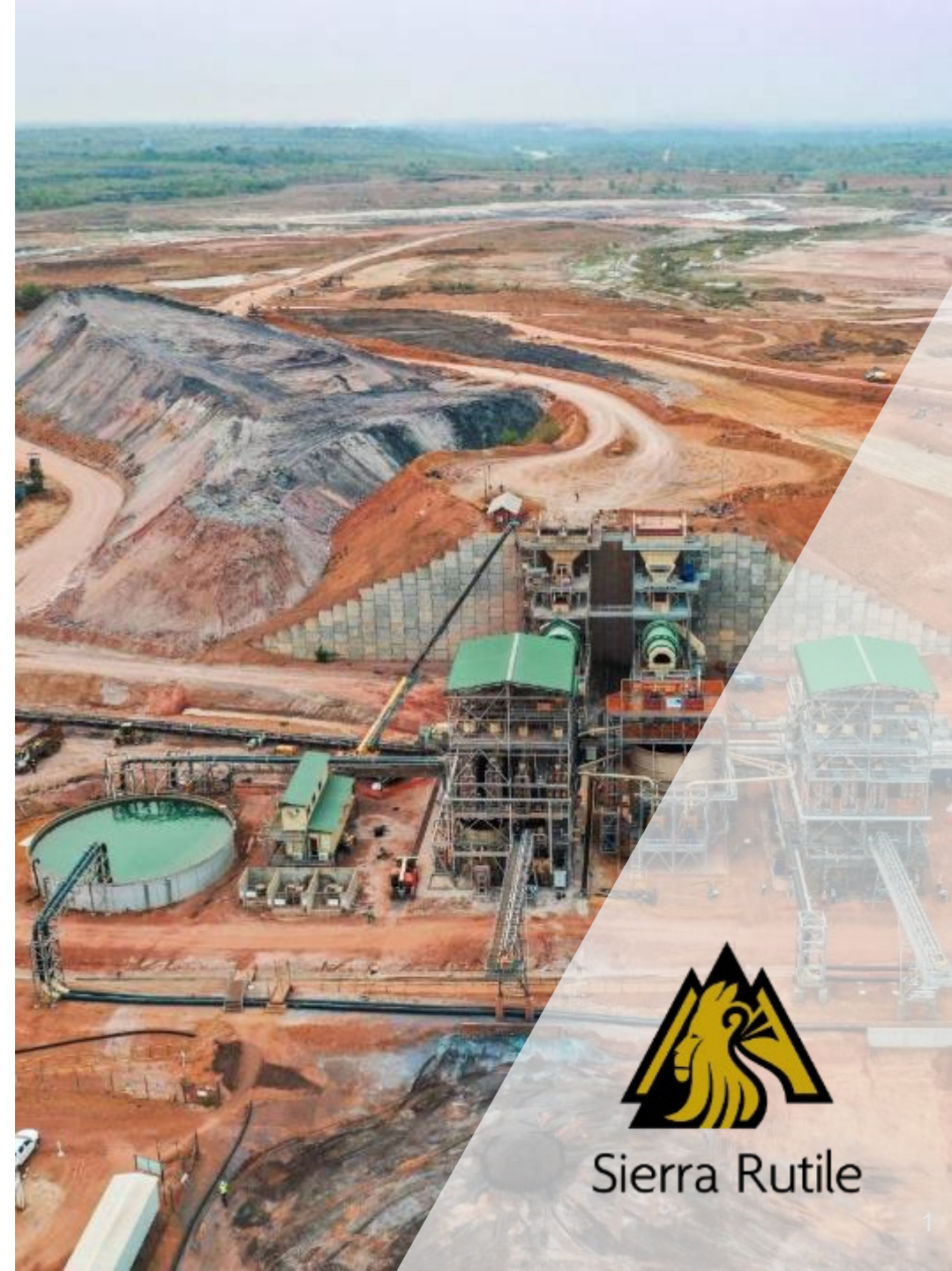


# Sierra Rutile 121 Conference – New York

The world's largest natural rutile producer

June 2024

ASX:SRX



Sierra Rutile

# Important Notices and Disclaimer



## Forward looking statements

Certain statements in or in connection with this presentation 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 Target

