



Sierra Rutile Limited

Sierra Rutile Limited

Sierra Rutile Provides Q3 2016 Operational Update

London, UK, 21 October 2016: Sierra Rutile Limited (AIM: SRX) (“Sierra Rutile”) is pleased to provide an operational update for the third quarter of 2016 (“Q3 2016”).

Highlights

- Strong quarterly production with 43,081 tonnes of rutile:
 - 24% increase in rutile production from Q2 2016;
 - 27% increase in rutile production from Q3 2015.
- Gangama Dry Mine continuing to perform above plan:
 - 17% ahead of its planned rutile production as a result of higher throughput and utilisation.
- Reiteration of production guidance of between 135,000 and 145,000 tonnes of rutile for the full year:
 - Year to end of Q3 2016 rutile production at 104,489 tonnes.

Commenting on Q3 2016 performance, Chief Executive Officer, John Sisay said:

“We are delighted with the excellent production performance for the quarter, demonstrating the strength of our operations. In particular, the Gangama Dry Mine continues to perform ahead of our expectations. We anticipate a strong final quarter and we remain on track to meet our production guidance for the full year.”

Production

Sierra Rutile produced 43,081 tonnes of rutile in Q3 2016, 27% higher than Q3 2015 (Q3 2015: 33,960 tonnes of rutile).

	Q3 2016	Q2 2016	% Change	Q3 2015	% Change
Rutile (t)	43,081	34,629	24%	33,960	27%
Ilmenite (t)	7,143	5,025	42%	10,229	(30%)
Zircon (t) ¹	358	394	(9%)	446	(20%)

¹ Zircon Concentrate is a semi-finished zircon product grading 40-55% ZrO₂.

Rutile production for Q3 2016 was Sierra Rutile's highest quarter of rutile production since the restart of operations in 2006. The strong results demonstrate the benefits from improvements to plant utilisation and availability undertaken during 2015 and early 2016, as well as the successful commissioning of the Gangama Dry Mine in May 2016. Production in Q3 2016 benefited from three months of production from the Gangama Dry Mine versus only one month in the preceding quarter.

Rutile production was supported by strong increases in tonnes of ore fed and heavy mineral concentrate production across the operation. Ramp up for the Gangama Dry Mine continued

during the quarter, with the plant contributing 20,198 tonnes of rutile, 17% ahead of its target as a result of higher plant throughput and utilisation rates. Steady state production is expected by the end of the year.

Sierra Rutile continues to produce ilmenite in line with customer demand.

During the quarter, Sierra Rutile also successfully commissioned an upgrade to its mineral separation plant.

Sierra Rutile reiterates that it expects full year rutile production to be between 135,000 and 145,000 tonnes. Cash cost guidance remains as set out in the interim results for the period ended 30 June 2016, as announced on 30 September 2016.

Projects

The status of Sierra Rutile's growth projects remains as set out in the interim results for the period ended 30 June 2016, as announced on 30 September 2016.

Sales and Marketing

For the remainder of the year, all of Sierra Rutile's expected rutile production is committed. Improved customer demand has generated additional sales which are being met by increased production.

ENDS

For Further Information:

Sierra Rutile Limited

Matthew Hird, Chief Financial Officer +44 (0)20 7074 1800
John Nagulendran, Company Secretary

Investec Bank

Nominated Adviser and Joint Corporate Broker +44 (0)20 7597 4000
Chris Sim / George Price / Jeremy Ellis

RBC Capital Markets

Joint Corporate Broker +44 (0)20 7653 4000
Jonny Hardy

Numis Securities Limited

Joint Corporate Broker +44 (0)20 7260 1000
John Prior / James Black / Paul Gillam

Kreab

Christina Clark / Anna Gustafsson +44 (0)20 7074 1800

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 867 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

Forward-Looking Information

This document may contain forward-looking statements. These forward-looking statements are made as of the date of this announcement and Sierra Rutile Limited (the "Company") does not intend, and does not assume any obligation, to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and future performance and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual reports. These risks, uncertainties, assumptions and other factors could adversely affect the outcome and financial effects of the plans and events described herein.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward- looking statements.