



Sierra Rutile Limited

PRESS RELEASE

Sierra Rutile notifies intention to temporarily suspend operations ***Planned suspension effective from 19 November 2021***

Sierra Rutile Limited, a subsidiary of Iluka Resources, announced today its intention to temporarily suspend operations from 19 November 2021, unless sufficient cost reductions and production improvements can be made to ensure their commercial viability.

Sierra Rutile has faced rising costs in recent years and has incurred losses over each of the past four years. Its operational continuity has only been made possible by loans from Iluka and by International Finance Corporation (IFC) through its investment in Sierra Rutile in 2019. These challenges have been exacerbated by the impact of the COVID-19 pandemic and the company's financial performance has become unsustainable.

In this regard, Sierra Rutile has provided the Government of Sierra Leone six months' notice of its intention to temporarily suspend operations at Sierra Rutile, effective 19 November 2021 in accordance with Section 118 (1) (b) of the Mines & Mineral Act 2009.

During the six-month notice period, Sierra Rutile will:

1. Evaluate the feasibility of continuing mining operations in the existing mining area (Area 1), through implementing cost reductions and improved productivity, and continue the evaluation of the feasibility of developing the Sembehun group of deposits. Located 20-30 kilometres north-west of Area 1, Sembehun collectively represents one of the largest and highest quality known rutile deposits in the world.
2. Continue the process currently underway to identify third parties willing to invest in this next phase of Sierra Rutile's development.

If the cost base of Sierra Rutile's operations can be reduced sufficiently to enable a return to profitability, and new investors can be attracted for the continuation of mining operations in Area 1 and for the Sembehun development, Sierra Rutile will withdraw the suspension notice and mining operations will continue.

Sierra Rutile's Chief Executive Officer, Theuns de Bruyn, said *"Today's decision is not one we have arrived at lightly. We have made significant investments in our operations and in our local communities in line with our long-term vision for Sierra Rutile and its role in the country's overall development. We remain committed to our local communities, workforce, suppliers and contractors, and to our partnership with the Government of Sierra Leone, and will work in collaboration with these groups to identify solutions. As we have said, a cost base reset and new investment would see the operations continue and we could also progress the Sembehun development – but there is work to do and we are keen to undertake that work collaboratively with the Government over the coming months. Additionally, IFC has been briefed and it supports our efforts to improve operations and identify potential third party investors as we seek to continue Sierra Rutile's positive contribution to Sierra Leone's economy."*



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Sierra Rutile is committed to minimising the potential impact of any suspension on its workforce, communities, suppliers and contractors. The company will ensure ongoing two-way engagement with these stakeholders and acknowledges the critical role they have played in supporting Sierra Rutile and its operations to date.

Sierra Rutile wishes to thank the Government of Sierra Leone for its partnership and support since Iluka's acquisition of the company in 2016. The company remains committed to working in collaboration with the Government to meet our shared objectives in identifying solutions to enable the continuation of mining operations and the development of Sembehun.

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