The information in this presentation relating to Mineral Resource and Ore Reserve estimates for the Sembahun Project is extracted from the Information Memorandum prepared by Sierra Rutile in connection with its application for admission to the ASX, lodged on the ASX 25 July 2022 (**Information Memorandum**), available at [www.asx.com.au](http://www.asx.com.au). Sierra Rutile confirms that it is not aware of any new information or data that materially affects the information included in the Information Memorandum and that all material assumptions and technical parameters underpinning the estimates in the Information Memorandum continue to apply and have not materially changed.

The information contained in this presentation relating to a production target and forecast financial information derived from the production target in relation to the Sembahun Project was announced to the ASX on 12 April 2024, under the heading “Sembahun DFS Reinforces Strategic Value of Significant Project” (**DFS Announcement**). Sierra Rutile confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target in DFS announcement continue to apply and have not materially changed.

**Note: All figures are in US\$ unless otherwise noted**

# World's largest natural rutile supplier



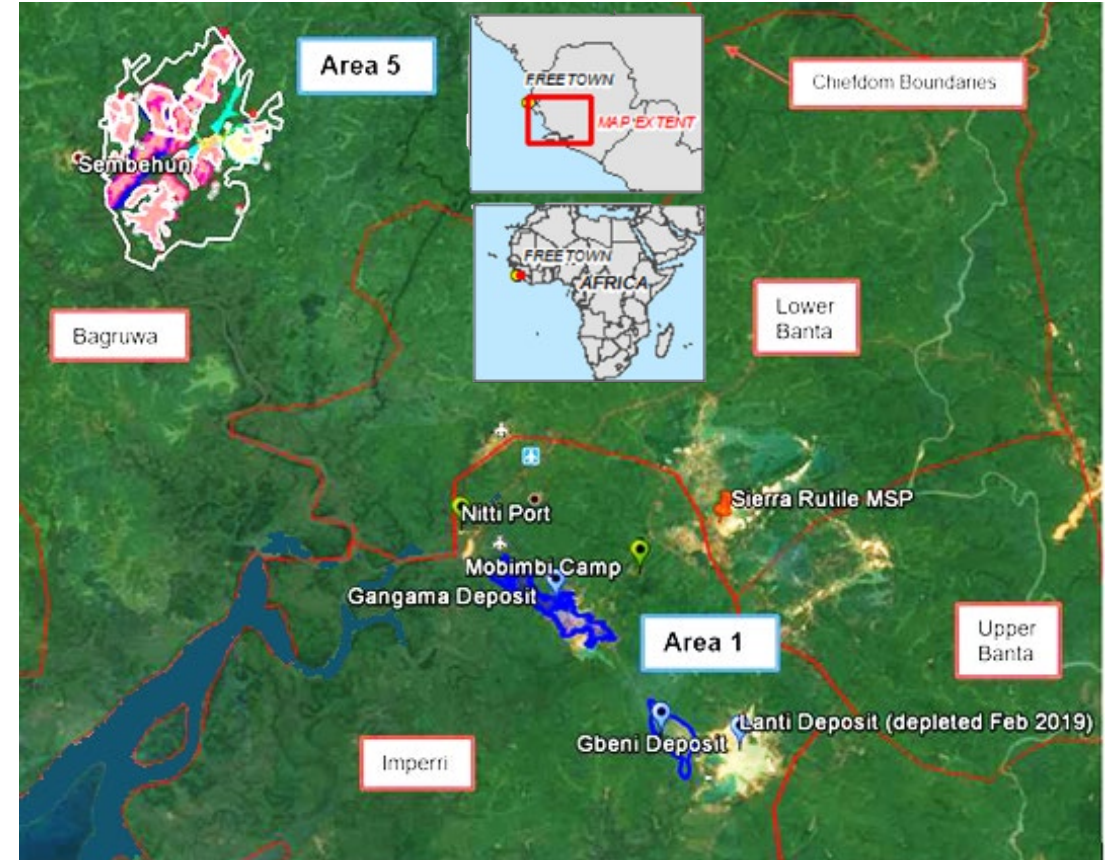
Sierra Rutile

*Positioned to significantly extend mine life and reduce costs through Sembahun development*

