

TO Market Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

By ASX Online

9 AUGUST 2024

Dear Sir or Madam

**Sierra Rutile Holdings Limited - Target's Statement**

We act for Sierra Rutile Holdings Limited ACN 613 822 165 (ASX: SRX) (**Sierra Rutile**), in relation to the off-market takeover offer by Leonoil Company Limited (**Leonoil**) to acquire all of the Sierra Rutile shares it does not own at a price of A\$0.18 cash per share as announced on 22 July 2024.

We enclose in accordance with section 633(1) item 14 of the *Corporations Act 2001* (Cth) (**Corporations Act**), a copy of our client's target's statement dated 9 August 2024 (**Target's Statement**). The Target's Statement has today been sent to Leonoil and lodged with the Australian Securities & Investments Commission.

The Target's Statement will be sent to Sierra Rutile shareholders shortly.

Yours sincerely



King & Wood Mallesons

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Sierra Rutile

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to its contents, you should contact your financial, tax or other professional adviser immediately

# Target's Statement

This Target's Statement has been issued by Sierra Rutile Holdings Limited (ACN 613 822 165) in response to the off-market takeover bid made by Leonoil Company Limited (incorporated in Sierra Leone with company number SLE291216LEONO1600739)

**ACCEPT** the Offer

Your Sierra Rutile Directors unanimously recommend that you **ACCEPT** the Offer (in the absence of a Superior Proposal)

IF YOU HAVE ANY QUESTIONS IN RELATION TO THE OFFER YOU CAN CONTACT THE SIERRA RUTILE SHAREHOLDER INFORMATION LINE ON 1300 850 505 (WITHIN AUSTRALIA) OR +61 3 9415 4000 (OUTSIDE AUSTRALIA) WHICH IS AVAILABLE BETWEEN 8:30AM AND 5:00PM (MELBOURNE TIME), MONDAY TO FRIDAY EXCLUDING NATIONAL PUBLIC HOLIDAYS.

Financial adviser

**GRESHAM**

Legal adviser

**KING & WOOD  
MALLESONS**  
金杜律师事务所

## Important notices

This document is the Target's Statement dated 9 August 2024 given by Sierra Rutile under Part 6.5 Division 3 of the Corporations Act. This Target's Statement is given in response to the Bidder's Statement dated 30 July 2024 in relation to the Offer by Leonoil to acquire all of your Sierra Rutile Shares. The purpose of this Target's Statement is to provide you, as a Sierra Rutile Shareholder, with information in response to the Bidder's Statement to assist you in your decision as to whether or not to accept the Offer.

You should read this Target's Statement in its entirety before making a decision as to whether or not to accept the Offer for your Sierra Rutile Shares.

### **Defined terms and interpretation**

Capitalised terms and certain abbreviations used in this Target's Statement have the meanings set out in the glossary in Section 10.1. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

Section 10.2 sets out some rules of interpretation which apply to this Target's Statement.

Unless otherwise specified, all references to \$, US\$ and USD are references to the currency of the United States of America and references to A\$ and AUD are references to Australian currency.

All references to times in this Target's Statement are references to time in Perth, Western Australia, unless otherwise stated.

### **No account of personal circumstances**

This Target's Statement and the recommendations and other information contained in it do not constitute financial product advice and should not be taken as personal financial or tax advice, as each Sierra Rutile Shareholder's deliberations and decision will depend upon their own financial situation, tax position, investment objectives and particular needs.

Your Sierra Rutile Directors encourage you to seek independent financial and tax

advice before making a decision as to whether or not to accept the Offer for your Sierra Rutile Shares.

### **Disclaimer regarding forward looking statements**

This Target's Statement contains forward looking statements. Forward looking statements generally relate to future events or future financial or operating performance. In some cases, you can identify forward looking statements because they contain words such as "aim", "may", "might", "will", "likely", "shall", "should", "expects", "foresee", "plans", "anticipates", "could", "is confident", "intends", "target", "projects", "contemplates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these words or other similar terms or expressions that convey expectations, strategy, plans or intentions.

You should be aware that such statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of Sierra Rutile and the Sierra Rutile Group to be materially different from future results, performance or achievements expressed or implied by those statements. Those risks and uncertainties include factors and risks specific to the industry in which Sierra Rutile operates as well as general economic conditions 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 and such deviations are both normal and to be expected. None of Sierra Rutile, Sierra Rutile Group, nor any of its officers or employees, or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation, warranty, assurance or guarantee (either 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 statements.

The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. Subject to any continuing obligations under the Listing Rules or the Corporations Act, Sierra Rutile and its officers disclaim any obligation or undertaking to update or revise any forward looking statements to reflect any change in expectations in relation to them or any change in events, conditions or circumstances on which any forward looking statement is based.

### **ASIC and ASX disclaimer**

A copy of this Target's Statement was lodged with ASIC and given to ASX on 9 August 2024. None of ASIC, ASX or any of their respective officers takes any responsibility for the content of this Target's Statement.

### **Disclaimer as to information on Leonoil**

The information in this Target's Statement about Leonoil has been compiled from or is otherwise based on information obtained from publicly available sources (including information contained in the Bidder's Statement) and has not been independently audited or verified by Sierra Rutile or its advisers. Accordingly, Sierra Rutile does not, subject to the Corporations Act, make any representation or warranty (either express or implied), as to the accuracy or completeness of such information. If the information obtained or the public sources is inaccurate or incomplete, this may affect the information included in this Target's Statement. In particular, if the information has been used as the basis for forward looking statements in this Target's Statement, this may add to the risk that actual values, results, performance or achievements will differ materially from those expressed or implied by the forward looking statements.

