

TiZir Production and Funding Update

Key Points

- GCO is on track to produce in the order of 170,000t of Heavy Mineral Concentrate ('HMC') for Q3 2015
- Furnace reline and capacity expansion project at TTI progressing on schedule following a successful shutdown in September
- Additional financial contribution of US\$25 million from the Joint-Venture Sponsors

GCO

Following a period of unplanned downtime in July due to a series of unrelated events, the mining operations at GCO have begun to perform at levels approaching nameplate capacity. During August 2015, the operations produced over 80,000t of HMC compared to the previous best month of 55,000t of HMC in May 2015. The operations are on track to produce in the order of 170,000t of HMC for the quarter ending 30 September 2015, a marked improvement on the performance of 1Q and 2Q 2015.

The strong recent performance is in part due to the actioning of a number of discrete commissioning projects foreshadowed in TiZir's 2Q Activity Report. A key objective of these projects is to get the mining operations consistently producing at and above the level achieved in August. These projects also extend to the Mineral Separation Plant where a number of initiatives have been designed to improve efficiencies as increased use of the plant results from improvements in the mining operations.

Despite continued soft commodity prices, the operation generated a positive EBITDA for the month of August.

TTI

The furnace reline and expansion project continues on schedule. The shutdown of the pre-reduction kiln and the furnace was successfully completed in the first week of September. Drainage of the iron and titanium slag has been completed and demolition work has commenced on the furnace lining and pot. As such, the project remains on track from both a timing and financial perspective.

Prior to the shutdown, a batch of 100% GCO ilmenite was successfully processed in the kiln to ensure that a sufficient supply of intermediate stock is available for the re-start of operations, currently anticipated in December.

Financial Contribution to TiZir

MDL and ERAMET have committed US\$25million (US\$12.5million from each party) to TiZir in the form of an additional subordinated loan.

Production issues recently experienced at GCO (including disappointing HMC production in July which has had flow-on effects for finished goods production and shipments in August and September) and TTI (as mentioned in the 2Q Activity Report) has contributed to the funding requirement. This situation has been exacerbated by continued pressure being exerted on revenues as commodity prices remain soft.

Finally, as announced on 3 March 2015, TTI continues to await final approval by the European Free Trade Association Surveillance Authority to enable it to receive funding of approximately US\$15.0m (NOK 122m) from Enova, a Norwegian government agency.

Outlook

For the remainder of 2015, TiZir will continue to focus on completing all development activities at both operating entities, namely the final commissioning of GCO and the reline and expansion project at TTI, such that TiZir enters 2016 best positioned to maximise its cash flow and financial returns. The recent strong performance at GCO as well as the current status of the furnace reline and expansion project at TTI provides confidence that the Company is on track to meet its objectives.

TiZir Limited ("TiZir"), a 50/50 Joint Venture between Eramet and Mineral Deposits, owns 90% of Grande Côte mineral sands operation ("GCO") in Senegal, West Africa and 100% of TiZir Titanium & Iron ilmenite upgrading facility ("TTI") in Norway.