## Highlights

- Long-term experience in Sierra Leone - established Area 1 operations and added significant potential with Sembahun, as demonstrated in recent DFS.
- **Over 50 years supplying >20% of the world's high-quality natural rutile for pigment, sponge/metal and welding markets.**
- Among the largest employers in Sierra Leone for over 50 years with a proven record of local community engagement, and established track record on Area 1 rehabilitation.
- Attractive growth from the development of Sembahun, one of the world's largest and highest-grade natural rutile deposits, to add **14 years to mine life.**
- Sembahun expected to generate **attractive returns** leveraging existing Area 1 equipment and infrastructure.
- **Long-standing customer relationships** with strong enduring fundamentals for **premium natural rutile.**
- Titanium is a critical mineral, and feedstocks are a US\$4bn+ market. Alternatives to natural rutile are lower grade and more energy-intensive.

## Australian headquartered, African mineral sands producer



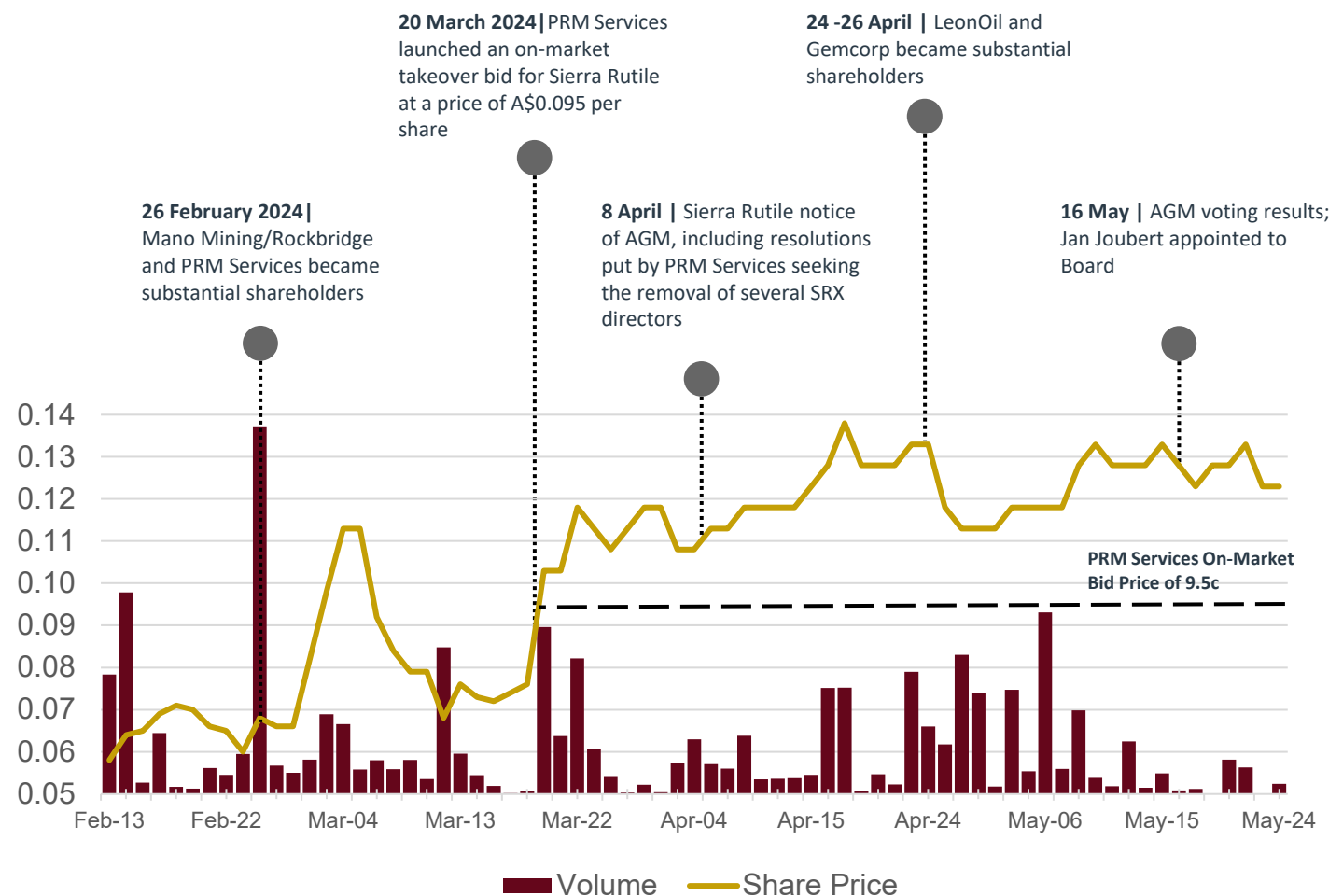
# Ongoing Unsolicited On-Market Takeover Offer



