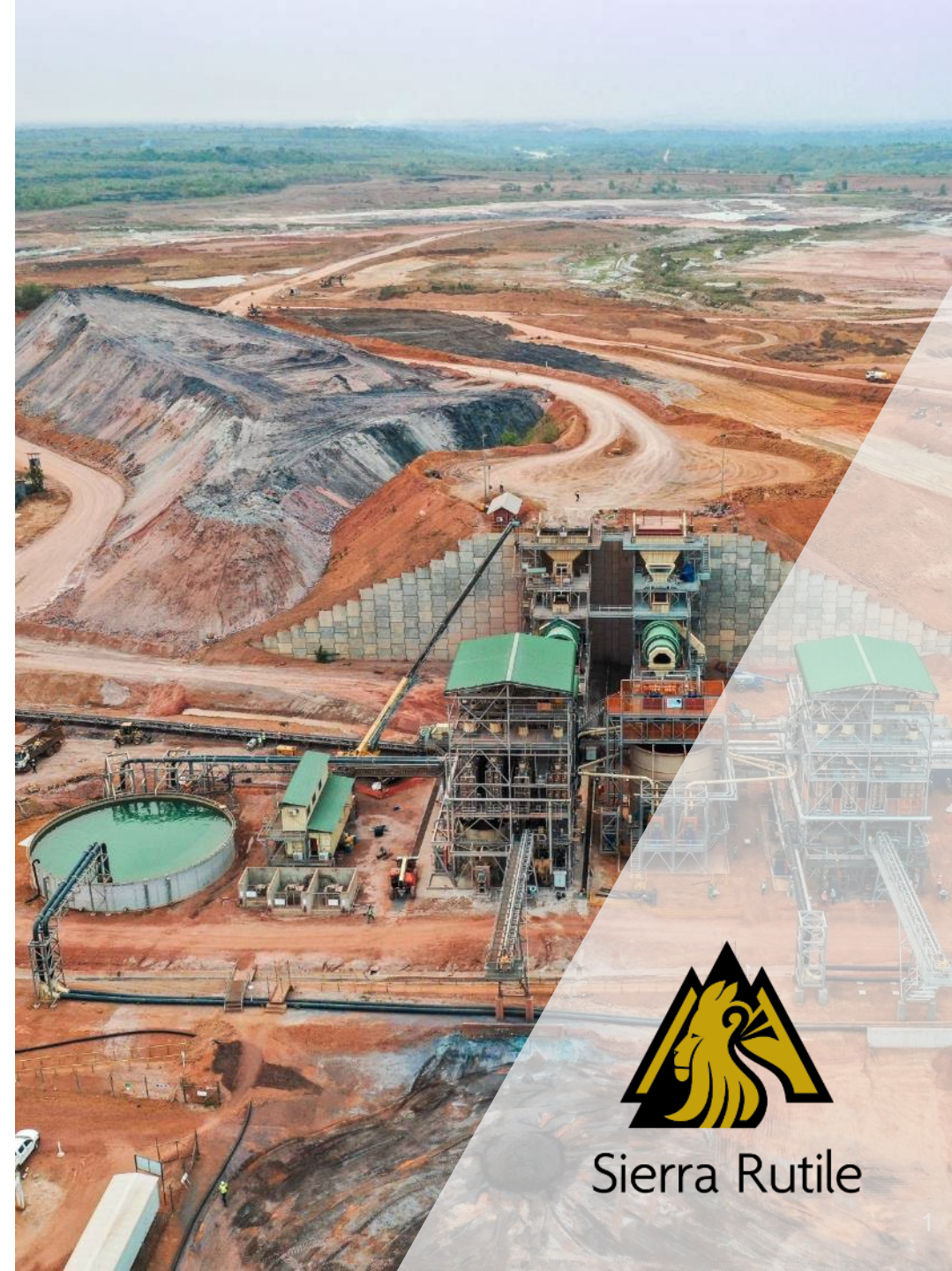


Sierra Rutile Investor Presentation

2023 Half Year Results

August 2023

ASX: SRX



Sierra Rutile

Important Notices and Disclaimer



Forward looking statements

Certain statements in or in connection with this announcement contain or comprise forward looking statements. Such statements may include, but are not limited to, statements with regard to future production and grades, capital cost, capacity, sales projections and financial performance and may be (but are not necessarily) identified by the use of phrases such as “will”, “expect”, “anticipate”, “believe” and “envisage”. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside Sierra Rutile’s control. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in product prices and exchange rates and business and operational risk management. Subject to any continuing obligations under applicable law or relevant securities exchange listing rules, Sierra Rutile undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Mineral Resources, Ore Reserves Estimates and Production Guidance

This announcement contains production guidance based on estimates of Sierra Rutile’s ore reserves and mineral resources. The estimates in this announcement that relate to the ore reserves and mineral resources of Sierra Rutile have been extracted from the ASX release by Sierra Rutile entitled “Sierra Rutile Annual Statement of Resources and Reserves” dated 23 March 2023 (Announcement).

For the purposes of ASX Listing Rule 5.19, Sierra Rutile confirms that it is not aware of any new information or data that materially affects the information regarding Sierra Rutile’s ore reserves and mineral resources included in the Announcement and that all material assumptions and technical parameters underpinning the estimates in the Announcement continue to apply and have not materially changed. Sierra Rutile confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Announcement.

Non-IFRS financial information

This announcement includes certain information and data, such as Operating Costs, Net Operating Cash Costs and Unit Operating Cash Costs, that are not recognised under Australian Accounting Standards and are classified as ‘non-IFRS financial information’ under ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information). Sierra Rutile uses these non-IFRS financial information metrics to assess business performance and provide additional insights into the underlying performance of its operations.