### **Risk Factors**

Sierra Rutile Shareholders should note that there are a number of risk factors attached to their investment in Sierra Rutile and other risks which apply in the event the Offer is accepted.

In particular, the viability and profitability of Sierra Rutile may be affected by any future material adverse changes in government

policies or legislation in Sierra Leone that impacts on the applicable tax, foreign ownership, Government of Sierra Leone ownership of or equity participation in mining projects or mining activities, including in particular the outcome of the negotiations with the Government of Sierra Leone.

Section 8 of this Target's Statement sets out further information regarding those risks.

### **Foreign jurisdictions**

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

### **Charts, diagrams and rounding**

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement. A number of amounts, percentages, prices, estimates and other figures in this Target's Statement are subject to the effect of rounding. Accordingly, actual numbers may differ from those set out in this Target's Statement.

### **Websites**

The content of Sierra Rutile's website does not form part of this Target's Statement and Sierra Rutile Shareholders should not rely on website content.

Any website links in this Target's Statement are textual references only. Information contained in, or otherwise accessible from, those websites does not form part of this Target's Statement.

### **Privacy**

Sierra Rutile has collected your information from the Sierra Rutile Share Registry for the purpose of providing you with this Target's Statement. The type of information Sierra Rutile has collected about you includes your name, contact details and information on your shareholding in Sierra Rutile. Without this information, Sierra Rutile would be hindered in its ability to issue this Target's Statement. 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 Sierra Rutile's Related Bodies Corporate and external service providers (such as the Sierra Rutile Share Registry and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Sierra Rutile, please contact Sierra Rutile at [info@srx.group](mailto:info@srx.group). Sierra Rutile's privacy policy is available at <https://sierra-rutile.com/our-company/corporate-governance/>. The registered address of Sierra Rutile is Level 8, 225 St Georges Terrace, Perth WA 6000.

### **Sierra Rutile Shareholder Information Line**

Sierra Rutile has established a Sierra Rutile Shareholder Information Line which Sierra Rutile Shareholders should call if they have any queries in relation to the Offer. The telephone number for the Sierra Rutile Shareholder Information Line is:

- 1300 850 505 (within Australia); or
- +61 3 9415 4000 (outside Australia),

which is available between 8:30am and 5:00pm (Melbourne time), Monday to Friday excluding national public holidays.

Further information relating to the Offer can be obtained from Sierra Rutile's website at [www.sierra-rutile.com](http://www.sierra-rutile.com).

## Key dates

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Announcement of the Offer	22 July 2024
Bidder's Statement lodged with ASIC and given to Sierra Rutile and released on ASX	30 July 2024
Offer Period opens	6 August 2024
Date of this Target's Statement	9 August 2024
Date for Notice of Status of Conditions	30 August 2024
Scheduled close of Offer Period (unless withdrawn or extended)	5:00pm (AWST) on 9 September 2024

Note: the closing date for the Offer may change as permitted by the Corporations Act.

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## Chairman's letter

9 August 2024

On 22 July 2024, Sierra Rutile announced that it had entered into a Bid Implementation Agreement in relation to an offer by Leonoil Company Limited (**Leonoil**) to acquire all of the issued Sierra Rutile Shares it does not already own for cash consideration of A\$0.18 per Sierra Rutile Share, to be effected by way of an off-market takeover bid (**Offer**). You will have now received the Bidder's Statement from Leonoil, which was announced on 30 July 2024 and sets out the terms and conditions of the Offer.

This Target's Statement sets out your Sierra Rutile Directors' response to the Offer and contains their recommendation, reasons for that recommendation, and other important information you should consider when deciding whether to accept or not accept the Offer.

The Sierra Rutile Board believe that the Offer is an opportunity for Sierra Rutile Shareholders to realise value from their investment in Sierra Rutile. As such, the Sierra Rutile Board unanimously recommends that Sierra Rutile Shareholders **ACCEPT** the Offer (in the absence of a Superior Proposal). Subject to that same qualification, each Sierra Rutile Director intends to accept, or procure acceptance of, the Offer in respect of any Sierra Rutile Shares held or controlled by them or by their Associates, no later than 3 Business Days before the end of the Offer Period.

Your Sierra Rutile Directors would like to take this opportunity to highlight the key reasons why we believe that the Offer is compelling and why we recommend that you **ACCEPT** the Offer (in the absence of a Superior Proposal):

**The Offer Price represents a compelling premium to Sierra Rutile's historical trading prices including premiums of:**

- 130.8% to Sierra Rutile's last undisturbed<sup>1</sup> closing price of A\$0.078 per share
- 138.9% to Sierra Rutile's undisturbed<sup>1</sup> 30-day Volume Weighted Average Price (**VWAP**) of A\$0.075 per share
- 89.5% to the offer price of A\$0.095 per Sierra Rutile Share under the PRM Services LLC on-market takeover bid announced on 20 March 2024 (**PRM Offer**)
- 35.5% to Sierra Rutile's 30-day VWAP of A\$0.133 per share up to close of trading on 28 June 2024, being the last trading date prior to announcement of the proposed Gemcorp off-market takeover bid on 1 July 2024 (**Gemcorp Proposal**)
- 35.8% to Sierra Rutile's last closing price of A\$0.133 per share on 28 June 2024, being the last trading day prior to the announcement of the Gemcorp Proposal
- 12.5% to the offer price of A\$0.16 per Sierra Rutile Share under the Gemcorp Proposal.

**The Offer is an all-cash offer and provides certainty of value:**

The all-cash Offer Price of A\$0.18 per Sierra Rutile Share provides Sierra Rutile Shareholders with the opportunity to realise certain value for their entire Sierra Rutile shareholding (if the Offer becomes unconditional). If you accept the Offer and the Offer becomes unconditional, you will cease to be exposed to the risks associated with an investment in Sierra Rutile.

