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World's largest rutile (titanium dioxide) mine to restart Sierra Leone production

Sierra Rutile Limited (“SRL” or “the Company”) announces that the full scale refurbishment of the world’s largest known deposit of rutile (titanium dioxide) is underway with production expected to commence later this year. The operation, which covers an area of 580 square kilometres in the southwest of Sierra Leone with an in situ value in excess of \$3 billion, was responsible for around 25% of world rutile production at the time that it ceased operating in 1995 due to internal conflict. SRL is privately owned by Titanium Fields Resources Limited and US Titanium LLC who have invested over \$100 million since operations were suspended.

The SRL mine has a projected life of 20 years, is located on the world’s highest grade rutile deposit and has historically proven to be a low cost operation with robust commercial, technical and financial characteristics. SRL rutile is high quality titanium dioxide feedstock used primarily by leading manufacturers in the worldwide pigment industry.

The Company’s geological sampling and reserve estimation techniques have been independently audited by a number of reputable independent consultants. SRL has proven and probable reserves of 278 million tonnes of ore grading 1.43% and further resources of 185 million tonnes of ore grading at 1.12% recoverable rutile. Total annual production is projected to be approximately 200,000 tonnes of rutile and 50,000 tonnes of ilmenite.

SRL has created a self-sufficient mining site through the construction and maintenance of all its own infrastructure and ancillary services. This includes its own port facilities (including tug boats and barges), power station and power distribution system and water reticulation system. In addition, there is a local airport and road system to Freetown.

A full scale engineering assessment of the restart requirements, conducted in 2001, enabled the projection of future cost requirements and critical path issues which ultimately culminated in an updated Feasibility Study. SRL has kept a care and maintenance team at the mine site and undertaken extensive re-electrification and infrastructural work. Refurbishment of the first dredge is substantially complete.

An independent Environmental and Social Impact Assessment (ESIA) of the SRL Rebuild Plan was conducted by a team of environmental specialists in 2001 and conducted in accordance with World Bank and IFC guidelines.

SRL has recently recruited senior engineering, marketing, warehouse, procurement and financial staff to meet the increased demands of the refurbishment programme. A number of contractors and consultants have also been retained by SRL.

Commenting on the announcement, Max McGarvie, CEO, said:

“Restarting operations at this world class deposit represents a rare opportunity for investors, customers and other trading partners to once again participate in the future success of this important rutile producer. The refurbishment programme is well underway and we currently anticipate that production will commence before the end of 2005. We look forward to making further announcements in relation to our development plans in due course.”

Enquiries:

Michael Oke, Andrew Mills
Aura Financial
+44 207 321 0000
www.aura-financial.com