The non-IFRS financial information metrics in this announcement do not have standardised meaning under the Australian Accounting Standards and, as a result, may not be comparable to the corresponding metrics reported by other entities. Non-IFRS financial information should be considered in addition to, and not as a substitute for, financial information prepared in accordance with Australian Accounting Standards. Readers are cautioned not to place undue reliance on non-IFRS financial information cited in this announcement.

2023 First Half Financial Highlights



Delivered continued profitability and cashflow to support future growth projects

Highlights

Revenue

\$108.3 million
(HY22: \$122.9 million)

Gross Profit

\$30.5 million
(HY22: \$33.0 million)

Underlying NPAT

\$28.2 million
(HY22: \$30.0 million)

NPAT

(\$0.6m) million
(HY22: \$53.5 million)

Net Cash from operating activities

\$7.0 million
(HY22: \$35.4 million)

Net Cash at 30 June

\$32.7 million
(HY22: \$37.7 million)

- Solid financial performance despite weakening demand in pigment market, and power disruption in Q2 impacting production.
- Revenue down ~12% but gross profit down only 8%, reflecting focus on cost management.
- Underlying NPAT (excluding impairments/reversals) broadly in line with previous corresponding period.
- Cash generation from operations remained positive despite power disruption and inventory increases in Q2.
- Retained strong cash position to support Mogbwemo project once fiscal position clarified.
- Decrease in cash was primarily due to \$14.5 million capex (including \$5.7 million on Sembehun DFS and ESHIA), versus \$2.2 million capex in prior corresponding period.

Note: All figures are in US\$ unless otherwise noted

2023 First Half Operational Highlights



Delivered continued profitability and cashflow to support growth projects

Highlights

Sales

- **Volume** 58 kt (HY22: 68 kt)
- **Rutile Price** \$1,457/t (HY22: \$1,461/t)
- Solid financial performance notwithstanding weaker demand seen in the pigment market
- Increased customer diversification including sales into China.
- Volumes of rutile produced and sold fell by 20% and 15% respectively whilst the average price of rutile received remained stable.

Production

- **Production** 57 kt (HY22: 71 kt)
- **Net Costs** \$1,111/t (HY22: \$781/t)
- Production losses experienced in June due to power supply disruptions.
- Ongoing cost reduction efforts.
- Investment in inventories of intermediate products over the period (detail on following slide).