In deciding whether to accept the Offer, you should consider that the Offer is subject to a limited number of Bid Conditions, which are set out in in Section 5.2 of this Target's Statement and in section 13.7 of the Bidder's Statement. The Offer is not subject to financing or due diligence conditions.

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<sup>1</sup> Undisturbed historical market and volume weighted average prices calculated with reference to the relevant trading period up to, but not including, 20 March 2024 being the date on which PRM announced its on-market takeover bid to acquire Sierra Rutile at A\$0.095 per share.

**Accepting the Offer means shareholders avoid dilution risk associated with any potential future fund raising:**

Sierra Rutile currently does not have the capital to fully fund the development of its Sembehun Project. The Sembehun Project will require significant additional financing in the short to medium term to fund the development of the project in line with the currently proposed schedule. Additional funding is also likely to be required if the life of Area 1 is to be extended beyond the end of 2025 and Sierra Rutile may also need to raise additional working capital funding in the coming months.

To the extent that some or all of this additional funding is sought in the form of equity, if Sierra Rutile Shareholders do not accept the Offer, Sierra Rutile Shareholders would need to contribute commensurately with their existing shareholding to avoid having their proportionate interest in Sierra Rutile diluted.

**Accepting the Offer means shareholders avoid other inherent risks:**

By accepting the Offer (and the Offer becomes unconditional), you will no longer be exposed to a variety of risks including, among others, project development and operational risks, sovereign, political, regulatory, community, social, litigation, equity market, commodity price and other economic risks inherent in your shareholding.

**No Superior Proposal is currently anticipated:**

On 20 March 2024, Sierra Rutile received an unsolicited on-market takeover offer from PRM to acquire all of the Sierra Rutile Shares it does not own at a price of A\$0.095 cash per share. The PRM Offer closed on 31 July 2024 and is no longer capable of acceptance by Sierra Rutile Shareholders. On 1 July 2024, Sierra Rutile announced it had entered into the Gemcorp Bid Implementation Agreement, under which Gemcorp agreed to make an off-market takeover offer for all of the Sierra Rutile Shares it does not already own at a price of A\$0.16 per Sierra Rutile Share. As announced by Sierra Rutile on 29 July 2024, the Gemcorp Bid Implementation Agreement has now been terminated and Sierra Rutile understands that Gemcorp intends to seek relief from ASIC such that it will no longer be obliged to proceed with the Gemcorp Proposal.

As at the date of this Target's Statement, no Superior Proposal has emerged. Given the status of the PRM Offer and Gemcorp Proposal, and that the Offer is the third takeover proposal since March 2024, the Sierra Rutile Directors do not currently anticipate that a Superior Proposal will emerge.

This Target's Statement details matters that may be relevant to your decision whether to **ACCEPT** the Offer, including a detailed explanation of the reasons why you should **ACCEPT** the Offer in Section 1 of this Target's Statement. You should read this Target's Statement and the Bidder's Statement carefully in full, including the taxation implications of the Offer in Section 5.10, and if necessary seek your own legal, financial and taxation or other professional advice.

To **ACCEPT** the Offer, you should carefully follow the instructions on Page 4 and in sections 1 and 13.3 of the Bidder's Statement. The Offer is scheduled to close at 5:00pm (AWST) on 9 September 2024, unless withdrawn or extended.

I encourage you to consider the merits of the Offer as described in this Target's Statement and if you have any questions in relation to the Offer, a toll-free information line has been established for the purposes of the Offer which Sierra Rutile Shareholders can contact on 1300 850 505 (within Australia) or +61 3 9415 4000 (from outside of Australia), Monday to Friday between 8:30am to 5:00pm (Melbourne time) excluding national public holidays.

Yours sincerely



**Greg Martin**  
Chairman  
Sierra Rutile Holdings Limited



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## **Sierra Rutile Directors' recommendation and intention to ACCEPT the Offer**

**(in the absence of a Superior Proposal)**

### **Directors of Sierra Rutile**

The Sierra Rutile Directors as at the date of this Target's Statement are:

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

### **Recommendations and intentions**

In assessing the Offer, your Sierra Rutile Directors have had regard to a number of considerations, including the information set out in this Target's Statement and the Bidder's Statement.

Based on this assessment and for the reasons set out in this Target's Statement (in particular those set out in Section 1), **each of your Sierra Rutile Directors recommends that you ACCEPT the Offer (in the absence of a Superior Proposal).**

Sierra Rutile Shareholders should be aware that if they were to accept the Offer while the Offer remains subject to one or more Bid Conditions, then:

- (a) Leonoil is not obliged to pay the Offer Price and complete the acquisition of your Sierra Rutile Shares until the Offer becomes unconditional; and
- (b) you will be unable to sell your Sierra Rutile Shares on market or accept any competing offer unless and until the Offer closes without becoming unconditional or a withdrawal right exists or arises under the Corporations Act.

Each of your Sierra Rutile Directors who:

- as at the date of this Target's Statement, holds or controls Sierra Rutile Shares; and
- will hold Sierra Rutile Shares that are acquired or issued on vesting in respect of Sierra Rutile Performance Rights or Sierra Rutile Restricted Rights during the Offer Period,

intends to **ACCEPT**, or procure acceptance of, the Offer (in the absence of a Superior Proposal) under its current terms in relation to those Sierra Rutile Shares that they, or their Associates, own or control (refer to Section 9.1 for more information on the respective Sierra Rutile security holdings of your Sierra Rutile Directors).

To **ACCEPT** the Offer, please follow the instructions set out in the Bidder's Statement.

