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6 August 2024

The Manager
Market Announcements Office
ASX Limited
Central Park
Level 152-158 St Georges Terrace
Perth WA 6000

FOR IMMEDIATE RELEASE TO THE MARKET

Dear Sir/Madam

Takeover bid by Leonoil Company Limited for Sierra Rutile Holdings Limited (ASX:SRX) – Commencement of dispatch of Bidder’s Statement

We act for Leonoil Company Limited (**Leonoil**) in relation to its off-market takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all of the fully paid ordinary shares in Sierra Rutile Holdings Limited (ACN 613 822 165) (ASX:SRX) which it does not already own (**Offer**).

Leonoil has today commenced dispatch of its bidder’s statement dated 30 July 2024 (which contains the Offer) (**Bidder’s Statement**). The date of the Offer is 6 August 2024.

In accordance with subsection 633(1C)(c) of the Corporations Act (as inserted by *ASIC Corporations (Takeover Bids) Instrument 2023/683*), we enclose a copy of the Bidder’s Statement that Leonoil has today commenced sending to the offerees under the Offer.

The Offer is now open for acceptance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Justin Mannolini', with a long horizontal flourish extending to the right.

Justin Mannolini
Partner
T +61 8 9413 8491
jmannolini@gtlaw.com.au

A handwritten signature in blue ink, appearing to read 'Callum Fleming', with a long horizontal flourish extending to the right.

Callum Fleming
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This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your legal, financial, tax or other professional adviser immediately.

Bidder's Statement

ACCEPT

the unanimously recommended all-cash Offer by

Leonoil Company Limited

(incorporated in Sierra Leone with company number SLE291216LEONO1600739)

to acquire all of your shares in

Sierra Rutile Holdings Limited (ACN 613 822 165) (ASX: SRX)

for **\$0.18** cash per share.

**The Sierra Rutile Directors unanimously recommend you
ACCEPT Leonoil's Offer, in the absence of a Superior Proposal.**

The Offer closes at 5:00pm (AWST) on 9 September 2024, unless extended or withdrawn.



Financial adviser



Legal adviser

If you have any questions in relation to the Offer, please contact the Offer Information Line on 1800 992 145 (within Australia) or +61 1800 992 145 (outside Australia) between 7:00am and 6:00pm (AWST), Monday to Friday (excluding public holidays).

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Important notices

Bidder's Statement

This document is a Bidder's Statement issued by Leonoil Company Limited (**Leonoil**) under Part 6.5 of the Corporations Act dated 30 July 2024 and includes an offer by Leonoil to acquire all Sierra Rutile Shares which it does not already own (**Offer**). This Bidder's Statement is an important document and you should read it in its entirety.

ASIC

A copy of this Bidder's Statement was lodged with ASIC on 30 July 2024. Neither ASIC nor its officers take any responsibility for the content of this Bidder's Statement.

Investment decisions

In preparing this Bidder's Statement, Leonoil has not taken into account the individual objectives, financial situation or needs of individual Sierra Rutile Shareholders. Accordingly, before deciding whether or not to accept the Offer, you may wish to consult with your legal, financial, tax or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward-looking statements, which are statements that may be identified by words such as "may", "will", "would", "should", "could", "believes", "estimates", "expects", "intends", "plans", "anticipates", "predicts", "outlook", "forecasts", "guidance" and other similar words that involve risks and uncertainties. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Leonoil and Sierra Rutile operate as well as general economic conditions, prevailing exchange rates, interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

Neither Leonoil or its Related Bodies Corporate, any of the officers or employees of any of them, nor any persons named in this Bidder's Statement with their consent nor any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement.

The forward-looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Statements of past performance

This Bidder's Statement includes information regarding the past performance of Leonoil and Sierra Rutile. You should be aware that past performance should not be relied on as being indicative of future performance.

Information on Sierra Rutile and the Sierra Rutile Group

The information on Sierra Rutile, Sierra Rutile's securities and the Sierra Rutile Group contained in this Bidder's Statement has been prepared by Leonoil using publicly available information.

The information in this Bidder's Statement concerning Sierra Rutile and the assets and liabilities, financial position and performance, profits and losses and prospects of Sierra Rutile, has not been independently verified by Leonoil. Accordingly, subject to the Corporations Act, Leonoil does not make any representation or warranty (express or implied) as to the accuracy or completeness of any such information.

Further information relating to Sierra Rutile's business may be included in the Target's Statement which Sierra Rutile must provide to Sierra Rutile Shareholders in response to this Bidder's Statement.

Offers outside Australia — notice to overseas Sierra Rutile Shareholders

This Bidder's Statement and the Offer has been prepared having regard to Australian disclosure requirements which may be different from those applicable in other jurisdictions. This Bidder's Statement and the Offer do not constitute an offer (whether to buy or sell securities) in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Bidder's Statement may, in some countries outside Australia, be restricted by law or regulation and persons who come into possession of this Bidder's Statement should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

If you are not an Australian resident taxpayer or are liable for tax outside Australia, you should seek specific tax advice in relation to the Australian and overseas tax consequences of accepting the Offer.

Privacy

Leonoil has obtained your information from the Sierra Rutile Register for the purpose of making the Offer and, if accepted, administering acceptances of the Offer in respect of Your Sierra Rutile Shares. The

Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Related Bodies Corporate and external service providers of Leonoil, and may be required to be disclosed to regulators such as ASIC.

The registered address of Leonoil is 4 Liverpool Street, Freetown, Sierra Leone.

Websites

Leonoil maintains a website at <https://www.leonoil.sl/>, and Sierra Rutile maintains a website at <https://sierra-rutile.com/>. Information contained in or otherwise accessible through these websites is not part of this Bidder's Statement. All references to these websites in this Bidder's Statement are for information purposes only.

Effect of rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

Currencies

In this Bidder's Statement, references to "Australian dollars", "AUD", "\$", "A\$" or "cents" are to the lawful currency of Australia.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at

the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of Leonoil or the Sierra Rutile Group in respect of which different exchange rates may have been, or may be, used.

Maps and diagrams

Any diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps, graphs and tables is based on information available at the date of this Bidder's Statement.

Time

All references to time in this Bidder's Statement are to Australian Western Standard Time (AWST).

Defined terms

Capitalised terms and certain abbreviations used in this Bidder's Statement have the defined meanings in section 14. Section 14 also contains rules of interpretation that apply to this Bidder's Statement.

Enquiries and Offer Information Line

If you have any questions in relation to the Offer, please call the Offer Information Line on 1800 992 145 (within Australia) or +61 1800 992 145 (outside Australia) between 7:00am and 6:00pm (AWST), Monday to Friday (excluding public holidays). Calls to these numbers may be recorded.

1 How to accept the Offer

If you accept the Offer, you may do so in respect of all of Your Sierra Rutile Shares. Acceptances must be received before the end of the Offer Period.

Depending on the nature of your holding, you may accept the Offer in the following ways:

Issuer sponsored shareholders (your SRN starts with an “I”)

If Your Sierra Rutile Shares are held on Sierra Rutile’s issuer sponsored subregister:

- to accept the Offer online, you must log in to <https://events.miracle.com/leonoil-offer> using your SRN, follow the instructions there, select the ‘Accept’ option, and submit your acceptance before the end of the Offer Period; or
- complete and sign the Acceptance Form enclosed with this Bidder’s Statement in accordance with the instructions on the form and ensure that the Acceptance Form (including any documents required by the terms of the Offer and instructions on the Acceptance Form) is sent so that it is received before the end of the Offer Period at the address shown on the Acceptance Form.

CHESS shareholders (your HIN starts with an “X”)

If Your Sierra Rutile Shares are in a CHESS Holding:

- contact your broker and instruct your Controlling Participant (for Sierra Rutile Shareholders who are not institutions this is normally the stockbroker either through whom you bought Your Sierra Rutile Shares or through whom you ordinarily acquire shares on the ASX) to accept the Offer on your behalf; or
- to accept the Offer online, you must log in to <https://events.miracle.com/leonoil-offer> using your HIN, follow the instructions there, and select the ‘Accept’ option; or
- complete and sign the Acceptance Form enclosed with this Bidder’s Statement in accordance with the instructions on the form and send it with all other documents required by those instructions on it to the address shown on the Acceptance Form,

in each case in sufficient time for the Registry to give instructions to your Controlling Participant and for your Controlling Participant to carry out those instructions before the end of the Offer Period.

Participants

If you are a Participant, acceptance of the Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

Postal and hand delivery addresses for completed Acceptance Forms

By post:

Link Market Services
Locked Bag A14
Sydney South
NSW 1235 Australia

By hand:

Link Market Services
Level 12
680 George Street
Sydney NSW 2000 Australia

Further information on how to accept the Offer

Full details on how to accept the Offer are set out in section 13.3 of this Bidder's Statement. If you have any further questions on how to accept the Offer, please call the Offer Information Line on 1800 992 145 (within Australia) or +61 1800 992 145 (outside Australia) between 7:00am and 6:00pm (AWST), Monday to Friday (excluding public holidays). Please note that calls to the above numbers will be recorded.

2 Key dates

Event	Date and Time
Announcement Date	22 July 2024
Date of this Bidder's Statement	30 July 2024
Date of Offer	6 August 2024
Date for notice on the status of Conditions	30 August 2024
Offer closes (unless extended or withdrawn)	5:00pm (AWST) on 9 September 2024

*The closing date for the Offer may change as permitted by the Corporations Act.

3 Letter to Sierra Rutile Shareholders



Dear Sierra Rutile Shareholder,

All cash unanimously recommended off-market takeover bid for Sierra Rutile

On behalf of the Board of Directors of Leonoil, I am pleased to present to you an Offer from Leonoil to acquire all of your fully paid ordinary shares in Sierra Rutile (**Sierra Rutile Shares**) for an all-cash consideration of \$0.18 per Sierra Rutile Share (**Offer Price**). As at the date of this Bidder's Statement, Leonoil holds approximately 19.85% of Sierra Rutile Shares.

The Sierra Rutile Board has determined that Leonoil's Offer represents a Superior Proposal compared to Gemcorp's proposed takeover bid announced on 1 July 2024 (**Gemcorp Bid**).¹ Leonoil's Offer Price of \$0.18 per Sierra Rutile Share represents a 12.5% premium to the \$0.16 per Sierra Rutile Share offer price under the Gemcorp Bid and, importantly, Leonoil's Offer is not subject to any minimum acceptance condition, which provides you with much higher execution certainty compared to the 51% minimum acceptance condition to the Gemcorp Bid.

Accepting the Leonoil Offer provides you with the opportunity, subject to the satisfaction or waiver of the Conditions to the Offer (as applicable), for a simple, attractive and superior cash exit for your investment in Sierra Rutile.

Leonoil's Offer provides a significant premium for your Sierra Rutile Shares

The Leonoil Offer delivers a significant premium to both the historical undisturbed trading price of Sierra Rutile Shares and to previous takeover offers for Your Sierra Rutile Shares, as follows:

- a 130.8% premium to Sierra Rutile's undisturbed closing price on 19 March 2024 of \$0.078 per Sierra Rutile Share, being the last Trading Day preceding the announcement of the takeover bid by PRM for Sierra Rutile (**PRM Bid**) on 20 March 2024;²
- a 138.9% premium to Sierra Rutile's undisturbed 30 day Volume Weighted Average Price (**VWAP**) to 19 March 2024 of \$0.0753 per Sierra Rutile Share, being the last Trading Day preceding the announcement of the PRM Bid;
- a 89.5% premium to the offer price of \$0.095 per Sierra Rutile Share under the PRM Bid;
- a 35.8% premium to Sierra Rutile's closing price on 28 June 2024 of \$0.133 per Sierra Rutile Share, being the last Trading Day preceding the announcement of the Gemcorp Bid; and
- a 35.5% premium to Sierra Rutile's 30 day VWAP to 28 June 2024 of \$0.133 per Sierra Rutile Share, being the last Trading Day preceding the announcement of the Gemcorp Bid.

Further, as outlined above, the Leonoil Offer represents a 12.5% premium to the offer price of \$0.16 under the Gemcorp Bid.

¹ Refer to the Sierra Rutile ASX announcements dated 1 July 2024 titled "Board Recommended Takeover Offer From Gemcorp" and dated 29 July 2024 titled "Termination of Gemcorp BIA and Takeover Offers Update".

² Refer to the ASX announcement dated 20 March 2024 and titled "Takeover bid by PRM Services LLC".

Other reasons to ACCEPT Leonoil's Offer

In addition to the above, other reasons to accept the Offer include:

- the Sierra Rutile Directors unanimously recommended that Sierra Rutile Shareholders accept the Offer in the absence of a Superior Proposal;
- the Offer provides you with certainty of value and liquidity compared to the risks associated with an investment in Sierra Rutile;
- the Offer has no minimum acceptance condition;
- you may become a minority shareholder of Sierra Rutile;
- the price of Sierra Rutile Shares may fall if the Leonoil Offer lapses; and
- no brokerage in accepting the Offer if Your Sierra Rutile Shares are registered in your name in an Issuer Sponsored Holding.

We urge you to read this Bidder's Statement carefully and **ACCEPT** the Offer as soon as possible.

The Offer is scheduled to close at 5:00pm (AWST) on 9 September 2024, unless extended or withdrawn.

If you do not accept the Offer and it lapses, you will no longer have the opportunity to sell Your Sierra Rutile Shares into the Leonoil Offer and, subject to the satisfaction or waiver of the Conditions (as applicable), receive the \$0.18 per Sierra Rutile Share cash Offer Price, and the price of Sierra Rutile Shares may fall.

How to accept the Offer

To accept the Offer, please log in to <https://events.miracle.com/leonoil-offer> and follow the instructions there, instruct your broker accordingly (if you have a CHESS holding) or complete and return the Acceptance Form enclosed with this Bidder's Statement, in each case in sufficient time for your acceptance to be processed before the end of the Offer Period. See section 1 for further details of how to accept the Offer.

The information in this letter should be read together with the detailed information set out in the Bidder's Statement. You should read the Bidder's Statement in full before deciding whether or not to accept the Offer. If you are in any doubt as to how to deal with this Bidder's Statement, you should consult your stockbroker or legal or financial adviser as soon as possible.

If you have any questions about the Offer, please contact the Offer Information Line on 1800 992 145 (within Australia) or +61 1800 992 145 (outside Australia) between 7:00am and 6:00pm (AWST), Monday to Friday (excluding public holidays) or contact your stockbroker or legal or financial adviser.








Yours sincerely,



Ibrahim D. Cole
Managing Director
Leonoil Company Limited

4 Why you should accept the Offer

The Offer provides significant benefits to you as a Sierra Rutile Shareholder. The key reasons why you should accept the Offer are as follows:

-  **The Offer Price represents a significant premium to the undisturbed price of Sierra Rutile Shares prior to the announcement of the PRM Bid and to previous offers for Your Sierra Rutile Shares** Section 4.1
-  **The Sierra Rutile Directors unanimously recommended that Sierra Rutile Shareholders accept the Offer in the absence of a Superior Proposal** Section 4.2
-  **The Offer provides you with certainty of value and liquidity compared to the risks associated with an investment in Sierra Rutile** Section 4.3
-  **The Offer has no minimum acceptance condition** Section 4.4
-  **You may become a minority shareholder of Sierra Rutile** Section 4.5
-  **The price of Sierra Rutile Shares may fall if the Offer lapses** Section 4.6
-  **No brokerage in accepting the Offer if Your Sierra Rutile Shares are registered in your name in an Issuer Sponsored Holding** Section 4.7

4.1 The Offer Price represents a significant premium to the undisturbed price of Sierra Rutile Shares prior to the announcement of the PRM Bid and to previous offers for Your Sierra Rutile Shares

The Offer Price of \$0.18 cash per Sierra Rutile Share represents:

- a 130.8% premium to Sierra Rutile’s undisturbed closing price on 19 March 2024 of \$0.078 per Sierra Rutile Share, being the last Trading Day preceding the announcement of the PRM Bid;
- a 138.9% premium to Sierra Rutile’s undisturbed 30 day VWAP to 19 March 2024 of \$0.0753 per Sierra Rutile Share, being the last Trading Day preceding the announcement of the PRM Bid;
- a 89.5% premium to the offer price of \$0.095 per Sierra Rutile Share under the PRM Bid;
- a 35.8% premium to Sierra Rutile’s closing price on 28 June 2024 of \$0.133 per Sierra Rutile Share, being the last Trading Day preceding the announcement of the Gemcorp Bid;
- a 35.5% premium to Sierra Rutile’s 30 day VWAP to 28 June 2024 of \$0.133 per Sierra Rutile Share, being the last Trading Day preceding the announcement of the Gemcorp Bid; and
- a 12.5% premium to the offer price of \$0.16 per Sierra Rutile Share under the Gemcorp Bid.

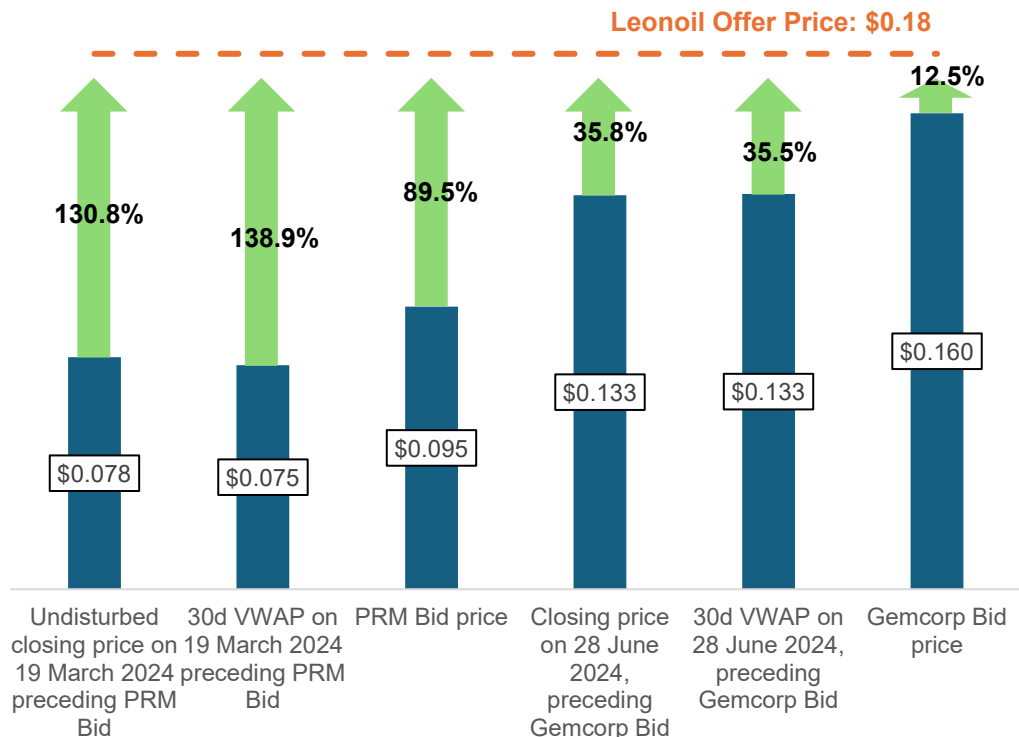


Figure 1: Premium of Offer Price relative to relevant trading benchmarks

4.2 The Sierra Rutile Directors unanimously recommended that Sierra Rutile Shareholders accept the Offer in the absence of a Superior Proposal

The Sierra Rutile Directors unanimously recommend that Sierra Rutile Shareholders accept the Offer in the absence of a Superior Proposal.