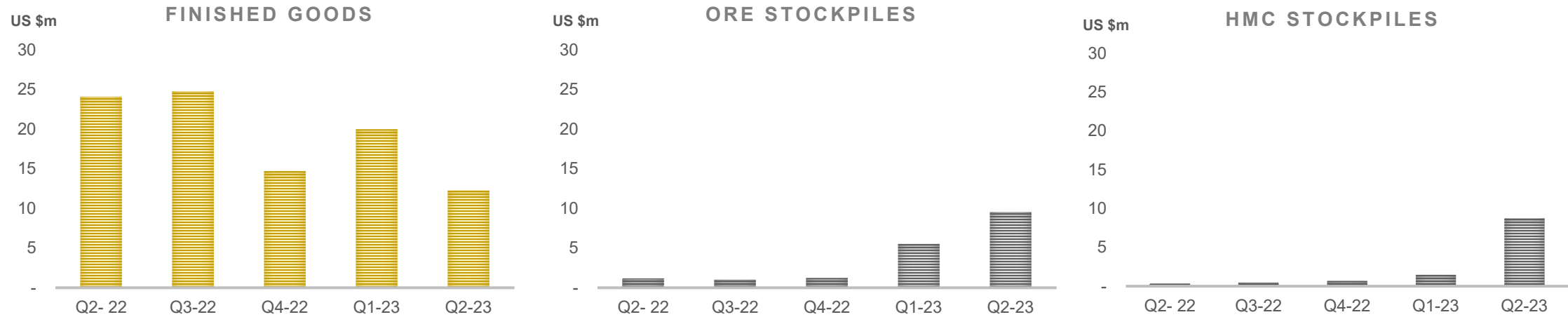
ESG

- One of the largest private employers in Sierra Leone, training and employing over 2,200 local staff.
- Founded one of the best-equipped health clinics in the country.
- Rehabilitated ~809 hectares since 2016. On track to rehabilitate 280Ha for 2023.
- LTI frequency rate of 0.58 at 30 June.

Inventories



Significant asset able to be converted to cash as demand normalises



- ▲ Finished goods levels managed to meet sales demand.
- ▲ Deliberate building of ore stockpiles ahead of wet season to prevent inefficiencies encountered in 2022.
- ▲ Short term increase in heavy mineral concentrate (HMC) inventory as a result of power issues experienced at Mineral Separation Plant. Levels normalising during Q3 2023.

Area 1 operation continuing to generate positive returns

Funding mine life extensions and improved efficiency to support transition to Sembehun

- ▲ Ore mining increased year-on-year by 35% to prepare stockpiles for Q3 wet season with the Lanti mining area now also a load and haul operation.
- ▲ Pleasingly, the volume of ore feed increased by 9%, offsetting gradually declining rutile grades at Area 1 as it nears end of life.
- ▲ 2023 commenced in line with expectations but production was subsequently lost due to power supply issues in June when Heavy Mineral Concentrate (HMC) was stockpiled ahead of the MSP.
- ▲ Local Sierra Leone contractor, Mano Mining, was awarded the DM1/4 mining contract and commenced at site.
- ▲ Government of Sierra Leone is seeking to renegotiate the terms of the Area 1 fiscal regime set out in the Third Amendment Agreement.
 - ▲ Third Amendment Agreement was central to ability of Sierra Rutile to continue operations at Area 1 prior to any development of Sembehun.
 - ▲ Any changes to fiscal arrangements require Sierra Rutile's agreement, and dialogue commenced in Q3.



Area 1 growth opportunities



Sierra Rutile

Internal Mogbwemo Feasibility Study conducted

- ▲ Sierra Rutile has investigated the development of the Mogbwemo Tailings Project to reclaim waste tailings.
 - ▲ Project involves draining the Mogbwemo pond and mining 12.7Mt of tailings at 1.32% rutile.
 - ▲ Work to date included spiral test work (3rd party and on-site plant scale), drilling and geological modelling, a tender for the design and supply of the plant, preliminary process engineering and flowsheet development and lowering of the Mogbwemo pond level.
 - ▲ Mogbwemo offers the potential to reduce operating costs and increase mine life at Area 1.
 - ▲ Capex of \$20m to generate >40% incremental IRR.
 - ▲ Timing of investment contingent on improved market conditions and satisfactory resolution regarding Third Amendment Agreement.