## Substantial Turnover of Shares Following Announcement of Suspension of Operations at Area 1

- Sierra Rutile subject to an unsolicited takeover offer from PRM Services at A\$0.095 a share. The bid was launched by PRM on 20 March 2024 and is scheduled to close on 31 July 2024 (unless extended or withdrawn).
- Target's Statement and Supplementary Target's Statement released by Sierra Rutile in response to the PRM Services offer. The Board recommends shareholders **REJECT THE OFFER**.
- The offer was lodged when market conditions for rutile were depressed, Area 1 operations were suspended, and prior to release of the Sembehun DFS.
- In conjunction with the PRM takeover offer, the Company received notices from PRM requesting extensive changes to the Board of Sierra Rutile. All PRM proposed AGM resolutions were withdrawn or defeated. PRM has requisitioned another general meeting to remove Sierra Rutile's Managing Director.
- Whilst Sierra Rutile's Board views the PRM bid as opportunistic, it has resulted in a renewed focus on the strategic value of Sierra Rutile's assets and brought significant change to the company's shareholder base.

### Timeline of events



# Recent Activity at Area 1

## *Area 1 operations recommenced and commitments made to enable remaining life to be extended if economic*

- Area 1 operations were suspended in March 2024 (announced in January 2024) due to uncertainty regarding the applicable fiscal regime (Third Amendment Agreement), currently being renegotiated with the Government of Sierra Leone (GoSL), and weak market conditions.
- Third Amendment Agreement provided necessary concessions for end of Area 1 mine life to support continuity of operations.
- Suspension was for a maximum of 100 days. As announced by Sierra Rutile on 6 May 2024, GoSL directed Sierra Rutile to restart Area 1 operations by 31 May 2024.
- Workforce reduction by 25% in March 2024 provides a more sustainable cost base for the remainder of Area 1.
- All operations now resumed. Restart was based on the assumption that the Third Amendment Agreement continues to apply for the remaining production from existing Area 1 operations.
- Power supply contract with Himoinisa executed to ensure reliable power for the remainder of Area 1's mine life.
- New barges expected to arrive at Nitti Port by end-June 2024.
- Negotiations continue with GoSL regarding finalisation of fiscal arrangements.

	January 2024	May 2024
SRX SL shareholders	0%	~25%
Minimum Power Commitment (ToP) Required	36 months	18 months
Surplus Finished Product	8kt Standard Grade Rutile	Nil
Cost base	~2,000 employees	~1,500 employees



# Commitment to Sustainable Operations

*Historically a major contributor to the Sierra Leone economy and community*

- Country-leading safety performance with one year since last Lost Time Injury.
- One of the largest private employers in Sierra Leone.
- 2023 milestone rehabilitation of 285ha against regulatory requirement of 150ha, planting over 305,000 seedlings.
- Improving local communities through education and healthcare. The Sierra Rutile Clinic is one of the best-equipped clinics in Sierra Leone.
- Sierra Leone Environmental Protection Agency (EPA) approved Sembehun ESHIA.
- Priority to award DFS contracts to local companies, facilitating further support for local communities and employment.



