

QUARTERLY REPORT

TiZir Limited owns 90% of the Grande Côte Mineral Sands Project in Senegal, West Africa and 100% of the ilmenite upgrading facility TiZir Titanium & Iron, in Tyssedal, Norway.

4Q OPERATIONS REVIEW

HIGHLIGHTS

- Mining operations continue to ramp-up at Grande Côte
- Dredge ramp-up gaining momentum – December throughput represented 61% of operating capacity
- Ramp-up of the Mineral Separation Plant going well:
 - Wet Plant and the Ilmenite Circuit continuing to operate at design feed rates
 - On-spec premium zircon produced during the quarter
- First shipment of ilmenite to TiZir Titanium & Iron completed in late-October
- First shipments of premium zircon and rutile made in the quarter
- TiZir Titanium & Iron in Norway operating to expectations

GRANDE CÔTE

Mining operations are continuing in ramp-up mode at Grande Côte with mining throughputs gaining momentum. The dredge operated at an average of 51% of capacity throughout the quarter, including a December result of 61% of capacity which represented the best month to date for ore mined. As stated previously, TiZir expects mining rates to progressively increase to a steady state production capacity of 4.5 million tonnes per month.

The ramp-up of the Mineral Separation Plant ('MSP') continues to go well. Both the Wet Plant and the Ilmenite Circuit of the Dry Plant continue to operate at design feed rates. The Primary Circuit of the Dry Plant has also been producing premium zircon since start-up in October. Grande Côte also achieved its best result to date in December for ilmenite and premium zircon production. The production of ilmenite and zircon has been increasing month-to-month and will continue to increase with the ramp-up of mining and associated increase in heavy mineral concentrate feedstock supply.

Grande Côte physical volumes

100% basis		2Q 2014	3Q 2014	4Q 2014
Mining:				
Ore mined	(kt)	2,609	4,717	6,776
Heavy mineral concentrate produced	(t)	37,240	57,526	89,333
MSP production:				
Ilmenite	(t)	11,463	47,702	41,425
Premium Zircon	(t)	-	-	763
Standard Zircon	(t)	-	3,762	4,515
Rutile	(t)	-	-	262
Leucoxene	(t)	-	190	211

Grande Côte sales volumes

100% basis		2Q 2014	3Q 2014	4Q 2014
Sales volume				
Ilmenite	(t)	-	28,074	46,850
Premium Zircon	(t)	-	-	243
Standard Zircon	(t)	-	1,205	5,605
Rutile	(t)	-	-	162

Grande Côte completed its first ilmenite shipment of 26,780 tonnes to TiZir Titanium & Iron in late-October. This historic shipment is the realisation of a key element of the strategic rationale of integrating the Grande Côte mine and the TiZir Titanium & Iron ilmenite upgrading facility within the TiZir Joint Venture. Grande Côte ilmenite is already being used in the feed at TiZir Titanium & Iron and has demonstrated satisfactory metallurgical performance.

Grande Côte also completed its first containerised shipments of premium zircon and rutile during the quarter. Feedback from customers indicated that these products are meeting or exceeding expectations.

Discussions with customers for 2015 shipments of ilmenite and zircon are ongoing, with some nearing finalisation.



Grande Côte mining operations



Grande Côte Mineral Separation Plant

TIZIR TITANIUM & IRON

Titanium slag production of 47.5kt for the fourth quarter was slightly higher than 4Q 2013 and 3Q 2014 production. Sales of 47.8kt for the quarter were consistent with production levels. Pricing remained steady over 3Q 2014 and 4Q 2014.

On an annual basis, production was 3% lower in 2014, primarily due to shutdown maintenance on the pre-reduction rotary kiln in March 2014. Sales volumes were significantly lower at 178.2kt – primarily the result of lower production for the year and timing of shipments in the 2012/2013 years. Average pricing throughout the year decreased during 1Q 2014 and 2Q 2014 before stabilising in 3Q 2014 and 4Q 2014.

High Purity Pig Iron production and sales volumes for 4Q 2014 were solid at 26.4kt and 20.5kt respectively. Pricing in 4Q 2014 was consistent with 3Q 2014.

On an annual basis, production and sales volumes were slightly lower in 2014 and consistent with reduced titanium slag production. Average pricing throughout the year has remained consistent, with no significant movements experienced on a quarterly basis.

Cost cutting initiatives have been very successful throughout the year to date.

Tizir Titanium & Iron physical volumes

100% basis		4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	CY 2013	CY 2014
Titanium Slag								
Produced	(kt)	44.5	42.0	48.4	45.8	47.5	190.3	183.7
Sold	(kt)	45.9	38.4	48.1	43.9	47.8	197.1	178.2
High Purity Pig Iron								
Produced	(kt)	25.4	23.5	27.4	25.7	26.4	106.9	103.0
Sold	(kt)	21.8	29.9	28.3	27.0	20.5	114.5	105.7



Tizir Titanium & Iron ilmenite upgrading facility, Norway



First bulk shipment of ilmenite from Dakar to Tysedal

MARKETS

During the quarter, titanium feedstock markets continued to be weak. Demand for slag remained solid but pricing continued to be subdued. Ilmenite demand softened and prices continued to fall, being significantly impacted by excessive Chinese supply. Demand for Grande Côte's zircon was strong in an otherwise flat market, with prices remaining steady. Little change to underlying market conditions is anticipated in the coming quarter.