



Sierra Rutile Limited

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Successful Gangama Dry Mine Commissioning

London, UK, 2 June 2016: Sierra Rutile Limited (AIM:SRX) ("**Sierra Rutile**" or the "**Company**") is pleased to announce that plant commissioning of the Gangama Dry Mine project and handover from DRA Projects (Pty) ("**DRA Projects**") to Sierra Rutile was successfully completed on 31 May 2016. The Gangama Dry Mine is now operational and producing high quality natural rutile, a high grade titanium feedstock.

Construction of Gangama Dry Mine commenced in April 2015 and, over a thirteen-month period, Sierra Rutile worked alongside DRA Projects to ensure that the project was completed on time and within budget. Plant commissioning is deemed to be attained once the dry mining plant has operated and processed ore for seven consecutive days, achieving specific design criteria which includes name plate capacity of 500 tonnes per hour ("tph"). This test period ran from 22 May to 29 May 2016, during which both Sierra Rutile and DRA Projects were pleased to note that feed rates and plant utilisation exceeded the design criteria. Specifically, over the seven-day period, the Gangama Dry Mine plant operated at an average throughput of 555tph and 87% availability. Steady-state operation is expected to be achieved within four months.

Next Steps

Building upon the experience gained in successfully designing, constructing and operating Lanti Dry Mine and Gangama Dry Mine, Sierra Rutile remains fully engaged in process optimisation, value engineering and market evaluation of its two further near-term expansion projects, the 250tph bolt-on units, one for each of Lanti and Gangama Dry Mining. Additionally, Sierra Rutile also continues to progress towards a definitive feasibility study for the Sembehun Dry Mine.

In addition to its existing operations, these projects will enable Sierra Rutile to continue to implement its strategy of increasing production through expansion of its dry mining operations, aligning production with anticipated customer demand in a capital efficient manner. The near-term expansion projects will further improve Sierra Rutile's ability to quickly respond to a market upturn.

John Sisay, CEO of Sierra Rutile, said: "The successful completion of the Gangama commissioning and plant handover process confirms that the Gangama Dry Mine plant has achieved its nameplate capacity of 500tph during plant commissioning. I am pleased to note that during the process guarantee period, the plant proved the ability to outperform its nameplate capacity. We would like to thank DRA Projects for collaborating and working with Sierra Rutile to successfully bring the Gangama Dry Mine into production on time and within budget, further demonstrating Sierra Rutile's continued track record of delivering on its stated goals."

DRA Managing Director, Johann de Bruin, comments: "DRA is very pleased with the successful delivery of the Gangama Dry Mine Project in Sierra Leone. I would like to commend the DRA Project team, our construction partners and Sierra Rutile on completing the project with zero lost time injuries. The project has been a major success for DRA and is testament to our continued growth in mineral sands as well as our expanding capabilities throughout the African continent. A key strength of our organisation is our ability to deliver in Africa and we look forward to continuing the partnership with Sierra Rutile."

ENDS

For further information

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About Sierra Rutile Limited

Sierra Rutile is a leading, multi-mine mineral sands company, operating world-class assets and developing a portfolio of growth projects in the south west of Sierra Leone, with its primary commodity mined being natural rutile, a titanium feedstock. The Company has an established operating history spanning approximately 50 years and a resource mine life of another 50 years with one of largest natural rutile deposits in the world and a JORC-Compliant Mineral Resource for measured, indicated and inferred resources for the Sierra Rutile mine of over 866 million tonnes (as at 30 September 2015). Sierra Rutile expects to be the world's largest primary producer of natural rutile in 2016 and its market-led, long-term mine plan has the flexibility to adapt to customer demand.

www.sierra-rutile.com