# Sembahun DFS



Sierra Rutile

# DFS Results Reinforce Strategic Value of Sembehun Project

**Compelling  
NPV and IRR**  
NPV<sub>8</sub> US\$408M  
IRR 27.8%

**Long Life  
Project**  
14 year expected  
mine life



**Capex Reduced  
by 11% on PFS**  
US\$301m vs  
US\$339 in 2022

**Tier -1  
Production**  
175kt steady state  
annual rutile  
production

**Expected  
payback**  
within 55 months

**173.8Mt LOM**  
Ore Treated

**US\$600/t**  
Steady state cash  
production cost  
(net of credits)

**US\$1,391/t**  
Long term rutile  
price assumed



# DFS Completion an Important Value Milestone

## Highlights

- DFS demonstrates the significant strategic value of Sembehun, with the NPV outlined by the study significantly greater than the Company's current market capitalisation or enterprise value.
- DFS highlights the ability to fundamentally change the cost base and production economics for Sierra Rutile.
- Expected 14-year mine life to contribute economic benefits over an extended period to both Sierra Rutile and local stakeholders in Sierra Leone.
- Experienced management, existing infrastructure, and established marketing operations support development options.
- Existing infrastructure includes proven Mineral Separation Plant (MSP) and Port facilities, with a potential replacement value well in excess of US\$100M.
- DFS results demonstrate Sembehun is by far the major contributor to the strategic value of Sierra Rutile.

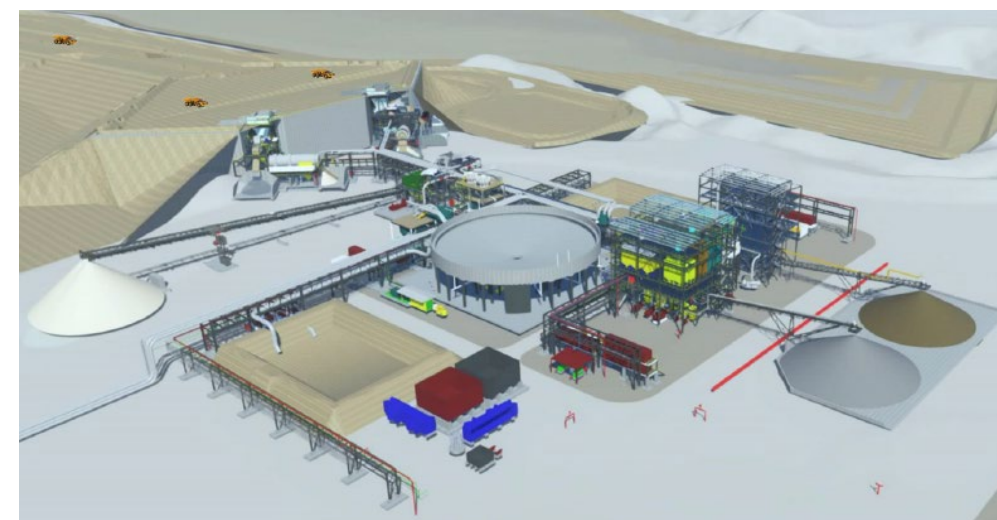


Image: Sembehun DFS prototype

# Sembehun Outcomes

*Long term production profile with compelling financial metrics*

Key Production Outcomes	Unit	Sembehun
Life of Mine (LOM)	Years	14
LOM Ore Treated	Mt	173.8
Ore Grade	%	1.45
Ore Recovery - Rutile	%	91.4
Production – Total Rutile	kt	2,155
Production – Total Ilmenite	kt	1,242
Production – Total Zircon in Concentrate	kt	107
Annual average production rate (rutile)	ktpa	175
Key Financial Outcomes		
LOM Total Revenue	\$m	3,724
LOM Cash Production Costs	\$m	1,874
Capex	\$m real	301
Sustaining Capex	\$m	120
Closure Costs	\$m	30.6
Free Cash flow	\$m	935
Long Term Rutile Price Assumption (real)	\$/t	1,391
Cash Production Costs, net of credits	\$/t rutile	622
Cash Production Costs, net of credits (steady state)	\$/t rutile	600
LOM EBITDA	\$m	1,705
Payback period from first revenue	# months	25
NPV <sub>8</sub> (post-tax, real)	\$m	408
IRR	%	27.8