As at the date of this Bidder's Statement, Leonoil is not aware of any Superior Proposal having been received by Sierra Rutile and Sierra Rutile has not made Leonoil aware of any party having an intention to make such a proposal.

4.3 The Offer provides you with certainty of value and liquidity compared to the risks associated with an investment in Sierra Rutile

The Offer provides you with the certainty of an all-cash offer.

In comparison, if you remain a Sierra Rutile Shareholder, the future value of Sierra Rutile Shares will be exposed to a number of risks including:

- potential dilution from the significant additional funding required for the development of the Sembehun Project;
- operational, sovereign, regulatory, community, social, litigation, commodity price, and other economic risks;
- economic conditions, including as a result of monetary and fiscal policy measures and local and global political events;
- stock market volatility, which can lead to uncertainty as to the future market price of Sierra Rutile Shares; and
- market and liquidity risks associated with maintaining a shareholding in Sierra Rutile.

As a result, Sierra Rutile Shareholders may find it difficult to realise an equivalent cash return for their Sierra Rutile Shares in the absence of accepting the Offer.

4.4 The Offer has no minimum acceptance condition

The Offer is subject to the Conditions set out in section 13.7 of this Bidder's Statement. The Conditions include:

- no Material Adverse Change occurring in relation to Sierra Rutile;
- no regulatory restraints restraining or prohibiting the Offer;
- no Prescribed Occurrences occurring in relation to Sierra Rutile;
- no breach by Sierra Rutile of certain conduct of business restrictions; and
- other customary conditions.

Importantly, the Offer is not subject to a minimum acceptance condition.

If the Conditions to the Offer are not fulfilled or freed by the end of the Offer Period, the Offer will lapse and your acceptance will be void.

4.5 You may become a minority shareholder of Sierra Rutile

Sierra Rutile Shareholders should consider Leonoil's intentions relating to Sierra Rutile. Those intentions may not align with the intentions and investment profile of current Sierra Rutile Shareholders.

Leonoil is already a major shareholder of Sierra Rutile, with a 19.85% interest as at the date of the Bidder's Statement. Sierra Rutile Shareholders should have regard to Leonoil's intentions in section 10 which may not align with the investment profile of individual Sierra Rutile Shareholders.

An increase in the Voting Power of Leonoil in Sierra Rutile as a result of the Offer may give Leonoil and its Associates effective control over Sierra Rutile including the ability to pass ordinary resolutions (and potentially special resolutions, depending on the turnout of Sierra Rutile Shareholders at general meetings) without the need for additional support from other Sierra Rutile Shareholders.

In this respect, Sierra Rutile Shareholders should note that the Bid Implementation Agreement provides that as soon as practicable after Leonoil has a Relevant Interest in more than 50% of the Sierra Rutile Shares and the Offer becomes or is declared unconditional, Sierra Rutile must take (and must ensure the Sierra Rutile Board takes) all actions necessary to ensure:

- the appointment, subject to the satisfaction of customary administrative actions, of up to three new Sierra Rutile Directors nominated by Leonoil; and
- if necessary, the resignations of existing Sierra Rutile Directors such that the three persons nominated by Leonoil to be Sierra Rutile Directors form a majority of the Sierra Rutile Board.

Furthermore, if Leonoil is successful in procuring that the Sierra Rutile Board apply to the ASX to have Sierra Rutile delisted (if it decides to do so), this may have a material effect on the value and liquidity of Sierra Rutile Shares.

4.6 The price of Sierra Rutile Shares may fall if the Offer lapses

The Offer Price represents a significant premium to recent trading in Sierra Rutile Shares prior to the Announcement Date.

Stock market prices are subject to change depending on a number of factors. If the Offer does not proceed and no alternative transaction is proposed, Sierra Rutile Shares may trade at a substantial discount to the Offer Price.

If Leonoil does not acquire 100% of the Sierra Rutile Shares then, depending on the circumstances at the relevant time, Sierra Rutile Shares may continue to be subject to limited liquidity which would make it more difficult to readily dispose of Sierra Rutile Shares in the future.

The following figure shows the price of Sierra Rutile Shares on ASX over the 12-month period leading up to the date of this Bidder's Statement.



Figure 2: Historical performance of Sierra Rutile Shares

4.7 No brokerage in accepting the Offer if Your Sierra Rutile Shares are registered in your name in an Issuer Sponsored Holding

If Sierra Rutile Shares are registered in an Issuer Sponsored Holding, you will not incur any brokerage fees in accepting the Offer.

If Sierra Rutile Shares are registered in a CHESS Holding, you will generally not incur any brokerage fees in accepting the Offer (although you should ask your Controlling Participant, normally your broker, to confirm).

If you sell Sierra Rutile Shares on the ASX instead of accepting the Offer, you may incur brokerage fees (and potentially GST on those fees).

5 Summary of the Offer

Set out below is a summary of the Offer. It is qualified by the detailed information set out elsewhere in this Bidder's Statement. You should read the entire Bidder's Statement before deciding whether to accept the Offer.

What is the Offer?	<p>Leonoil is offering to buy all of Your Sierra Rutile Shares by way of an off-market takeover bid on the terms set out in this Bidder's Statement. The Offer consideration is \$0.18 in cash for each of Your Sierra Rutile Shares.</p> <p>You may only accept the Offer in respect of all of Your Sierra Rutile Shares.</p> <p>This Offer also extends to Sierra Rutile Shares that are issued on exercise of Restricted Rights and Performance Rights prior to the end of the Offer Period. This means that holders of Restricted Rights or Performance Rights that are exercised will be able to accept the Offer in respect of the Sierra Rutile Shares issued during the Offer Period as a result of that vesting or exercise.</p> <p>See section 8.2 of this Bidder's Statement for further details on the treatment of Restricted Rights and Performance Rights.</p>
Persons to whom the Offer is made	<p>The Offer is open to all holders of Sierra Rutile Shares which Leonoil does not own or control.</p>
What is the Bidder's Statement?	<p>This Bidder's Statement was prepared by Leonoil for distribution to Sierra Rutile Shareholders. The Bidder's Statement describes the terms of Leonoil's Offer for Your Sierra Rutile Shares and information relevant to your decision whether or not to accept the Offer.</p> <p>This Bidder's Statement is an important document. Should you have any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser.</p>
Who is Leonoil?	<p>The bidder under the Offer is Leonoil, which is a marketing oil company dealing in automotive gas oil, petroleum motor spirits and lubricants. Leonoil was established in 1994 and is 100% owned by Sierra Leoneans.</p> <p>Leonoil owns and manages twenty-four gas station outlets in Sierra Leone, and has group operations in four other west African countries. Leonoil supplies fuel to Sierra Rutile through its Subsidiary, NP (SL) Limited.</p> <p>For more information on Leonoil, please see section 6.</p>
If I accept the Offer, when will I be paid?	<p>If you accept the Offer in accordance with the instructions contained in the Offer and the Acceptance Form and the Offer is declared or becomes unconditional then, subject to section 13.6, you will be paid on the earlier of:</p> <ul style="list-style-type: none">• one month after you accept the Offer, or one month after the Offer is declared or becomes unconditional (whichever is the later); and• 21 days after the end of the Offer Period.

Full details of when Offer consideration will be provided are set out in section 13.6 of this Bidder's Statement.

Can I accept the Offer in respect of some, but not all, of my Sierra Rutile Shares?

No, you cannot accept the Offer for some of Your Sierra Rutile Shares. You may only accept the Offer in respect of all of Your Sierra Rutile Shares.

Will I pay stamp duty or brokerage if I accept the Offer?

If Your Sierra Rutile Shares are registered to an Issuer Sponsored Holding in your name and you deliver them directly to Leonoil, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.

If Your Sierra Rutile Shares are registered in a CHES Holding, or if you are a beneficial owner whose Sierra Rutile Shares are registered in the name of a broker, bank, custodian, or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.

What are the Conditions of the Offer?

The Offer is subject to the Conditions set out in section 13.7 of this Bidder's Statement. The Conditions include:

- no Material Adverse Change occurring in relation to Sierra Rutile;
- no regulatory restraints restraining or prohibiting the Offer;
- no Prescribed Occurrences occurring in relation to Sierra Rutile;
- no breach by Sierra Rutile of certain conduct of business restrictions; and
- other customary conditions.

The Offer is not subject to a minimum acceptance condition.

Full terms of the Conditions are set out in section 13.7 of this Bidder's Statement. If the Conditions to the Offer are not fulfilled or freed by the end of the Offer Period, the Offer will lapse and your acceptance will be void.

Why should I accept the Offer?

There are a number of reasons why you should accept the Offer:

- the Offer Price represents a significant premium to the undisturbed price of Sierra Rutile Shares prior to the announcement of the PRM Bid and to previous offers for Your Sierra Rutile Shares;
- the Sierra Rutile Directors unanimously recommend that Sierra Rutile Shareholders accept the Offer in the absence of a Superior Proposal;
- the Offer provides you with certainty of value and liquidity compared to the risks associated with an investment in Sierra Rutile;
- the Offer has no minimum acceptance condition;
- you may become a minority shareholder of Sierra Rutile;

- the price of Sierra Rutile Shares may fall if the Offer is not successful; and
- no brokerage in accepting the Offer if Your Sierra Rutile Shares are registered in your name in an Issuer Sponsored Holding.

For more information, please see section 4 of this Bidder's Statement.

How do I accept the Offer?

Depending on the nature of your holding, you may accept the Offer in the following ways:

Issuer sponsored shareholders (your SRN starts with an "I")

If Your Sierra Rutile Shares are held on Sierra Rutile's issuer sponsored subregister:

- to accept the Offer online, you must log in to <https://events.miraqle.com/leonoil-offer> using your SRN, follow the instructions there, select the 'Accept' option and submit your acceptance before the end of the Offer Period; or
- complete and sign the Acceptance Form enclosed with this Bidder's Statement in accordance with the instructions on the form (including any documents required by the terms of the Offer and instructions on the Acceptance Form) and ensure it is sent so that it is received before the end of the Offer Period at the address shown on the Acceptance Form.

CHESSE shareholders (your HIN starts with an "X")

If Your Sierra Rutile Shares are in a CHESSE Holding:

- contact your broker and instruct your Controlling Participant (for Sierra Rutile Shareholders who are not institutions this is normally the stockbroker either through whom you bought Your Sierra Rutile Shares or through whom you ordinarily acquire shares on the ASX) to accept the Offer on your behalf; or
- to accept the Offer online you must log in to <https://events.miraqle.com/leonoil-offer> using your HIN, follow the instructions there, and select the 'Accept' option; or
- complete and sign the Acceptance Form enclosed with this Bidder's Statement in accordance with the instructions on the form and send it with all other documents required by those instructions on it to the address shown on the Acceptance Form,

in each case, in sufficient time for the Registry to give instructions to your Controlling Participant and for your Controlling Participant to carry out those instructions before the end of the Offer Period.

Participants

If you are a Participant, acceptance of the Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

Full details on how to accept the Offer are set out in section 13.3 of this Bidder's Statement.

If you have any further questions on how to accept the Offer, please call the Offer Information Line on 1800 992 145 (within Australia) or +61 1800 992 145 (outside Australia) between 7:00am and 6:00pm (AWST), Monday to Friday (excluding public holidays).

When does the Offer close?	The Offer closes at 5:00pm (AWST) on 9 September 2024, unless it is extended or withdrawn in accordance with the Corporations Act.
What happens if I do not accept the Offer?	<p>If you do not accept the Offer, you will remain a Sierra Rutile Shareholder and will not be paid the cash consideration under the Offer.</p> <p>If Leonoil becomes entitled to compulsorily acquire Your Sierra Rutile Shares, it intends to proceed with the compulsory acquisition. If Your Sierra Rutile Shares are compulsorily acquired by Leonoil, it will be on the same terms (including the same consideration for each Sierra Rutile Share acquired) as the Offer.</p> <p>Refer to section 10 of this Bidder's Statement for details regarding Leonoil's intentions if Leonoil does not become entitled to compulsorily acquire Sierra Rutile.</p>
How is the Offer being funded?	<p>The Offer is not conditional on Leonoil obtaining finance to fund the payment of the consideration due under the Offer.</p> <p>Leonoil will fund the costs of the Offer and all transaction costs incurred in connection with the Offer from a combination of existing cash reserves held by Leonoil and existing cash reserves held by its Subsidiary, NP (SL) Limited, which will be advanced to Leonoil pursuant to the Loan Agreement described in section 9.3.</p> <p>The sum of these funds available to Leonoil are in excess of the Maximum Offer Amount. Refer to section 9 for further details regarding Leonoil's funding arrangements.</p>
What if I am a foreign shareholder?	Foreign Sierra Rutile Shareholders will be paid the same cash consideration as stipulated under the Offer. However, the tax implications under the Offer for those foreign Sierra Rutile Shareholders may be different to those relating to Australian resident Sierra Rutile Shareholders. Accordingly, foreign Sierra Rutile Shareholders should obtain their own advice in relation to the tax consequences of accepting the offer in their jurisdiction.
Can I withdraw my acceptance?	Under the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act.
Can the Offer Period be extended?	Yes, the Offer Period may be extended at the election of Leonoil and as required under the Corporations Act. Leonoil will give written notice of any extension of the Offer Period in accordance with the Corporations Act. Any extension will be announced to ASX.
What are the tax implications of accepting the Offer?	Please refer to section 11 of this Bidder's Statement for a general summary of the Australian tax consequences for Sierra Rutile Shareholders in accepting the Offer. Sierra Rutile Shareholders should not rely on the general summary as advice for their own

affairs and Leonoil recommends you consult your taxation adviser for detailed taxation advice applicable to your circumstances before deciding whether or not to accept the Offer.

What if I have further questions or require further information in relation to the Offer?

If you have any questions in relation to the Offer, please contact the Offer Information Line on 1800 992 145 (within Australia) or +61 1800 992 145 (outside Australia) between 7:00am and 6:00pm (AWST), Monday to Friday (excluding public holidays).

Please note that calls to the above numbers will be recorded. Enquiries in relation to the Offer will not be received on any other telephone numbers of Leonoil or its advisers.

What will happen to Restricted Rights and Performance Rights?

As explained above, the Offer extends to Sierra Rutile Shares that are issued on exercise of Restricted Rights and Performance Rights prior to the end of the Offer Period. This means that holders of Restricted Rights or Performance Rights that are exercised will be able to accept the Offer in respect of the Shares issued during the Offer Period as a result of that vesting or exercise.

If Restricted Rights or Performance Rights do not vest or are not exercised such that they do not convert to Sierra Rutile Shares, those Restricted Rights or Performance Rights may remain on foot.

See section 8.2 of this Bidder's Statement for further details.

Important notice

The information in this section 5 is a **summary only** of the Offer and is qualified by the detailed information set out elsewhere in the Bidder's Statement.

You should read the entire Bidder's Statement and the Target's Statement before deciding whether to accept the Offer.

6 Information on Leonoil

6.1 Overview of Leonoil

Leonoil is an oil marketing company incorporated in Sierra Leone dealing in automotive gas oil, petroleum motor spirits and lubricants. Leonoil was established in 1994 and is 100% owned by Sierra Leoneans.

Leonoil owns and manages twenty-four gas station outlets in Sierra Leone, and has group operations in four other west African countries. Leonoil operates the largest and most modern terminal in Sierra Leone and considers its facility to rank among the best in the sub-region. Leonoil and its Related Bodies Corporate collectively employ approximately 400 individuals.

In 1996, Leonoil acquired NP (SL) Limited (**NPSL**) (formerly British Petroleum Sierra Leone Limited), which it has developed to be a large scale competitive and highly reliable fuel supplier in Sierra Leone, supplying petroleum products to most of the major mining companies, businesses, factories, embassies and diplomatic missions in Sierra Leone. NPSL has been supplying fuel to Sierra Rutile in Sierra Leone on a non-exclusive basis for over 30 years, under different owners and management.

NPSL and Leonoil are the first and third largest oil marketing companies in Sierra Leone by 2023 aggregate sales market share, with NPSL holding 55.01% and Leonoil holding 21.44% of the market share (by volume).

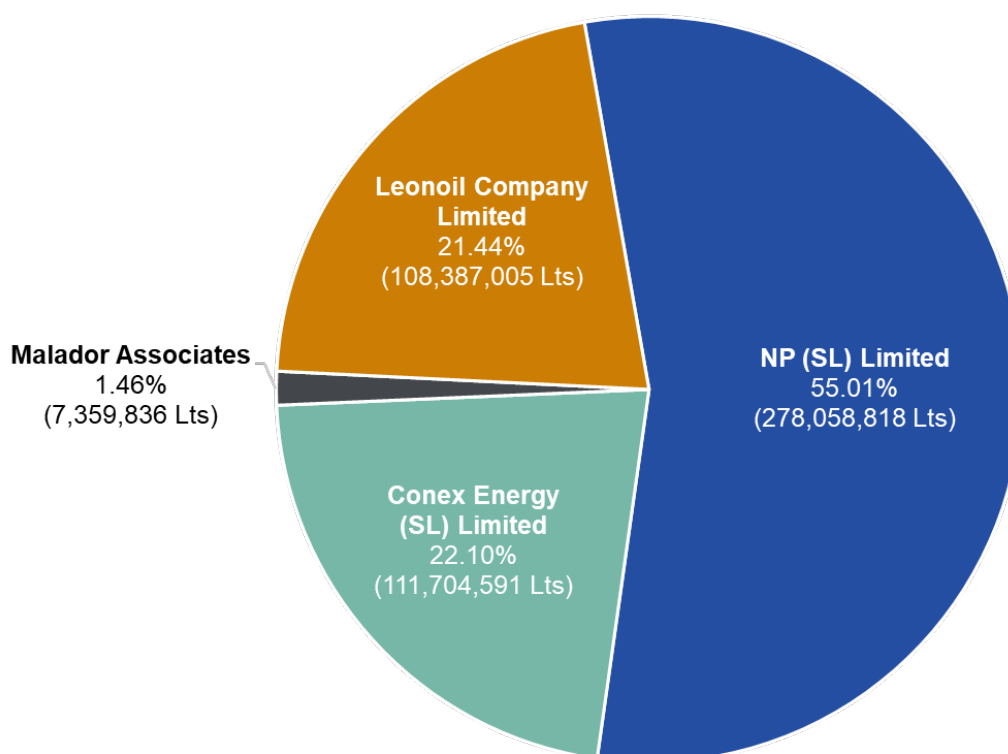


Figure 3: 2023 aggregate sales market share of oil marketing companies in Sierra Leone (source: Petroleum Regulatory Agency of Sierra Leone)

For information on Leonoil's interest in Sierra Rutile Shares, refer to section 8.3 of this Bidder's Statement.

