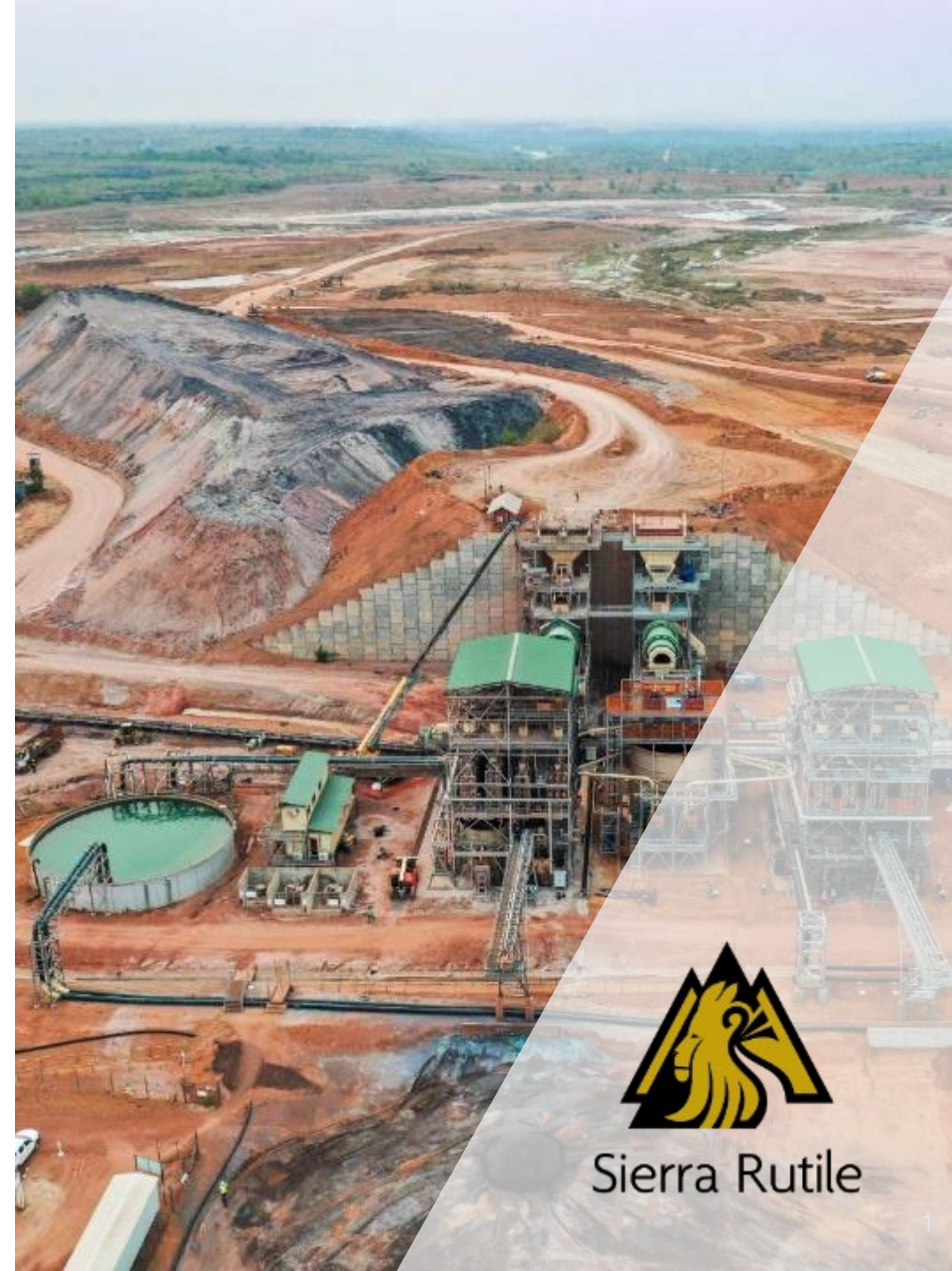


Sierra Rutile TZMI Conference

Sembehun – The run-up to FID

November 2023

ASX: SRX



Sierra Rutile

Important Notices and Disclaimer



Forward looking statements

Certain statements in or in connection with this announcement contain or comprise forward looking statements. Such statements may include, but are not limited to, statements with regard to future production and grades, capital cost, capacity, sales projections and financial performance and may be (but are not necessarily) identified by the use of phrases such as “will”, “expect”, “anticipate”, “believe” and “envisage”. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside Sierra Rutile’s control. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in product prices and exchange rates and business and operational risk management. Subject to any continuing obligations under applicable law or relevant securities exchange listing rules, Sierra Rutile undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Mineral Resources, Ore Reserves Estimates and Production Guidance