*Sembehun outcomes are based on project milestones set out in Sembehun DFS Announcement dated 12 April 2024*



*The production target in relation to the Sembehun Project referred to in this presentation is based only on Mineral Resource estimates which are classified as Measured (56%), Indicated (28%) and Inferred (16%). There is a low level of geological confidence associated with Inferred mineral resources, and there is no certainty that further exploration work will result in the determination of Indicated mineral resources or that the production target itself will be realised.*

# Market & Outlook



Sierra Rutile

# Global Rutile Supply Declining Materially

*Natural Rutile demand driven by Titanium for high technology applications and pigments*



Sierra Rutile

## Titanium is a critical mineral

## Minimal recycling

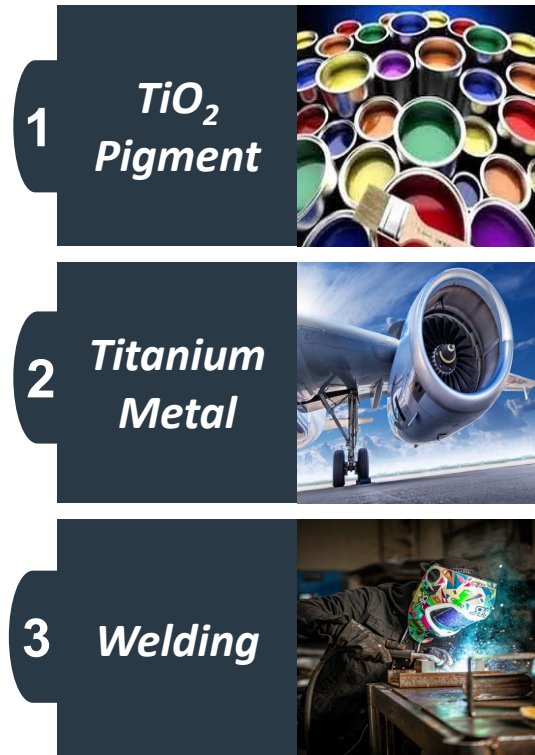
## Growing demand expected

- **Highest-grade titanium feedstock:** natural rutile boasts the highest quality.
- **Cleaner, greener pigments:** preferred for chloride process.
- **Rutile's advantages:**
  - Fewer contaminants = high-value products
  - Less ore required and less waste generated = higher TiO<sub>2</sub> content
  - Lower chlorine/petcoke consumption and higher chlorinator utilisation
  - Reduced energy/carbon consumption

## Key Supplier to the titanium dioxide feedstock market

- **TiO<sub>2</sub> Pigment** - Paint, paper, plastics, inks, coatings – 90% of titanium dioxide is used as pigment.
- **Titanium Metal** - Aircraft frames and engines, medical, defence and industrial applications.
- **Welding** - Steel fabrication, ship building, pipes, construction, transport.

## Rutile's Primary Applications



# Sembehun is critical to meeting the world's rutile demand



*Existing reserves are nearing the end of their mine life*

## Demand

- Sembehun is critical to meeting the world's rutile needs as global rutile production falls.
- 61% of Sierra Rutile sales by dollar value have been supplied to US customers over the past two years (2022 and 2023).
- Existing reserves are nearing the end of their mine life and there are not enough first-tier resources coming into development to maintain rutile supply at historical levels.

