

12th June 2015

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

Finalisation of remaining consideration from sale of tanzanite business

Richland Resources Ltd, the gemstone producer and developer of the Capricorn Sapphire project, today announces the basis upon which on 12th June 2015 it finalised the consideration from the sale of its tanzanite business to Sky Associates Group Limited ("**Sky Associates**") the ("**Sale**") pursuant to the sale agreement dated 25th November 2014 between Sky Associates and Richland (the "**Sale Agreement**").

As previously announced Richland has already received US\$4,590,000 from the Sale:

- (a) US\$510,000 on the signing of the Sale Agreement recognised in the Accounts for the year ended 31st December 2014; and
- (b) US\$4,080,000 paid to Richland on closing on 2nd March 2015 which was not recognised in the Accounts for the year ended 31st December 2014 and will be recognised in the Accounts for the year ended 31st December 2015.

Richland was, subject to any adjustments and deductions in accordance with the Sales Agreement due deferred consideration of up to US\$510,000 on 8th June 2015 (the "**Deferred Consideration**").

In light of such adjustments and deductions due under the Sale Agreement and the existing and potential creditors claims and other liabilities of the companies sold by Richland to Sky Associates (the "**Disposed Group**") the two parties on 12th June 2015 reached a settlement agreement (the "**Settlement Agreement**") whereby so as not to prejudice the on-going negotiations of the Disposed Group with its creditors in relation to existing and potential creditors claims and other liabilities both parties are subject to a confidentiality undertaking which prohibits them disclosing the details of the Settlement Agreement to any other parties save that:

- (a) the Deferred Consideration will not be paid by Sky Associates to Richland; and
- (b) Richland and Sky have agreed that neither party will make any further claims of any nature against the other in relation to the Sale Agreement save for any breach of the Settlement Agreement.

In addition, Sky Associates and Richland have agreed to amend the terms of the further deferred consideration such that Sky Associates will pay to Richland 15%, rather than 30%, of any deferred consideration received by TML under the STAMICO joint venture agreement up until 31 December 2019. Such further potential deferred consideration otherwise remains payable to Richland in accordance with terms of the Sale Agreement.

Commenting on the Settlement Agreement, Chief Executive Officer, Bernard Olivier said: "The conclusion of the Settlement Agreement concludes the sale of our Tanzanian operations and allows the group to focus 100% on the operation of our Capricorn Sapphire project and represents a major achievement for Richland in exiting from its Tanzanian operations which have been loss making in recent years. Richland now looks forward to building a gemstone sales platform that can give customers assurance in terms of reliability of supply and origin and the opportunity for Richland is to become a cornerstone supplier of gemstones to a jewellery sector increasingly focused on being able to authenticate source of stones."

RICHLAND

RESOURCES LTD

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Notes to the Editor:

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.

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 cost controls. 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.