This announcement contains production guidance based on estimates of Sierra Rutile’s ore reserves and mineral resources. The estimates in this announcement that relate to the ore reserves and mineral resources of Sierra Rutile have been extracted from the interim Financial Report for the half year ended 30 June 2023 which was lodged at the ASX on 24 August 2023, available at <https://sierrarutile.com/> and www.asx.com.au (Announcement).

For the purposes of ASX Listing Rule 5.19, Sierra Rutile confirms that it is not aware of any new information or data that materially affects the information regarding Sierra Rutile’s ore reserves and mineral resources included in the Announcement and that all material assumptions and technical parameters underpinning the estimates in the Announcement continue to apply and have not materially changed. Sierra Rutile confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Announcement.

Non-IFRS financial information

This announcement includes certain information and data, such as Operating Costs, Net Operating Cash Costs and Unit Operating Cash Costs, that are not recognised under Australian Accounting Standards and are classified as ‘non-IFRS financial information’ under ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information). Sierra Rutile uses these non-IFRS financial information metrics to assess business performance and provide additional insights into the underlying performance of its operations.

The non-IFRS financial information metrics in this announcement do not have standardised meaning under the Australian Accounting Standards and, as a result, may not be comparable to the corresponding metrics reported by other entities. Non-IFRS financial information should be considered in addition to, and not as a substitute for, financial information prepared in accordance with Australian Accounting Standards. Readers are cautioned not to place undue reliance on non-IFRS financial information cited in this announcement.

World's Largest Natural Rutile Supplier



Historic Area 1 Operations

- ▲ Long-term 50+ years in operation supplying >20% of the world's natural rutile.
- ▲ One of the largest private employers in Sierra Leone, with over 2,100 direct staff.
- ▲ Remaining reserves expected to deplete by end 2026.
- ▲ Mogbwemo mine life extension opportunity at Area 1 subject to continuation of Third Amendment Agreement.
- ▲ Material capex spent in past 12 months to maintain viability of operations at lower production levels during difficult market conditions.

Long Term Future through Sembehun

- ▲ Sembehun, one of the world's largest and highest-grade natural rutile deposits, only 30kms from MSP.
- ▲ Expected to add 13+ years mine life, providing continued economic returns to employees, communities, Government and shareholders.
- ▲ Lower cost structure expected to increase resilience to price cyclicity.
- ▲ Declining rutile production globally due to limited number of rutile-rich deposits of significance in the world.
- ▲ Long-term, Sierra Rutile is anticipated to benefit from growing demand for natural rutile outstripped by depleting global resources.

Deep Local Expertise

Operating in Sierra Leone for over 50 years



Sierra Rutile



1958
Project Team



1970s
Payne Dredge



2024

1937
Site Visit

1960s
Titan Dredge







2023
Sierra Rutile Today

2024
Targeted FID
for
Sembehun



Government Support/Fiscal Stability

Critical Pre-requisite for Material Investment

-  Sierra Leone is an established mining jurisdiction with an existing regulatory framework.
-  With over ~ 2,100 direct employees and ~ 800 contractors, Sierra Rutile plays a critical role economically as one of the largest private sector employers.
-  Government of Sierra Leone (GoSL) entered Third Amendment Agreement with Sierra Rutile in late 2021, providing significant concessions for end of Area 1 mine life to support continuity of operations.
-  Sierra Rutile contributed over US\$17m directly to government and local communities in 2022 despite reduced (Third Amendment) tax and royalty regime.
-  GoSL notified Sierra Rutile in May of their desire to renegotiate Third Amendment - still under discussion. In the current pricing environment, Area 1 cannot support any material change to Third Amendment.
-  Recent controversy regarding unrelated iron ore port and rail infrastructure causing significant distraction for GoSL.