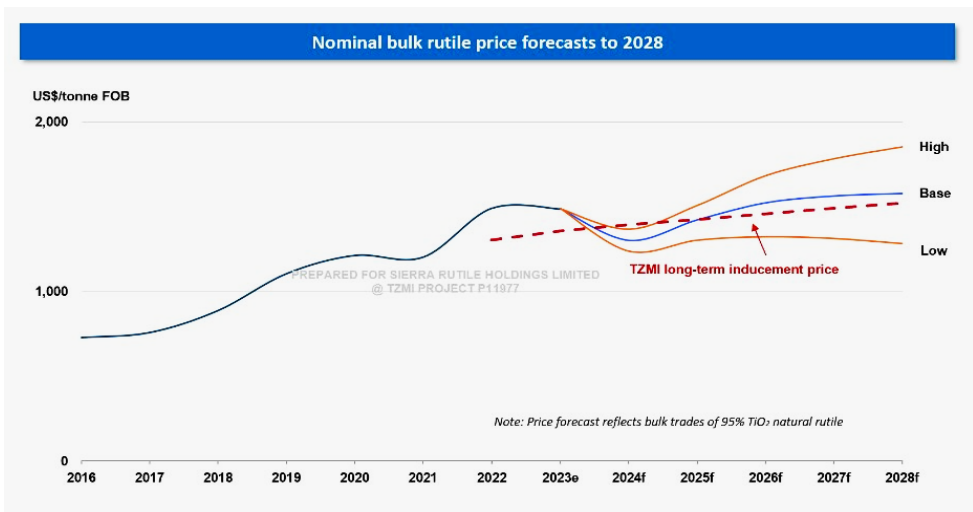
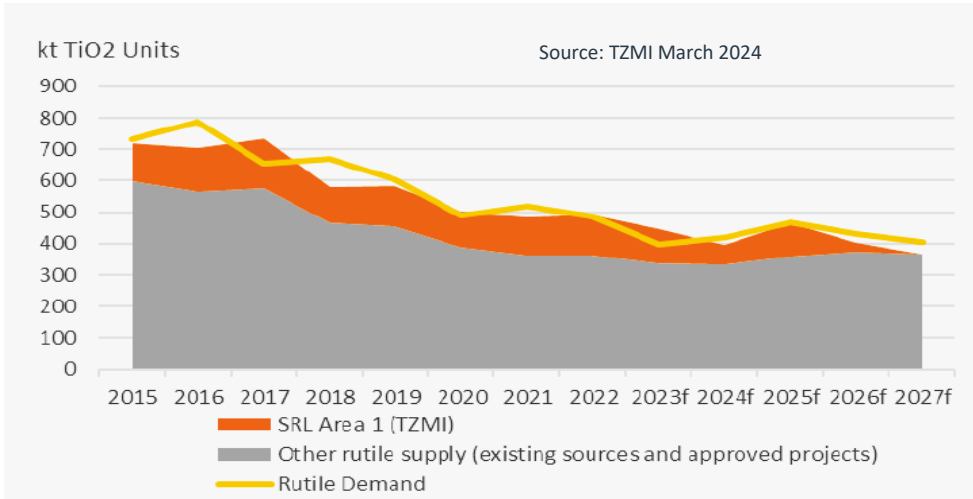
## Supply

- TZMI forecasts indicate future rutile demand is supply-constrained.
- Since supply from existing producers and approved projects is declining, Sierra Rutile's customers and consumers worldwide need supply from Sembehun to maintain consumption at the current rate.

## Pricing

- Sembehun's low unit costs ensure the mine is competitive through economic market cycles.
- Increased by-product production is one of a number of factors leading to materially lower net unit costs than Area 1 rutile production.

## Rutile Supply and Demand Projections



# Funding Update

*Senior debt, mezzanine funding and new equity are all likely to feature*



## Strategic considerations

- **Area 1 extension:** Area 1 life will be limited to end 2025 without further investment for haul road(s) and spirals for the Mogbwemo tails resource.
- **Supportive off-take environment:** Customer concern at concentration of high grade TiO<sub>2</sub> feedstock supply.
- **Refreshed shareholder base:** New significant shareholders have demonstrated appetite for investment in Sierra Rutile and are a potential source of funding.
- **Low-risk brownfields projects:** Funding for both Area 1 and Sembehun assisted by lower execution risk profile compared to an equivalent greenfield projects.

