



Sierra Rutile Limited

Sierra Rutile Limited

Refinancing of Bank Debt Facilities and Repayment of Government Loan

London, UK, 3 November 2016: Sierra Rutile Limited (AIM: SRX) (“Sierra Rutile”) is pleased to announce that it has successfully refinanced its debt facilities through Nedbank Corporate and Investment Bank, a division of Nedbank Limited (“Nedbank CIB”).

Highlights:

- *Extended maturity profile:* The amortisation schedule has been extended and weighted to later years
- *Improved operating flexibility:* The new facilities provide greater covenant flexibility
- *Replacement of mobile mining equipment:* Operational and financial benefits with new mining fleet funded by equipment finance facility
- *Additional liquidity:* New revolving credit facility to provide additional liquidity

The refinanced debt facilities have consolidated all previous debt facilities into a single senior term loan facility of US\$50.0 million (the “Senior Term Loan Facility”) and an equipment finance facility of US\$15.9 million (the “Equipment Finance Facility”). A revolving credit facility of US\$15.0 million (the “Revolving Credit Facility”) has also been arranged to provide additional liquidity. The Government of Sierra Leone loan denominated in Euros, equivalent to US\$23.5 million, as at 30 June 2016, will be repaid at financial close of the refinancing. Covenants attached to the debt facilities provide greater flexibility than previous covenants and are customary for a suite of corporate-style debt facilities of this nature.

Senior Term Loan Facility

The Senior Term Loan Facility carries an interest rate of LIBOR plus 6.25%. Political risk insurance will be arranged by Nedbank CIB at no additional cost to Sierra Rutile. The final maturity date of this facility is December 2021, with amortisation weighted from 2018 onwards. An accordion structure has been incorporated into the facility such that the facility can be upsized from US\$50.0 million up to US\$85.0 million to provide additional funding for future development projects, such as the debt component of the Sembehun project, subject to final project feasibility and customary conditions. Any upsizing is also subject to Board approval.

Equipment Finance Facility

The Equipment Finance Facility allows Sierra Rutile to take advantage of the current soft mining equipment market conditions and optimise the current mobile mining fleet ahead of mid-life rebuilds at competitive debt terms, lowering sustaining capital requirements. This facility carries an interest rate of LIBOR plus 4.50%. The final maturity date of this facility is December 2019 with straight line amortisation to this date.

Revolving Credit Facility

The Revolving Credit Facility of US\$15.0 million has been arranged to sit alongside the other facilities to provide additional liquidity should the need arise. The final maturity date of this facility is December 2019. An interest rate of Libor plus 6.50% is charged on drawn balances under this facility.

Financial close of the new debt facilities is subject to customary conditions. Upon financial close, the existing Nedbank Standby Facility, which was secured by cash collateral provided by Pala Investments, will be cancelled.

John Sisay, Sierra Rutile's Chief Executive Officer, commented:

"I am delighted to announce the refinancing of our loan facilities into a long term debt structure that better supports our stated development plans. I would like to thank the Nedbank mining finance team for their continued support of Sierra Rutile. Furthermore, with the repayment of the loan to the Government, I would like to extend my gratitude to the Government of Sierra Leone for the past financial support which has been provided to Sierra Rutile since the restart of operations in 2004."

Nivaash Singh, Nedbank CIB international mining finance head, commented:

"We are pleased to continue this banking partnership with Sierra Rutile through the implementation of a fit-for-purpose bank debt package which supports Sierra Rutile's business plans. Nedbank CIB will continue to support projects in Africa with strong management teams and companies with quality shareholders. We remain excited to work with Sierra Rutile as it continues to realise the full potential of Sierra Rutile's world-class asset in Sierra Leone."

Herbert Smith Freehills is retained as legal advisers to Sierra Rutile, while Fasken Martineau is retained as legal advisers to Nedbank CIB.

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 Gillan

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 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

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.