

FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

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.

HIGHLIGHTS

- TiZir recorded EBITDA of \$62.5 million in 2017, up from \$24.1 million in 2016
- GCO generated a record EBITDA of \$50.9 million, up from \$6.0 million in 2016, and strong positive operating cash flow
- TiZir result driven by continued improvements in GCO and TTI production and improved commodity price environment
- Successful refinancing of \$275 million TiZir bonds, with new bonds maturing in 2022

FINANCIAL SUMMARY

\$m	FY 2017	FY 2016	\$ Change	% Change
TIZIR				
TiZir EBITDA	62.5	24.1	38.4	158.8
TTI EBITDA	15.2	21.0	(5.8)	(27.7)
GCO EBITDA	50.9	6.0	44.9	745.1
Reported loss	(32.3)	(63.8)	(31.5)	49.4
Cash flow from operations	5.9	18.5	(12.6)	(68.3)
Capital expenditure	11.4	20.2	(8.8)	(43.6)

The year ended 31 December 2017 was a successful period for TiZir Limited ('TiZir', the 'Company') with key milestones achieved, including:

- strong and consistent operational performance at GCO
- successful ramp up at TTI with the furnace continuing to exceed expectations in terms of operational efficiency
- positive cash flow generated at both sites in 4Q 2017
- refinancing of TiZir's \$275 million senior secured bonds in July 2017

These developments have provided the Company and its stakeholders with a strong platform to leverage ongoing improvements in operational performance and commodity prices.

BUSINESS REVIEW

TiZir's key focus for 2017 was to improve operational consistency, deliver production and cost efficiencies at GCO and ensure the safe and successful ramp up of production at TTI in order to achieve a return to positive cash flow generation.

GCO demonstrated improvements in all key metrics throughout 2017, leading to improved production performance and strong financial results for the year. Compared to prior year results, production improvements at the mine were reflected in increases in ore mined (14.9% higher), operational runtime (10.1% higher at 80.8%) and average throughput (4.7% higher at 6,363tph). On an overall basis, heavy mineral concentrate ('HMC') production for the year was a record 724.8kt, a significant increase of 18.1% compared to 2016.

Consistent with increased HMC production, finished goods production at the mineral separation plant reached new highs in 2017; led by ilmenite production of 492.4kt and zircon production of 61.6kt (up 18.3% and 17.0% respectively compared to 2016). Additionally, GCO commenced production of medium grade zircon sands ('MGZS') in 2017, a zircon concentrate not previously included in GCO's product suite, producing 20.2kt by year-end. Total finished goods production for GCO in 2017 was 584.2kt, an increase of 22.0% compared to 2016 (or 17.8% excluding the impact of MGZS).

Due to increased production and strong demand for GCO products, sales volumes for 2017 were significantly higher than 2016, with ilmenite increasing by 12.9%, zircon by 14.3% and rutile and leucosene (combined) by 16.3%. The MGZS product added a further 18.3kt to finished goods sold during the year.

In respect of external sales of GCO's 54 ilmenite, pricing was significantly stronger in 2017, with average prices increasing by 46.3% compared to 2016, primarily as a result of high pigment plant utilisation, low inventories throughout the pigment supply chain and tight feedstock supply. Pricing of 58 ilmenite (which is primarily utilised in the production of chloride pigment) was more subdued and in line with price increases achieved for TTI's chloride slag.

Zircon pricing was also significantly stronger in 2017 with average prices increasing by 15.3% compared to 2016. After a subdued start to the year, most major producers, including TiZir, achieved several consecutive price increases as the year progressed. Market indicators continue to suggest that demand, particularly for high-quality zircon with low impurities such as that supplied by GCO, continues to exceed supply. Additional price increases have already been contracted for GCO zircon sales in 2018.

GCO's strong production performance, combined with the improved commodity price environment, led to a record EBITDA result of \$50.9 million for 2017 compared to an EBITDA of \$6.0 million in 2016 (100% basis). This performance was aided by continued cost reduction initiatives that, combined with increased production, saw the average unit cost of production decrease by 19.5%.

TTI's EBITDA (on a 100% basis) for 2017 was \$15.2 million, a good result given the ramp up of the operation during the year. TTI's production ramp up proceeded to expectations, with a total of 181.1kt produced for the year. Notably, four of the top five months for titanium slag production since the establishment of TiZir were recorded in 2H 2017. Additionally, significant operational efficiencies have been achieved, particularly:

- reduced heat losses from the furnace, indicating a more efficient conversion of ilmenite to slag and high-purity pig iron ('HPPI');
- reduced consumption of raw materials such as coal; and
- optimisation of the slag crusher, which improved chloride slag yields.

These improvements translate to a direct reduction in unit costs.

Sales of chloride slag recommenced in March 2017 following the restart of the furnace and replenishment of work-in-progress inventory. For the final three quarters of 2017, titanium slag sales volumes were consistent with production volumes, leading to a total annual sales volume of 159.8kt. TTI's titanium slag products continue to be well received by the market with a majority of 2018 production already contracted to global customers.

