June 2014, Capricorn Sapphire has mined approximately 1.5 million carats from the JORC 2004 delineated resource area. Based on the historical Measured Resource and subtracting the carats mined since June 2014, derives an estimated total of 107.5 million carats remaining within the historically defined JORC 2004 area.

Additional JORC (2012) Inferred Resource

During the Q4 2015 and H1 2016 geological programme, a total of 12 observation pits and 24 Caldwell drill holes were completed in the "Northern Flats" resource area, located approximately 500m north east of the current mining area (refer to figure 1). The Northern Flats resource area is located outside of the JORC 2004 delineated resource boundary and therefore represents an addition to the "global" resource on the ML70419 licence.

Sample collection, geological logging, storage, transport and treatment were all completed under the direction and supervision of the group's independent geological consultant, Mr Andrew Cunningham, thereby ensuring a full chain of custody. A variety of Quality Assurance/Quality Control procedures were implemented to ensure accurate recoveries of the treated material. A sample treatment plant was designed and built to mimic the Capricorn Sapphire project's existing main treatment plant, in order to enable accurate reflection of operational recoveries. The sample treatment plant consisted of a feed-bin, a wet screening trommel and a two-cell, three-tray jig. All material concentrated by the jigs was collected, bagged and sealed for further sorting at the Company's sorting facility. All collected samples were dry sieved using the same sieve sizes and cut-off values as used in Capricorn Sapphire's mine production. The recovered material and subsequent grades calculated from the sampling programme are therefore comparable to the mining operations and not just theoretical.

The sampling and geological results were used to create a geological and mineralisation model with a combination of key lithological contacts and mineralisation constraints applied as the

estimation domains. All interpretation, contouring, girding and wireframes were created using ArcGis and Micromine software. The mineralised zones within the Northern Flats resource area were modelled using the interpreted orientation of the sapphire bearing gravels and mineralised domains captured by means of "spheres of influence" to slightly more than half section spacing between sample positions.

The Northern Flats resource area was sub-divided into three distinct resource zones for an estimated total JORC 2012 compliant Inferred Resources of 8,005,000 carats. The Northern Flats resource area has an estimated average sapphire bearing gravel thickness of 1.5m with an estimated average overburden of approximately 4m and a total average grade of 10 carats per tonne utilising the current Capricorn Sapphire mine operation's cut-off sizes.

The Northern Flats resource area is open towards the east and south and additional work is planned during 2016, to further investigate and expand the current resource area.

Total Mineral Resource
The total "global" Mineral Resource for the Capricorn Sapphire mine, as at 20 June 2016, is set out in Table 1 below.

Table 1: Mineral Resource Statement for Capricorn Sapphire mine

Deposit	**Classification**	**Tonnage**	**Grade (ct/tonne)**	**Contained Carats**
Northern Flats	JORC 2012 Inferred	641,000	10	8,005,000
Historic Area	JORC 2004 Measured	5,373,165	20*	107,463,293
Total:		**6,014,165**		**115,468,293**

** - Unlike the JORC 2012 Inferred Resource, the JORC 2004 Measured Resource did not utilise the same sapphire cut-off size as the current Capricorn Sapphire mining operation. A direct comparison can therefore not be made between the JORC 2004 and JORC 2012 grades and similarly an average total grade cannot be calculated.*

Qualified Person
The Competent Person for the new JORC (2012) resource estimate and report dated 20 June 2016, which is now available on the Company's website is Mr Andrew Cunningham. Mr Cunningham is an independent geological consultant to Capricorn Sapphire, a Member of the Australian Institute of Geoscientists and a life member of the Geological Society of Namibia. Mr Cunningham has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves.

The technical information contained in this announcement has been reviewed and approved by Mr Cunningham.

The historical JORC (2004) Measured Resource was calculated in 2004 by Mr Brian R. Senior, B.Sc.(Hons), M.Sc., Ph.D., F.Aus.I.M.M., Geological Consultant and the principal of B.R. Senior & Associates Pty Ltd, in his capacity as a "competent person" as required under the 2004 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves".

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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.

