

13 April 2015

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

Commencement of Mining, Queensland Australia

Highlights

- Pre-production mining starts at Capricorn Sapphire project, Queensland Australia
 - Rehabilitation and stabilisation of certain historical un-rehabilitated areas
 - Removal of topsoil and overburden as part of first open pit development
 - Plant process testing and circuit configuration underway
- Drilling programme underway to define pit design and layout as well as enabling mine scheduling
 - Pilot plant test work processing geological samples
- Sapphire production targeted for May 2015
- First sapphire sales under Capricorn Sapphire brand expected June 2015

Richland Resources Ltd, the AIM listed coloured gemstone miner and retailer, today announces that pre-production mining has commenced at the Capricorn Sapphire mine ("the Project"), located in Queensland Australia.

Mining operations are underway and all earth moving machinery required for production is on site. Current operations are focussed on the development of the first open pit, "Pit 1", which will host the initial phase of sapphire mining during 2015. Topsoil and overburden removal has commenced as part of the development of Pit 1, which is located within the pre-existing JORC defined sapphire resource. As part of the pit development work a drilling contractor is on site and is working with Richland's geologists to define Pit 1's final open pit design, layout and mining. Following completion of the production design work confirmation and definition holes will also be drilled to enhance the Company's understanding of the resource. The use of a small-scale processing facility has been secured near the mine and independent geologists and engineers are currently running samples through this pilot plant for assessment. Sapphires have been recovered.

Earth moving work is also underway to stabilise and rehabilitate areas disturbed by earlier operations. In addition to benefiting the production mining start, this work has been undertaken by Richland as part of its commitment to the Queensland Government to help remediate the historic mine workings.

Plant testing continues successfully with the various circuits being configured for maximum efficiency. Cameras and other security measures are currently being installed at the processing plant. Final sapphire separation, sorting and grading of the concentrate will be undertaken at the secure facility in the neighbouring town of Emerald overseen by full modern gemstone security systems. Richland currently anticipates its first commercial sapphire recovery in May 2015 in preparation for sale of sapphires in June 2015.

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Commenting on the announcement Bernard Olivier, CEO, of Richland Resources said: "Mining has started and we are now readying Pit 1 for commercial production of sapphires in May 2015 and expect to start sales of sapphires in June. This is a significant milestone for Richland as we bring our experience in gemstone mining to Australia. Richland is approaching full mine start in a structured manner and following reports submitted by independent mining consultants we are undertaking infill drilling to help us finalise pit design. The Capricorn Sapphire mine is an exciting opportunity. We look forward to supplying gemstone buyers with consistent quantities of certificated blue and "fancy" stones.

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Notes to editors

Capricorn Sapphire Project Summary

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. 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. 'Fancy' coloured sapphire has traditionally been recovered from the project but the Board believes the value from Capricorn Sapphire comes from the consistent production of standard stone types sought in the manufacture of mainstream jewellery manufacture.

In 2015, Richland sold or closed all of its operation in Tanzania relating to gemstone mining. Previously the Company had operated the worlds largest and most advanced tanzanite mine. The mine was sold as conditions in Tanzania ceased to permit us to operate to standards of safety of employees and security of operations which we deemed essential for an ethical business.

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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 to promote ethically mined, natural Sapphire.