

22 September 2016

UPDATE REGARDING OPERATIONAL INCIDENT AT TIZIR TITANIUM & IRON

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 Tysedal, Norway.

Reference is made to the announcement dated August 16th 2016 regarding the incident that occurred at the TiZir Titanium and Iron ilmenite upgrading facility ('TTI') in Tysedal, Norway on 15th August, resulting in damage to the surrounds of the furnace.

Planned repairs to the furnace surroundings have been completed on time and at a lower than previously announced cost, but during the repair period it has become evident that some sections of the furnace lining have also been damaged. The full extent of this damage can only be assessed once the furnace is operating. As such, operations commenced on September 21st with hot conditions expected to be reached in 3-4 weeks.

TTI has ordered a spare lining to optimise a potential relining if necessary. The spare lining is scheduled to arrive the first week of January 2017.

As previously announced TiZir Limited has property damage and business interruption insurance cover and is working with the insurance company to assess the damage and alternatives for repair.

The Company will continue to update the market as information becomes available.