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## How to **ACCEPT** the Offer

1. To accept the Offer, please follow the instructions set out in sections 1 and 13.3 of the Bidder's Statement and on the Acceptance Form (which has been sent to Sierra Rutile Shareholders together with the Bidder's Statement).
2. You should read this Target's Statement which contains your Sierra Rutile Directors' recommendation to **ACCEPT** the Offer (in the absence of a Superior Proposal) and the reasons for this recommendation. If you are in any doubt as to what to do, your Sierra Rutile Directors recommend that you consult with your investment, financial, tax or other professional adviser if in doubt about what to do.

If you have any queries in relation to the Offer, please contact the Sierra Rutile Shareholder Information Line on 1300 850 505 (inside Australia) or +61 3 9415 4000 (outside Australia) which is available between 8:30am and 5:00pm (Melbourne time), Monday to Friday excluding national public holidays.

# Target's Statement

## 1 Reasons to ACCEPT the Offer

1.	Your Board of Directors recommend the Offer (in the absence of a Superior Proposal)
2.	The Offer represents an attractive and significant premium to Sierra Rutile's historical trading prices
3.	The Offer Price represents a 12.5% premium to the Gemcorp Proposal and a substantial 89.5% premium to the PRM Offer
4.	The Offer is an all-cash offer and provides certainty of value
5.	Accepting the Offer avoids significant future funding and associated dilution risk
6.	Accepting the Offer avoids inherent risks associated with an investment in Sierra Rutile
7.	No Superior Proposal is currently anticipated
8.	There are risks to not accepting the Offer
9.	No brokerage will be payable on the transfer of Sierra Rutile Shares if the Offer proceeds

### 1.1 Your Board of Directors recommend the Offer (in the absence of a Superior Proposal)

Your Directors unanimously recommend that you **ACCEPT** the Offer (in the absence of a Superior Proposal). Each of your Directors who hold a Relevant Interest in Sierra Rutile Shares intends to accept, or procure acceptance of, the Offer with respect to any Sierra Rutile Shares held or controlled by each Director or by their Associates (in the absence of a Superior Proposal).

### 1.2 The Offer Price represents an attractive and significant premium to Sierra Rutile's historical trading prices

The Offer Price of A\$0.18 per Sierra Rutile Share represents a compelling premium to the historical trading prices of Sierra Rutile Shares. The Offer Price represents a premium of:

- 130.8% premium to Sierra Rutile's last undisturbed closing price of A\$0.078 per share;
- 138.9% to Sierra Rutile's undisturbed 30-day VWAP of A\$0.075 per share;
- 89.5% to the offer price of A\$0.095 per Sierra Rutile Share under the PRM Offer;
- 35.5% to Sierra Rutile's 30-day VWAP of A\$0.133 per share up to close of trading on 28 June 2024, being the last trading date prior to announcement of the Gemcorp Proposal; and
- 35.8% to Sierra Rutile's closing price of A\$0.133 per share on the last trading day prior to announcement of the Gemcorp Proposal.

### **1.3 The Offer Price represents a 12.5% premium to the Gemcorp Proposal and a substantial 89.5% premium to the PRM Offer**

The Offer represents an attractive and significant premium to the Gemcorp Proposal offer price of A\$0.16 per share, and to the PRM Offer price of A\$0.095 per share.

### **1.4 The Offer is an all-cash offer and provides certainty of value**

The all-cash Offer Price of A\$0.18 per Sierra Rutile Share provides you with the opportunity to realise a certain value for your entire Sierra Rutile shareholding. If you accept the Offer (and the Offer becomes unconditional), you will cease to be exposed to the risks associated with an investment in Sierra Rutile (refer to Section 8.3).

If you retain your Sierra Rutile Shares, the price which you will be able to sell them at a later date (as well as the level of liquidity in Sierra Rutile Shares) is uncertain and you will continue to be exposed to the risks associated with being a Sierra Rutile Shareholder (but will also continue to be exposed to any potential benefits associated with such an investment – although no forecast is made of whether any benefits will be received). These risk factors for remaining a Sierra Rutile Shareholder are discussed in Section 8.3. Once the Offer conditions are satisfied or waived, the Offer removes these risks and uncertainties for Sierra Rutile Shareholders and allows Sierra Rutile Shareholders to exit their investment in Sierra Rutile at a price that the Directors consider attractive.

The Offer is subject to a limited number of Bid Conditions, the full list of which is set out in Section 5.2, including (in summary):

- No Prescribed Occurrences in relation to Sierra Rutile
- No Material Adverse Change in relation to Sierra Rutile
- No government or regulatory action in consequence or in connection with the Offer which adversely impacts the Offer
- No breach by Sierra Rutile of certain conduct of business restrictions
- Other customary conditions as set out in the Bid Implementation Agreement

The Offer is not subject to a minimum acceptance condition. Additionally, the Offer is not conditional on financing or due diligence conditions.

### **1.5 Accepting the Offer avoids significant future funding and associated dilution risk**

Sierra Rutile currently does not have the capital to fully fund the development of its Sembehun Project. The Sembehun Project will require significant additional financing in the short to medium term to fund the development of the project in line with the currently proposed schedule. Additional funding is also likely to be required if the life of Area 1 is to be extended beyond the end of 2025. It is likely that a significant proportion of this additional funding will need to be in the form of equity.

Furthermore, following the downturn in mineral sands pricing over the past year and the suspension of operations between 11 March 2024 and 28 May 2024, Sierra Rutile's net working capital position has reduced to US\$44.3m as at 30 June 2024 (unaudited, refer below). Subject to market conditions, including realised mineral sands pricing, shipment volumes, shipment timing and underlying Area 1 operating costs, Sierra Rutile's working capital needs may require additional funding to be sourced during the remainder of calendar year 2024. Should working capital funding be required during the remainder of calendar year 2024, it may take the form of equity capital, debt capital and/or customer pre-payments. Additional funding will be required if the life of Area 1 is to be extended beyond the end of 2025.