Average pricing for titanium slag in 2017 was 10.6% higher than 2016, consistent with the gradually improving market for high-grade feedstock and contracted price increases with global customers.

As with titanium slag, HPPI sales volumes were largely consistent with production volumes throughout the final three quarters of 2017. European foundry markets continue to be the primary market for TTI's HPPI. Pricing for HPPI was strong in 2017, with average prices increasing by 46.9% compared to 2016. Positive movements in coal and iron ore pricing throughout the year provided a platform for pricing increases, despite some pricing volatility caused by ongoing geopolitical issues in Eastern Europe and some competition from lower priced scrap materials.

GCO continued its strong cash flow performance, achieving a record positive cash flow from operations. Despite this result, TiZir's cash flow from operations in 2017 of \$5.9 million decreased compared to the \$18.5 million generated in 2016, primarily as a result of the build-up of working capital at TTI following the furnace restart in January 2017. Following completion of this working capital build, TTI returned to positive cash flow in 4Q 2017. With commodity prices anticipated to continue their positive trajectory, TiZir expects to deliver an improved cash flow performance in 2018.

FUNDING

At 31 December 2017, external borrowings (excluding shareholder loans) amounted to \$371.0 million, comprising \$312.8 million of senior secured bonds (including accrued interest) due July 2022, \$30.0 million outstanding of a \$50 million working capital facility attributable to TTI and \$38.0 million outstanding of a \$50 million working capital facility attributable to GCO, offset by \$9.8 million of capitalised borrowing costs.

As announced on 5 July 2017, TiZir successfully completed a new 9.5%, \$300 million senior secured bond issue with maturity scheduled in July 2022. The proceeds were primarily used to refinance TiZir's \$275 million senior secured bonds that matured in September 2017. The successful refinancing of TiZir's senior debt was a major milestone for TiZir and was well received in the investment community.

Cash and cash equivalents at 31 December 2017 were \$48.2 million, giving external net debt of \$322.8 million.

IMPAIRMENT REVIEW

Impairment reviews were undertaken as at 30 June and 31 December 2017 in relation to TiZir's two cash-generating units ('CGU'), GCO and TTI. The recoverable amount of GCO is assessed using the fair value less costs of disposal method, whilst the recoverable amount of TTI is assessed using the value in use method. Both CGUs utilise discounted cash flow financial models to estimate their respective recoverable amounts. As a result of the impairment review, no impairment charge has been recognised against the assets of TiZir's CGUs as at 31 December 2017.

Key assumptions and sensitivity analysis

GCO's recoverable amount is particularly sensitive to certain key assumptions, including life of mine, discount rate (11.5% nominal post-tax), commodity prices, utilisation, production and sales volumes, and operating costs. A life of mine of 33 years has been used, incorporating the updated Mineral Resource and Ore Reserve estimates reported by the Company on 19 February 2018.

OUTLOOK

With GCO and TTI producing at record levels and a positive outlook for commodity prices, TiZir is poised to generate positive earnings in the near-term.

In 2018, the Company's focus will be:

- continuing the strong production performance at TiZir during 2018 by consolidating and optimising production processes at GCO and TTI;
- continuing to foster a culture of safety, operational excellence and cost reduction at GCO and TTI;
- maximising cash flows and maintaining balance sheet discipline to improve TiZir's capital structure; and
- considering opportunities to capitalise on TiZir's quality asset base and further capture the benefits of an improving market.

MARKET OUTLOOK

Pricing for the mineral sands product suite continued to improve throughout 2017 with the zircon market in particular benefitting from improving demand dynamics and emerging supply side shortfalls. In respect of the sectors relevant to TiZir:

High-grade titanium dioxide feedstocks: Industry forecasts indicate an increase in TiO₂ demand in 2018. The seasonal slow-down in pigment production experienced during the northern hemisphere winter was not as pronounced as usual, with western pigment producers continuing to operate at high utilisation levels due to higher demand and tighter supply in Europe and North America. The restart of idled feedstock capacity, which normalised inventory levels throughout the pigment supply chain, and improving spot prices for rutile are strong indicators of strengthening market conditions in the high-grade feedstock sector, which bodes well for TiZir's titanium feedstock sales outlook.

Zircon: Pricing levels improved above expectations throughout 2H 2017 and into 1Q 2018. While demand remains strong, supply shortfalls are having a material impact on the market. This situation continues to place further upward pressure on zircon pricing, particularly for high-quality zircon with low impurities such as that supplied by GCO.

HPPI: The pressure on pig iron prices experienced in 3Q 2017 has eased, with improved pricing being achieved going into 2018. Improved conditions are expected to continue with the majority of production now contracted for 1Q 2018. Anticipation of some continued upward pressure on pricing is expected given iron ore and coal price increases.