Glossary of technical terms:

"Alluvial placer"	a surficial mineral deposit formed by mechanical concentration of heavy mineral particles from weathered rocks in a river valley;
"cpt"	carats per tonne;
"ct"	carat;
"Inferred Resource"	that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability;
"JORC"	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as published by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia;
"JORC (2004)"	the 2004 edition of the JORC code;
"JORC (2012)"	the 2012 edition of the JORC code;
"LCM"	loose cubic metre;
"Measured Resource"	is that part of a Mineral Resource for which tonnage, densities, shape,

physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and/or grade continuity;

"Mineral Resource"	concentration or occurrence of material of economic interest in or on the earth's crust in such form and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity, and other geological characteristics of a Mineral Resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed geological model;
"m"	metre;
"Sapphire"	a gem quality corundum (Al_2O_3) other than ruby. Especially the blue transparent and coloured varieties of crystalline corundum containing small amounts of oxides of cobalt, chromium and titanium.

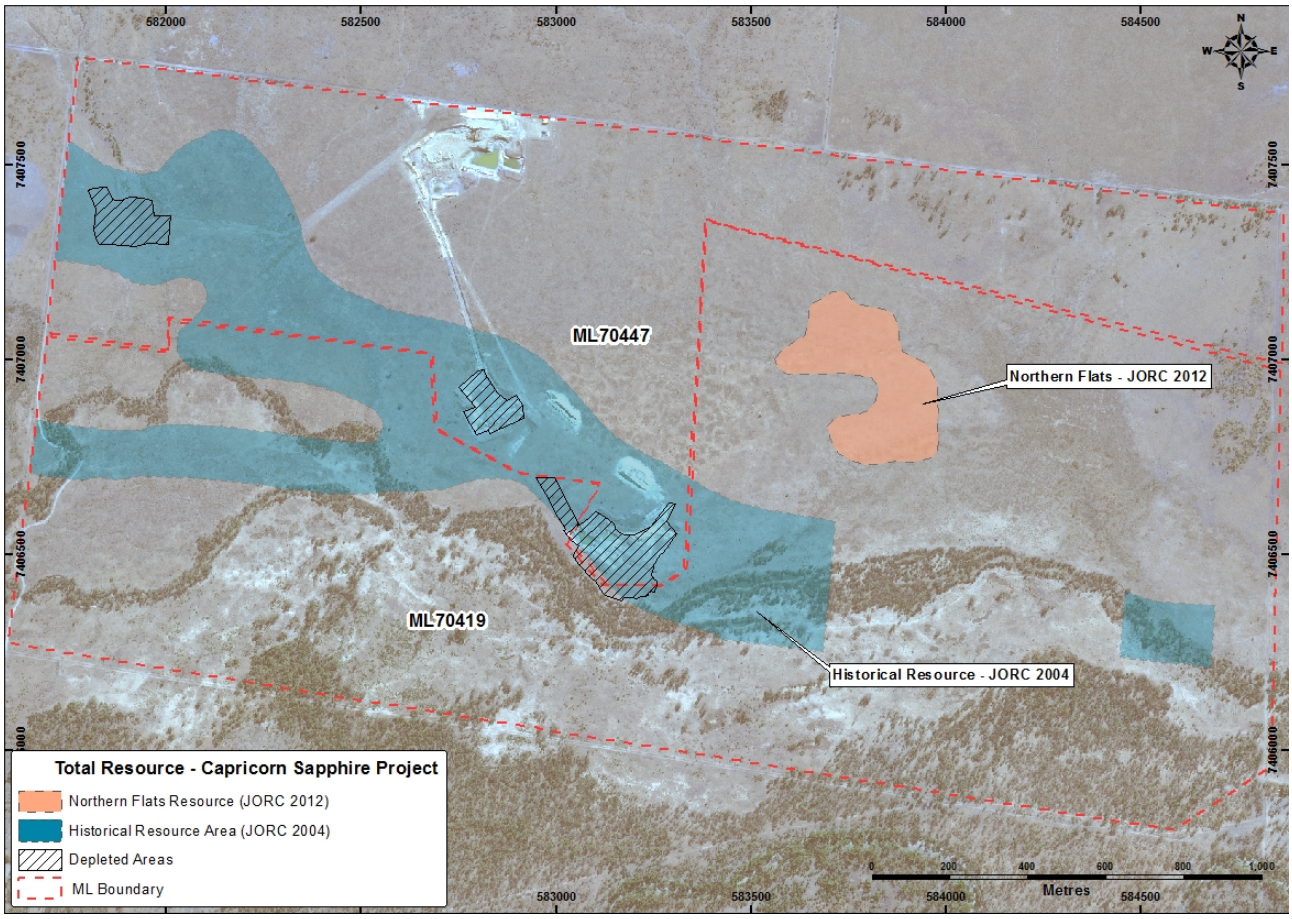

Figure 1: Global resource for the Capricorn Sapphire project.