Further information about Leonoil is available on its website at <https://www.leonoil.sl/>.

6.2 Overview of Sierra Leone

Sierra Leone is a tropical country on the coast of West Africa. It gained independence from Britain in 1961. The Atlantic Ocean lies on the country's south west border, and it is bordered by Liberia on the south-east and by Guinea in the north and the north-east. Sierra Leone's landscape features a flat coastal belt in the south-west, and the north-eastern half of the country is covered by hills and mountains.

Sierra Leone has a population in excess of 8.5 million people (according to data published by the International Monetary Fund as of April 2024). Its capital city, Freetown, is situated in the west of the country. Freetown is also Sierra Leone's most populous city, and it features the country's main port. English, Krio and a range of other West African languages are spoken throughout the country.

Sierra Leone is also an established mining jurisdiction, and has an abundance of natural resources including rutile. Its major mineral exports include diamonds, mineral sands, bauxite and gold.

6.3 Fuel Supply Contract with Sierra Rutile

As noted above, NPSL has been supplying fuel to Sierra Rutile on a non-exclusive basis for over 30 years, under different owners and management.

NPSL was previously party to a one-year non-exclusive fuel supply contract with Sierra Rutile, entered into in February 2023, to supply fuel at discounted rates. That contract expired on 31 January 2024 and has not been renewed or extended. NPSL is presently supplying fuel to Sierra Rutile at Sierra Rutile's request on an ad hoc, single supply order basis at the going market rates. There is no fuel supply contract in place between NPSL (or Leonoil) and Sierra Rutile.

As of Friday, 26 July 2024, Sierra Rutile owed a sum of approximately USD\$6.025 million to NPSL in relation to the supply of fuel to Sierra Rutile by NPSL.

6.4 Leonoil group structure

Leonoil is 100% owned by Sierra Leoneans, with its largest shareholders being Mr Mohamed B Cole and Mr Vincent L Kanu Jnr (each holding over 40% of the shares in Leonoil).

Leonoil holds 95% of the shares in NP Group Limited, which in turns holds 100% of the shares in NPSL, NP Liberia, NP Gambia, NP Guinea and NP Cote D'Ivoire.

6.5 Directors

As at the date of this Bidder's Statement, the directors of Leonoil are:

Name and position	Bio
Mr Mohamed B Cole <i>Chairman</i>	Ing. Mohamed Babatunde Cole is a highly accomplished engineer and business leader whose career spans several decades and is marked by significant achievements and contributions to engineering and the business sector in Sierra Leone and beyond. He graduated with a First Division in Mechanical Engineering from the Fourah Bay College University of Sierra Leone in 1977 and has worked as an engineer in various areas of engineering including Electrical,

Name and position	Bio
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Mechanical and Civil Engineering (in connection with the repair and maintenance of wood-working and logging and petroleum storage and distribution equipment) and Design Engineering (primarily in connection with mining and mineral processing plants in Sierra Leone).

Ing. Cole is a fellow of the Sierra Leone Institution of Engineers and was also a key figure in the establishment of the Professional Engineering Regulatory Council (PERC). His extensive experience and dedication to the field of Engineering have made him a renowned leader and mentor in the profession in Sierra Leone.

His core competencies are vast and span across Logistics (Petroleum Industry), Financial Engineering, Restructuring Organisations, Acquisition of Institutions, High-Level PR with Governments, Doing Business in Sierra Leone, and a host of others.

Ing. Cole's pursuit of excellence led him to further develop his managerial and leadership skills through various prestigious programmes at institutions such as the Ashridge Management College in England, the International Marketing Institute at Boston College in the USA, the Staff College of India, Hyderabad and Management Institutions in Singapore and Nairobi.

Ing. Cole's professional journey includes holding several pivotal roles such as President of the Sierra Leone Chamber of Commerce and Managing Director of NP (SL) Limited, the largest petroleum marketing company in Sierra Leone. He is currently the Executive Chairman of NP Group Limited and, under his leadership, NP Group Limited has expanded internationally by establishing operations in four other countries in the sub-region: Liberia, The Gambia, Guinea, and Ivory Coast.

Ing. Cole has served as Chairman of the Board of Directors of various reputable organisations including Ecobank Sierra Leone, Reliance Insurance Trust Corporation and Royal Insurance in The Gambia. He also served as Director of West African Insurance Companies Association (WAICA) Reinsurance Corporation Plc and WAICA Re Zimbabwe. He is the current Chairman of Standard Chartered Bank Sierra Leone Limited.

Additionally, Ing. Cole has been a member of the Court of the University of Sierra Leone and was awarded Doctor of Science Honoris Causa by the University of Sierra Leone in April 2022 for his contribution to academia in Sierra Leone.

Name and position	Bio
<p>Mr Ibrahim D Cole <i>Managing Director</i></p>	<p>Mr Ibrahim Cole is the Managing Director of Leonoil. Mr Cole is a Civil Engineer and an entrepreneur with 15 years of experience in Sierra Leone and abroad. Mr Cole holds a Civil Engineering bachelor's degree from The University of North Carolina in Charlotte, an MBA from Winthrop University, and has completed the Program for Leadership Development at Harvard University. He is a cooperate member of the Sierra Leone Institute of Engineers. Prior to his role as Managing Director of Leonoil, Mr Cole held several roles in industries ranging from infrastructure development, greenfield energy generation and oil and gas.</p>
<p>Mr Sidi A Bakarr <i>Director</i></p>	<p>Mr Sidi Alieu Bakarr is a seasoned engineering professional with over 40 years of experience in operations and strategy. He has held executive roles in several top organisations including the National Diamond Mining Company and Shell Petroleum and has served as a director of a number of companies including United Bank for Africa.</p> <p>Mr Bakarr has a proven track record of enhancing cost savings and efficiency in his roles. His key strengths lie in project management, team leadership and problem-solving, enabling him to deliver successful results on time and within budget.</p> <p>He holds a bachelor's degree in Mechanical Engineering, a master's degree in Energy Studies, and is currently pursuing a PhD in Energy Engineering. Bakarr is a registered member of the Professional Engineers Registration Council of Sierra Leone and a Fellow of the Sierra Leone Institution of Engineers.</p>
<p>Mr Afriyie Assamany <i>Director</i></p>	<p>Mr Afriyie Assamany is the Managing Director of Nimo Construction and Trading Enterprises Ltd, the first indigenous premier class construction company in Sierra Leone. He has held the role for 15 years, successfully managing diverse building and civil engineering projects in Sierra Leone and Ghana.</p> <p>Mr Assamany holds a Bachelor of Science in Civil Engineering from Clarkson University in the USA, and a Master of Science in Concrete Structures and Business Management from Imperial College London in the UK.</p>
<p>Mr Vincent L Kanu (Jnr) <i>Director</i></p>	<p>Mr Vincent Lamin Kanu holds a Bachelor of Science in Multimedia Technology from the University of Hertfordshire and a Master of Business Administration from the University of Greenwich. His core competencies include supervising the management of retail outlets across Sierra Leone. He has industry experience from training and working for Oryx Tanzania. He is also a distinguished member of various professional organisations and boards and has made important</p>

Name and position	Bio
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contributions to the industry and professional community in Sierra Leone.

Ms Rakiatu Kassim
Director

Ms Rakiatu O Kassim is a Fellow Chartered Certified Accountant (FCCA) with experience in supporting organisations in making informed financial and operational decisions. Ms Kassim's professional experience includes roles as a Consultant at MRKD Insight Consultancy and as Senior Manager at Baker Tilly, SL. Her expertise lies in implementing financial systems and controls, developing policies and procedures, and improving performance and operations. She holds a Bachelor of Science (Hons) in Social Science – Accounting from Fourah Bay College, University of Sierra Leone, and is a Fellow of the Institute of Certified Chartered Accountants Sierra Leone (FCA). Ms Kassim's areas of expertise include general ledger accounting, accounting system implementation and optimisation, financial planning and strategy, corporate governance, auditing, and mergers and acquisitions.

Mrs Zorah Anthony
Director

Mrs Zorah Anthony is a C-Suite Executive and Group Head of People and Culture at Easy Solar Ltd, and also serves as the Country Manager for Easy Solar in Liberia. She is responsible for driving performance, building partnerships, and advocating for growth and change across the organisation. She has over 30 years of experience in the not-for-profit sector and over ten years in the public and corporate sector.

Mrs Anthony holds a Professional Diploma in Strategic Human Resources Management, a Postgraduate Professional Diploma in Management, and a Master of Science in Human Resource Management from the Open University Business School, UK. She has worked in various capacities including Human Resource Director for several organizations in the Gambia, UK, and Sierra Leone.

Mrs Anthony is also the founder of CIRC – G Foundation, which advocates for proper access to public and private spaces for people with disabilities and special needs. She also serves as Chairperson of the Board of Directors at Fatah Rahman Junior Secondary School and Excel Academy.

7 Information on Sierra Rutile and the Sierra Rutile Group

7.1 Important information

The following information about Sierra Rutile and the Sierra Rutile Group is based on publicly available information and has not been independently verified by Leonoil. Accordingly, Leonoil does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on Sierra Rutile and the Sierra Rutile Group in this Bidder's Statement should not be considered comprehensive. Sierra Rutile Shareholders should refer to the Target's Statement to be issued by Sierra Rutile for further information about Sierra Rutile and the Sierra Rutile Group.

7.2 Overview of Sierra Rutile and the Sierra Rutile Group

Sierra Rutile is an Australian public company. It was incorporated in 2016 and its registered office is located in Perth, Western Australia. Sierra Rutile was demerged from Iluka Resources Limited (ACN 008 675 018) (ASX: ILU) and admitted to the official list of the ASX in July 2022.

Sierra Rutile's principal activities are the operation and ongoing development of a multi-deposit mineral sands mining operation in southern Sierra Leone. It is the largest producer of natural rutile in the world, supplying over 20% of the world's natural rutile.

Sierra Rutile's current mining and mineral processing operations extract and process ore from the Gangama, Taninahun, Gbeni and Lanti deposits. In the future, it is intended that ore will also be mined from the Pejebu and Ndendemoia deposits. Operations include four wet concentrator plants, a mineral separation plant and associated infrastructure, residential camps for senior and management staff, and a dedicated port facility. These deposits and operations are collectively referred to as the Area 1 Project.

Sierra Rutile owns the Sembehun Project, which it considers to be one of the world's largest and highest quality known natural rutile deposits. The Sembehun Project is located approximately 30 kilometres from operations at the Area 1 Project and presents an attractive development opportunity with long mine life, good grades, contiguous deposits, and additional exploration potential that can leverage the extensive Area 1 Project processing and infrastructure investment.

Sierra Rutile's products include:

- standard grade rutile, which is considered an industry leading high quality product and is consumed primarily in the manufacture of titanium dioxide pigment and titanium sponge. Standard Grade Rutile accounts for 85-90% of Sierra Rutile's annual rutile production;
- industrial grade rutile, which is well suited to high quality flux core wire applications due to its excellent packing density and low contaminant level. Industrial Grade Rutile trades at a premium to competing rutile products;
- high-grade chloride ilmenite, which is suitable for direct chlorination into titanium dioxide pigment and transformation into titanium slag; and
- zircon in concentrate, which is a by-product stream typically containing around 20-25% zircon as well as other heavy minerals. The zircon is extracted and consumed in applications such as ceramic tiles, sanitary ware, foundry coatings, refractories, and in the chemical industry.

Sierra Rutile has a market capitalisation of approximately \$74.3 million as at the Last Practicable Date (based on there being 424,453,918 Sierra Rutile Shares on issue and a closing price of \$0.175 per Sierra Rutile Share).

Further information about Sierra Rutile is available on its website at <https://sierra-rutile.com/> and will be set out in its Target's Statement.

7.3 Directors and management

The following persons are Sierra Rutile Directors as at the Last Practicable Date:

- Mr Greg Martin, Independent Non-Executive Chair;
- Mr Theuns de Bruyn, Managing Director and Chief Executive Officer;
- Mr Martin Alciaturi, Finance Director;
- Mr Graham Davidson, Independent Non-Executive Director;
- Mr Patrick O'Connor, Independent Non-Executive Director; and
- Mr Jan Joubert, Independent Non-Executive Director.

In addition to the above executive directors, the key members of Sierra Rutile's executive management team as at the Last Practicable Date are:

- Mr Andre Collyer, Chief Operating Officer;
- Mr Maurice Cole, Chief Financial Officer;
- Mr Derek Folmer, General Manager Marketing;
- Ms Sue Wilson, General Counsel and Company Secretary;
- Mr Barry Honnah, Human Resources Manager;
- Mr Osman Lahai, Community Relations and Social Development Manager; and
- Ms Hussine Yilla, Corporate Affairs and Government Relations Manager.

7.4 Substantial holders of Sierra Rutile Shares

As at the Last Practicable Date, based on substantial holder notices lodged with the ASX, the substantial shareholders of Sierra Rutile are as follows:

Shareholder	Voting Power ¹	Number of Sierra Rutile Shares ¹
Gemcorp Commodities Assets Holdings Limited	19.90%	84,466,330
Leonoil, Vincent L Kanu Jnr., and Mohamed B Cole ²	19.85%	84,273,129
Mano Mining and Logistics Limited; Rockbridge Overseas Limited; Ecsson Investments Limited; Assaad Yazbeck and Joseph Yazbeck	13.03%	55,300,000

Shareholder	Voting Power ¹	Number of Sierra Rutile Shares ¹
PRM Services LLC and Craig Dean	11.46%	48,627,357

Notes:

1. The actual number of Sierra Rutile Shares held or Voting Power may differ from that shown above as there is no obligation to publicly disclose changes if the change in Voting Power is less than 1%.
2. Each of Vincent L Kanu Jnr. and Mohamed B Cole has a Relevant Interest in Sierra Rutile Shares held by Leonoil by reason of having Voting Power of more than 20% in Leonoil.

7.5 Other material information about the Sierra Rutile Group

Sierra Rutile will have the opportunity to disclose in its Target's Statement any information about the Sierra Rutile Group it considers Sierra Rutile Shareholders would reasonably require to make an informed assessment as to whether to accept the Offer.

7.6 Publicly available information about the Sierra Rutile Group

Sierra Rutile is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Sierra Rutile is subject to the ASX Listing Rules which require continuous disclosure of any information Sierra Rutile has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Sierra Rutile's file is available for inspection at ASX during normal business hours or online at www.asx.com.au.

In addition, Sierra Rutile is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Sierra Rutile may be obtained from, or inspected at, an ASIC office.

Further information about Sierra Rutile (including copies of its financial statements) is available on its website at <https://sierra-rutile.com/>.

8 Information on Sierra Rutile securities

8.1 Sierra Rutile securities on issue

According to documents lodged by Sierra Rutile with ASX, as at the close of trading on the Last Practicable Date, Sierra Rutile had:

- 424,453,918 Sierra Rutile Shares on issue;
- 14,109,004 Performance Rights; and
- 362,906 Restricted Rights.

Leonoil expects that the Target's Statement will clarify the status of these securities.

8.2 Sierra Rutile Restricted Rights and Performance Rights

The Offer extends to Sierra Rutile Shares that are issued on exercise of Restricted Rights and Performance Rights prior to the end of the Offer Period. This means that holders of Restricted Rights or Performance Rights that are exercised will be able to accept the Offer in respect of the Sierra Rutile Shares issued during the Offer Period as a result of that vesting or exercise.

Leonoil will send a copy of this Bidder's Statement to holders of Restricted Rights and Performance Rights as at the Register Date. The offer will extend to any Sierra Rutile Shares that are issued during the period from the Register Date to the end of the Offer Period as a result of the conversion of, or exercise of rights conferred by, Restricted Rights or Performance Rights. See section 13.1 for further information.

The Offer will not extend to any Restricted Rights and Performance Rights that have not vested and been converted or exercised into Sierra Rutile Shares by the end of the Offer Period.

If Leonoil obtains a Relevant Interest in 90% of the Sierra Rutile Shares during, or at the end of, the Offer Period, Leonoil intends to proceed to compulsory acquisition if permitted under Part 6A.1 of the Corporations Act to acquire all outstanding Sierra Rutile Shares, even if the Sierra Rutile Shares to which those notices relate are issued:

- (a) after the Offer closes but before the notices are given (pursuant to section 661A(4)(b) of the Corporations Act); or
- (b) on exercise of the Restricted Rights or Performance Rights, up to six weeks after the notices are given (pursuant to section 661A(4)(c) of the Corporations Act).

If not all the Restricted Rights and Performance Rights are converted into Shares and acquired by Leonoil or cancelled pursuant to agreements or other arrangements, Leonoil intends to seek to compulsorily acquire or cancel any outstanding Restricted Rights and Performance Rights pursuant to Part 6A.2 of the Corporations Act, although it reserves its right not to do so.

Leonoil expects that the Target's Statement will also explain how the Offer affects the Sierra Rutile Restricted Rights and Performance Rights.

8.3 Interests in Sierra Rutile Shares

As at the date of this Bidder's Statement and as at the date of the Offer, Leonoil has a Relevant Interest in 84,273,129 Sierra Rutile Shares which represents 19.85% of the total number of Sierra Rutile Shares on issue as at the date of this Bidder's Statement. Accordingly, Leonoil has Voting Power in Sierra Rutile of 19.85% as at the date of this Bidder's Statement and as at the date of the Offer.

8.4 Dealings in Sierra Rutile Shares

(a) Previous four months

As disclosed in Leonoil's ASIC Form 604s released by Sierra Rutile to the ASX, Leonoil has undertaken a number of on-market acquisitions of Sierra Rutile Shares in the four months before the date of this Bidder's Statement. Details of these on-market acquisitions are set out in the table below.

The highest price at which Leonoil or any of its Associates provided, or agreed to provide, consideration for Sierra Rutile Shares under any purchase or agreement during the four months before the date of this Bidder's Statement and the date of the Offer was \$0.16 per Sierra Rutile Share on 12 July 2024.