Commitment to Sustainable Operations

Major contributor to Sierra Leone economy and community



Country-leading safety performance with LTIFR <0.5 and TRIFR <1.0.



Achieved milestone rehabilitation of 285ha in 2023 against the regulatory requirement of 150ha, planting over 305,000 seedlings.



Improving local communities through education and healthcare. The Sierra Rutile Clinic – one of the best-equipped clinics in the country – recently established a new Antenatal Care Unit.



Collaborated with the Australian High Commission in Ghana to co-fund an ongoing Waste Management Project in Area 1 and currently discussing with the Government of Sierra Leone (GoSL) the process to relinquish land.



Continuing Sierra Rutile's inaugural standalone Sustainability Report, expected to be released in the first half of 2024.



Sierra Rutile's Roots and Shoots Club

Key Sembehun Metrics per PFS

One of the largest and highest-grade natural rutile deposits in the world

Extends Mine Life
By At Least 13 Years

Royalties 4.0%
Minimum Rev Tax
3.5%

~175ktpa Rutile

By-products:
75ktpa ilmenite
50ktpa ZIC
25ktpa ilmenite con



Mineral Resource:
**508Mt @ 1.10%
Rutile***

Capex:
US\$337m

Ore Reserves:
**174Mt @ 1.46%
Rutile***

Projected IRR Of
24%

* See breakdown of resource and reserve categories in Appendix A

Sembehun – Key Pre-requisites for FID



Sierra Rutile



DFS demonstrates adequate risk-adjusted returns:








- ✓ Capex broadly in line with PFS
- ? Opex materially lower than Area 1
- ? Long-term pricing outlook
- ? Government support

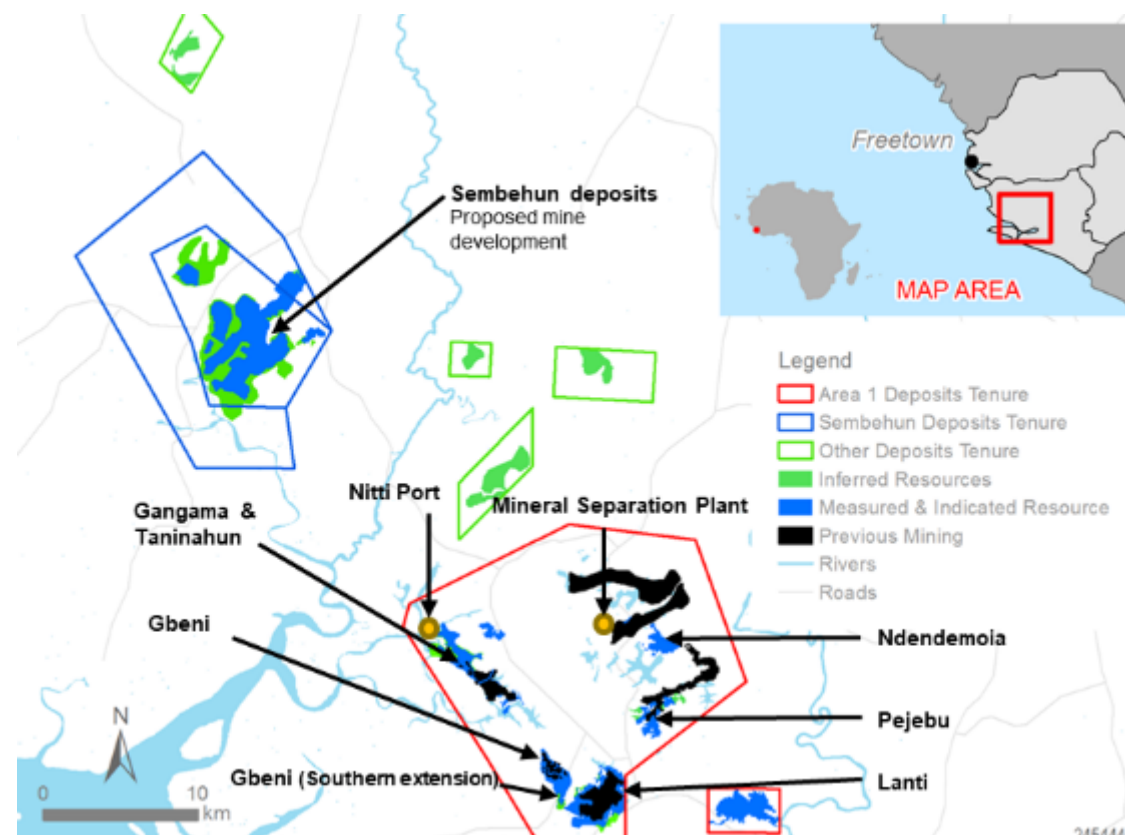
Funding availability:

