



Sierra Rutile

ASX ANNOUNCEMENT

11 September 2024

SRX Recommends Shareholders Accept 18c Offer from Leonoil Without Delay

Sierra Rutile Holdings Limited (ASX: SRX) (**SRX** or **the Company**) advises that today the Company has lodged its Second Supplementary Target's Statement in relation to the off-market takeover bid made by Leonoil Company Limited ("**Offer**").

In the Second Supplementary Target's Statement, the Directors of SRX have updated their recommendation to SRX shareholders to **ACCEPT THE OFFER WITHOUT DELAY**.

Leonoil lodged its Second Supplementary Bidder's Statement on 2 September 2024 advising that its Offer was freed from all defeating conditions, and that payment would be accelerated to within seven business days of acceptance. SRX shareholders accepting the offer are now assured of receiving the Offer Price of \$0.18 for each SRX Share held.

Many of SRX's shareholders have accepted into the Offer (or otherwise sold their shares on market), resulting in Leonoil's voting power in SRX now being well over 75%¹.

SRX understands that all other substantial shareholders (including Gemcorp Commodities Assets Holdings Limited, Mano Mining and Logistics Limited and PRM Services LLC) have already accepted the Offer or sold on-market. With no other substantial shareholders (other than Leonoil), and Leonoil's voting power now well above 75%, the Sierra Rutile Directors consider it is very unlikely a Superior Proposal² will emerge. The Offer is also best and final as to the Offer Price (in the absence of a Competing Proposal³).

As of 10 September, all current and former SRX Directors who hold or control SRX shares have accepted the Offer in respect of all the SRX shares they held or controlled at that date. Further information on the vesting of the SRX incentive rights is set out in the Second Supplementary Target's Statement.

In the Target's Statement, SRX disclosed several risks associated with being a minority shareholder in a company which has a large shareholder able to exert significant influence. Now that Leonoil's interest in SRX Shares is well over 75%, several of these risks are becoming increasingly likely to come to fruition. These include reduced trading liquidity in SRX shares and potential removal from the ASX which could lessen the value of the shareholdings of SRX shareholders who do not accept the Offer. SRX shares could become an illiquid and infrequently traded share and, as such, the ASX market price may no longer be a reliable indicator of value or be at a lower price should SRX shareholders wish to sell them in the future. The risks of not accepting and remaining an SRX shareholder are outlined in the Second Supplementary Target's Statement.

The Offer will remain open for acceptance until **5:00pm (AWST) on 18 September 2024**, unless further extended. SRX Shareholders should refer to section 4 of the Second Supplementary Bidder's Statement for instructions on how to accept the Offer. They may also refer to Leonoil's Offer website at <https://events.miraqle.com/leonoil-offer>

¹ Based on the last substantial shareholder notice received by the Company on 11 September 2024, Leonoil's voting power in Sierra Rutile is 80.77%.

² As that term is defined in the bid implementation agreement entered into between Leonoil and SRX dated 19 July 2024, which was announced on 22 July 2024 (**Leonoil BIA**).

³ As that term is defined in the Leonoil BIA.



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This ASX Release was authorised for release to the ASX by the Board.

Ends

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About SRX

SRX is the world's largest natural rutile producer, with an established operating history of more than 50 years from its operations in Sierra Leone.

SRX is well positioned to extend its operations through the proposed development of the nearby Sembahun deposits. Sembahun represents one of the largest and highest grade natural rutile resources in the world, and its development would extend SRX's mine life by at least 14 years.

SRX is listed on the Australian Securities Exchange. Further details about SRX are available at www.sierra-rutile.com.