## Financing Activities

- **Market soundings:** Discussions resuming with previously identified parties (under NDA) including banks, agencies, credit funds, royalty providers, customers and other strategic investors.
- **Bankable Financial Model:** Financial Model incorporating DFS results allows financiers full flexibility in modelling alternative financing structures.
- **Due Diligence:** . A comprehensive data room (including detailed independent market study) is available to potential financiers. Independent Technical Expert to finalise technical due diligence on behalf of lenders early H2 2024
- **Lender process:** Formal loan solicitation and term sheet negotiation to take place during H2 2024.

# Next Steps

*From the world's largest natural rutile producer*



Sierra Rutile

## Sembehun DFS supports discussions to determine best outcome for SRX Shareholders

- Sembehun DFS enables resumption of discussions with major development partners and key industry participants.
- May occur within either the context of:
  - discrete funding or joint venture arrangements to deliver a fully funded solution to develop Sembehun; or
  - a corporate transaction involving Sierra Rutile.
- These discussions will occur concurrently with ongoing review of Area 1 economic mine life and the capital investment required to extend the mine life beyond 2025.
- Sembehun DFS has clearly demonstrated the significant strategic value of the Sembehun Project, with the NPV outlined by the study significantly more than the Company's current market capitalisation or enterprise value.
- Sembehun remains a key future contributor to the stable supply of rutile globally.



# Corporate Snapshot



## Capital Structure

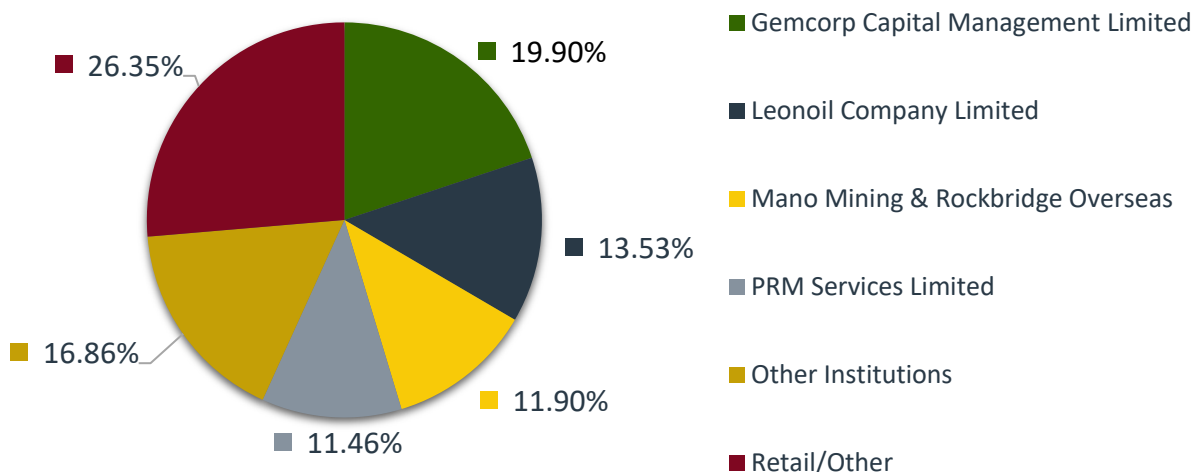
Shares on issue  
**424,453,918**

Share Price (29.05.24)  
**\$0.135**

Market Cap (29.05.24)  
**A\$57.30m**

Net Cash (31.03.24)  
**US\$4.7m**

## Ownership Structure<sup>1</sup>



Note: (1) As of 23 May 2024, Capital IQ

## Board and Senior Management



**Greg Martin**  
*Independent Chair*



**Theuns de Bruyn**  
*Managing Director and Chief Executive Officer*



**Martin Alciaturi**  
*Finance Director*



**Graham Davidson**  
*Independent Non-Executive Director*



**Patrick O'Connor**  
*Independent Non-Executive Director*



**Jan Joubert**  
*Independent Non-Executive Director*



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SIERRA RUTILE LIMITED



Sierra Rutile