Date	Number of Sierra Rutile Shares	Average price per Sierra Rutile Share	Aggregate consideration paid
9 April 2024	2,103,927	\$0.1195	\$251,419.28
10 April 2024	169,875	\$0.1200	\$20,385.00
11 April 2024	235,745	\$0.1200	\$28,289.40
12 April 2024	297,066	\$0.1200	\$35,647.92
15 April 2024	1,249,188	\$0.1236	\$154,399.64
16 April 2024	4,100,000	\$0.1294	\$530,540.00
17 April 2024	4,810,500	\$0.1345	\$647,012.25
18 April 2024	45,984	\$0.1300	\$5,977.92
19 April 2024	1,479,945	\$0.1300	\$192,392.85
22 April 2024	553,252	\$0.1325	\$73,305.89
23 April 2024	5,648,906	\$0.1390	\$785,197.93
24 April 2024	2,200,000	\$0.1323	\$291,060.00
30 April 2024	2,889,483	\$0.1143	\$330,267.91
1 May 2024	786,830	\$0.1150	\$90,485.45
2 May 2024	5,250,066	\$0.1184	\$621,607.81
3 May 2024	1,049,193	\$0.1196	\$125,483.48
6 May 2024	10,000,000	\$0.1200	\$1,200,000.00
7 May 2024	1,153,725	\$0.1200	\$138,447.00
8 May 2024	4,369,207	\$0.1290	\$563,627.70
9 May 2024	663,878	\$0.1300	\$86,304.14

Date	Number of Sierra Rutile Shares	Average price per Sierra Rutile Share	Aggregate consideration paid
10 May 2024	148,809	\$0.1300	\$19,345.17
13 May 2024	2,752,893	\$0.1300	\$357,876.09
14 May 2024	307,734	\$0.1300	\$40,005.42
15 May 2024	765,605	\$0.1300	\$99,528.65
16 May 2024	211,289	\$0.1300	\$27,467.57
17 May 2024	77,030	\$0.1251	\$9,636.45
21 May 2024	1,666,500	\$0.1300	\$216,645.00
22 May 2024	1,245,000	\$0.1300	\$161,850.00
24 May 2024	420,812	\$0.1300	\$54,705.56
28 May 2024	779,369	\$0.1300	\$101,317.97
29 May 2024	516,613	\$0.1300	\$67,159.69
30 May 2024	788,070	\$0.1298	\$102,291.49
5 June 2024	1,435,392	\$0.1335	\$191,624.83
6 June 2024	1,152,123	\$0.1337	\$154,038.85
7 June 2024	337,459	\$0.1349	\$45,523.22
11 June 2024	1,411,138	\$0.1343	\$189,515.83
12 June 2024	508,386	\$0.1350	\$68,632.11
17 June 2024	2,454,457	\$0.1350	\$331,351.70
18 June 2024	2,644,125	\$0.1350	\$356,956.88
25 June 2024	1,957,703	\$0.1332	\$260,766.04
26 June 2024	900,701	\$0.1331	\$119,883.30
27 June 2024	721,329	\$0.1333	\$96,153.16
28 June 2024	594,437	\$0.1316	\$78,227.91
2 July 2024	1,150,535	\$0.1591	\$183,050.12
8 July 2024	2,766,000	\$0.1599	\$442,283.40
9 July 2024	502,850	\$0.1600	\$80,456.00
11 July 2024	2,500,000	\$0.1599	\$399,750.00
12 July 2024	4,500,000	\$0.1600	\$720,000.00

Except as described above, neither Leonoil nor any of its Associates have provided, or agreed to provide, consideration for Sierra Rutile Shares under any purchase or agreement during the four months before the date of this Bidder's Statement.

(b) Period before Offer

Except as described in section 8.4(a) above, neither Leonoil nor any of its Associates have provided, or agreed to provide, consideration for Sierra Rutile Shares under any

purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer.

8.5 Recent share price performance of Sierra Rutile

The last recorded sale price of Sierra Rutile Shares on ASX on the Last Practicable Date was \$0.175 per Sierra Rutile Share.

8.6 No pre-Offer benefits

During the period commencing four months before the date of this Bidder's Statement, neither Leonoil nor any of its Associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- (a) accept the Offer; or
- (b) dispose of Sierra Rutile Shares,

and which is not offered to all holders of Sierra Rutile Shares under the Offer.

During the period from the date of this Bidder's Statement to the date before the date of the Offer, neither Leonoil nor any of its Associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- (a) accept the Offer; or
- (b) dispose of Sierra Rutile Shares,

and which is not offered to all holders of Sierra Rutile Shares under the Offer.

8.7 No escalation agreements

Neither Leonoil nor any of its Associates have entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

9 Sources of consideration

9.1 Total consideration

The consideration for the acquisition of the Sierra Rutile Shares to which the Offer relates will be satisfied by the payment of \$0.18 cash for each Sierra Rutile Share.

As at the close of trading on the Last Practicable Date, according to documents provided by Sierra Rutile to the ASX, there are 424,453,918 Sierra Rutile Shares on issue. Further, if all Restricted Rights and Performance Rights on issue of which Leonoil is aware were exercised in accordance with their terms, there would be an additional 14,471,910 Sierra Rutile Shares on issue (438,925,828 Sierra Rutile Shares in total). As set out in section 13.7(i), it is a Condition to the Offer that, except as Fairly Disclosed to Leonoil, no Restricted Rights or Performance Rights on issue are caused to vest by the exercise of a discretion of the Sierra Rutile Board and thereby be converted into Sierra Rutile Shares.

The maximum amount of cash that Leonoil would be required to pay under the Offer if acceptances are received for all Sierra Rutile Shares on issue as at the date of this Bidder's Statement (other than those Sierra Rutile Shares in which Leonoil has a Relevant Interest, being 84,273,129 Sierra Rutile Shares) or if Leonoil becomes entitled to and exercises the right of compulsory acquisition under the Corporations Act, is approximately \$61.2 million.

In addition, if all of the holders of Restricted Rights and Performance Rights exercise those Restricted Rights and Performance Rights and accept the Offer in respect of the Sierra Rutile Shares issued to them, an additional amount of approximately \$2.6 million will be payable by Leonoil under the Offer.

Accordingly, the maximum amount that Leonoil could be required to pay under the Offer is approximately \$63.8 million (**Maximum Offer Amount**), plus transaction costs in connection with the Offer.

9.2 Sources of cash consideration

The Offer is not conditional on Leonoil obtaining finance to fund the payment of the consideration due under the Offer.

Leonoil will fund the costs of the Offer and all transaction costs incurred by it in connection with the Offer from a combination of existing cash reserves held by Leonoil and existing cash reserves held by its Subsidiary, NPSL, which will be advanced to Leonoil pursuant to the Loan Agreement described in section 9.3.

Leonoil confirms that:

- (a) the cash reserves referenced above are, in aggregate, in excess of the Maximum Offer Amount, are held in accounts operated by banks in the United Kingdom and in Sierra Leone, and are denominated in US dollars;
- (b) these cash reserves are unencumbered and have been set aside to fund the cash consideration of the Offer, amounts payable following completion of any compulsory acquisition process and related transaction costs;
- (c) there are no liabilities or expenses of Leonoil or its Subsidiaries that are required to be paid out of those cash reserves, and those cash reserves are not otherwise required for any other arrangements or obligations of Leonoil or its Subsidiaries; and

- (d) there are no exchange controls or other restrictions on the ability of Leonoil to deploy those cash reserves for the payment of Sierra Rutile Shareholders who accept the Offer.

9.3 Intra-group funding arrangements

On 29 July 2024, Leonoil entered into an intercompany loan agreement with its Subsidiary, NP (SL) Limited (**Loan Agreement**). A summary of the material terms of the Loan Agreement is set out below.

- (a) **Loan**

NPSL unconditionally and irrevocably agrees to make the sum of USD\$47 million available to Leonoil, and to provide this amount to Leonoil in accordance with the terms of the Loan Agreement.

- (b) **Purpose**

The purpose of the loan is to facilitate the payment by Leonoil of all costs incurred in connection with the Offer, including:

- (i) amounts due to Sierra Rutile Shareholders who accept the Offer and any amounts payable following completion of any compulsory acquisition process in respect of Sierra Rutile Shares undertaken by Leonoil after the end of the Offer Period; and
- (ii) any fees, costs, taxes, charges or imposts incurred by Leonoil in connection with the above, including the fees and outgoings of Leonoil's professional advisers.

- (c) **Utilisation**

Any amount of the loan may be drawn down by Leonoil by providing a written notice to NPSL specifying the amount to be drawn and containing a warranty to the effect that there has been no event of default under the Loan Agreement as at the date of the relevant drawdown notice. There is no limit on the number of draw down requests that Leonoil may make.

- (d) **Funding date**

NPSL must provide the requested amount to Leonoil on the third Business Day (defined as being a day (other than a Saturday or Sunday) on which banks are open for general business in Freetown, Sierra Leone and Perth, Australia) after the date that Leonoil provides a drawdown notice to NPSL, unless an event of default under the Loan Agreement has occurred and has not been waived in writing by NPSL or remedied.

- (e) **Interest**

Interest of 18% per annum is payable in connection with any outstanding monies owed by Leonoil to NPSL under the Loan Agreement.

- (f) **Security**

The loan is unsecured.

(g) **Repayment**

No repayment of outstanding monies owed by Leonoil to NPSL may be required during the Offer Period or during any compulsory acquisition process in respect of Sierra Rutile Shares undertaken by Leonoil after the end of the Offer Period.

Leonoil must otherwise pay any outstanding monies owed to NPSL in the amount(s) and by the date(s) specified by notice from NPSL to Leonoil from time to time.

Notwithstanding the above, Leonoil must pay all outstanding monies owed by it to NPSL under the Loan Agreement on or before the date that is one year after the date of the Loan Agreement.

(h) **Prepayments**

Leonoil may, without penalty, prepay to NPSL all or any part of the outstanding monies owed by it under the Loan Agreement by giving NPSL not less than one Business Day prior notice specifying the amount being prepaid and the date of prepayment.

(i) **Events of default**

If any of the following events occurs, any outstanding monies owed by Leonoil to NPSL under the Loan Agreement will, upon notice by NPSL, become immediately due and payable by Leonoil:

- (i) Leonoil fails to pay when due all or any of the money owing by it under the Loan Agreement;
- (ii) Leonoil fails to comply with any of its other obligations under the Loan Agreement, and such default has continued for 30 days after the earlier of Leonoil becoming aware of the default, or NPSL Limited providing it with notice of the default;
- (iii) an insolvency event occurs in respect of Leonoil;
- (iv) any provision of the Loan Agreement:
 - (A) ceases to have effect in whole or in part, other than by performance or as permitted by its terms; or
 - (B) becomes wholly or partly void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights), or the performance of any such provision becomes illegal, or Leonoil or any person on its behalf make any allegation or claim to that effect; or
- (v) any representation or warranty made by or on behalf of Leonoil in the Loan Agreement or in any certificate, agreement, instrument or statement contemplated by or made or delivered pursuant to it, or in connection with it, is false or incorrect in any material respect on the date as of which made.

(j) **Governing law**

The Loan Agreement is governed by the laws of Sierra Leone.

9.4 Hedging arrangements

Leonoil's funding arrangements will be exposed to exchange rate fluctuations given that:

- (a) existing cash reserves held by Leonoil and NPSL are, and any amounts advanced by NPSL to Leonoil under the terms of the Loan Agreement referred to in section 9.3 above will be, denominated in US dollars; and
- (b) the costs of the Offer (including transaction costs incurred in connection with the Offer) will substantially be payable by Leonoil in Australian dollars.

As at the date of this Bidder's Statement, neither Leonoil nor NPSL have put in place any hedging arrangements for movements in exchange rates in respect of the arrangements described in this section 9. Leonoil and/or NPSL may consider doing so in the future if deemed appropriate and/or desirable at the relevant time. However, Leonoil expects that the funds available under these arrangements will be sufficient to pay the costs of the Offer and all transaction costs incurred by it in connection with the Offer, even in the event of an adverse movement in exchange rates.

9.5 Adequacy of funding

Having regard to the matters set out in this section 9, Leonoil is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to satisfy its payment obligations under the Offer, being the Maximum Offer Amount as well as transaction costs in connection with the Offer.

10 Leonoil's intentions in relation to Sierra Rutile

10.1 Introduction

This section 10 sets out the currently formed intentions of Leonoil in relation to:

- (a) the continuation of the business of Sierra Rutile;
- (b) any major changes to the business of Sierra Rutile and any redeployment of the fixed assets of Sierra Rutile;
- (c) the compulsory acquisition of Sierra Rutile Shares and the delisting of Sierra Rutile; and
- (d) the future employment of the current employees of Sierra Rutile.

The intentions of Leonoil have been formed on the basis of facts and information known to Leonoil concerning Sierra Rutile at the time of preparing this Bidder's Statement based on its review of publicly available information and certain limited non-public information provided to it for the purposes of formulating the Offer.

Leonoil does not currently have full knowledge of all information and circumstances that are necessary to assess its current intentions. Final decisions regarding these matters will only be reached by Leonoil in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and may vary as new information becomes available or circumstances change. These intentions are also subject to the outcome of analysis to be undertaken by Leonoil, as contemplated by section 10.2.

10.2 Strategic rationale and general intentions

After the Offer Period, and having regard to its ultimate ownership level, Leonoil will cause (or seek to cause) Sierra Rutile to undertake a wide-ranging strategic review of its operations, covering current strategy, financial and operating matters.

Subject to the outcome of this strategic review, Leonoil broadly intends to support efforts by Sierra Rutile to:

- (a) resolve ongoing disputes with the Government of Sierra Leone, including in relation to the fiscal regime applying to production from operations at the Area 1 Project;
- (b) maximise cashflows generated from the operations at the Area 1 Project through the pursuit of efficiency gains and considering mine life extensions; and
- (c) progress the Sembehun Project in accordance with the definitive feasibility study released to the ASX by Sierra Rutile on 12 April 2024 (subject to Leonoil's further review) to capitalise on the development opportunity that this project represents.

Following this strategic review, Leonoil will give further consideration to its intentions set out in this section 10. Final decisions will only be reached after that review has been concluded and the results have been evaluated in light of all material information, facts and circumstances that exist at the time.

10.3 Intentions for Sierra Rutile if Leonoil obtains a Relevant Interest in 90% or more of the Sierra Rutile Shares

Without limiting the comments in section 10.1, this section describes the intentions of Leonoil if, at the end of the Offer Period, Leonoil obtains a Relevant Interest in at least 90% (by number) of the Sierra Rutile Shares then on issue.

If Leonoil obtains a Relevant Interest in 90% of the Sierra Rutile Shares and 75% (by number) of the securities to which the Offer extends, it will become entitled to proceed to compulsory acquisition of the outstanding Sierra Rutile Shares in accordance with Part 6A.1 of the Corporations Act. As at the date of this Bidder's Statement, Leonoil intends to proceed to compulsory acquisition if permitted under Part 6A.1 of the Corporations Act.

In the circumstance that Leonoil exercises any right to proceed with compulsory acquisition of the outstanding Sierra Rutile Shares in accordance with the provisions of Part 6A.1 of the Corporations Act, the current intentions of Leonoil are as follows.

(a) Corporate matters

Leonoil would:

- (i) procure that the Sierra Rutile Board apply to the ASX to have Sierra Rutile removed from the official list of the ASX;
- (ii) amend the constitution of Sierra Rutile to reflect that it is a wholly owned Subsidiary of Leonoil and seek to convert Sierra Rutile from a public company to a proprietary limited company; and
- (iii) on acquiring control, request some or all members of the Sierra Rutile Board (and the relevant members of the board of any company on which Sierra Rutile has nominee directors) to resign after appointing Leonoil's nominees as directors. If they fail to do so, Leonoil will requisition (or seek the requisitioning of) a meeting of members to effect the removal and replacement. Replacement directors have not yet been identified by Leonoil and their identity will depend on the circumstances at the relevant time.

(b) General operations and capital allocation

At the end of the Offer Period, Leonoil intends to increase its overall influence on the day-to-day operations of Sierra Rutile's business. Leonoil's overall intention is to ensure Sierra Rutile's business operates efficiently and competitively.

(c) Impact on employees

As stated above, Leonoil will conduct a strategic review of Sierra Rutile's business. As part of this strategic review, Leonoil intends to evaluate the capabilities and fit of the existing Sierra Rutile employees. Certain job losses may occur in connection with redundant functions such as (but not limited to) activities associated with the maintenance of an ASX listing. If there are any employment-related actions to be taken as a result of the operational review, applicable employment laws will be complied with.

10.4 Intentions for Sierra Rutile if Leonoil obtains a Relevant Interest in more than 50% but less than 90% of Sierra Rutile shares

This section describes Leonoil's intentions if, at the end of the Offer Period, Leonoil obtains a Relevant Interest in more than 50% but less than 90% (by number) of all Sierra Rutile Shares then on issue.

In that circumstance, it is the present intention of Leonoil to procure that the new Sierra Rutile Board implements the objectives and goals outlined in section 10.3 to the extent possible and appropriate, but subject to the following:

(a) **Corporate matters**

Depending on the level of ownership achieved, it is Leonoil's intention to replace some or all of the members of the Sierra Rutile Board (and the relevant members of the board of any company on which Sierra Rutile has nominee directors) with Leonoil's nominee directors. The number of directors that Leonoil will seek to appoint will depend on its level of Voting Power in Sierra Rutile. To ensure appropriate governance arrangements, Leonoil may seek to appoint independent directors to the Sierra Rutile Board. Sierra Rutile Shareholders should note that the Bid Implementation Agreement provides that as soon as practicable after Leonoil has a Relevant Interest in more than 50% of the Sierra Rutile Shares and the Offer becomes or is declared unconditional, Sierra Rutile must take (and must ensure the Sierra Rutile Board takes) all actions necessary to ensure:

- (i) the appointment, subject to the satisfaction of customary administrative actions, of up to three new Sierra Rutile Directors nominated by Leonoil; and
- (ii) if necessary, the resignations of existing Sierra Rutile Directors such that the three persons nominated by Leonoil to be Sierra Rutile Directors form a majority of the Sierra Rutile Board.

In relation to Leonoil procuring that the Sierra Rutile Board apply to the ASX for the removal of Sierra Rutile from the official list of the ASX, ASX guidance indicates that the usual conditions that the ASX would expect to be satisfied in order for it to approve the removal of Sierra Rutile from the official list in the context of a successful takeover bid include:

- (i) at the end of the Offer, Leonoil owns or controls at least 75% of the Sierra Rutile Shares and the Offer has remained open for at least two weeks after Leonoil attained ownership or control of at least 75% of the Sierra Rutile Shares; and
- (ii) the number of Sierra Rutile Shareholders (other than Leonoil) having holdings with a value of at least \$500 is fewer than 150,

and in such case, the ASX will not usually require Sierra Rutile Shareholder approval to be obtained for Sierra Rutile's removal from the official list of the ASX.

In addition, ASX may approve an application for Sierra Rutile to be removed from the official list of the ASX with shareholder approval and, where such removal is sought later than 12 months after the close of the Offer, Leonoil would be entitled to vote on the resolution approving the removal.

After the end of the Offer Period, Leonoil intends to seek the removal of Sierra Rutile from the official list of the ASX in accordance with the above guidance as soon as practicable.

If Sierra Rutile is removed from the official list of the ASX, there may be risks related to remaining as a minority shareholder in Sierra Rutile. These include significantly reduced liquidity if Sierra Rutile Shareholders wish to sell their Sierra Rutile Shares.

(b) **Capital structure and management**

After the end of the Offer Period, Leonoil intends to conduct a review of Sierra Rutile's overall capital allocation and capital structure as part of the strategic review referred to in section 10.2.

New external capital may be required to fund Sierra Rutile's operations and development projects, including the Sembehun Project, in the future. Leonoil will review how best to fund these activities which, depending on the circumstances at the time, may include raising new equity, reinvesting surplus operating cash flows or securing debt funding. During the development period for the company, Leonoil does not expect that Sierra Rutile will pay any dividends,

(c) **Other intentions**

Leonoil's intentions in this scenario are otherwise the same as those set out in section 10.3(b) and 10.3(c).