Outlook for Fundamentally Undersupplied Rutile Market

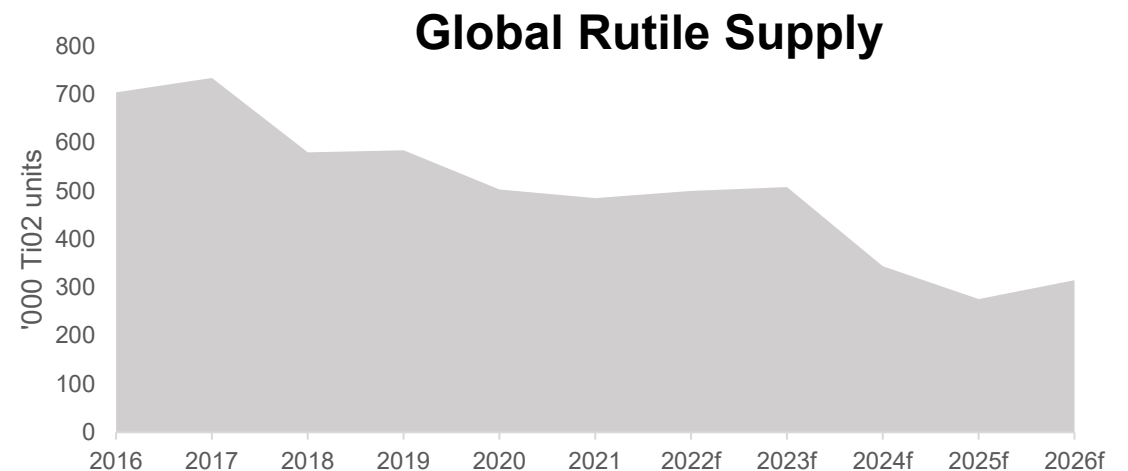


Sierra Rutile

Global rutile deficit supports Sembehun development

- ▲ Price falls have been seen since 30 June with western pigment producers experiencing TiO_2 sales down nearly 30% YoY and operating production facilities at reduced rates. Sierra Rutile has reduced its 2023 production guidance to 124-126kt rutile accordingly.
- ▲ Longer term global supply deficit anticipated as growing demand outstrips depleting global resources.
- ▲ Demand for Sierra Rutile's natural rutile supported by its high grade and low impurity characteristics.
- ▲ Chloride feedstock consumption for pigment anticipated to grow at CAGR of 4.4% from 2022 to 2025, compared to a -2.8% CAGR for sulphate feedstocks over the same period.
- ▲ Sierra Rutile will seek to leverage market presence and long and established relationships with all primary chloride-based titanium pigment manufacturers, and the world's largest producers of high-specification aircraft-quality (aerospace) titanium sponge.

