



Sierra Rutile Limited

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Sierra Rutile enters into African Lion agriculture partnership

London, UK, 4 June 2015: Sierra Rutile Limited (AIM: SRX) (“Sierra Rutile”) is pleased to announce that it has entered into an agreement with Carmanor Limited (“Carmanor”), an emerging-markets focused agricultural company, whereby Carmanor will partner with Sierra Rutile to grow its agriculture subsidiary, African Lion.

Highlights:

- Carmanor to earn-in to African Lion in return for fully-funding the expansion of African Lion’s palm oil, rubber and cacao plantations over 2,500 hectares and the construction of an oil palm mini-mill;
- Significantly accelerates the development of African Lion’s palm oil, rubber and cacao operations
- Pineapple plantations of African Lion, which are already self-funding, will be excluded and remain 100% owned by Sierra Rutile;
- Allows Sierra Rutile to focus its resources, both human and capital, on its core operations, while at the same time ensuring all agriculture projects will continue to advance without further cash contributions from Sierra Rutile;
- Carmanor team brings an excellent track record in sustainable community development and is experienced in operating agriculture projects in West African countries such as Sierra Leone, Ghana and Liberia.

Commenting on the transaction, John Sisay, Sierra Rutile’s Chief Executive Officer said, “I am very pleased to finalize this transaction with Carmanor as it allows Sierra Rutile to focus on our core mineral sands business, while retaining a meaningful, fully-funded interest in a broad-based agri-business. Carmanor is an ideal partner for Sierra Rutile due to their team’s proven track record in sustainable community development and their existing operations in the Sierra Leonean agriculture sector.”

Simon de Borchgrave, Chief Executive Officer of Carmanor, added, “We are pleased at the opportunity to further expand our presence in Sierra Leone, partnering with one of the country’s most established businesses. The African Lion platform allows us to advance an accelerated business plan, building off the infrastructure Sierra Rutile already has in place and the plantations African Lion has already developed.”

Carmanor will fully-fund the expansion of Sierra Rutile's existing palm oil, rubber and cacao plantations to a scale of over 2,500 hectares as well as construct and operate an oil palm mini-mill. Upon successful development of this business plan, within a pre-defined timeline, Carmanor will earn an interest of 75% of African Lion. Were Carmanor to fail in its obligations under the business plan, Carmanor's ownership of African Lion would reduce as low as zero, based on the business plan milestones it did or did not meet. Beyond 2,700 hectares, both Sierra Rutile and Carmanor would be required to fund their proportionate interests in African Lion or have their interests diluted.

Sierra Rutile will retain 100% ownership of the existing pineapples plantation, which are already bearing fruit and generating revenue, enabling self-funding expansion.

Sierra Rutile will continue to provide certain services to African Lion (e.g., vegetation clearance, port access, etc.) on a cost basis, and both Sierra Rutile and Carmanor will coordinate and support each other in community and social initiatives in the region.

ENDS

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Notes to Editors

About Sierra Rutile Limited

Sierra Rutile produces titanium feedstock industrial minerals (primarily rutile, with some associated ilmenite), as well as smaller quantities of zircon. Sierra Rutile's mines, located in the south west of Sierra Leone, are based on one of the largest natural rutile deposits in the world, with a JORC-Compliant Mineral Resource for measured, indicated and inferred resources for the Sierra Rutile mine of over 895 million tonnes (as at 30 September 2014).

www.sierra-rutile.com