



10 February 2015

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

Capricorn Sapphire Commissioning, Queensland Australia

Highlights

- Commissioning commenced of Capricorn Sapphire processing plant
 - Plant refurbishment completed
 - Commissioning initiated on schedule
- Mining ramp up underway
 - Mining Plan of Operations approved by Queensland Government
 - Financial Assurance has been lodged with the Queensland Government
 - Contractor negotiations & cost analysis underway
- Mining on schedule to commence in March 2015
- First revenue expected from sapphire sales in Q2 2015
 - Certificated rough gems to be sold primarily through Sight process
 - Project historically produced blue and coloured sapphires
- Capricorn Sapphire brand to be launched Q1 2015

Richland Resources Ltd, the AIM listed gemstone producer and developer, today announces that the redevelopment operations at its Capricorn Sapphire mine ("the Project"), located in Queensland Australia, have been completed and commissioning has commenced on schedule.

The development of the Capricorn Sapphire project forms part of the Company's strategy to develop profitable gemstone operations, utilising its experience in coloured gemstone extraction, through efficient use of expenditure. The project offers a significant opportunity for Richland to develop a low cost, coloured gemstone operation selling fully certificated gemstones to the global market place. Queensland, Australia is a long established area for major mining operations, hosting one of the world's major sources for coal. With well-established legislation and permitting for mining in place, Queensland offers significant scope for the creation of a major coloured gemstone hub. Richland will look to launch the Capricorn Sapphire brand within Q1 2015 to promote ethically mined, natural Sapphire from Queensland.

Processing Plant Commissioning

Refurbishment of the processing plant has been completed and commission testing has commenced. Mining is targeted for March 2015. The purpose-built alluvial processing plant is one of the largest of its kind in the southern hemisphere, capable of treating up to 200 loose cubic metres (LCM) per hour.



Operational Progress

The Company has also received quotations for the hiring of the required earth moving fleet and other mining machinery in preparation for the commencement of mining in March 2015. The first cash flow from the sales of sapphires mined from the Capricorn Sapphire project is expected in Q2 2015.

Richland prepared and submitted its mining plan of operations to the Department of Environment and Heritage Protection as required under section 287 of the Environmental Protection Act 1994. The plan of operations has now been approved and Richland has subsequently lodged the required Financial Assurance with the Department of Natural Resources and Mines in Queensland.

Capricorn Sapphire Project Summary

The Capricorn Sapphire mine consists of two new mining leases comprising about 490 hectares and associated assets and the project is 100% owned by Richland. The mining leases contain a JORC (2004) Measured Sapphire Resource of approximately 21.6 million grams (109 million carats) of sapphire, based on extensive previous exploration and following a brief period of mining by the previous owners.

Commenting on the announcement Bernard Olivier, CEO, of Richland Resources said: "Today's start of the commissioning process of our sapphire project in Queensland is an important milestone for Richland in developing gemstone operations in Australia. Our proven track record in gemstone mining has enabled us to redevelop the Capricorn Sapphire project on time and to budget. Mining is targeted for March of this year with sales of ethically mined, certificated gemstones, occurring shortly after. The Capricorn Sapphire project is extremely exciting as it has the capability of yielding sapphires of varying colours, in addition to the dominant blues, and is located in a well established mining region."

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Project Summary

The Sapphire project consists of two new mining leases comprising approximately 490 hectares and associated assets and is 100% owned by the Group. The mining leases contain a JORC (2004) Measured Sapphire Resource of approximately 21.6 million grams (109 million carats) of sapphire, based on extensive exploration and a brief period of mining by the previous owners.

First production will be achieved through the mine restart in Q1 2015. Richland has identified Nardoo as having the capacity for significant scalability in terms of sapphire production. Mining of the current JORC (2004) delineated resource can be increased through low cost exploration at prospective targets within the licence area.