- ✓ Senior debt availability
- ? Sub-ordinated debt availability
- ? Equity availability

Project Simplicity and Costs Should Support Financing and Investment

Final phase of Definitive Feasibility Study now underway

-  15-month DFS co-ordinated by Hatch now in final phase.
-  Customer samples confirmed high quality products.
-  2022 PFS indicated attractive risk-adjusted returns.
-  DFS capex expected to be broadly in line with PFS estimate.
-  Discussions with major development partners to potentially fund key infrastructure.
-  Low risk execution: leveraging existing processing, infrastructure and customer relationships.
-  Shorter haulage distances, newer equipment and higher by-product credits expected to materially improve cost-structure at Sembehun compared to Area 1.



Long-term Rutile Price Must Incentivise New Supply



Current market reflecting short-term demand decline rather than longer-term supply decline

Demand

- ▲ The pigment market outlook remains uncertain over the short-term considering low global housing activity, materially increased interest rates and persistent inflation. By contrast, titanium metal demand has a sustained strong outlook, alongside welding.
- ▲ Longer term, global growth and limited substitution/recycling of titanium is anticipated to support demand.

Supply

- ▲ In response to macro-economic headwinds, titanium feedstock producers are lowering production. Sierra Rutile is well placed to benefit from expected tight supply given the quality of our natural rutile product.
- ▲ Sierra Rutile's operations supply > 20% of global natural rutile. No other large scale rutile mines able to enter production by end 2026.

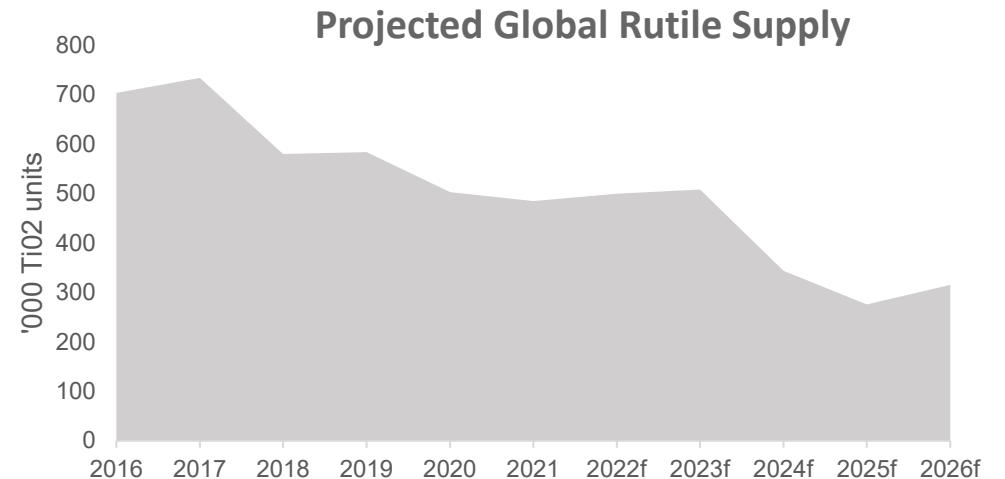
Pricing

- ▲ Recovering demand expected to outpace constrained rutile supply over medium term.

Two industry players have recently pointed to poor project economics as part of the reason for backing out of a mine extension and rutile project:

Base Resources: "Additional key factors considered in the Company's evaluation included the softening project price outlook for mineral sands over the relevant period."





Eramet: "The results of the additional technical and environmental feasibility study conducted in 2023 did not serve to validate the economic profitability of the Akonolinga project (mining of rutile)."