Natural Rutile Supply Outlook¹



Note: (1) Source = TZMI/SRL estimates

Unlocking Value With Sembehun Development



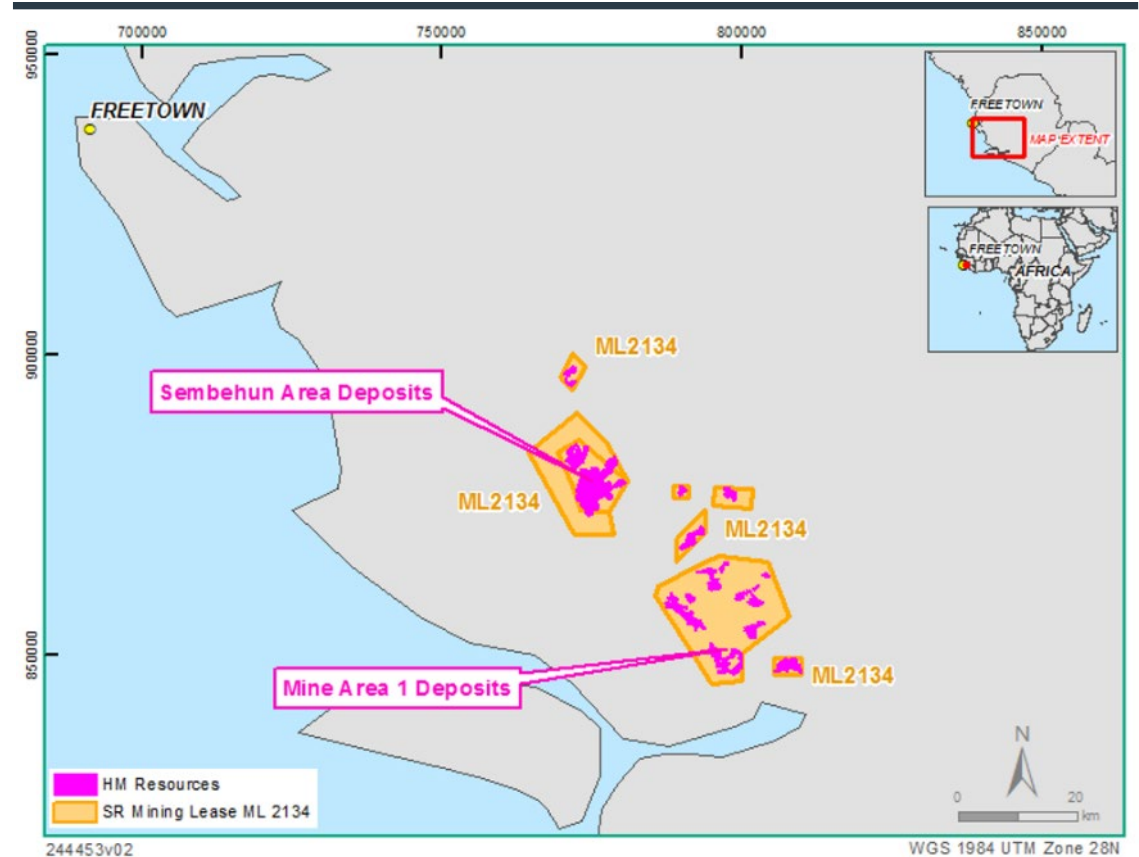
Sierra Rutile

Attractive development pathway, home to one of the largest and highest grade natural rutile deposits in the world

Sembehun

- ▲ Aimed at extending Sierra Rutile's mine life by at least 13 years AND materially reducing operating costs.
- ▲ Increased throughput and by-product streams whilst leveraging existing Area 1 processing and export infrastructure, only 30 km away.
- ▲ In the period \$5.7 million spent advancing the DFS, targeted to complete at the end of 2023.
- ▲ Customer sample testing validates product quality.
- ▲ 2022 PFS demonstrated 24% IRR (real post tax) based on \$337m capex.
- ▲ Market testing for debt facility commenced.