(d) **Further acquisition of Sierra Rutile securities**

Leonoil may, at some later time, acquire further Sierra Rutile Shares in a manner consistent with the Corporations Act.

(e) **Compulsory acquisition at a later time**

If Leonoil becomes entitled at some later time to exercise general compulsory acquisition rights under the Corporations Act in respect of Sierra Rutile Shares, it may exercise those rights.

10.5 Intentions for Sierra Rutile if Leonoil obtains a Relevant Interest in less than 50% of Sierra Rutile Shares

The Offer is not subject to a minimum acceptance condition. Accordingly, the Offer may close in circumstances where Leonoil does not have majority control Sierra Rutile. This section describes Leonoil's intentions if, at the end of the Offer Period, Leonoil obtains a Relevant Interest in less than 50% (by number) of all Sierra Rutile Shares then on issue.

In this circumstance:

- (a) subject to the size of Leonoil's interest in Sierra Rutile Shares following completion of the Offer, Leonoil may seek reasonably proportionate representation on the Sierra Rutile Board;
- (b) Leonoil intends to encourage the Sierra Rutile Board to conduct the strategic review referred to in section 10.2 and implement its intentions as outlined in sections 10.3 or 10.4 to the extent to which it is able to do so;
- (c) Leonoil will seek to gain a more detailed understanding of the business assets and operations of Sierra Rutile in order to evaluate the performance and prospects of Sierra Rutile in light of the information then available to it;
- (d) Leonoil may not wish to participate in further capital raisings conducted by Sierra Rutile if it does not agree with the strategy of the Sierra Rutile Board at the relevant time. If Leonoil does not participate in further capital raisings and Sierra Rutile is otherwise unable to secure adequate equity financing on reasonable terms, Leonoil considers that Sierra Rutile may incur significant difficulties in maintaining and further developing its operations; and

- (e) Leonoil's current intention is to continue to hold its Sierra Rutile Shares with a view to maximising returns for its investment. This may result in Leonoil acquiring further Sierra Rutile Shares at a later time in a manner consistent with the Corporations Act.

10.6 Other intentions

Subject to the matters described above in this section 10 and elsewhere in this Bidder's Statement, and in particular the completion of the strategic review described in section 10.2 above, Leonoil otherwise intends, based on the information concerning Sierra Rutile presently known to it and the existing circumstances affecting the assets and operations of Sierra Rutile at the date of this Bidder's Statement, to:

- (a) identify opportunities for cost reduction;
- (b) evaluate the capabilities and fit of the existing Sierra Rutile employees;
- (c) maintain focus on Sierra Rutile's existing operations; and
- (d) otherwise not implement any significant changes to the business of Sierra Rutile or the deployment of Sierra Rutile's assets.

10.7 Limitations in giving effect to intentions

The intentions and statements of future conduct set out in this section 10 must be read as being subject to:

- (a) the law (including the Corporations Act) and the ASX Listing Rules, including in particular the requirements of the Corporations Act and the ASX Listing Rules in relation to conflicts of interest and 'related party' transactions given that, if Leonoil obtains control of Sierra Rutile but does not acquire all of the Sierra Rutile Shares, Leonoil will be treated as a related party of Sierra Rutile for these purposes;
- (b) the legal obligation of the Sierra Rutile Directors at the time, including any nominees of Leonoil, to act in good faith in the best interests of Sierra Rutile and for proper purposes and to have regard to the interests of all Sierra Rutile Shareholders; and
- (c) the outcome of the reviews referred to in this section 10.

11 Tax considerations

11.1 Introduction

The following is a general summary of the Australian income tax, stamp duty and GST consequences for Sierra Rutile Shareholders who accept the Offer to dispose of their Sierra Rutile Shares.

Sierra Rutile Shareholders are specifically informed that the summary below only relates to possible Australian taxation considerations and does not consider the taxation implications in jurisdictions outside Australia. Sierra Rutile Shareholders who are tax residents of a country other than Australia should seek their own professional tax advice that is specific to their particular circumstances, having regard to tax consequences under the law of their country of residence and any applicable tax treaty.

In particular, the comments contained in this summary are only relevant to those Sierra Rutile Shareholders who hold their Sierra Rutile Shares on capital account for income tax purposes, and do not apply to the extent that Sierra Rutile Shareholders:

- (a) hold Sierra Rutile Shares as revenue assets (i.e. trading entities or entities which acquired their Sierra Rutile Shares for the purpose of resale at a profit) or as trading stock;
- (b) hold Sierra Rutile Restricted Rights, Performance Rights, Sierra Rutile Shares, or any other rights in relation to Sierra Rutile Shares, as the result of an employee share plan, employee share rights scheme or employee share option plan;
- (c) are under a legal disability;
- (d) are exempt from Australian income tax;
- (e) are a bank, insurance company, superannuation fund or a dealer in securities;
- (f) are subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth) in respect of their Sierra Rutile Shares;
- (g) are subject to the Taxation of Financial Arrangement rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains or losses on their Sierra Rutile Shares;
- (h) have, or are taken to have, acquired their Sierra Rutile Shares before 20 September 1985; or
- (i) are non-resident Sierra Rutile Shareholders who currently hold, or have held, at any time Sierra Rutile Shares through a permanent establishment in Australia, who are temporary residents of Australia, or who have changed residence while holding Sierra Rutile Shares.

Moreover, except where otherwise stated, this summary does not apply to Sierra Rutile Shareholders that are partnerships or trusts or persons that are partners of such partnerships, or beneficiaries of such trusts. If a partnership or trust is a Sierra Rutile Shareholder, the partners of such partnership or the beneficiaries of such trust should obtain their own professional tax advice in relation to the Australian tax consequences for them or the partnership or the trust (as applicable) of disposing of Sierra Rutile Shares under the Offer.

The following summary is based on the existing tax laws and administrative practices as at the date of this Bidder's Statement and is not intended to be an authoritative or complete statement of the Australian tax law applicable to the specific circumstances of every Sierra Rutile Shareholder.

The tax law is complex and subject to change periodically as is its interpretation by the courts, the ATO, and the relevant revenue authority. Leonoil has not sought to have any tax implications associated with a Sierra Rutile Shareholder accepting the Offer ruled upon by the ATO and therefore a risk remains that the ATO may not agree with this summary or an aspect of it.

The information contained in this summary is not intended to be, and should not be relied upon as, personal taxation or financial advice. The Australian income tax, stamp duty and GST implications may vary according to individual circumstances, and each Sierra Rutile Shareholder is strongly recommended to seek their own professional tax advice that is specific to their particular circumstances.

11.2 Australian resident Sierra Rutile Shareholders

(a) Capital gains tax consequences of accepting the Offer

A Sierra Rutile Shareholder that accepts the Offer, and transfers their Sierra Rutile Shares to Leonoil, will be treated as having disposed of their Sierra Rutile Shares for CGT purposes. The disposal of a Sierra Rutile Share will constitute a CGT event for Australian CGT purposes.

The time of the CGT event should be the date that the contract to sell those Sierra Rutile Shares is formed, which should be the date on which a Sierra Rutile Shareholder accepts the Offer.

A Sierra Rutile Shareholder whose Sierra Rutile Shares are compulsorily acquired will be taken to have disposed of their Sierra Rutile Shares when the shares are transferred to Leonoil.

The capital gain or loss from this CGT event will need to be disclosed in the Sierra Rutile Shareholder's tax return for the relevant period.

(b) Determination of the gain or loss

A capital gain in connection with the disposal of a Sierra Rutile Share will arise where the capital proceeds received on disposal exceeds the cost base of the Sierra Rutile Share. Alternatively, a capital loss will arise on the disposal of a Sierra Rutile Share to the extent that the capital proceeds received on disposal are less than the reduced cost base of the Sierra Rutile Share.

The capital proceeds should be equal to the Offer Price. The cost base of a Sierra Rutile Share should generally include the amount paid (or deemed to be paid) to acquire the Sierra Rutile Share plus certain incidental costs (such as brokerage fees) of the acquisition. The reduced cost base is calculated in a similar, but not identical, manner.

Capital gains and capital losses (including prior year capital losses) of a taxpayer are netted off in a year of income to determine if there is a net capital gain or loss. If a Sierra Rutile Shareholder makes a net capital gain in a year, this amount is, subject to the following comments, included in the Sierra Rutile Shareholder's assessable income.

If a Sierra Rutile Shareholder makes a net capital loss in a year, this amount may be carried forward and offset against capital gains made in subsequent income years,

subject to the satisfaction of certain loss recoupment tests. Capital losses cannot reduce or offset other income or gains.

(c) **CGT discount**

A Sierra Rutile Shareholder that is a resident of Australia for tax purposes and is an individual, trust or complying superannuation entity may be entitled to reduce their capital gain (after first reducing the capital gain by any available current year or carry forward capital losses) by the applicable CGT discount provided that the Sierra Rutile Shares were acquired (or are taken to have been acquired) at least 12 months before the disposal (excluding the date of acquisition and the date of disposal).

The applicable CGT discount, which may reduce a net capital gain arising from the disposal of Sierra Rutile Shares, is as follows:

- (a) 50% for individuals and trusts (except a trust that is a complying superannuation entity); and
- (b) 33 $\frac{1}{3}$ % for a complying superannuation entity.

The CGT discount is not available to any Sierra Rutile Shareholders that are companies.

In relation to trusts, the CGT discount may flow through to presently entitled beneficiaries of the trust where the beneficiaries would themselves be entitled to apply the CGT discount.

The resulting net capital gain (i.e. the amount remaining after the application of any available capital losses, available CGT discounts and/or concessions) should be included in the Sierra Rutile Shareholder's assessable income and be subject to Australian income tax at the applicable marginal tax rate/s.

11.3 Non-resident Sierra Rutile Shareholders

This section 11.3 applies to Sierra Rutile Shareholders that are not residents of Australia for Australian income tax purposes (that is, foreign tax residents). It does not apply to Sierra Rutile Shareholders that are foreign tax residents who have held, or currently hold, their Sierra Rutile Shares through a permanent establishment in Australia.

A Sierra Rutile Shareholder that is not a resident of Australia for tax purposes, should generally not have to pay Australian income tax on any capital gain arising on the disposal of their Sierra Rutile Shares unless their Sierra Rutile Shares are characterised as 'indirect Australian real property interests'. A Sierra Rutile Shareholder's Sierra Rutile Shares may be characterised as indirect Australian real property interests if both of the following requirements are satisfied:

- (a) the non-resident Sierra Rutile Shareholder, together with its 'associates' (as defined by the *Income Tax Assessment Act 1936* (Cth)) held a combined interest of at least 10% of the issued shares in Sierra Rutile either at the time of disposal of the Sierra Rutile Shares, or for a continuous 12 month period during the 24 months prior to the disposal of their Sierra Rutile Shares (**Non-Portfolio Interest Test**); and
- (b) at the time of disposal, more than 50% of the market value of the assets of Sierra Rutile is represented (directly or indirectly) by 'taxable Australian real property', being real property situated in Australia (including leases of land situated in Australia), and mining, quarrying and prospecting rights over minerals, petroleum or quarry materials situated in Australia (**Principal Asset Test**).

Where both the above requirements are satisfied by a non-resident Sierra Rutile Shareholder, the Sierra Rutile Shareholder may be liable for Australian income tax on gains from the disposal of their Sierra Rutile Shares and may be required to lodge a tax return in connection with the disposal of their Sierra Rutile Shares. Furthermore, Leonoil may have an obligation to withhold from the Offer Price payable to the Sierra Rutile Shareholder as discussed below.

A non-resident Sierra Rutile Shareholder who is subject to tax on disposal of their Sierra Rutile Shares may be eligible to apply a CGT discount to part of their capital gain, if they acquired, or are taken to have acquired, their Sierra Rutile Shares on or before 8 May 2012 (subject to certain conditions being satisfied) and they are an individual or a trust. Otherwise, the CGT discount is not available to non-resident Sierra Rutile Shareholders.

11.4 Non-resident Sierra Rutile Shareholders CGT Withholding Obligations

Leonoil may have an obligation to pay to the ATO an amount equal to 12.5% of the Offer Price (**CGT Withholding Tax**) for each Sierra Rutile Share that is otherwise payable to a Sierra Rutile Shareholder if the Sierra Rutile Shareholder's Sierra Rutile Shares are indirect Australian real property interests (as discussed above) (i.e. if the Non-Portfolio Interest Test and the Principal Asset Test are satisfied) and:

- (a) Leonoil knows or reasonably believes that the Sierra Rutile Shareholder is a foreign tax resident; or
- (b) Leonoil does not reasonably believe that the Sierra Rutile Shareholder is an Australian resident for Australian tax purposes, and either:
 - (i) the Sierra Rutile Shareholder has an address outside Australia; or
 - (ii) Leonoil is authorised to provide a financial benefit relating to the transaction to a place outside Australia (whether to the Sierra Rutile Shareholder or to anyone else); or
- (c) the Sierra Rutile Shareholder has a connection outside Australia of a kind specified in the regulations.

Sierra Rutile Shareholders who have an amount withheld should generally be entitled to a credit for the amount withheld upon lodging an Australian income tax return. In addition, a Sierra Rutile Shareholder may apply to the Commissioner of Taxation prior to the disposal of their Sierra Rutile Shares to vary the rate of withholding down from 12.5% if the tax liability expected to arise from that disposal is less than 12.5% of the Offer Price.

If Leonoil determines that it has an obligation to pay CGT Withholding Tax in respect of a Sierra Rutile Share, Leonoil may ask the relevant Sierra Rutile Shareholder to complete a Foreign Resident Declaration Form (Declaration Form) to declare that it is an Australian tax resident or that its Sierra Rutile Shares are not indirect Australian real property interests.

If the relevant Sierra Rutile Shareholder does not provide an appropriately completed Declaration Form prior to Leonoil acquiring its Sierra Rutile Shares or if Leonoil reasonably believes that the information in the Declaration Form is not correct, then Leonoil may withhold the CGT Withholding Tax from the Offer Price payable to the Sierra Rutile Shareholder, and pay that amount to the ATO. In such an instance, the relevant Sierra Rutile Shareholder will only receive the net proceeds and will be taken to receive the full Offer Price for the purposes of the Offer.

11.5 Stamp duty

Any stamp duty payable on the transfer of Sierra Rutile Shares to Leonoil pursuant to the Offer will be paid by Leonoil.

11.6 GST

GST should not be payable on the disposal of Sierra Rutile Shares.

Sierra Rutile Shareholders should seek their own advice to determine whether any GST incurred on costs in relation to the disposal of their Sierra Rutile Shares is recoverable.

12 Additional information

12.1 Date for determining holders of Sierra Rutile Shares

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

12.2 Interests in Sierra Rutile Shares

As at the date of this Bidder's Statement, Leonoil has a Relevant Interest in 84,273,129 Sierra Rutile Shares which represents 19.85% of the total number Sierra Rutile Shares on issue as at the date of this Bidder's Statement. Accordingly, Leonoil has Voting Power in Sierra Rutile of 19.85% as at the date of this Bidder's Statement.

12.3 Bid Implementation Agreement

On 19 July 2024, Leonoil and Sierra Rutile entered into the Bid Implementation Agreement pursuant to which Leonoil agreed to make the Offer. A summary of the material terms of the Bid Implementation Agreement is set out below.

(a) Recommendation

The Sierra Rutile Board represents and warrants that, they will:

- (i) unanimously recommend that Sierra Rutile Shareholders accept the Offer to be made to them; and
- (ii) accept, or procure the acceptance of, the Offer in respect of any Sierra Rutile Shares that they, or their Associates, own or control,

in each case in the absence of a Superior Proposal.

(b) Break fee

- (i) A US\$400,000 break fee will be payable by Leonoil to Sierra Rutile in circumstances where, before the end of the Offer Period, Sierra Rutile terminates the Bid Implementation Agreement in any of the circumstances referred to in section 12.3(c)(i)(A) or 12.3(c)(i)(B).
- (ii) A US\$400,000 break fee will be payable by Sierra Rutile to Leonoil in circumstances where:
 - (A) a Competing Proposal is announced or made by a third party and, within 12 months after the end of the Offer Period, the third party completes a transaction of the kind referred to in the definition of Competing Proposal;
 - (B) any director of Sierra Rutile fails to recommend that Sierra Rutile Shareholders accept the Offer in the absence of a Superior Proposal or, having made such a recommendation, makes a public statement which withdraws, adversely revises or adversely qualifies that recommendation (subject to certain exceptions);

- (C) any director of Sierra Rutile accepts or supports or publicly states an intention to accept or support, or recommends that Sierra Rutile Shareholders accept or support, a Competing Proposal; or
- (D) Leonoil terminates the Bid Implementation Agreement in any of the circumstances referred to in sections 12.3(c)(i)(A), 12.3(c)(i)(B) or 12.3(c)(ii).

(c) **Termination**

The Bid Implementation Agreement:

- (i) may be terminated by either party if, after the Announcement Date and before the end of the Offer Period in the case of:
 - (A) a material breach of the Bid Implementation Agreement by the other party;
 - (B) a representation or warranty given by the other party being or becoming untrue in any material respect;
 - (C) a court or Regulatory Authority issuing an order, decree or ruling, or taking other action, that permanently restrains or prohibits the Offer;
 - (D) Leonoil withdrawing the Offer, or the Offer lapsing for any reason, including non-satisfaction of a Condition to the Offer;
- (ii) may be terminated by Leonoil if, after the Announcement Date and before the end of the Offer Period:
 - (A) a Competing Proposal is made or publicly announced by a third party and a majority of the Sierra Rutile Directors entitled or able to make a recommendation publicly recommend or support the Competing Proposal;
 - (B) a director of Sierra Rutile does not recommend the Offer be accepted by Sierra Rutile Shareholders or, having recommended the Offer, withdraws or adversely modifies their recommendation of the Offer; or
 - (C) a Material Adverse Change or Prescribed Occurrence occurs; and
- (iii) will terminate automatically at the earlier of:
 - (A) 20 November 2024, if the Offer has not closed or become unconditional by that date (unless extended by the parties); and
 - (B) 5 Business Days after the date on which the Offer is closed for acceptance.

(d) **Exclusivity arrangements**

Sierra Rutile has agreed to various customary exclusivity restrictions and obligations in favour of Leonoil including:

- (i) an obligation to cease any existing discussions or negotiations relating to any Competing Proposal or any transaction that is reasonably likely to reduce the likelihood of success of the Offer;

- (ii) 'no shop' and 'no talk' restrictions;
- (iii) an obligation to notify Leonoil of any approaches, enquiries, proposals or attempts to initiate discussions, or any requests made for any information, in connection with an actual, proposed or potential Competing Proposals;
- (iv) a restriction on entering into any binding documentation with a third party in connection with an actual, proposed or potential Competing Proposal (other than a confidentiality arrangement entered into in good faith) without first providing Leonoil with an opportunity to make a matching or superior proposal; and
- (v) an obligation to provide Leonoil with all material non-public information about the business or affairs of the Sierra Rutile Group provided to any third party in connection with an actual, proposed or potential Competing Proposal that that has not been previously provided to Leonoil.

