

26 November 2015

Dear Bondholder

Please find attached a Bond Summons to attend a meeting of TiZir Bondholders on 10 December 2015. The meeting has been called to consider certain amendments to the TiZir Bond Agreement.

As discussed in the Bond Summons, the TiZir operations continue to perform to expectations. The mining operations at Grande Cote ("GCO") in Senegal, West Africa have begun to perform at levels approaching nameplate capacity while in TTI the furnace reline and expansion project continues on schedule from both a timing and financial perspective. The end of 2015 will largely bring to a close four years of substantial capital expenditure which have been driven by the objective of vertically integrating the GCO operations with the TTI upgrading facility in Norway. TiZir will, therefore, enter 2016 with operations that are very competitive in a global context and that are well placed to maximise its cash flows and financial returns as commodity prices recover.

The major issue facing the Company at present, like many others in the resources sector, is the current state of commodity markets. Slower demand growth, particularly out of China, threatening to exacerbate existing commodity surpluses and excess Chinese pigment production being exported to Western markets has resulted in continuing downward pressure on mineral sands feedstock prices. This has had the consequence of impacting the performance and capital structures of many companies in the sector. As noted above, TiZir is well placed to meet these challenges as its strategy provides the Company with significant operational flexibility allowing it to react to changes in market dynamics to ensure its ongoing viability.

Since the creation of the joint venture, both shareholders of TiZir, Eramet SA of France ("Eramet") and Mineral Deposits Limited of Australia ("MDL"), have continued to provide their strong support to the Company operationally, strategically and financially. From a financial perspective, in addition to contributing their respective assets to the joint venture and equity funding of USD150 million, the shareholders have also provided funding in the form of subordinated loans of USD 150 million (excluding accrued interest) including their most recent contribution of USD25 million in September 2015. As an additional commitment to the Company, Eramet and MDL have undertaken to provide a further subordinated loan facility of USD30 million which will be made unconditionally and irrevocably available to the Issuer with the purpose of providing additional financing as required up to the Maturity Date (subject to the proposal described in the Bond Summons ("Proposal") being adopted with the requisite majority). Eramet has agreed to underwrite the facility should MDL not be in a position to provide the funding on a short term basis.

In addition, the shareholders provide extensive services to TiZir at no cost including inter alia secondment of critical management personnel, safety management services, financial and accounting support, product marketing services and substantial engineering and operational support which are critical for operating these complex assets that require high degrees of expertise to maintain. The Company also continues to enjoy a very good relationship with the Government of the Republic of Senegal.

The Company and its shareholders remain confident of TiZir's ability, should the Proposal be granted, to continue to pay all interest payments as they fall due as well as to refinance the principal upon maturity of the bonds in September 2017.

As a result of subdued market conditions, the continuing capital spend and the operational status of the assets where the ramp ups of both GCO and TTI are yet to be completed, TiZir believes it is prudent to seek a waiver of the Interest Coverage Ratio covenant which is due to be measured for the first time at 31 December 2015 as contained in the Proposal.

Bondholders should be aware that the 50/50 nature of the ownership of TiZir and the resulting shareholder agreement means that each shareholder needs to approve all future support to the Company and that each shareholder is obliged to act in good faith with respect to their partner's interests. Should Bondholders elect to vote against the Proposal, they should be under no misapprehension that they will be seriously jeopardising the future value of the Company's assets given their location and highly technical nature.

The shareholders and the Company believe that TiZir remains on track to secure refinancing during 2017 and that its operating performance will benefit from its newly integrated form. Should the Proposal be granted, it is the current intention of the shareholders to continue to support the Company and ensure all interest payments are met.

Finally, should any Bondholder agree to provide their approval of the Proposal in writing by 5pm London time on 3 December 2015, and the changes as set out in clause 3 of the summons letter are approved at the Bondholder meeting, TiZir will pay an early bird fee of 2.75% to those Bondholders.

We look forward to your support of our proposal.

Yours Sincerely



Nic Limb
Chairman
TiZir Limited