TiZir financial summary

\$m	Revenue		EBITDA		EBIT	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
TTI	114.8	75.8	15.2	21.0	6.2	6.8
GCO	⁽ⁱ⁾ 109.8	84.8	50.9	6.0	23.6	(18.6)
Corporate	-	-	(3.6)	(2.9)	(4.7)	(4.8)
Total	224.6	160.6	62.5	24.1	25.1	(16.6)
Foreign exchange gains/(losses)					1.1	(0.4)
Net finance costs ⁽ⁱⁱ⁾					(52.9)	(45.9)
Amortisation of acquisition assets ⁽ⁱⁱⁱ⁾					(2.7)	(2.7)
Loss before tax					(29.4)	(65.6)
Income tax expense					(0.8)	(0.5)
Minority interest ^(iv)					(2.0)	2.3
TiZir reported loss					(32.2)	(63.8)

Notes to the financial information

- (i) Ilmenite sales from GCO to TTI totalling \$38.9 million (2016 – \$15.7 million) have been eliminated from GCO's revenue disclosed above. The remaining revenue of \$109.8 million (2016 – \$84.8 million) represents revenue earned from sales to external customers.
- (ii) Net finance costs comprise:

\$m	FY 2017	FY 2016
Interest charged on TiZir bond	(27.4)	(24.9)
Interest charged on subordinated loans from joint venture partners	(14.6)	(11.3)
Interest on working capital facilities	(4.3)	(3.9)
Other net interest, borrowing and other finance costs	(6.6)	(5.8)
Total net finance costs	(52.9)	(45.9)

Note: Other net interest, borrowing and other finance costs primarily relates to amortisation of capitalised borrowing costs in relation to the senior secured bond issue in September 2012, May 2014 and July 2017 and costs incurred in securing amendments to the senior secured bond agreement in December 2015.

- (iii) As part of the establishment of TiZir in October 2011, specifically identified intangible assets, property, plant & equipment and related deferred tax liabilities are recognised on consolidation and amortised over the useful lives of these assets. Amortisation during the year amounted to \$2.7 million pre-tax and \$1.9 million on an after-tax basis.
- (iv) Minority interest reflects 10% ownership of GCO by the Government of the Republic of Senegal.

FINANCIAL STATEMENTS

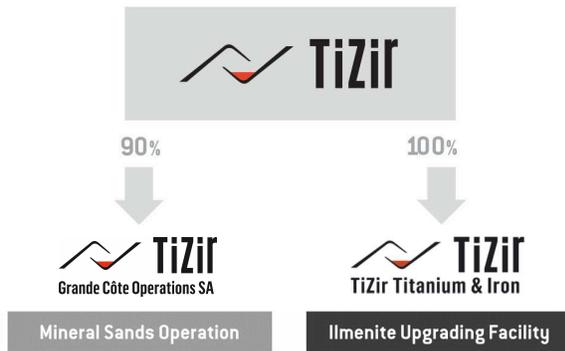
The financial statements for the year ended 31 December 2017 will be released before the end of April 2018.

ABOUT TIZIR

TiZir Limited (OBX: TIZ02) is an integrated mineral sands company comprising two operating assets – the Grande Côte mineral sands operation ('GCO') in Senegal, West Africa and the TiZir Titanium & Iron ilmenite upgrading facility ('TTI') in Tyssedal, Norway.

GCO is a large-scale, cost competitive mineral sands operation that is fully integrated from mine-to-ship, using owned or controlled infrastructure. GCO commenced mining activities in March 2014 and, over an expected mine life currently projected to 2050, will primarily produce high-quality zircon and ilmenite. A majority of GCO's ilmenite is sold to TTI. GCO also produces small amounts of rutile and leucoxene. The government of the Republic of Senegal is a valued project partner, holding a 10% interest in Grande Côte Operations SA.

TTI upgrades GCO ilmenite to produce high-quality titanium feedstocks, primarily sold to pigment producers, and a high-purity pig iron, a valuable co-product, which is sold to ductile iron foundries. TTI benefits from access to cheap and clean power, and excellent logistics, in particular, year-round shipping capacity and customer proximity.



FORWARD LOOKING STATEMENTS

Certain information contained in this report, including any information on TiZir's plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute forward-looking statements.

Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. TiZir cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of TiZir to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include the inherent risks involved in mining and mineral processing operations, exploration and development of mineral properties, financing risks, changes in economic conditions, changes in the worldwide price of zircon, ilmenite and other key inputs, changes in the regulatory environment and other government actions, changes in mine plans and other factors, such as business and operational risk management, many of which are beyond the control of TiZir.

Except as required by applicable regulations or by law, TiZir does not undertake any obligation to publicly update, review or release any revisions to any forward-looking statements to reflect new information, future events or circumstances after the date of this report.

Nothing in this report should be construed as either an offer to sell or a solicitation to buy or sell TiZir bonds.