Source: TZMI June 2022

Substantial Funding Available

Sierra Rutile has established that there should be considerable debt and mezzanine funding available

-  Total working capital at 30 Sep of US\$81.6m (unaudited) but Area 1 cash generation below previous expectations due to depressed feedstock markets.
-  Senior Debt funding opportunities: pre-DFS market testing for senior debt facility has demonstrated potential for substantial liquidity from banks, credit funds and agencies.
-  Royalty, subordinated debt funding and strategic equity opportunities now also being investigated.
-  Recent credit approval received from Nedbank for a US\$25m revolving credit facility to provide greater financial flexibility as required during Area 1.



Gabion Wall at DM1 and 4

Outlook



The world's largest natural rutile producer taking steps to deliver sustainable growth

Short Term

- ▲ Resolution of Third Amendment Agreement with GoSL
- ▲ Sembehun DFS completion in January 2024
- ▲ **2023 Full Year Guidance:**
 - ▲ Production: 115kt-120kt of rutile
 - ▲ Net Unit Cost: \$1,075-1,125/t
 - ▲ Capex: \$25-27 million

Medium Term

- ▲ Execute Mogbwemo Tailings Project to reduce costs and extend Area 1 mine life
- ▲ Clear excess inventories as market conditions improve
- ▲ Sembehun Funding

Long Term

- ▲ Sembehun FID in H1 2024
- ▲ Sembehun Construction
- ▲ Long term opportunity with Sembehun, expected to significantly extend mine life, materially lower cost structure and leverage existing processing and logistics infrastructure

Appendices



Sierra Rutile

Appendix A

Set out below is a summary of the Sierra Rutile Group's Ore Reserve and Mineral Resources estimates as at 30 June 2023

Mineral Resource Estimate

Mineral Resource Category	Material Tonnes	In Situ Rutile	In Situ Ilmenite	In Situ Rutile Tonnes
	<i>Mt</i>	%	%	<i>Mt</i>
Area 1				
Measured	40	1.0	0.4	0.4
Indicated	114	1.0	0.6	1.1
Inferred	48	0.8	0.4	0.4
Area 1 Subtotal	202	1.0	0.5	1.9
Sembehun				
Measured	134	1.4	0.9	1.9
Indicated	214	1.0	0.7	2.1
Inferred	168	0.9	0.8	1.5
Sembehun Subtotal	508	1.1	0.7	5.5
Other				
Measured	-	-	-	-
Indicated	-	-	-	-
Inferred	39	1.2	-	0.5
Other Subtotal	39	1.2	-	0.5
Grand Total				
Measured	174	1.4	0.8	2.4
Indicated	309	1.0	0.6	3.1
Inferred	265	1.0	0.5	2.6
Grand Total	748	1.1	0.6	8.1

Notes:

1. Competent Person – Mineral Resources: Paul Obermeyer.
2. In situ (dry) metric tonnage is reported.
3. Mineral Resources are inclusive of Ore Reserves.
4. Rounding may generate differences in last decimal place.
5. Rutile, ilmenite and zircon are reported as a percentage of in situ material.
6. "Other" refers to the Gambia, Jagbahun, Nyandahun & Taninahun Boka deposits outside the Area 1 & Sembehun operational areas.

Ore Reserve Estimate

Ore Reserve Category	Material Tonnes	In Situ Rutile	In Situ Ilmenite	In Situ Rutile Tonnes
	<i>Mt</i>	%	%	<i>Mt</i>
Area 1				
Proven	10	1.3	0.7	0.1
Probable	24	1.4	0.8	0.3
Area 1 Subtotal	34	1.4	0.6	0.5
Sembehun				
Proven	111	1.5	0.9	1.6
Probable	63	1.4	0.9	0.9
Sembehun Subtotal	174	1.5	0.9	2.5
Grand Total				
Proven	121	1.5	0.9	1.7
Probable	87	1.4	0.8	1.2
Total Reserve	212	1.5	0.9	3.0

Notes:

1. Competent Person – Ore Reserves: George Olivier.
2. Ore Reserves are a sub-set of Mineral Resources.
3. Rounding may generate differences in last decimal place.
4. Mineral assemblage is reported as a percentage in Ore.
5. The quoted figures for Area 1 and Sembehun are stated as at 30 June 2023 and have been depleted for all production conducted to this date.

For more information contact

Martin Alciaturi
Finance Director
martin.alciaturi@srx.group

SIERRA RUTILE LIMITED



Sierra Rutile