Location & Size

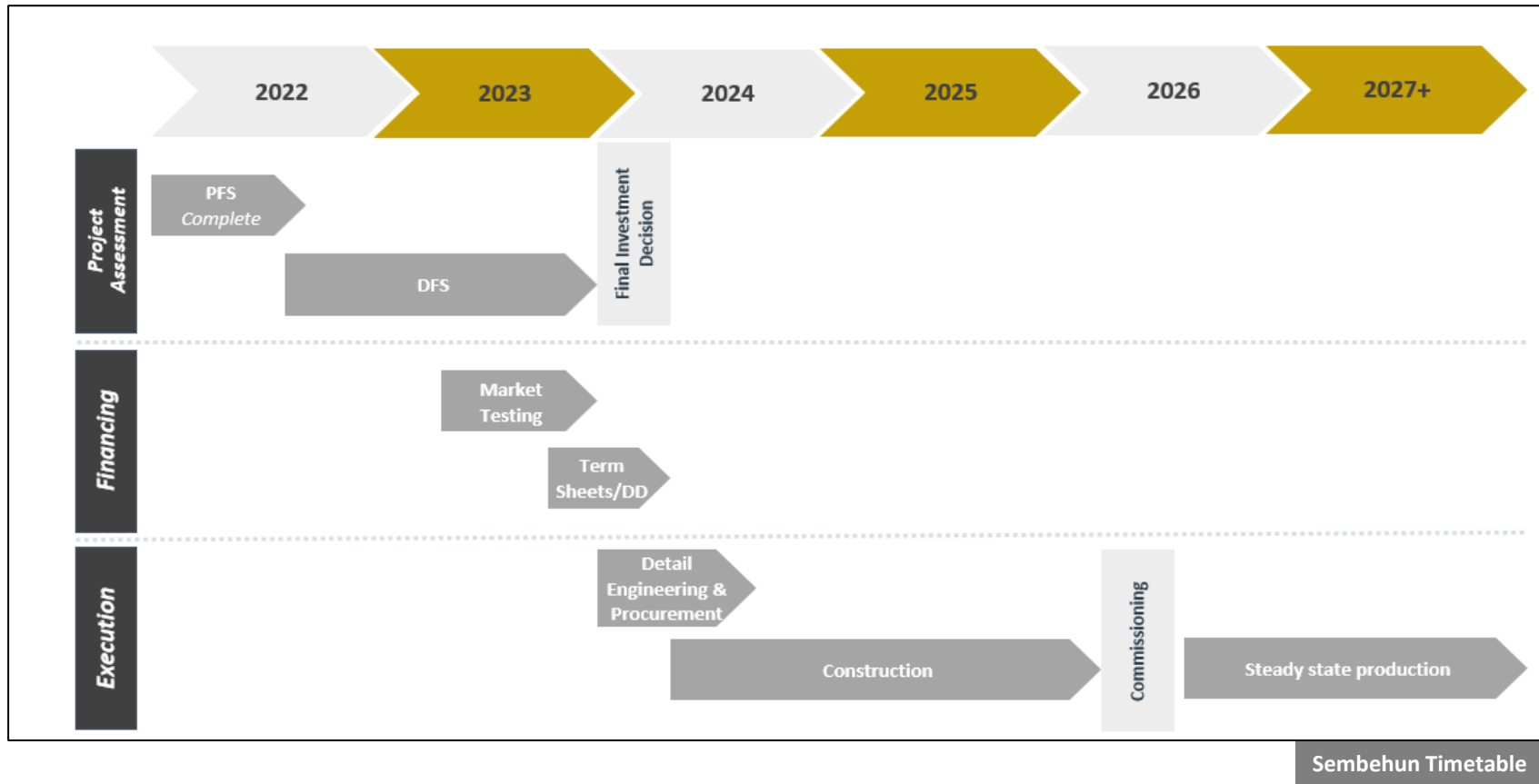


Sembehun DFS Well Advanced



Sierra Rutile

On site activities complete



Outlook



Sierra Rutile

The world's largest natural rutile producer positioned to deliver sustainable growth

Short Term

- ▲ Reduced high-grade feedstock demand as European pigment producers continue to experience reduced demand.
- ▲ Sales plans moderated in response to lower pigment production.
- ▲ Production plans moderated to contain absolute costs.
- ▲ Negotiations with Government of Sierra Leone regarding Third Amendment Agreement.
- ▲ Potential to proceed with Mogbwemo tails project.
- ▲ Finalising Sembehun DFS workstreams by end of 2023.

- ▲ **FY2023 Full Year Guidance:**
 - ▲ Production: 124kt-126kt of rutile
 - ▲ Net Unit Cost: \$990-1,055/t

Medium Term

- ▲ Tight supply of natural rutile globally.
- ▲ Elevated energy costs supporting prices of competing products.
- ▲ Sembehun Financing/FID.
- ▲ Long term opportunity with Sembehun, expected to significantly extend mine life, while leveraging existing processing and logistics infrastructure.



Gabbon Wall and DM1 Conveyor Slab

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SIERRA RUTILE LIMITED



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