



2 February 2015

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

**Closing of Tanzanite Experience retail operations
and
Focus on Capricorn Sapphire**

Richland Resources Ltd, the AIM listed gemstone producer and developer, today announces that it has further reduced its operations in Tanzania following an on going strategic review. The Company is now focussing on the redevelopment of the Capricorn Sapphire mine in Queensland, Australia that is on track to be commissioned during Q1 2015.

Following a review of the strategic options available for its Tanzanite Experience ("TTE") retail operations in Tanzania, Richland has decided to close all retail outlets in the country. The Group is in the process of finalising the sale of TTE tanzanite and jewellery inventory which it anticipates should be completed on or around 2nd February 2015, and the finalisation of redundancy arrangements for those employees for whom it was not possible to find suitable employment for elsewhere in the Group.

Proposed divestment of Tanzanian operations

On 26th November the Company announced its conditional sale of its mining operations in Tanzania, to Sky Associates Group Limited ("**Sky Associates**") pursuant to which the Company will sell to Sky Associates the Group's tanzanite mining and beneficiation business and tsavorite license interests in Tanzania (the "**Sale**"). The Sale was approved by the Company's shareholders at the Company's Special General Meeting on 22nd December 2014.

The Sale remains conditional *inter alia* on approval of the Sale by:

- (a) the Minister of Energy and Minerals of the Republic of Tanzania ("**Ministerial Approval**"); and
- (b) the South Africa Reserve Bank (if required) ("**SARB Approval**").

which are due by 24 February 2015 under the terms of the Sale Agreement, or such later date agreed by the parties. Richland is focussed on working with Sky to satisfy these conditions and complete the Sale.

Reasons for the closing of the Tanzanite Experience retail operations in Tanzania

As announced on 11 June 2014, as part of its re-structuring Richland was reviewing the options for TTE to realise value from the retail chain. Sky did not wish to acquire the Tanzanite Experience retail operations as part of its acquisition of the Group's mining operation in Tanzania. The Tanzanite Experience retail operations have been dependent upon their link to and supplies from the Group's tanzanite mine in Tanzania and the Group has been unable to find a buyer for the Tanzanite Experience business as a going concern.

As the majority of the leases on retail premises of TTE were due to expire early in 2015 or could be terminated on 90 days notice, the Group has decided not to renew the applicable leases, to give notice to terminate the others, and to close its Tanzanite Experience retail outlets in Tanzania. The closure will not have a material effect on the net assets of Richland.

Capricorn Sapphire

The Capricorn Sapphire project remains on target for plant commissioning and mining to commence in the first quarter to 2015.

Commenting today Bernard Olivier, CEO, said "Following an assessment of the viability of TEE going forward without the support of direct mine supply we have taken the decision to sell all inventory and close the retail operations in Tanzania. The decision forms part of our strategy to complete the sale of our Tanzania operations and focus on the commissioning of our blue and coloured sapphire mine in



Queensland Australia. Richland is strongly committed to the certificated gemstone model and we look to applying our expertise in coloured gemstone mining to our sapphire assets during 2015.”

For more information please contact:

Bernard Olivier
Chief Executive Officer
+61 4089 48182

Nominated Advisor & Broker (AIM)
RFC Ambrian Limited
Samantha Harrison
+44 (0) 20 3440 6800

Mike Allardice
Group Company Secretary
+852 91 864 854

Laurence Read
Corporate Development and
Communications Officer
+44 (0)20 3289 9923