24 July 2018

FINANCIAL RESULTS FOR THE HALF-YEAR ENDED 30 JUNE 2018

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. As at 24 July 2018 ERAMET owns 98.02% of MDL shares.

HIGHLIGHTS

- TiZir recorded EBITDA of $42.9 million in 1H 2018, a 51.3% increase from 1H 2017
- GCO generated EBITDA of $41.0 million, up from $22.0 million in 1 H2017, and continued its strong positive operating cash flow performance
- TiZir result driven by continued operational improvements at GCO and further improvements in the commodity price environment
- TiZir net external debt reduced to $309.2 million at 30 June 2018, a reduction of $13.6 million during the current period

FINANCIAL SUMMARY

$m	1H 2018	1H 2017	$ Change	% Change
TIZIR				
TiZir EBITDA	**42.9**	28.4	**14.5**	51.3
TTI EBITDA	**3.0**	7.8	**(4.8)**	(60.9)
GCO EBITDA	**41.0**	22.0	**19.0**	86.5
Reported loss	**(5.9)**	(18.2)	**12.3**	(67.6)
Cash flow from operations	**19.4**	(31.1)	**50.5**	162.3
Capital expenditure	**6.3**	3.4	**2.9**	88.2

BUSINESS REVIEW

GCO demonstrated meaningful improvements in 1H 2018, with the achievement of improved runtime and recoveries from continuing mine optimisation projects. On an overall basis, heavy mineral concentrate (**HMC**) production for the period was 374.4kt, a significant increase of 8.6% compared to 1H 2017.

Consistent with increased HMC production, finished goods production at the mineral separation plant increased by 8.5% compared to 1H 2017, led by ilmenite production of 240.9kt and zircon production of 32.0kt (up 6.9% and 14.7% respectively compared to 1H 2017).

Consistent with increased production and strong demand for GCO products, sales volumes for all products were 10.3% higher in 1H 2018 compared to 1H 2017. In particular, ilmenite sales volumes of 34.1kt were 8.7% higher, while zircon sales volumes increased by 27.6% to 34.1kt.

Zircon pricing has been substantially stronger in 1H 2018, with average price increases of approximately 55% achieved in 1H 2018 compared to 1H 2017. These positive pricing outcomes are a function of strength in demand and limited ability for supply-side response.

GCO's improving production performance, combined with ongoing improvements in the commodity price environment, led to an EBITDA result of $41.0 million for 1H 2018 compared to an EBITDA of $22.0 million in 1H 2017 (100% basis). This performance was aided by continued cost discipline which enabled unit costs of production to remain relatively consistent compared to 1H 2017 despite increasing fuel and labour costs.

TTI's EBITDA (on a 100% basis) for 2017 was $3.0 million, having been impacted by a six week period of reduced capacity arising from a gearbox failure in the pre-reduction kiln. Repairs were completed by mid-April and production has resumed at levels consistent with the facility's operating capacity of 230,000 tonnes of slag per annum.

Notwithstanding the above issues, production in 1H 2018 exceeded 1H 2017, with titanium slag production 10% (8.0kt) higher whilst HPPI was 13% (4.0kt) higher.

Sales volumes of TTI products increased in 1H 2018 relative to 1H 2017, with titanium slag up 38% (22.1kt) and HPPI up 8.2kt due the availability of inventory to meet demand. GCO continued its strong cash flow performance, recording positive operating cash flows of $30.2 million, an increase of 113.6% compared to 1H 2017, which ultimately led to overall operating cash flow for TiZir of $19.4 million (including cash interest costs).

FUNDING

At 30 June 2018, external borrowings (excluding shareholder loans) by TiZir amounted to $359.7 million, comprising $312.8 million of senior secured bonds (including accrued interest) due July 2022, $20.5 million outstanding of a $50 million working capital facility attributable to TTI and $36.6 million outstanding of a $50 million working capital facility attributable to GCO, offset by $10.2 million of capitalised borrowing costs.

TiZir's cash and cash equivalents at 30 June 2018 were $50.5 million, giving external net debt of $309.2 million.

IMPAIRMENT REVIEW

Impairment reviews were undertaken as at 30 June 2018 and 31 December 2017 in relation to TiZir's two cash generating units (CGUs), 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 30 June 2018.

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.

MARKET OUTLOOK

Market dynamics in 2Q 2018 remain robust for all of TiZir's products.

Titanium dioxide feedstocks: Pigment producers continue to operate plants at near-capacity levels with seasonably low inventory levels in America and Europe. Demand for TiZir's titanium dioxide product suite remains robust.

Zircon: TiZir zircon continued to achieve healthy price increases throughout 1H 2018, broadly consistent with reference price increases announced by major competitors. Demand for zircon remains strong in all key markets, with western markets in particular demonstrating healthy market fundamentals.

HPPI: Pig iron markets remained relatively stable, albeit at comparatively high levels. These levels are expected to be maintained in the coming quarter.

TiZir financial summary

$m	Revenue 1H 2018	Revenue 1H 2017	EBITDA 1H 2018	EBITDA 1H 2017	EBIT 1H 2018	EBIT 1H 2017
TTI	66.4	42.2	6.7	10.1	(2.1)	5.5
GCO	(i) 74.4	(i) 51.3	37.3	19.7	27.3	5.4
Corporate	-	-	(1.1)	(1.4)	(1.8)	(1.9)
Total	**140.8**	**93.5**	**42.9**	**28.4**	**23.4**	**9.0**
Foreign exchange gains/(losses)					(0.1)	(0.4)
Net finance costs(ii)					(26.2)	(24.1)
Amortisation of acquisition assets(iii)					(1.4)	(1.3)
Loss before tax					**(4.3)**	**(16.8)**
Income tax expense					0.8	(1.0)
Minority interest(iv)					(2.4)	(0.5)
TiZir reported loss					**(5.9)**	**(18.2)**

Notes to the financial information

(i) Ilmenite sales from GCO to TTI totalling $20.0 million (2017 – $14.6million) have been eliminated from GCO's revenue disclosed above. The remaining revenue of $74.4 million (2017 – $51.3 million) represents revenue earned from sales to external customers.

(ii) Net finance costs comprise:

$m	1H 2018	1H 2017
Interest charged on TiZir bond	(14.2)	(12.3)
Interest charged on subordinated loans from joint venture partners	(8.6)	(7.0)
Interest on working capital facilities	(2.1)	(1.9)
Other net interest, borrowing and other finance costs	(1.3)	(2.9)
Total net finance costs	**(26.2)**	**(24.1)**

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 $1.4 million pre-tax and $1.0 million on an after-tax basis.

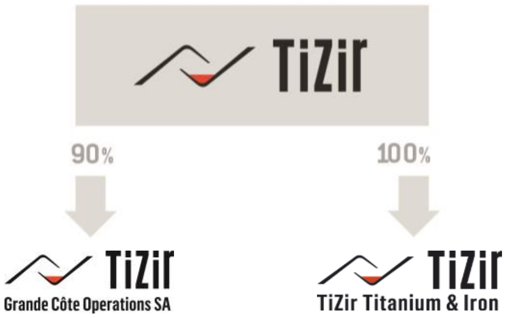
(iv) Minority interest reflects 10% ownership of GCO by the Government of the Republic of Senegal.

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.