SRX Net Working Capital Position	31 March 2024 (unaudited) US\$m	30 June 2024 (unaudited) US\$m
Cash	4.7	11.2
Trade and other receivables	46.5	16.9
Prepayments	12.5	8.5
Finished Goods inventories	16.0	25.1
Other inventory (excl consumables)	8.3	7.2
Trade and other payables	(28.1)	(24.5)
Net working capital	59.9	44.3

If Sierra Rutile Shareholders do not accept the Offer, Sierra Rutile Shareholders may need to contribute equity funds commensurately with their existing shareholding to avoid having their proportionate interest in Sierra Rutile diluted or otherwise face the risk that mine life at Area 1 comes to an early end and the Sembehun Project remains unfunded for an indefinite time period.

## 1.6 Accepting the Offer avoids inherent risks associated with an investment in Sierra Rutile

By accepting the Offer (and once the Offer becomes unconditional), you will no longer be exposed to a variety of risks including, among others, project development and operational risks, sovereign, political, regulatory, community, social, litigation, equity market, commodity price and other economic risks inherent in their shareholding.

Many of these risks have affected Sierra Rutile over the past 6 months including reduced commodity prices, fiscal uncertainty, the suspension of operations at Area 1 between March and May 2024, reduced power availability and illegal strike action.

## 1.7 No Superior Proposal is currently anticipated

The Sierra Rutile Directors note that the PRM Offer expired on 31 July 2024 and that Gemcorp terminated the Gemcorp Bid Implementation Agreement on 28 July 2024 and is released from its contractual obligation under the Gemcorp Bid Implementation Agreement to make a formal offer for all of the Sierra Rutile Shares it does not already own.<sup>2</sup> Sierra Rutile understands that Gemcorp intends to seek relief from ASIC such that it is no longer obliged under section 631(1) of the Corporations Act to proceed with the Gemcorp Proposal as contemplated by the Gemcorp Bid Implementation Agreement.

Given the status of the PRM Offer and Gemcorp Proposal, and that the Offer is the third takeover proposal since March 2024, the Sierra Rutile Directors do not currently anticipate that a Superior Proposal will emerge.

As at the Last Practicable Date, Leonoil had a Relevant Interest in 19.85% of Sierra Rutile Shares on issue, and accordingly Leonoil will have the ability to block compulsory acquisition under any competing takeover bid, and its shareholding will be influential, and possibly be determinative, on any vote on a competing scheme of arrangement. This may reduce the attractiveness of Sierra Rutile as a target for any counterbidders who wish to obtain 100% of Sierra Rutile.

If a competing proposal is received prior to the end of the Offer Period, this will be announced to ASX and the Sierra Rutile Board will carefully consider the proposal and advise Sierra Rutile Shareholders of their recommendation.

<sup>2</sup> See ASX announcement dated 29 July 2024 "Termination of Bid Implementation Agreement with Gemcorp and Update on Takeover Offers" via <https://www.asx.com.au/>.

## 1.8 There are risks to not accepting the Offer

Your Directors consider that if the Offer does not become or is not declared unconditional, and no alternative proposal emerges, then the Sierra Rutile Share price is likely to fall given the Offer Price is significantly above the closing prices of Sierra Rutile Shares leading up to the announcement of the PRM Offer on 20 March 2024 and Sierra Rutile's working capital has declined materially since that time. This is highlighted by the fact that the Offer Price represents the premium as set out in Section 1.2 above.

Since the Offer was announced on 22 July 2024 and until 8 August 2024 (being the latest practicable date prior to the date of this Target's Statement), Sierra Rutile Shares have been trading on the ASX at prices between A\$0.17 and A\$0.185 (inclusive), however this trading is affected by the announcement of the Offer and should not be taken as indicative of the price at which Sierra Rutile Shares would trade in the absence of the Offer.

If the Offer becomes or is declared unconditional and you have not accepted the Offer or sold your Sierra Rutile Shares on market by the end of the Offer Period (and Leonoil has not reached the threshold to compulsorily acquire your Sierra Rutile Shares), you may become a minority shareholder in a company which has a large shareholder able to exert significant influence. This position may create a number of risks, including (without limitation) those set out below. Statements of Leonoil's intention in this section has been based on the statements made in the Bidder's Statement in relation to Leonoil's intentions as at the date of the Bidder's Statement. As at the Last Practicable Date, Sierra Rutile has a number of substantial shareholders (see Section 7.6) which may impact on the ability for Leonoil to achieve the interest thresholds set out below.

### (a) Potential dilution via possible equity raising by Sierra Rutile in the future

Subject to market conditions, including realised mineral sands pricing, shipment volumes, shipment timing and underlying Area 1 operating costs, Sierra Rutile's working capital needs may require additional funding to be sourced during the remainder of calendar year 2024. Should working capital funding be required during the remainder of calendar year 2024, it may take the form of equity capital, debt capital and/or customer pre-payments. There is also a strong possibility that a substantial equity capital raising would be required for Sierra Rutile to fund extension of its Area 1 operations and develop the Sembehun Project. The alternative to this would be for Sembehun to remain unfunded for an indefinite period, with Area 1's mine life drawing to an end in the next 18 months, which the Sierra Rutile Board considers to be a risky and unattractive alternative. In the situation where Leonoil acquires a Relevant Interest in less than 100% of all Sierra Rutile Shares and if Sierra Rutile undertakes a substantial equity capital raising (for example by way of a pro rata offer of Sierra Rutile Shares to Sierra Rutile Shareholders) to raise additional funds, the equity raising is likely to be highly dilutive to Sierra Rutile Shareholders who do not participate in that capital raising. In the case of a pro rata equity raising, Leonoil may increase its Relevant Interest in Sierra Rutile Shares without Sierra Rutile Shareholder approval or making a takeover bid, as a result of taking up its full entitlement (assuming any available shortfall is not fully allocated) or any agreed underwriting arrangements to which it is a party (subject to applicable law).