The full terms and conditions of the Bid Implementation Agreement are set out in the ASX announcement released by Sierra Rutile dated 22 July 2024 and titled "Board Recommends Takeover Offer From Leonoil".

12.4 On market purchases

If the Offer becomes unconditional then, subject to the Corporations Act, and in accordance with rule 5.13.1 of the ASIC Market Integrity Rules, Leonoil may appoint a broker to acquire Sierra Rutile Shares on market during normal trading hours on the ASX during the Bid Period (as defined in the ASIC Market Integrity Rules) at prices equal to, below, or higher than, the Offer Price (**On Market Purchases**).

If Leonoil instructs its broker to make on market acquisitions of Sierra Rutile Shares on its behalf above the then Offer Price, it will instruct its broker that upon the order on market First Executing on ASX Trade (such that it results in any acquisition above the then Offer Price), the broker is to remove any other orders on Leonoil's behalf from the market (if any have been entered) at that time. On the happening of the order First Executing on ASX Trade, Leonoil will promptly make an announcement on ASX of the purchase or purchases, and the price (or highest price) paid and that the Offer Price is automatically increased accordingly under section 651A of the Corporations Act, before Leonoil (through its broker) makes any further on-market acquisitions other than as ASX Trade automatically matches any unfilled balance under the order. As soon as practicable following that announcement on ASX, Leonoil will lodge and serve a supplementary bidder's statement as required by law.

If the Offer Price paid to acquire Sierra Rutile Shares in an On Market Purchase is higher than the Offer Price, Sierra Rutile Shareholders who have previously received consideration for Your Sierra Rutile Shares shall be entitled to receive the increase in consideration.

12.5 Institutional acceptance facility

Leonoil may establish an institutional acceptance facility under which institutional shareholders of Sierra Rutile can lodge acceptance forms to an institutional facility agent with directions to the institutional facility agent to accept the Offer when all Conditions are fulfilled or freed. Any such directions from institutional shareholders will be subject to the institutional shareholders' rights to withdraw the directions and are therefore different from binding acceptances under the Offer. If it decides to establish an institutional acceptance facility, Leonoil will make detailed disclosure on the facility, including as to the facility's structure, operational procedures, conditions and withdrawal rights.

12.6 Consents

The following persons have consented to being named in this Bidder's Statement in the form and context in which their names appear and have not withdrawn their consent prior to the lodgement of this Bidder's Statement with ASIC:

- (a) Gilbert + Tobin, as the legal adviser to Leonoil in respect of the Offer;
- (b) Sternship Advisers Pty Ltd, as the financial adviser to Leonoil in respect of the Offer;
- (c) Link Market Services Limited, as the Registry for the Offer; and
- (d) Company Matters Pty Limited, as Leonoil's agent for service of process in Australia.

Other than those statements made by the persons described in sections 12.7 and 12.8, none of the abovementioned persons have made any statement in this Bidder's Statement, or made any statement on which a statement in this Bidder's Statement is based, and (to the maximum extent permitted by law) expressly disclaims all liability, in respect of, makes no representation regarding and takes no responsibility for, any part of this Bidder's Statement (other than as specified above).

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Bidder's Statement contains trading data sourced from IRESS without its consent.

12.7 Documents lodged with ASIC or given to ASX

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of *ASIC Corporations (Takeover Bids) Instrument 2023/683*, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement.

If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge) please contact the Offer Information Line on 1800 992 145 (within Australia) or +61 1800 992 145 (outside Australia) between 7:00am and 6:00pm (AWST), Monday to Friday (excluding public holidays) during the Offer Period. Calls to these numbers may be recorded. The copy will be provided within 2 Business Days of the request.

12.8 Service of process

Leonoil has appointed Company Matters Pty Limited as its agent for service of process in Australia. Company Matters Pty Limited's address for service is Level 12, 680 George Street, Sydney NSW 2000.

12.9 Official statements

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Bidder's Statement may include or be accompanied by a statement that:

- (a) fairly represents what purports to be a statement made by an official person;
- (b) is a correct and fair copy of, or extract from, what purports to be a public official document; or

- (c) is a correct and fair copy of, or extract from, a statement which has been published in a book, journal or comparable publication.

12.10 Regulatory and other approvals

Leonoil is not aware of any regulatory approval that Leonoil requires for it to acquire the Sierra Rutile Shares under the Offer.

12.11 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is material to the making of a decision by a Sierra Rutile Shareholder whether or not to accept the Offer and known to Leonoil which has not previously been disclosed to Sierra Rutile Shareholders.

13 The terms and conditions of the Offer

13.1 Offer

- (a) Leonoil offers to acquire all of Your Sierra Rutile Shares, together with all Rights attaching to them, on and subject to the terms and conditions set out in this section 13 of this Bidder's Statement.
- (b) The consideration under the Offer is \$0.18 in cash for each Sierra Rutile Share.
- (c) You may only accept the Offer for all of Your Sierra Rutile Shares.
- (d) By accepting the Offer, you undertake to transfer to Leonoil not only Your Sierra Rutile Shares, but also all Rights attached to those Sierra Rutile Shares.
- (e) This Offer is being made to:
 - (i) each person registered as the holder of Sierra Rutile Shares in the register of Sierra Rutile Shareholders at 5:00pm (AWST) on the Register Date;
 - (ii) holders of securities that come to be Sierra Rutile Shares during the period from the Register Date to the end of the Offer Period due to the vesting, conversion of, or exercise of Rights conferred by, such securities and which are on issue as at the Register Date (including Restricted Rights or Performance Rights); and
 - (iii) any person who becomes registered, or entitled to be registered, as the holder of Your Sierra Rutile Shares during the Offer Period.
- (f) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your Sierra Rutile Shares, then:
 - (i) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to that other person in respect of those Sierra Rutile Shares;
 - (ii) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to you in respect of any other Sierra Rutile Shares you hold to which the Offer relates; and
 - (iii) the Offer will be deemed to have been withdrawn immediately at that time.
- (g) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Sierra Rutile Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as the Offer had been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Offer Information Line on 1800 992 145 (within Australia) or +61 1800 992 145 (outside Australia) between 7:00am and 6:00pm (AWST), Monday to Friday (excluding public holidays) to request those additional copies.

- (h) If Your Sierra Rutile Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.
- (i) The Offer is dated 6 August 2024.

13.2 Offer Period

- (a) Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of the Offer and ending at 5:00pm (AWST) on the later of:
 - (i) 9 September 2024; or
 - (ii) any date to which the Offer Period is extended in accordance with the Corporations Act.
- (b) Leonoil reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last seven days of the Offer Period, either of the following events occurs:
 - (i) the Offer is varied to improve the consideration offered; or
 - (ii) the Voting Power of Leonoil in Sierra Rutile increases to more than 50%,then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

13.3 How to accept the Offer

- (a) **General**
 - (i) Subject to section 13.1(f) and section 13.1(g), you may accept the Offer in respect of all of Your Sierra Rutile Shares but for no more or less.
 - (ii) The Offer may only be accepted during the Offer Period.
 - (iii) If you accept the Offer, you will be taken to have accepted the Offer for all Your Sierra Rutile Shares (despite any difference between that number and the number of Sierra Rutile Shares specified on your Acceptance Form when you accept the Offer).

- (b) **Sierra Rutile Shares held in your name on Sierra Rutile's issuer sponsored subregister** (your SRN starts with an "I")

To accept the Offer:

- (i) to accept the Offer online, you must log in to <https://events.miracle.com/leonoil-offer> using your SRN, follow the instructions there, select the 'Accept' option, and submit your acceptance before the end of the Offer Period; or
- (ii) complete and sign the Acceptance Form enclosed with this Bidder's Statement in accordance with the terms of the Offer and the instructions on the Acceptance Form and ensure that the Acceptance Form (including any documents required by the terms of the Offer and the instructions on the

Acceptance Form) is sent so that it is received before the end of the Offer Period at the address shown on the Acceptance Form.

- (c) **Sierra Rutile Shares held in your name in a CHESSE Holding** (your HIN starts with an “X”)

To accept the Offer you must:

- (i) if you are not a Participant, instruct your Controlling Participant (this is normally your broker) to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
- (ii) if you are a Participant, you should initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules; or
- (iii) alternatively:
 - (A) to accept the Offer online, you must log in to <https://events.miraqle.com/leonoil-offer> using your HIN, follow the instructions there, and select the ‘Accept’ option; or
 - (B) complete and sign the Acceptance Form enclosed with this Bidder’s Statement in accordance with the instructions on the form and send it with all other documents required by those instructions on it if by post, to the address shown on the Acceptance Form,

in each case in sufficient time for the Registry to give instructions to your Controlling Participant and for your Controlling Participant to carry out those instructions before the end of the Offer Period.

This will authorise Leonoil to initiate, or alternatively to instruct your Controlling Participant to initiate, acceptance of the Offer on your behalf, so as to be effective before the end of the Offer Period. If you do return your completed Acceptance Form to the Registry instead of your Controlling Participant, the Registry will endeavour to contact your Controlling Participant on your behalf and relay your instructions but makes no guarantee that it will do so. It is your Controlling Participant’s responsibility to acknowledge and accept these instructions. Neither Leonoil nor the Registry will be responsible should your Controlling Participant not acknowledge and accept your instructions.

You must comply with any other applicable ASX Settlement Operating Rules.

If some of Your Sierra Rutile Shares are in different holdings, your acceptance of the Offer may require action under clauses 13.3(b) and 13.3(c) in relation to the separate portions of Your Sierra Rutile Shares.

- (d) **Sierra Rutile Shares of which you are entitled to be registered as holder**

To accept the Offer for Sierra Rutile Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

- (i) complete and sign the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
- (ii) ensure that the Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is received

before the end of the Offer Period at the address shown in the Acceptance Form.

(e) **Acceptance Form and other documents**

- (i) The Acceptance Form forms part of the Offer.
- (ii) If you intend to accept the Offer online, you must ensure that your acceptance is submitted before the end of the Offer Period. Neither Leonoil nor the Registry accept any liability or responsibility for any website downtime, delays or access failure that may occur due to any circumstances beyond its control and which may delay or impede your ability to access <https://events.miracle.com/leonoil-offer> or submit an acceptance online.
- (iii) If your Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by Leonoil at the address shown on the Acceptance Form before the end of the Offer Period.
- (iv) When using the Acceptance Form to accept the Offer in respect of Sierra Rutile Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of the Offer and the instruction on the Acceptance Form) are received by Leonoil in time for Leonoil to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (v) When accepting this offer, you should also forward for inspection:
 - (A) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
 - (B) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Sierra Rutile Shareholder, a certified copied of the relevant grant of probate or letters of administration.
- (vi) Completed Acceptance Forms should be sent to:

By post:

Link Market Services
Locked Bag A14
Sydney South
NSW 1235 Australia

By hand:

Link Market Services
Level 12
680 George Street
Sydney NSW 2000 Australia

(f) **Risk in online acceptance and Acceptance Form**

- (i) The use of <https://events.miracle.com/leonoil-offer> to accept the Offer online is at your own risk. If you do not receive a confirmation message after attempting to accept the Offer online, please contact the Offer Information Line on 1800 992 145 (within Australia) or +61 1800 992 145 (outside Australia) between 7:00am and 6:00pm (AWST), Monday to Friday (excluding public holidays).
- (ii) The postage and transmission of the Acceptance Form and other documents is at your own risk. No acknowledgement of receipt of any such documents will be given to you by or on behalf of Leonoil.

13.4 Validity of acceptances

- (a) Subject to this section 13.4, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 13.3.
- (b) Leonoil will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Leonoil is not required to communicate with you prior to or after making this determination. The determination of Leonoil will be final and binding on all parties.
- (c) Notwithstanding sections 13.3(b), 13.3(c) and 13.3(e), Leonoil may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Sierra Rutile Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Leonoil.
- (d) Where the requirements of section 13.3 have been complied with in respect of some but not all of Your Sierra Rutile Shares, Leonoil may, in its sole discretion, deem your acceptance of the Offer valid in respect of those Sierra Rutile Shares for which the requirements have been complied with but not in respect of the remained (unless Leonoil waives those requirements in accordance with clause 13.4(c)).
- (e) Leonoil will provide the consideration to you in accordance with section 13.6, in respect of any part of an acceptance determined by Leonoil to be valid.

13.5 The effect of acceptance

- (a) Once you have accepted the Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Sierra Rutile Shares from the Offer or otherwise dispose of Your Sierra Rutile Shares, except as follows:
 - (i) if, by the end of the Offer Period, the Conditions have not been fulfilled or freed, the Offer will automatically terminate and Your Sierra Rutile Shares will be released to you; or
 - (ii) if the Offer Period is varied in a way that postpones for more than one month the time when Leonoil must pay the consideration under the Offer and, at the time, the Offer is subject to one or more of the Conditions, you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- (b) By completing, signing and returning the Acceptance Form, or otherwise accepting the Offer pursuant to section 13.3, you will be deemed to have:
 - (i) accepted the Offer (and any variation of it) in respect of, and, subject to all the Conditions to the Offer being fulfilled or freed, agreed to transfer to Leonoil, all of Your Sierra Rutile Shares, subject to section 13.1(f) and section 13.1(g);
 - (ii) represented and warranted to Leonoil, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your Sierra Rutile Shares (including any Rights) to Leonoil is registered, that all Your Sierra Rutile Shares are and will be free from all mortgages, charges, liens, encumbrances and

adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in Your Sierra Rutile Shares (including any Rights) to Leonoil, and that you have paid to Sierra Rutile all amounts which at the time of acceptance have fallen due for payment to Sierra Rutile in respect of Your Sierra Rutile Shares;

- (iii) irrevocably authorised Leonoil (and any director, secretary, nominee or agent of Leonoil) to alter the Acceptance Form on your behalf by inserting correct details relating to Your Sierra Rutile Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by Leonoil to make it an effective acceptance of the Offer or to enable registration of Your Sierra Rutile Shares in the name of Leonoil;
- (iv) if you signed the Acceptance Form or submitted an online acceptance in respect of Sierra Rutile Shares which are held in a CHES Holding, irrevocably authorised Leonoil (or any director, secretary, nominee or agent of Leonoil) to instruct your Controlling Participant to initiate acceptance of the Offer in respect of Your Sierra Rutile Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
- (v) if you signed the Acceptance Form or submitted an online acceptance in respect of Sierra Rutile Shares which are held in a CHES Holding, irrevocably authorised Leonoil (or any director, secretary, nominee or agent of Bidder) to give any other instructions in relation to Your Sierra Rutile Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant, as determined by Leonoil acting in its own interests as a beneficial owner and intended registered holder of those Sierra Rutile Shares;
- (vi) irrevocably authorised and directed Sierra Rutile to pay to Leonoil, or account to Leonoil for, all Rights in respect of Your Sierra Rutile Shares, subject, if the Offer is withdrawn, to Leonoil accounting to you for any such Rights received by Leonoil;
- (vii) irrevocably authorised Leonoil to notify Sierra Rutile on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Sierra Rutile Shares is the address specified by Leonoil in the notification;
- (viii) with effect from the time and date on which all the Conditions have been fulfilled or freed, to have irrevocably appointed Leonoil (and any director, secretary or nominee of Leonoil) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to Your Sierra Rutile Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings and all court-convened meetings of Sierra Rutile and to request Sierra Rutile to register, in the name of Leonoil or its nominee, Your Sierra Rutile Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
- (ix) with effect from the date on which all the Conditions have been fulfilled or freed, to have agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting or any court-convened meeting of Sierra Rutile or to exercise or purport to exercise any of the

powers and rights conferred on Leonoil (and its directors, secretaries and nominees) in section 13.5(b)(viii);

- (x) agreed that in exercising the powers and rights conferred by the powers of attorney granted under section 13.5(b)(viii), the attorney will be entitled to act in the interests of Leonoil as the beneficial owner and intended registered holder of Your Sierra Rutile Shares;
- (xi) agreed to do all such acts, matters and things that Leonoil may require to give effect to the matters the subject of this section 13.5(b) (including the execution of a written form of proxy to the same effect as this section 13.5(b) which complies in all respects with the requirements of the constitution of Sierra Rutile) if requested by Leonoil;
- (xii) where, at that time, you have a right to be registered as a holder of the Sierra Rutile Shares the subject of your acceptance as the result of an on-market purchase:
 - (A) agreed to use best endeavours to procure the delivery of the Sierra Rutile Shares the subject of your acceptance to Leonoil in accordance with your acceptance (including giving Leonoil all documents necessary to vest those Sierra Rutile Shares in Leonoil or otherwise to give Leonoil the benefit or value of those Sierra Rutile Shares);
 - (B) agreed not to do or omit to do anything which may frustrate your acceptance of the Offer, or otherwise obstruct registration of the transfer of the Sierra Rutile Shares the subject of your acceptance to Leonoil;
 - (C) irrevocably assigned to Leonoil all contractual rights and recourse against the vendor in respect of your on-market purchase which contractual rights and recourse may arise by reason of that person's failure to complete the trade;
 - (D) agreed to assign to Leonoil (without any further action being required) all rights in respect of your on-market purchase immediately on any failure by you to complete that trade, including irrevocably assigning to Leonoil all right to (at Leonoil's ultimate discretion) complete that trade on your behalf, and agreed that Leonoil may deduct from the consideration otherwise payable to you (pursuant to a valid acceptance of the Offer and the delivery of the Sierra Rutile Shares the subject of that acceptance) any amount paid by Leonoil in order to settle that on-market purchase on your behalf. If Leonoil does not, or cannot, make such a deduction, you must pay such amount to Leonoil; and
 - (E) agreed that if you are unable to assign to Leonoil any of the rights and recourse specified under sections 13.5(b)(xii)(C) and 13.5(b)(xii)(D), you will assign such rights and recourse as soon as you are legally able to;
- (xiii) agreed to indemnify Leonoil in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or SRN or in consequence of the transfer of Your Sierra Rutile Shares to Leonoil being registered by Sierra Rutile without production of your Holder Identification Number or your SRN for Your Sierra Rutile Shares;

- (xiv) represented and warranted to Leonoil that, unless you have notified it in accordance with section 13.1(g), Your Sierra Rutile Shares do not consist of separate parcels of Sierra Rutile Shares;
- (xv) irrevocably authorised Leonoil (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer Your Sierra Rutile Shares to the Takeover Transferee Holding of Leonoil, regardless of whether it has paid the consideration due to you under the Offer;
- (xvi) agreed, subject to the Conditions being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Leonoil may consider necessary or desirable to convey Your Sierra Rutile Shares registered in your name and Rights to Leonoil; and
- (xvii) unless you notify the Registry otherwise, declared that either:
 - (A) you are a resident of Australia; or
 - (B) Your Sierra Rutile Shares are not indirect Australian real property interests,

in each case for the purposes of the *Income Tax Assessment Act 1997* (Cth) or the *Income Tax Assessment Act 1936* (Cth), as relevant.

