

23 December 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 Tyssedal, Norway.*

Reference is made to the announcements dated September 22<sup>nd</sup> and October 24<sup>th</sup> 2016 regarding the incident that occurred at the TiZir Titanium and Iron ilmenite upgrading facility ('TTI') in Tyssedal, Norway on 15<sup>th</sup> August, resulting in damage to the surrounds of the furnace.

After taking final delivery of the lining mid-December, the relining of the furnace and preparation for return to operation proceeds according to plan. The Company expect to commence production by mid-January 2017 and ramping up to commercial volumes over approximately 4 weeks.

As it has become possible to estimate the full extent of the damage and business interruption in relation to this incident, TTI has agreed with its insurer on a full and final settlement of NOK 305 million (USD 35 million based on current USD/NOK 8.65). Net of already received on account advances from the insurance company TTI is set to receive NOK 155 Million (USD 17.9 million) before the end of this year.