### (b) Potential changes to the Sierra Rutile Board

If Leonoil acquires a Relevant Interest of 50% or more of Sierra Rutile Shares (on a fully diluted basis) and the Offer has become or is declared unconditional, the Bid Implementation Agreement provides that Sierra Rutile will take all actions necessary to ensure that, subject to applicable laws, up to three nominees of Leonoil are lawfully appointed as directors of Sierra Rutile.

If Leonoil achieves 50% acceptances under the Offer and Sierra Rutile becomes a controlled entity of Leonoil after the end of the Offer Period, Leonoil intends, subject to the Corporations Act and the constitution of Sierra Rutile, to seek to replace some or all of the members of the Sierra Rutile Board with nominees of Leonoil consistent with its rights under the Bid Implementation Agreement.

**(c) Leonoil may be able to determine the outcome of ordinary resolutions**

If Leonoil acquires a Relevant Interest in 50% or more of all Sierra Rutile Shares, it will be able to determine alone the outcome of an ordinary resolution (in respect of which it is entitled to vote) and will be in a position to control the composition of the Sierra Rutile Board.

**(d) Leonoil may be able to determine the outcome of special resolutions**

If Leonoil acquires a Relevant Interest in 75% or more of all Sierra Rutile Shares, it will be able to determine alone the outcome of a special resolution (in respect of which it is entitled to vote). This would enable it to pass resolutions, for example, to amend the Sierra Rutile Constitution.

**(e) Compulsory acquisition**

If Leonoil acquires a Relevant Interest in 90% or more of all Sierra Rutile Shares and 75% (by number) of the securities to which the Offer extends, and the compulsory acquisition provisions of the Corporations Act are satisfied, Leonoil intends to Compulsorily Acquire the Sierra Rutile Shares that it does not already own. Even if Leonoil does not become entitled to Compulsorily Acquire Sierra Rutile Shares during the Offer Period, it may become entitled to do so under the Corporations Act after completion of the Offer Period (and minority shareholders may have rights to compel Leonoil to acquire Sierra Rutile Shares if the compulsory buy-out provisions of the Corporations Act are triggered).

If you choose not to accept the Offer and Leonoil subsequently exercises compulsory acquisition rights, you are likely to be paid later than other Sierra Rutile Shareholders who accept the Offer.

**(f) Potential changes to Sierra Rutile's strategic direction**

Leonoil has stated that after the Offer Period and having regard to its ultimate ownership level, it intends to conduct a wide-ranging strategic review of Sierra Rutile's operations at a strategic, financial and operational level. Following this strategic review, Leonoil will give further consideration to its intentions in relation to Sierra Rutile. Final decisions (including in relation to Sierra Rutile's strategic direction) will only be reached after the review has been concluded and the results have been evaluated in light of all material information, facts and circumstances that exist at the time.

Changes to the Sierra Rutile business which are implemented by Leonoil, to the extent that is permitted by law, may mean that you subsequently choose to dispose of your Sierra Rutile Shares at a time when market conditions are less favourable than those prevailing at the date of this Target's Statement.

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, Leonoil intends to encourage the Sierra Rutile Board to conduct the strategic review referred to above and in section 10.2 of the Bidder's Statement, and implement its intentions as outlined in sections 10.3 or 10.4 of the Bidder's Statement to the extent it is able to do so. However, in that event, and where there is no clear controlling shareholder, the larger shareholders may have different views on what strategic direction for Sierra Rutile they choose to support.

**(g) Sierra Rutile may be removed from the official list of ASX**

If Leonoil obtains more than 50% of Sierra Rutile at the end of the Offer Period, Leonoil has stated (in sections 10.3 and 10.4 of the Bidder's Statement) that it will seek to procure that the Sierra Rutile Board remove Sierra Rutile from the official list of ASX in accordance with ASX guidance.

In the Bidder's Statement, Leonoil has stated that if it obtains a Relevant Interest in 90% or more of all 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 the event that Leonoil exercises any right to proceed with Compulsory Acquisition of the outstanding Sierra Rutile Shares, Leonoil intends to procure that the Sierra Rutile Board apply to the ASX to have Sierra Rutile removed from the official list of the ASX. If Leonoil obtains a Relevant Interest in more than 50% but less than 90% of all Sierra Rutile Shares, Leonoil intends to procure that the new Sierra Rutile Board apply to the ASX to have Sierra Rutile removed from the official list of the ASX.

Removal of a listed entity from the official list is subject to ASX's discretion. ASX's guidance in that regard is summarised in Section 5.11. If Sierra Rutile is removed from the official list of ASX it may adversely impact your ability to sell your Sierra Rutile Shares, the price at which you can sell your Sierra Rutile Shares and the level of relevant Sierra Rutile information you are able to access. Certain information regarding minority shareholder protections is also provided in Section 5.11. No brokerage will be payable on the transfer of Sierra Rutile Shares if the Offer proceeds.

Sierra Rutile Shareholders will not incur any brokerage fees, which will likely be incurred if Sierra Rutile Shareholders sold their Sierra Rutile Shares on market.



