



Sierra Rutile

ASX ANNOUNCEMENT

17 October 2022

Production and Cost Update for September 2022 Quarter

In advance of release of its Quarterly Report for the quarter ended 30 September 2022, Sierra Rutile Holdings Limited (ASX: SRX) ("Sierra Rutile" or the "Company") provides the following interim update to the market in relation to production and operating cost performance.

Operations during the quarter were hampered by unusually heavy rainfall in August and September which resulted in reduced mining and production. It was the highest quarterly rainfall recorded at site and a 39% increase over Q3 2021. The adverse weather conditions resulted in reduced ore being mined and processed, with quarterly production of rutile of 28kt, down 22% as against both the previous quarter and Q3 2021.

Combined with increased costs, primarily due to the high rainfall but also impacted by higher fuel costs and an (expected) absence of material by-product sales revenue, the lower production resulted in unit operating costs for the quarter ended 30 September 2022 being materially higher than those experienced in the first half or projected for the full year. Subject to final review, unit costs for the quarter are expected to be US\$1,490 per tonne of rutile production.

The heavy rainfalls have now subsided and production levels have normalised. At this stage, the Company expects that production in the remaining months of the year will return to normal levels, and combined with further by-product sales, unit costs are anticipated to be significantly lower in Q4 2022.

Full operational, development, ESG and corporate details for the quarter, including commentary on full year guidance, will be released to the market on Thursday 27th October in the September Quarterly Report.

Ends

This ASX Release was authorised for release to the ASX by the Board of Directors.

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About Sierra Rutile

Sierra Rutile is one of 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