

- PROCESS SCRUTINIZED AND AWARDED WITH INTERNATIONAL RECOGNITION
- TARGETED REVENUES OF US\$145 MILLION TO US\$155 MILLION & TARGETED EBITDA MARGINS OF 45% TO 52% FROM FIRST COMMERCIAL PRODUCTION PLANT

MONTREAL, April 9, 2015 /CNW Telbec/ - [Argex Titanium Inc.](#) (TSX: RGX), an emerging producer of high-grade titanium dioxide (TiO₂) used as white pigment in paint, plastic, paper, cosmetics and other applications, announced that it has filed its financial results for the year ended December 31, 2014 on www.sedar.com and provided updated estimates related to the construction and operation of its first commercially sized TiO₂ production facility to be located in Salaberry-de-Valleyfield, Quebec (the "Plant").

"During 2014, we achieved significant milestones including securing an exclusive long-term marketing and supply agreement with Helm U.S. Corp.," stated Roy Bonnell, President and CEO. "We raised CAD \$7.5 million through the issuance of convertible debentures and exited 2014 with a clean capital structure as all remaining warrants have been exercised or expired."

"Furthermore, in December of 2014 Argex received an ICIS Innovation Award. The annual ICIS Innovation Awards recognizes chemical companies that demonstrate an innovative approach to business, the environment and/or sustainability. We are proud to be counted among the very best innovators," he added.

In February 2015, Argex announced that it had successfully completed technical due diligence associated with the financing of Argex's first Plant.

"We are pleased to have passed this major financing milestone," stated Roy Bonnell. "The technical diligence was demanding and thorough and contributed positively to the development of our financing process and our strategy of risk mitigation. Argex is poised for the next phase of its growth – the successful construction and operation of its first Plant."

Plant Operating Model

Argex has updated its target Plant operating model (the "Model") based on prevailing North American TiO₂ prices and information gathered in connection with the technical due diligence process conducted by its potential financial sponsors, from marketing partners, internal estimates, equipment providers, and other third parties.

The following is a summary of Argex's Model based on the assumption of scale-up to full capacity. Argex currently estimates that full capacity of the Plant will be achieved approximately 12 months after commencement of commercial operations.

Argex's Plant Target Operating Model (in US Dollars):

- Worldwide TiO₂ Market – 5.7 million tonnes / year
- Plant Capacity – 50,000 tonnes / year
- Revenue – \$145 million to \$155 million
- Gross Profit – \$80 million to \$96 million
- Gross Margin – 55% to 62%
- EBITDA – \$65 million - \$81 million
- EBITDA Margin – 45% to 52%

The Model referenced above is based on a number of assumptions and variables, such as product and by-product selling prices, product quality, ore selection, production yields, input costs, shipping costs, feedstock and chemicals costs, overhead costs, product mix, staffing estimates, foreign exchange rates and other inputs, all of which may be subject to change.

For information regarding the non-IFRS financial measures discussed in this release, please see "Non-IFRS Financial Measures" below.

Construction of Plant in Valleyfield Port Area

In its 2015 budget, the Quebec Government announced its plans to allocate CAD \$1.5 billion to support its maritime strategy, including CAD \$450 million to attract private investment by focusing on logistical and port infrastructure.

Argex has now secured a one million square foot parcel of land where it plans to build a customized building rather than to renovate and modify the existing building where Argex's pilot plant will continue to be situated. The parcel of land to be

purchased from and rezoned by the City of Valleyfield, is located in the Valleyfield Port area and is expected to result in the following advantages as compared to the previously proposed site:

- Equivalent capital cost (including contingency risks), reduced construction risk as the potential for unknown liabilities and requirements to tear down, move or expand buildings and fixtures, are avoided.
- Increased building height and equipment layout flexibility.
- Closer proximity, with a rail spur easement, to a local CSX rail terminal and to the Port of Valleyfield.
- Closer proximity to a major chemical feedstock provider.
- Reduced operating expense.
- No change in construction timeline.

Non-IFRS financial measures

To supplement Argex's financial information presented in accordance with international financial reporting standards, or IFRS, Argex considers certain financial measures in evaluating its operating results and for financial and operational decision-making purposes. Financial measures not standardized under IFRS used by the Corporation, in this regard, such as earnings before interest, income taxes, depreciation and amortization (EBITDA), are not calculated in accordance with or recognized by IFRS. EBITDA should not be considered as an alternative to net income in measuring Argex's performance, nor should it be used as a measure of cash flow. EBITDA as calculated by Argex is equivalent to operating revenues less total operating, selling, general and administrative, and research and development costs. The Corporation's method of calculating these non-IFRS financial measures may differ from the methods used by other companies and, as a result, the non-IFRS financial measures presented in this document may not be comparable to other similarly titled measures disclosed by other companies. Argex's target Plant operating Model references EBITDA, a non-IFRS measure. EBITDA is calculated as net earnings before interest, depreciation, amortization and taxes, the "Reconciling Items". The Company is currently unable to provide a reconciliation to net income or loss as the amounts of the reconciling items, and in particular interest costs, associated with the Plant, are currently inestimable.

About Argex Titanium

[Argex Titanium Inc.](#) has developed an advanced chemical process for the volume production of high grade titanium dioxide (TiO₂) for use in high quality paint, plastics, cosmetics and other applications. The Company's unique proprietary process takes relatively inexpensive and plentiful source material from a variety of potential vendors, and produces TiO₂ along with other valuable by-products. Argex's process provides a significant cost and environmental advantage over current legacy TiO₂ production methods. The Company's primary near term goal is to rapidly advance toward a 50,000 tonne per annum production module as a first step in its goal to transform the 5.7 million tonne per annum TiO₂ industry.

Forward-Looking Statements

This news release contains statements that may constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking information and statements may include, among others, statements regarding future plans, costs, objectives or performance of Argex, or the assumptions underlying any of the foregoing. In this news release, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate", "target" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits Argex will derive. Forward-looking statements and information are based on information available at the time and/or management's good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond Argex's control. These risks, uncertainties and assumptions include, but are not limited to, those described under "Risk Factors" in Argex's Annual Information Form for the fiscal year ended December 31, 2014, which is available on SEDAR at www.sedar.com; they could cause actual events or results to differ materially from those projected in any forward-looking statements. Argex does not intend, nor does Argex undertake any obligation, to update or revise any forward-looking information or statements contained in this news release to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.

SOURCE [Argex Titanium Inc.](#)

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