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## **2 Reasons why you may choose not to accept the Offer**

### **2.1 You may not agree with your Directors' unanimous recommendation**

Despite the unanimous recommendation provided by the Sierra Rutile Board in this Target's Statement to **ACCEPT** the Offer (in the absence of a Superior Proposal), you may take a different view and may believe that the Offer Price of A\$0.18 per Sierra Rutile Share is insufficient and/or you may hold a different view and believe that the Offer is not in your individual best interests, including on the basis that you may have concerns about the viability of the Offer.

### **2.2 You may believe Sierra Rutile's Area 1 operations and the development of the Sembehun Project could generate more value if developed by Sierra Rutile**

You may believe that there is opportunity to receive greater returns through continued investment in Sierra Rutile as a standalone entity and if the Sembehun Project is developed.

Section 7.3 of this Target's Statement outlines the key financial metrics of the Sembehun Project under the DFS assumptions with various rutile price scenarios. It is important to note that this is an estimate of value at the project level only rather than a valuation of Sierra Rutile as a whole. It does not take into account corporate costs or project funding requirements or sources.

Other reasons you may believe that Sierra Rutile Shareholders will have the opportunity for greater returns over the long term by continued investment in Sierra Rutile as a stand-alone entity may include the following:

- a belief that Sierra Rutile and its Directors and management have the potential to realise more value from Sierra Rutile's assets than the Offer Price; and
- a willingness to invest and a belief that Sierra Rutile has the ability to secure substantial capital to allow Sierra Rutile to develop its Sembehun Project.

### **2.3 The Offer is conditional**

The Offer is conditional because it remains subject to the Bid Conditions. There can be no assurance that the Bid Conditions will be satisfied (or waived by Leonoil) and when they will be satisfied. If you accept the Offer while it remains subject to one or more Bid Conditions, then:

- Leonoil will not be obliged to pay you the Offer Price, unless and until such Bid Conditions are satisfied or waived; and
- you will be unable to sell your Sierra Rutile Shares on market or to any competing offer that may emerge for your Sierra Rutile Shares unless and until the Offer closes without becoming or being declared unconditional, or a right to revoke or withdraw your acceptance exists or otherwise arises under the Corporations Act.

You may only withdraw your acceptance if a withdrawal right exists or arises under the Corporations Act, such as if Leonoil varies the Offer in a way that postpones for more than one month the time by which it must meet its obligations under the Offer and the Offer is still subject to one or more Bid Conditions at that time.

### **2.4 A Superior Proposal for Sierra Rutile, if it were to continue as a standalone entity, may emerge in the foreseeable future**

You may believe that a Superior Proposal for all Sierra Rutile Shares could emerge in the foreseeable future. If a Superior Proposal is announced, Sierra Rutile Shareholders who have accepted the Offer will not be able to withdraw their acceptance in order to accept a Superior Proposal, unless the Offer is withdrawn, or another withdrawal right exists under the

Corporations Act. However, if Leonoil varies the Offer to increase the consideration it is offering for your Sierra Rutile Shares, you will be entitled to receive the increased consideration even if you have already accepted the Offer.

You should note that, as at the date of this Target's Statement, no Superior Proposal has been received.

## **2.5 You may wish to sell your Sierra Rutile Shares on market**

You may wish to realise your investment in Sierra Rutile through the sale of some or all of your Sierra Rutile Shares on the ASX.

If you sell your Sierra Rutile Shares on-market, you:

- (a) will lose the ability to accept the Offer or any other offer which may eventuate;
- (b) will not be entitled to receive any increased consideration if Leonoil subsequently increases the consideration under the Offer; and
- (c) may incur brokerage.

## **2.6 The potential tax consequences of accepting the Offer may not suit your current financial position or tax circumstances**

Acceptance of the Offer may result in potential tax consequences (potentially including capital gains tax) for Sierra Rutile Shareholders, which may not suit your current financial position or tax circumstances.

A general outline of the Australian tax implications of accepting the Offer is set out in Section 5.10 of this Target's Statement. As this outline is a general outline only, Sierra Rutile Shareholders are encouraged to seek their own tax advice.

### 3 Frequently asked questions

This Section answers some commonly asked questions in relation to the Offer. It is not intended to address all relevant issues for Sierra Rutile Shareholders. This Section should be read together with the rest of this Target's Statement.

#	Question	Answer	Further information
<b>3.1 Information about the Offer</b>			
(a)	<b>What is the Bidder's Statement?</b>	<p>The Bidder's Statement is the document setting out the terms of the Offer. Leonoil lodged the Bidder's Statement with ASIC and released on the ASX on 30 July 2024 and served it on Sierra Rutile on the same date.</p> <p>The Bidder's Statement was first sent to shareholders on 6 August 2024.</p>	N/A
(b)	<b>What is this Target's Statement?</b>	This Target's Statement has been prepared by Sierra Rutile and provides Sierra Rutile's response to the Offer to help you decide whether to accept or reject the Offer, including the recommendation of your Sierra Rutile Directors to <b>ACCEPT</b> the Offer.	N/A
(c)	<b>What is the Offer?</b>	<p>Leonoil is offering to buy all of the Sierra Rutile Shares it does not already own by way of an off-market takeover bid.</p> <p>If you accept the Offer, and the Offer is declared or becomes unconditional, you will receive the Offer Price for each Sierra Rutile Share you own, being A\$0.18 cash.</p>	Section 5
(d)	<b>Who is making the Offer?</b>	<p>The Offer is made by Leonoil Company Limited, a company registered in Sierra Leone.</p> <p>As at the Last Practicable Date, Leonoil has a Relevant Interest in 84,273,129 Sierra Rutile Shares with a voting power of 19.85%.</p>	Section 6.1
(e)	<b>What is Leonoil offering for your Sierra Rutile Shares</b>	Leonoil is offering to acquire all of your Sierra Rutile Shares for A\$0.18 cash per Sierra Rutile Share by way of an off-market takeover bid on the terms and conditions set out in the Bidder's Statement.	Section 5.1
(f)	<b>Will there be a shareholder vote on the Offer?</b>	No. As the Offer is undertaken by way of an off-market takeover bid, it does not require a shareholder vote.	N/A
(g)	<b>Who may accept the Offer?</b>	<p>Any person who is capable of, during the Offer Period, giving good title to a parcel of Sierra Rutile Shares that:</p> <ul style="list-style-type: none"> <li>are on issue as at the Register Date; or</li> </ul>	Section 5.1(f)