The undertakings and authorities referred to in section 13.5(b) will remain in force after you receive the consideration for Your Sierra Rutile Shares and after Leonoil becomes registered as the holder of Your Sierra Rutile Shares.

By accepting the Offer, you will be deemed to have agreed to the matters set out in section 13.5 above, notwithstanding where the Offer has been caused to be accepted in accordance with the ASX Settlement Operating Rules.

13.6 Payment of consideration

- (a) Subject to sections 13.4(b) and 13.6(b) and the Corporations Act, Leonoil will provide the consideration due to you for Your Sierra Rutile Shares on or before the earlier of:
 - (i) one month after the date on which you validly accept the Offer in respect of Your Sierra Rutile Shares, or within one month after the Offer is declared or becomes unconditional (whichever is the later); and
 - (ii) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form or subsequent request from Leonoil requires an additional document to be delivered with your Acceptance Form (such as a certified copy of any of a power of attorney, grant of probate or letters of administration, or any other document reasonably requested by Leonoil to give better effect to your acceptance):
 - (i) if that document is given with your Acceptance Form, Leonoil will provide the consideration in accordance with section 13.6(a);
 - (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while the Offer is subject to a Condition, Leonoil will provide the consideration due to you on or before the earlier of one month after the Offer becomes unconditional and 21 days after the date of the Offer Period;

- (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while the Offer is not subject to a Condition, Leonoil will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period;
 - (iv) if that document is given after the end of the Offer Period, and the Offer is not subject to a Condition, Leonoil will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a Condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, Leonoil will provide the consideration due to you within 21 days after the Offer becomes unconditional.
- (c) If you accept the Offer, Leonoil is entitled to all Rights in respect of Your Sierra Rutile Shares. Leonoil may require you to provide all documents necessary to vest title to those Rights in Leonoil, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Leonoil, or if you have received the benefit of those Rights, Leonoil will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Leonoil) of those Rights. If Leonoil does not, or cannot, make such a deduction, you must pay such value or amount to Leonoil.
- (d) Payment of any cash amount to which you are entitled under the Offer will be made by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) to the address shown either, at the discretion of Leonoil, on your Acceptance Form or the Sierra Rutile Register supplied by Sierra Rutile from time to time. Payment will be deemed to have been made at the time the cheque is delivered by or on behalf of Leonoil to the post for delivery. If Your Sierra Rutile Shares are held in a joint name, the cheque will be issued in the name of the joint holders and forwarded to the address that appears first in the register of Sierra Rutile.
- (e) Under no circumstances will interest be paid on the consideration to which you are entitled, regardless of any delay in providing the consideration or any extension of the Offer.
- (f) If any amount (the withholding amount) is required, under any Australian law or by any Governmental Agency, to be:
 - (i) withheld from any consideration otherwise payable to you under the Offer and paid to a Governmental Agency; or
 - (ii) retained by Leonoil out of any consideration otherwise payable to you under the Offer,the payment or retention by Leonoil of the withholding amount (as applicable) will constitute full discharge of Leonoil's obligation to pay the consideration to you to the extent of the withholding amount.
- (g) If at the time you accept the Offer any of the following:
 - (i) *Banking Act 1959 (Cth)*;
 - (ii) *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*;
 - (iii) *Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth)*;
 - (iv) *Autonomous Sanctions Act 2011 (Cth)*; or

- (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Department of Foreign Affairs and Trade, the ATO or any other government authority be obtained before you receive any consideration for Your Sierra Rutile Shares, or would make it unlawful for Leonoil to provide any consideration to you for Your Sierra Rutile Shares, you will not be entitled to receive any consideration for Your Sierra Rutile Shares until all requisite authorities, clearances or approvals have been received by Leonoil.

- (h) The Offer consideration you are paid will be reduced by the amount or value of any Rights attaching to your Sierra Rutile Shares, on or after the Announcement Date, which Leonoil does not receive.

13.7 Conditions

Subject to section 13.8, the Offer and any contract resulting from your acceptance of the Offer are subject to the fulfilment of the conditions set out below (**Conditions**). If the Conditions are not all fulfilled or freed in accordance with the terms of the Offer, the Offer will lapse.

(a) **No Material Adverse Change**

None of the following occurs:

- (i) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (ii) information is disclosed or announced by Sierra Rutile concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (iii) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to Leonoil (whether or not becoming public),

after the date of the Bid Implementation Agreement, or before the date of the Bid Implementation Agreement but has not been publicly announced prior to the date of the Bid Implementation Agreement (each of (i), (ii) and (iii), a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (iv) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Sierra Rutile Group taken as a whole; a material adverse effect on the status or terms of any approvals, licences, permits, or tenements issued by any Regulatory Authority in relation to the Area 1 Project or Sembehun Project, including Mining Lease and Dredging Licence No. 2134 granted to Sierra Rutile, which materially adversely affects, or would be reasonably likely to materially adversely affect, the ability to operate the Area 1 Project or result in the loss of, or would be reasonably likely to result in the loss of, any approvals, licences, permits, or tenements currently held by a member of the Sierra Rutile Group in relation to the Sembehun Project; or
- (v) without limiting the generality of clauses (iv) and (v):

- (A) the effect of a diminution in the value of the consolidated net assets of the Sierra Rutile Group, taken as a whole, by at least US\$25 million against what it would reasonably have been expected to have been but for such Specified Event; or
- (B) the effect of a diminution in the revenue of the Sierra Rutile Group, taken as a whole, by at least US\$35 million for the financial year ending 31 December 2024 for the Sierra Rutile Group against what it would reasonably have been expected to have been but for such Specified Event,

other than:

- (vi) any matter Fairly Disclosed;
- (vii) any change occurring with the written consent of Leonoil;
- (viii) any change occurring directly or indirectly as a result of any matter, event or circumstance required by the Bid Implementation Agreement, the Offer or the transactions contemplated by them, including the Interim Funding;
- (ix) any matter, event or circumstance arising from:
 - (A) changes or developments in general economic or political conditions, taxation, interest rates, foreign currency exchange rates, the securities market in general; or
 - (B) any change or proposed change in any laws, or the interpretation or non-application of any laws by any Regulatory Authority, or any arrangements with any Regulatory Authority,

provided the Sierra Rutile Group is not disproportionately affected in comparison to other participants in the mining industry in Sierra Leone;

- (x) any change in generally accepted accounting principles or standards or the interpretation of them; and
- (xi) any matter, event or circumstance arising from adverse weather conditions or natural disasters.

(b) **Government or regulatory action**

There is no:

- (i) preliminary or final decision, order or ruling issued by any Regulatory Authority in effect;
- (ii) application made to any Regulatory Authority (other than by Leonoil or any Associate of Leonoil); or
- (iii) action or investigation announced, commenced, or threatened by any Regulatory Authority,

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which:

- (iv) restrains, prohibits, or impedes or is reasonably likely to restrain, prohibit or impede or may otherwise materially adversely impact upon the making of the Offer, the acquisition of Sierra Rutile Shares under the Offer, the rights of either Leonoil in its capacity as a Sierra Rutile Shareholder, the completion of any transaction contemplated by the Offer or the Takeover Bid, or the Sierra Rutile Group's operations in Sierra Leone; or
- (v) seeks to require the divesture of any Sierra Rutile Shares by Leonoil.

(c) **Prescribed Occurrences**

Between the Announcement Date and the end of the Offer Period (each inclusive), none of the following occurs:

- (i) Sierra Rutile converts all or any of its Shares into a larger or smaller number of Shares (see section 254H of the Corporations Act);
- (ii) any member of the Sierra Rutile Group resolves to reduce its share capital in any way;
- (iii) any member of the Sierra Rutile Group:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (iv) any member of the Sierra Rutile Group declares, pays or distributes any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital;
- (v) any member of the Sierra Rutile Group issues shares, or grants a performance right, a phantom performance right, or an option over its shares, or agrees to make such an issue or grant such a performance right, phantom performance right or an option except any issue to Sierra Rutile or a direct or indirect wholly-owned Subsidiary of Sierra Rutile;
- (vi) any member of the Sierra Rutile Group issues, or agrees to issue, convertible notes;
- (vii) any member of the Sierra Rutile Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property other than to another member of the Sierra Rutile Group;
- (viii) any member of the Sierra Rutile Group creates or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property, other than:
 - (A) any such security interest required in connection with Sierra Rutile's debt facilities which has been fairly disclosed to ASX or to Leonoil in writing prior to the date of the Bid Implementation Agreement;
 - (B) any such security interest granted in favour of Sierra Rutile or another member of the Sierra Rutile Group;
 - (C) a lien which arises by operation of law or legislation securing an obligation that is not yet due; or

- (D) in the usual and ordinary course of business consistent with past practice; or
- (ix) any member of the Sierra Rutile Group becomes Insolvent, other than a matter:
 - (A) in relation to which Leonoil has expressly agreed to in writing;
 - (B) resulting from the exercise by any party of its rights, or the discharge by any party of its obligations, under the Bid Implementation Agreement; or
 - (C) the occurrence or potential or planned occurrence of which has been Fairly Disclosed.
- (d) **Capital raising**

Sierra Rutile does not conduct any form of equity capital raising or material debt financing (including the issue of any new securities) between the Announcement Date and the end of the Offer Period, except the Interim Funding or with the written consent of Leonoil.
- (e) **Incurring of significant liabilities**

The Sierra Rutile Group does not incur any liabilities in excess of US\$2.5 million or change the terms of its debt financing arrangement in any material respect, except liabilities contemplated in the Bid Implementation Agreement or with the written consent of Leonoil.
- (f) **Capital expenditure**

The Sierra Rutile Group does not incur or commit to incur an amount of capital expenditure in excess of US\$2.5 million other than:

 - (i) capital expenditure that has been announced by Sierra Rutile before the Announcement Date as intended to be incurred or committed;
 - (ii) as Fairly Disclosed; or
 - (iii) as otherwise consented to in writing by Leonoil.
- (g) **New significant contracts and variations**

The Sierra Rutile Group does not enter into, waive any material rights under, vary or terminate any contract, commitment or arrangement which:

 - (i) may require annual expenditure by the relevant member of the Sierra Rutile Group in excess of US\$2.5 million or is otherwise of material importance to the business or operations of the Sierra Rutile Group, except any entry into, waiver, variation or termination that may occur for the purposes of the Interim Funding;
 - (ii) relates to one or more off-take agreements, other than such agreements satisfying all of the following:
 - (A) entered into in the ordinary course of the Sierra Rutile Group's business;

- (B) representing revenue not exceeding US\$20 million (in aggregate);
 - (C) which are for terms not exceeding 6 months; and
 - (D) do not provide for pre-payments by customers exceeding 3 months of revenue; or
- (iii) is with a Regulatory Authority and relates to the taxation or fiscal regime or regulations applicable to the Sierra Rutile Group in Sierra Leone or the Area 1 Project or the Sembehun Project,

in each case without the written consent of Leonoil.

(h) **Material acquisitions and disposals**

Neither Sierra Rutile nor any of its Subsidiaries acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any corporate transaction, which would or would be likely to involve a material change in:

- (i) the manner in which the Sierra Rutile Group conducts its business or operations;
- (ii) the nature (including balance sheet classification), extent or value of the assets of the Sierra Rutile Group; or
- (iii) the nature (including balance sheet classification), extent or value of the liabilities of the Sierra Rutile Group,

including, without limitation, any transaction which would or (subject to one or more conditions) may involve:

- (iv) Sierra Rutile or any member of the Sierra Rutile acquiring, or agreeing to acquire, one or more companies, businesses or assets for an amount in aggregate greater than US\$2.5 million; or
- (v) Sierra Rutile or any Subsidiary of the Sierra Rutile Group disposing, or agreeing to dispose of, one or more companies, businesses or assets (or any interest therein) for an amount in aggregate greater than US\$2.5 million, other than product sales or in the ordinary course or with the written consent of Leonoil.

(i) **Discretionary vesting**

Except as Fairly Disclosed, no Performance Rights on issue are caused to vest by the exercise of a discretion of the Sierra Rutile Board and thereby be converted into Sierra Rutile Shares.

(j) **Counterparty consent**

Before the end of the Offer Period, each relevant party to a Relevant Material Contract provides to Sierra Rutile in writing a binding, irrevocable and unconditional waiver or release of (**Relevant Release**) in relation to their Relevant Right and the statement is not materially varied, revoked or qualified before the end of the Offer Period.

For the purposes of this clause, **Relevant Material Contract** means a Material Contract under which a party (other than Sierra Rutile or any of its Subsidiaries) has a Relevant Right, and **Relevant Right** means the right of a party (other than Sierra Rutile or any of its Subsidiaries) to a Material Contract to:

- (i) terminate that Material Contract;
- (ii) vary, amend or modify that Material Contract;
- (iii) exercise or enforce any material right under that Material Contract to the detriment of Sierra Rutile or any of its Subsidiaries; or
- (iv) benefit from the operation of a provision which automatically terminates, varies, amends or modifies that Material Contract,

(including where that right is subject to: (A) the satisfaction or failure of a contingency or condition; or (B) one or more defeating conditions to the Offer being fulfilled or freed) as a direct or indirect result of:

- (v) Leonoil announcing or making the Offer;
- (vi) Leonoil acquiring, or acquiring a Relevant Interest in, any of the Sierra Rutile Shares;
- (vii) Leonoil obtaining a Relevant Interest in 50% or more of the Sierra Rutile Shares then on issue;
- (viii) Leonoil acquiring control of Sierra Rutile;
- (ix) Leonoil implementing or seeking to implement any of its intentions for Sierra Rutile as described in the Bid Implementation Agreement; or
- (x) any of the Sierra Rutile Directors making a recommendation in relation to the Offer.

(k) **Litigation on foot or pending**

No litigation against the Sierra Rutile Group which may reasonably result in a judgement of US\$3 million or more is commenced, is threatened to be commenced, is announced, or is made known to Leonoil (whether or not becoming public), other than that which has been announced to ASX by Sierra Rutile prior to the Announcement Date.

(l) **Leonoil third party approvals**

All approvals or consents that are required by law, by any Regulatory Authority or from any third party in relation to Sierra Rutile or the Sierra Rutile Group's material assets, and which are necessary to permit:

- (i) the Offer to be lawfully made by Leonoil to and accepted by Sierra Rutile Shareholders; and
- (ii) the transaction contemplated by this Bidder's Statement to be completed (including, without limitation, full, lawful and effectual implementation of the intentions set out in this Bidder's Statement),

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(m) **Default on debt obligations**

No event, change, condition, matter or thing occurs or becomes known to Leonoil after the Announcement Date, which (or with the passage of time) has or would be reasonably likely to have the effect of a material default on a debt obligation or financial liability of a member of the Sierra Rutile Group.

(n) **Adverse events**

After the Announcement Date there is no:

- (i) outbreak of hostilities (whether war is declared or not) or act of terrorism which has a material effect on the Sierra Rutile Group or its assets;
- (ii) change of government in Sierra Leone; or
- (iii) other than with the written consent of Leonoil, suspension in trading in Sierra Rutile Shares on ASX exceeding 5 days in total in the period of 12 months from the Announcement Date.

13.8 Nature and operation of Conditions

(a) **Nature and benefits of Conditions**

- (i) The Conditions to the Offer set out in section 13.7 are conditions subsequent to the formation of a binding contract upon your acceptance of the Offer. The non-fulfilment of any Condition does not, until the end of the Offer Period prevent a contract to sell Your Sierra Rutile Shares from arising, but non-fulfilment of any of the Conditions will have the consequences set out in section 13.8(b)(ii).
- (ii) Each paragraph and each sub-paragraph of each other paragraph of section 13.7 constitutes, and is to be construed as, a separate, several and distinct condition. No Condition will be taken to limit the meaning or effect of any other Condition.
- (iii) Subject to the Corporations Act and to section 13.8(a)(i), Leonoil alone is entitled to the benefit of the Conditions and to rely on breach or non-fulfilment of, or to waive, any of those Conditions.

(b) **Freeing the Offer of Conditions**

- (i) Subject to the Corporations Act, Leonoil may free the Offer, and any contract resulting from acceptance of the Offer, from any of the Conditions either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Sierra Rutile and the ASX no less than 7 days before the end of the Offer Period declaring the Offer to be free from the relevant Condition or Conditions specified in accordance with section 650F of the Corporations Act.
- (ii) If, at the end of the Offer Period, the Conditions have not been fulfilled and Leonoil has not declared the Offer (or it has not become) free from those

Conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

(c) **Notice on status of Conditions**

The date for giving the notice as to the status of the Conditions required by section 630(1) of the Corporations Act is 30 August 2024 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

13.9 Withdrawal of the Offer

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Leonoil will give notice of the withdrawal to ASX and to Sierra Rutile and will comply with any other conditions imposed by ASIC.
- (b) If, at the time the Offer is withdrawn, all the Conditions have been fulfilled or freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) If, at the time the Offer is withdrawn, the Offer remains subject to one or more of the Conditions, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant Conditions have occurred).
- (d) A withdrawal pursuant to section 13.9 will be deemed to take effect:
 - (i) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date on which that consent in writing is given by ASIC; or
 - (ii) if the withdrawal is subject to conditions imposed by ASIC, on and after the date on which those conditions are satisfied.

13.10 Variation of the Offer

Leonoil may vary the Offer in accordance with the Corporations Act.

13.11 Notices and other communications

Subject to the Corporations Act, a notice or other communication given by Leonoil to you in connection with the Offer shall be deemed to be duly given if it is in writing and:

- (a) is delivered at your address (including the electronic address, if any) as recorded on the register of members of Sierra Rutile or the address shown in the Acceptance Form; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

13.12 Stamp duty and brokerage

- (a) Leonoil will pay any stamp duty payable on the transfer of Your Sierra Rutile Shares to it.
- (b) As long as Your Sierra Rutile Shares are registered in your name in an Issuer Sponsored Holding and you deliver them directly to Leonoil, you will not incur any brokerage charges in connection with your acceptance of the Offer.

- (c) If Your Sierra Rutile Shares are in a CHESS Holding or you hold Your Sierra Rutile Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or the bank, custodian or other nominee whether it will charge any transaction fees or service charges connected with you accepting the Offer.

13.13 Foreign Laws

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer.

13.14 Governing laws

This Offer and any contract that results from your acceptance of it are to be governed by the laws in force in Western Australia.

14 Definitions and interpretation

14.1 Definitions

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
\$ or A\$	Australian dollars, the lawful currency of the Commonwealth of Australia.
Acceptance Form	the acceptance form enclosed with this Bidder's Statement.
Announcement Date	the date on which the Offer was announced, being 22 July 2024.
Area 1 Project	the Sierra Rutile Group's current mining and mineral processing operations at the Gangama, Taninahun, Gbeni, Lanti deposits, and the extension program at the Pejebu and Ndendemoia deposits, as described in Sierra Rutile's ASX announcements.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning set out in Division 2 Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this document.
ASX	ASX Limited (ABN 98 008 624 691) or the financial products market, Australian Securities Exchange, where the context requires.
ASX Listing Rules	the official listing rules of the ASX.
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	the operating rules of ASX Settlement which govern the administration of CHES.
ATO	the Australian Taxation Office.
Bid Implementation Agreement	the Bid Implementation Agreement entered into between Leonoil and Sierra Rutile dated 19 July 2024.
Bidder's Statement	this document, being the statement of Leonoil under Part 6.5 Division 2 of the Corporations Act relating to the Offer.
Business Day	a day (other than a Saturday or Sunday) on which banks are open for business in Perth, Western Australia.
CGT	capital gains tax.
CHES	the Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities.

