



4 March 2015

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

US\$5.1m Sale of Tanzania Operations Concluded

Richland Resources Ltd, the AIM listed gemstone producer and developer, today announces that its sale agreement dated 25th November 2014 ("Sale Agreement") with Sky Associates Group Limited ("Sky"), closed on 2nd March 2015. Sky Associates has now acquired from Richland all the Group's tanzanite mining, beneficiation and tsavorite license interests in Tanzania.

Highlights

- US\$5.1m Purchase Price
- US\$510,000 previously received by Richland
- US\$4,080,000 paid to Richland on closing – which includes release of US\$510,000 previously paid into escrow by Sky.
- Further Deferred Consideration of US\$510,000, subject to any adjustments and deductions in accordance with the Sales Agreement will be payable to Richland on 8th June 2015.
- The Sale Agreement was for all of Tanzania mining, exploration and cutting operations.
- Richland's focus is now on mining commissioning of its Capricorn Sapphire project, in Australia during Q1 2015
 - First sapphire sales through existing sight system are anticipated in H1 2015
 - New marketing and brand launch for Capricorn Sapphire scheduled for Q1 2015

Summary of effects of the Sale

In return for a payment of US\$5.1 million Sky has acquired (i) Richland's wholly owned subsidiary, TanzaniteOne (SA) Ltd (which holds the interest in Tanzanite One Mining Limited ("TML") and includes all companies related with the tanzanite mining, (ii) TsavoriteOne Mining Limited, and (iii) Urafiki Gemstones EPZ Ltd which operated the group's cutting facilities (the "**Sold Group**"). In addition, Sky has agreed that it will pay to Richland 30% of any deferred consideration received by TML under the STAMICO joint venture agreement up until 31 December 2019.

US\$4,080,000 has now been paid to Richland and includes the release of US\$510,000 previously paid into escrow by Sky. Further deferred consideration of US\$510,000, which is subject to any adjustments and deductions in accordance with the Sales Agreement, will be payable on 8th June 2015.

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The Sold Group will no longer be included in the Group's consolidated accounts with effect from closing.

Richland Sapphire Production, Australia

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.

Commenting on the announcement, CEO of Richland Resources, Bernard Olivier said:

"On behalf of Richland and on a personal level, I would like to take this opportunity to thank the over 600 TML employees, who will be continuing with Sky for their dedication and hard work over the years and in particular the last 2 years when TML has faced many security and operational challenges. I trust that the employees will be a valuable asset to Sky and wish them and Sky a bright and prosperous future."

In terms of Richland's future, the management team is fully focussed on bringing the Capricorn Sapphire project into profitable production, with plant commissioning already initiated in February. We look forward to making further announcements as the project transitions through the mining commissioning and sales phases."

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