

19 October 2015

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

Quarterly Operational and Sales Update

Richland Resources Ltd, the gemstones producer and developer, today announces its quarterly operational, sales and market update for Q3 2015. All figures are unaudited.

Highlights

- Approximately 156,000 carats, larger than 4mm, produced during Q3 2015 as part of production start-up and ramp-up process
- 21,628 tonnes of sapphire bearing alluvials mined and processed
- Economical cut-off size currently set at 4mm and material smaller than 4mm in diameter is stock-piled for future sorting and grading
- Average grade of 7 carats per tonnes achieved for mined material larger than 4mm
- Current estimated cash cost per carat of less than US\$3 / carat
- First sapphire parcel sale concluded in September
 - 1,200 carats sold at US\$14.30 per carat

Post-period Summary

- Q4 production target set at 250,000 carats
- Size and colour sorting as well as quality grading of the material mined during Q3 currently being completed in preparation for larger and ongoing parcel sales process

Commenting on the results, Chief Executive Officer, Bernard Olivier said: *"I am pleased with the progress achieved during Q3 with over 150k carats produced of which more than half was produced in September following extensive work and modifications to the processing plant. We also achieved our first sapphire parcel sale. It should be noted that the parcel sold during late September at US\$14.3 / carat was a customer specific parcel and does not represent run-of-mine material. Our sales strategy currently focuses on customer specific parcels to ensure that we get as much down-stream commitments and market penetration as possible for our material and I look forward to commenting in the coming weeks on further progress on the sales and marketing process. We continue to keep a tight control on costs as evident from the estimated total cash cost per carat of less than \$3 / carat."*

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Notes to the Editor:

Further information is available on the Company's website: www.richlandresourcesltd.com. Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

Production and Sales

Richland's wholly owned subsidiary, Capricorn Sapphire Pty Ltd ("Capricorn"), achieved sapphire production totalling approximately 156,000 carats in the third quarter of 2015 as part of the mine start-up and ramp-up process. 21,628 tonnes of sapphire-bearing alluvial gravels were extracted and processed at an average grade of approximately 7 carats per tonne. All concentrate smaller than 4mm are not currently deemed economical and are therefore stockpiled for future sorting and grading. All production figures and cost calculation are therefore based on material larger than 4mm.

All mined material needs to undergo detailed sorting and grading into various size, colour and quality fractions before it can be incorporated into a parcel that is available for sale and the process can create a delay between mining and sales. During the last week of September the first parcel of sapphires mined during the quarter, weighing 1200 carats were sold at US\$14.3 / carat. The Company also achieved approximately US\$39,828 of revenues for the third quarter from its online retail division (richlandgemstones.com).

The average cash-cost per carat for September, which represents the first full month of uninterrupted production, is estimated at less than US\$3 / carat.

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Post Period

The Company has set an internal production target of 250,000 carats for Q4 as part of the mine ramp-up process. The sorting and grading of material mined during Q3 is currently being completed and various customer specific parcels are ready for the sales process, which is currently ongoing.