Term	Meaning
CHES Holding	a holding of Sierra Rutile Shares on the CHES subregister of Sierra Rutile (being a register administered by the ASX Settlement and which records uncertificated holdings of shares). A CHES holding will be administered through a Controlling Participant which is normally your broker.
Competing Proposal	a bone fide proposal or offer that, if successfully completed, would result in a person other than Leonoil whether alone or together with its Associates: <ul style="list-style-type: none"> (a) directly or indirectly acquiring or being entitled to acquire a Relevant Interest or an economic interest in 21% or more of the Sierra Rutile Shares or of the share capital of any of Sierra Rutile's Related Bodies Corporate; (b) directly or indirectly acquiring control of the Company; (c) directly or indirectly acquiring or becoming the holder of any interest in all or a substantial part of the business conducted by, or assets of, the Sierra Rutile Group; or (d) otherwise acquiring or merging with Sierra Rutile.
Conditions	the conditions set out in section 13.7.
Controlling Participant	in relation to Your Sierra Rutile Shares, has the same meaning as in the ASX Settlement Operating Rules (normally your broker).
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Fairly Disclosed	in relation to a matter, event or circumstance, publicly disclosed to ASX, ASIC or disclosed in writing to Leonoil or its Representatives to the extent, and in reasonably sufficient detail, so as to allow a reasonable and a sophisticated investor (or one of its Representatives) experienced in transactions of the nature of the Offer and familiar with the mining and extraction industry would be aware of the substance and significance of the information, event or circumstance.
First Executing on ASX Trade	the automatic matching of the buy order with such sell orders as at that time exist on market.
Gemcorp	Gemcorp Commodities Assets Holdings Limited.
Gemcorp Bid	has the meaning given in section 3.
GST	goods and services tax.
HIN	has the meaning given in the ASX Settlement Operating Rules.
Interim Funding	either or both of:

Term	Meaning
	<p>(a) unsecured debt funding which satisfies each of the following:</p> <ul style="list-style-type: none"> (i) is up to US\$10 million (in aggregate); (ii) has a maximum 18 month tenor, and can be prepaid at the Sierra Rutile Group's election without penalty; (iii) has an interest rate of no more than 12% per annum; and (iv) is for the purposes of a design and feasibility study at the Sembehun Project and/or working capital of the Sierra Rutile Group; and <p>(b) any customer prepayments up to US\$20 million (in aggregate) in relation to sales to be completed within 3 months of the relevant customer agreement.</p>
Issuer Sponsored Holding	a holding of Sierra Rutile Shares on Sierra Rutile's issuer sponsored subregister.
Last Practicable Date	29 July 2024.
Leonoil	Leonoil Company Limited, a company incorporated in Sierra Leone with company number SLE291216LEONO1600739.
Loan Agreement	has the meaning given in section 9.3.
Material Adverse Change	has the meaning given in section 13.7(a).
Material Contract	any agreement, contract, deed or other arrangement which imposes, or would reasonably impose, obligations or liability on any party of at least US\$2.5 million, or is otherwise material in the context of the business of the Sierra Rutile Group taken as a whole.
Maximum Offer Amount	has the meaning given in section 9.1.
NPSL	NP (SL) Limited, a company incorporated in Sierra Leone with company number SLE030816NPSL1600267.
Offer Information Line	1800 992 145 (within Australia) or +61 1800 992 145 (outside Australia) between 7:00am and 6:00pm (AWST), Monday to Friday (excluding public holidays).
Offer	the offer for Sierra Rutile Shares under the terms and conditions contained in section 13 of this Bidder's Statement.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with section 13.2 of this Bidder's Statement.

Term	Meaning
Offer Price	\$0.18 per Sierra Rutile Share.
Participant	an entity admitted to participate in CHES under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.
Performance Right	a right to acquire a Sierra Rutile Share upon the achievement of specified performance criteria issued by Sierra Rutile prior to the Announcement Date.
Prescribed Occurrence	has the meaning given in section 13.7(c).
PRM	PRM Services LLC.
PRM Bid	has the meaning given in section 3.
Register Date	5:00pm (AWST) on Tuesday, 30 July 2024, being the date set by Leonoil under section 633(2) of the Corporations Act.
Registry	Link Market Services Limited (ABN 54 083 214 537).
Regulatory Authority	any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Sierra Leone, Australia or elsewhere, including (without limitation) any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, ASX or any other stock exchange, ASIC and the Takeovers Panel.
Related Bodies Corporate	has the meaning given in the Corporations Act.
Relevant Interest	has the meaning given in the Corporations Act.
Representative	in relation to a person, any director, officer or employee or agent of, and any accountant, auditor, financier, financial adviser, legal adviser, technical adviser or other expert adviser or consultant to, that person.
Restricted Right	a restricted right to acquire a Sierra Rutile Share issued by Sierra Rutile prior to the Announcement Date.
Rights	all accretions, rights or benefits of whatever kind attaching or arising from Sierra Rutile Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends or other distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Sierra Rutile or any of its Subsidiaries).
Sembehun Project	the Sierra Rutile Group's development project of that name as described in Sierra Rutile's ASX announcements.
Sierra Rutile	Sierra Rutile Holdings Limited (ACN 613 822 165).
Sierra Rutile Board	the board of directors of Sierra Rutile.

Term	Meaning
Sierra Rutile Directors	the directors of Sierra Rutile.
Sierra Rutile Group	Sierra Rutile and each of its Subsidiaries.
Sierra Rutile Register	the register of Sierra Rutile Shareholders.
Sierra Rutile Shareholder	a holder of Sierra Rutile Shares as at the Register Date and holders of securities which are on issue as at the Register Date and that come to be Sierra Rutile Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities (including Restricted Rights and Performance Rights).
Sierra Rutile Share	a fully paid ordinary share in the capital of Sierra Rutile.
SRN	has the meaning given in the ASX Settlement Operating Rules.
Subsidiary	has the meaning given in the Corporations Act.
Superior Proposal	<p>a Competing Proposal which the Sierra Rutile Board, acting in good faith and in order to satisfy what the Sierra Rutile Board consider to be their fiduciary and statutory duties, determines is:</p> <p>(a) reasonably capable of being valued and completed in a timely manner, taking into account all aspects of the Competing Proposal and the person making it; and</p> <p>(b) more favourable to Sierra Rutile Shareholders as a whole than the Offer, taking into account all the terms and conditions of the Competing Proposal, including the price and / or value of the Competing Proposal, the identity, reputation and financial condition of the person making such proposal, and legal, regulatory and financial matters.</p>
Takeovers Panel	the Takeovers Panel constituted under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
Takeover Transferee Holding	has the meaning given in the ASX Settlement Operating Rules.
Target's Statement	the target's statement to be prepared by Sierra Rutile in relation to the Offer.
Trading Day	a day on which trading occurs on the ASX.
Voting Power	has the meaning given in the Corporations Act.
VWAP	volume weighted average price.
Your Sierra Rutile Shares	<p>subject to section 13.3:</p> <p>(a) the Sierra Rutile Shares in respect of which you are registered, or entitled to be registered, as holder in the register of Sierra Rutile Shareholders at 5:00pm (AWST) on the Register Date;</p>

Term	Meaning
	<p>(b) the Sierra Rutile Shares to which you are able to give good title at the time you accept the Offer during the Offer Period; and</p> <p>(c) any new Sierra Rutile Shares in respect of which you are registered or entitled to be registered as the holder on the Sierra Rutile Register at any time during the period from the Register Date to the end of the Offer Period as a result of the conversion of, or exercise of rights attached to, Restricted Rights or Performance Rights.</p>

14.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing the singular include the plural and vice versa;
- (c) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (d) a reference to a section, attachment and schedule is a reference to a section of and an attachment and schedule to this Bidder's Statement as relevant;
- (e) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (f) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (g) a reference to time is a reference to time in Melbourne, Australia;
- (h) a reference to writing includes facsimile transmissions; and
- (i) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

15 Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution passed by the directors of Leonoil Company Limited.

Date 30 July 2024

Signed for and on behalf of **Leonoil Company Limited** by

Sign here  _____

Print name Ibrahim D. Cole

Capacity Managing Director

Corporate Directory

Leonoil Company Limited

4 Liverpool Street
Freetown
Sierra Leone

Leonoil's agent for service of process in Australia

Company Matters Pty Limited
Level 12, 680 George Street
Sydney NSW 2000

Legal adviser to the Offer

Gilbert + Tobin
Level 16, Brookfield Place Tower 2
123 St Georges Terrace
Perth WA 6000

Financial adviser to the Offer

Sternship Advisers Pty Ltd
Level 2, 44A Kings Park Road
West Perth WA 6005

Offer Registry

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

Offer Information Line

1800 992 145 (within Australia)
+61 1800 992 145 (outside Australia)
7:00am to 6:00pm (AWST), Monday to Friday (excluding public holidays)

Need help?

Contact Leonoil Offer Information Line

Phone 1800 992 145 (from within Australia)

Phone +61 1800 992 145 (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

IID:

Securityholder Reference Number:

Sierra Rutile Shares
held as at Register Date

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

Takeover Acceptance Form – Issuer Sponsored Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

Capitalised terms used in this Acceptance Form have the meaning given in the Bidder's Statement issued by Leonoil under Part 6.5 of the Corporations Act 2001 (Cth) (as replaced or supplemented from time to time) including an offer by Leonoil to acquire all of the fully paid ordinary shares in the capital of Sierra Rutile Holdings Limited (ACN 613 822 165) which it does not already own.

Unless you notify the Registry otherwise, by submitting this form you are taken to declare that either: (a) you are a resident of Australia for the purposes of the Tax Act (being either the Income Tax Assessment Act 1997 (Cth) or the Income Tax Assessment Act 1936 (Cth), as relevant; or (b) Your Sierra Rutile Shares are not "indirect Australian real property interests" for the purposes of the Tax Act.

B You must give your instructions to accept the Offer

If you sign and return this form, you will be deemed to have accepted the Offer in respect of **ALL** of Your Sierra Rutile Shares (even if different to the number stated above). Your form must be received by the date the Offer closes.

Offer Price – \$0.18 per Sierra Rutile Share

To accept the Offer, you may either:

- log in to <https://events.miraqle.com/leonoil-offer> using your SRN, follow the instructions there, and select the 'Accept' option; or
- complete and sign this form in accordance with the instructions on it and send it with all other documents required by those instructions to the address shown overleaf so that it is received before the end of the Offer Period.

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our Sierra Rutile Shares and hereby agree to transfer to Leonoil all my/our Sierra Rutile Shares for the Offer Price, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



SRN



Holding

Further Important Instructions

As your Sierra Rutile Shares are in an Issuer Sponsored Holding, to accept the Offer, you must complete and return this Acceptance Form in accordance with the instructions below or accept the Offer online in accordance with the instructions overleaf.

Please refer to the Bidder's Statement which accompanies this Acceptance Form.

Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by your Sierra Rutile Holdings Limited Registry.
- **Please note** that Leonoil will provide the consideration due to you for Your Sierra Rutile Shares in the manner described in section 13.6 of the Bidder's Statement.
- D** • **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
 - **Joint Shareholders:** If your Sierra Rutile Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the Corporations Act. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Lodgement instructions

- Mail completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address

Link Market Services
Sierra Rutile Holdings Limited Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

Link Market Services
Level 12
680 George Street
SYDNEY NSW 2000 Australia

- A reply paid envelope is enclosed for use within Australia.

You must act in sufficient time for your acceptance to be processed before the end of the Offer Period, which is 5:00pm (AWST) on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the Offer Information Line on the following numbers:
within Australia: 1800 992 145, outside Australia: +61 1800 992 145
between 7:00am (AWST) and 6:00pm (AWST), Monday to Friday (excluding public holidays)

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services

Need help?

Contact Leonoil Offer Information Line

Phone 1800 992 145 (from within Australia)

Phone +61 1800 992 145 (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

IID:

Holder Identification Number:

Sierra Rutile Shares
held as at Register Date

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

CONTROLLING PARTICIPANT'S NAME

Broker's Name printed here

Takeover Acceptance Form – CHESSE Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

Capitalised terms used in this Acceptance Form have the meaning given in the Bidder's Statement issued by Leonoil under Part 6.5 of the *Corporations Act 2001* (Cth) (as replaced or supplemented from time to time) including an offer by Leonoil to acquire all of the fully paid ordinary shares in the capital of Sierra Rutile Holdings Limited (ACN 613 822 165) which it does not already own.

Unless you notify the Registry otherwise, by submitting this form you are taken to declare that either: (a) you are a resident of Australia for the purposes of the Tax Act (being either the Income Tax Assessment Act 1997 (Cth) or the Income Tax Assessment Act 1936 (Cth), as relevant; or (b) Your Sierra Rutile Shares are not "indirect Australian real property interests" for the purposes of the Tax Act.

B You must give your instructions to your controlling participant to accept the Offer

If you sign and return this form, you will be deemed to have accepted the Offer in respect of **ALL** of Your Sierra Rutile Shares (even if different to the number stated above). You must act in sufficient time for your acceptance to be processed before the end of the Offer Period.

Offer Price – \$0.18 per Sierra Rutile Share

To accept the Offer you may:

- contact your broker and instruct your Controlling Participant to accept the Offer on your behalf; or
- log in to <https://events.miraqle.com/leonoil-offer> using your HIN, follow the instructions there, and select the 'Accept' option; or
- complete and sign this form in accordance with the instructions on it and send it with all other documents required by those instructions to the address shown overleaf,

in each case in sufficient time for the Registry to give instructions to your Controlling Participant and for your Controlling Participant to carry out those instructions before the end of the Offer Period.

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our Sierra Rutile Shares and hereby agree to transfer to Leonoil all my/our Sierra Rutile Shares for the Offer Price, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



HIN



Broker PID



Holding

Further Important Instructions

As your Sierra Shares are in a CHESS Holding, you do not need to complete and return this Acceptance Form to the Registry or accept the Offer online to accept the Offer. You can instead contact your Controlling Participant and instruct them to accept the Offer on your behalf in sufficient time for your Controlling Participant to carry out those instructions before the end of the Offer Period. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf, follow the instructions below. You should allow sufficient time for the Registry to give instructions to your Controlling Participant and for your Controlling Participant to carry out those instructions before the end of the Offer Period.

If you do return your completed Acceptance Form to the Registry instead of your Controlling Participant, the Registry will endeavour to contact your Controlling Participant on your behalf and relay your instructions but makes no guarantee that it will do so. Neither Leonoil nor the Registry will be responsible should your Controlling Participant not acknowledge and accept your instructions.

Please refer to the Bidder's Statement which accompanies this Acceptance Form.

Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name or address can only be processed by your Controlling Participant.
- **Please note** that Leonoil will provide the consideration due to you for Your Sierra Rutile Shares in the manner described in section 13.6 of the Bidder's Statement.
- D** • **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
 - **Joint Shareholders:** If your Sierra Rutile Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

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or

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Level 12
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SYDNEY NSW 2000 Australia

- A reply paid envelope is enclosed for use within Australia.

You must act in sufficient time for your acceptance to be processed before the end of the Offer Period, which is 5:00pm (AWST) on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the Offer Information Line on the following numbers:

**within Australia: 1800 992 145, outside Australia: +61 1800 992 145
between 7:00am (AWST) and 6:00pm (AWST), Monday to Friday (excluding public holidays)**

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services



ACCEPT NOW – RECOMMENDED OFFER FOR ALL YOUR SIERRA RUTILE SHARES

Dear Sierra Rutile Shareholder,

We refer to the off-market takeover bid by Leonoil Company Limited (**Leonoil**) under Chapter 6 of the *Corporations Act 2001* (Cth) for all of the fully paid ordinary shares in Sierra Rutile Holdings Limited (ASX: SRX) (**Sierra Rutile**) which Leonoil does not already own (**Offer**) for an all-cash consideration of \$0.18 per share and otherwise subject to the terms and conditions set out in the Bidder's Statement from Leonoil dated 30 July 2024 (**Bidder's Statement**). Capitalised terms in this email have the same meaning as in the Bidder's Statement, unless otherwise defined.

The Sierra Rutile Directors unanimously recommend you **ACCEPT** the Offer, in the absence of a Superior Proposal. Further details regarding the Offer, Leonoil and other matters are detailed in the Bidder's Statement.

The Offer is Now Open

The Offer opened on 6 August 2024 and is scheduled to close at 5:00pm (AWST) on 9 September 2024 (unless extended or withdrawn).

An electronic copy of the Bidder's Statement can be found by clicking [here](#).

How do I accept the Offer?

Depending on the nature of your holding, you may accept the Offer in the following ways:

1. Issuer sponsored shareholders (your SRN starts with an "I")

If Your Sierra Rutile Shares are held on Sierra Rutile's issuer sponsored subregister:

- to accept the Offer online, you must log in to <https://events.miraqle.com/leonoil-offer/Offer/> using your SRN, follow the instructions there, select the 'Accept' option, and submit your acceptance before the end of the Offer Period; or
- complete and sign the Acceptance Form enclosed with the Bidder's Statement (available [here](#)) in accordance with the instructions on the form and ensure that the Acceptance Form (including any documents required by the terms of the Offer and instructions on the Acceptance Form) is sent so that it is received before the end of the Offer Period at the address shown on the Acceptance Form.

2. CHESS shareholders (your HIN starts with an "X")

If Your Sierra Rutile Shares are in a CHESS Holding:

- contact your broker and instruct your Controlling Participant (for Sierra Rutile Shareholders who are not institutions this is normally the stockbroker either through whom you bought Your Sierra Rutile Shares or through whom you ordinarily acquire shares on the ASX) to accept the Offer on your behalf;
- to accept the Offer online, you must log in to <https://events.miracle.com/leonoil-offer/Offer/> using your HIN, follow the instructions there, and select the 'Accept' option; or
- complete and sign the Acceptance Form enclosed with the Bidder's Statement (available [here](#)) in accordance with the instructions on the form and send it with all other documents required by those instructions on it to the address shown on the Acceptance Form,

in each case in sufficient time for the Registry to give instructions to your Controlling Participant and for your Controlling Participant to carry out those instructions before the end of the Offer Period.

3. **Participants**

If you are a Participant, acceptance of the Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

We urge you to read all of the Bidder's Statement carefully, and then **ACCEPT** the Offer as soon as possible.

If you have any questions about the Offer or would like to request a copy of the Bidder's Statement free of charge, please contact the Offer Information Line on 1800 992 145 (within Australia) or +61 1800 992 145 (outside Australia) between 9:00am to 8:00pm (AEST), Monday to Friday (excluding public holidays) or contact your stockbroker or legal or financial adviser.

Ibrahim D. Cole
Managing Director
Leonoil Company Limited