



Sierra Rutile

ASX ANNOUNCEMENT

27 FEBRUARY 2023

Operational Turnaround Delivers Improved Performance in 2022

Sierra Rutile Holdings Limited (ASX: SRX) (“Sierra Rutile” or the “Company”) presents its results for the full year ended 31 December 2022 (2022). Sierra Rutile reported revenue of \$254 million, up 38% over the prior year, driven by increased production levels and improving rutile prices. All figures are in US Dollars unless otherwise stated.

Financial Highlights

- **Revenue** of \$254m, up 38% over prior year.
- **EBITDA** of \$57.8m and **NPAT** of \$75.6m, both substantially higher than pcp.
- **Strong operating cashflow** of \$44.3m.
- **Solid cash position** of \$37.7m as of 31 December, in addition to \$42.2m of working capital as well as \$42.5m rehabilitation trust assets and no debt.
- Building **significant balance sheet strength** to help fund Sembehun development.

Operational Highlights

- **Rutile production** of 136kt, an increase of almost 9kt on pcp, as operational simplification takes effect.
- **Rutile sales** of 142kt, up 9% on pcp.
- **Realised rutile price** of \$1,502/t up 21% on 2021 average, following strong demand for rutile products.
- **Unit cash production costs** of \$1,198/t on improved production and sales of concentrate by-products.
- **Sembehun Project:** Definitive Feasibility Study (DFS) and Environmental, Safety and Health Impact Assessment (ESHIA) progressed to schedule.
- **Safety and environment:** Three lost time injuries (LTI) in FY22, resulting in Lost Time Injury Frequency Rate (LTIFR) of 0.40. Committed to improving safety performance.



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Sierra Rutile Managing Director and CEO, Theuns de Bruyn, commented:

“This was a strong year for Sierra Rutile, with consistently improved operations and demand and higher prices for rutile supporting our revenue, EBITDA and NPAT growth.

Despite the record rainfall at site in the third quarter of 2022, improved performance levels were achieved for Area 1 over the year, with 2022 production and operating costs in line with expectations. The Area 1 life of mine extension program is steadily progressing with a revised reserve estimate due to be announced with our annual report next month.

Sembehun continues to represent the long-term opportunity for Sierra Rutile and completion of the DFS and EISHA in late 2023 are expected to confirm the project’s potential.

We continue to carry out our ESG efforts, resulting in the successful rehabilitation of 150 hectares of previously distributed land, and the deep ties in the Sierra Leone community allow us to continue to contribute to the country’s growth and employment.

This is an exciting time for Sierra Rutile with the outlook for rutile demand and prices remaining promising, and we look forward to sharing our operational and development milestones in the near future.”

Finance Director, Martin Alciaturi, commented:

“These results firmly establish the operational turnaround that has happened at site and the ability of the business to operate once again as a stand-alone entity.

More work remains to be done to “bridge” between existing Area 1 reserves and Sembehun but at this stage, provided capital estimates are contained through the DFS stage and markets remain stable, there is every reason to expect that Sierra Rutile will be able to secure the finance required to develop Sembehun and significantly extend the life of this globally significant operation.”





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Outlook

Sierra Rutile reiterates the following guidance for 2023:

	2023 Guidance
Rutile production (kt)	140 – 144
Cash costs of production (\$m)	165-180
Unit cash production cost (\$/t R)	1200-1275
Unit cash production cost (net of by-product credits) \$/t R)	950 – 1,025
Capital expenditure (\$m)	32-36

Sierra Rutile expects to release its Annual Report including annual Mineral Resources & Ore Reserves Estimate late March.

Ends

This ASX Release was authorised for release to the ASX by the Finance Director.

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About Sierra Rutile

Sierra Rutile is the world's largest natural rutile producers, with an established operating history of more than 50 years from its operations in Sierra Leone.

The Company is well positioned to extend its operations through the proposed development of the nearby Sembehun deposits. Sembehun represents one of the largest and highest grade natural rutile resources in the world, and its development would extend Sierra Rutile's mine life by at least 13 years.

Sierra Rutile is listed on the Australian Securities Exchange. Further details about Sierra Rutile are available at www.sierra-rutile.com