

19 May 2021

SIERRA RUTILE UPDATE

As noted in Iluka Resources' March 2021 Quarterly Review, Sierra Rutile continues to face acute business challenges, particularly since the onset of the COVID-19 pandemic. Its operational performance has been below expectations, resulting in a financial performance that is unsustainable.

Accordingly, on 19 May 2021, Sierra Rutile provided the Government of Sierra Leone six months' notice of its intention to temporarily suspend operations at Sierra Rutile, effective 19 November 2021. This notice has been provided in accordance with section 118 of the Sierra Leone *Mines and Minerals Act 2009* (the Act).

During the six month notice period, Sierra Rutile will:

1. evaluate the feasibility of continuing mining operations in the existing mining area, through implementing cost reductions and improved productivity, and continue the evaluation of the feasibility of developing the Sembehun group of deposits – the Sembehun deposits are situated 20 to 30 kilometres north-west of the current mining operation in Area 1 and collectively represent one of the largest and highest quality known rutile deposits in the world; and
2. continue the process currently underway to identify third parties willing to invest in the next phase of Sierra Rutile's development.

If Sierra Rutile is able to identify and implement reductions to the cost base of its operations so that it can return to profitability and attract new investors for the continuation of mining operations in the existing mining area (Area 1) and pursue the Sembehun development, then Sierra Rutile will withdraw the suspension notice and mining operations will continue.

Sierra Rutile will engage collaboratively with the Sierra Leone Government in the development of measures to address the financial performance of Sierra Rutile's operations and facilitate the development of Sembehun, with a view to avoiding or minimising the duration of a suspension. Under section 118 of the Act, a suspension of operations of this nature cannot exceed two years. To the extent that such efforts are not successful within this two year period, Sierra Rutile would move into closure and rehabilitation.

Sierra Rutile's production outlook of 145 thousand tonnes of rutile for 2021 is withdrawn. The company anticipates an update to its Reserve statement for Area 1 at Sierra Rutile at year end.

This document was approved and authorised for release to the market by Iluka's Managing Director.

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