#	Question	Answer	Further information
		<ul style="list-style-type: none"> <li>are issued or come into existence before the end of the Offer Period as a result of the vesting of Sierra Rutile Performance Rights or Sierra Rutile Restricted Rights; and</li> <li>has not already accepted an offer for those Sierra Rutile Shares.</li> </ul>	
(h)	<b>When does the Offer close?</b>	<p>The Offer is currently scheduled to close at 5:00pm (AWST) on 9 September 2024, unless withdrawn or extended in accordance with the Corporations Act.</p> <p>Your Sierra Rutile Directors will keep you informed if there are any material developments in relation to the Offer.</p> <p>If you wish to follow the Sierra Rutile Directors' recommendation and <b>ACCEPT</b> the Offer (in the absence of a Superior Proposal), you should follow the instructions set out in Page 4 and sections 1 and 13.3 of the Bidder's Statement.</p>	Section 5.1(b)
(i)	<b>Can Leonoil extend the closing date of the Offer?</b>	<p>Yes. Leonoil can extend the Offer in accordance with the Corporations Act.</p> <p>In addition, the Offer Period may be extended automatically in certain circumstances.</p> <p>The Offer Period cannot exceed 12 months.</p>	Section 5.1(c)
<b>3.2 The recommendation of your Sierra Rutile Directors</b>			
(a)	<b>What is the recommendation of your Sierra Rutile Directors?</b>	<p>Your Sierra Rutile Directors unanimously recommend that you <b>ACCEPT</b> the Offer (in the absence of a Superior Proposal). To follow your Sierra Rutile Directors' recommendation you should follow the instructions at Page 4 and sections 1 and 13.3 of the Bidder's Statement.</p> <p>If there is a change in this recommendation or any material developments in relation to the Offer, Sierra Rutile will lodge a supplementary target's statement.</p>	Page 3 and Section 1
(b)	<b>Why do your Sierra Rutile Directors recommend you ACCEPT the Offer?</b>	<p>The key reasons why your Sierra Rutile Directors recommend you <b>ACCEPT</b> the Offer are:</p> <ul style="list-style-type: none"> <li>your Board of Directors recommend the Offer (in the absence of a Superior Proposal)</li> <li>the Offer Price represents an attractive and significant premium to Sierra Rutile's historical trading prices</li> <li>the Offer Price represents a 12.5% premium to the A\$0.16 per share offer</li> </ul>	Section 1

#	Question	Answer	Further information
		<p>price proposed by Gemcorp on 1 July 2024 and a substantial 89.5% premium to the A\$0.095 a share offer price of the PRM Services LLC on-market takeover bid announced on 20 March 2024</p> <ul style="list-style-type: none"> <li>• the Offer is an all-cash offer and provides certainty of value</li> <li>• accepting the Offer avoids significant future funding and associated dilution risk</li> <li>• accepting the Offer avoids inherent risks associated with an investment in Sierra Rutile</li> <li>• no Superior Proposal is currently anticipated</li> </ul>	
(c)	<b>What do your Sierra Rutile Directors intend to do with their own Sierra Rutile Shares?</b>	Each Sierra Rutile Director who holds or controls Sierra Rutile Shares (including any Sierra Rutile Shares issued or acquired on the vesting of Sierra Rutile Performance Rights or Sierra Rutile Restricted Rights) intends to <b>ACCEPT</b> , or procure acceptance of, the Offer under its current terms in respect of those Sierra Rutile Shares held or controlled by each Director or by their Associates (in the absence of a Superior Proposal).	Section 9.3
(d)	<b>What will happen if a Superior Proposal emerges?</b>	<p>Your Sierra Rutile Directors will carefully consider any competing or Superior Proposal (should one emerge) and will advise Sierra Rutile Shareholders if a Superior Proposal emerges.</p> <p>If a Superior Proposal emerges and you have already accepted the Offer, you will not be able to accept the Superior Proposal unless you are entitled to revoke or withdraw your acceptance under limited circumstances (see Section 5.6).</p>	Sections 5.5 and 8.2(b)
(e)	<b>Will I receive further advice from Sierra Rutile Directors during the Offer Period?</b>	<p>The Sierra Rutile Directors will be closely monitoring the progress of the Offer.</p> <p>If circumstances change, or if matters arise which should be drawn to the attention of Sierra Rutile Shareholders, or which cause any change or variation to the advice of your Sierra Rutile Directors in this Target's Statement, the Sierra Rutile Directors will ensure that Sierra Rutile Shareholders are promptly and appropriately advised.</p>	N/A
<b>3.3 Your choices as a Sierra Rutile Shareholder</b>			
(a)	<b>What choices do I have as a Sierra Rutile Shareholder?</b>	As a Sierra Rutile Shareholder, you have 3 choices available:	Section 4

#	Question	Answer	Further information
		<p>1. <b>Accept the Offer for all of your Sierra Rutile Shares.</b> If you choose to accept the Offer you should follow the instructions in the Bidder's Statement in line with the Sierra Rutile Directors' unanimous recommendation to <b>ACCEPT</b> the Offer (in the absence of a Superior Proposal). You should read this Target's Statement in its entirety before making a decision as to whether or not to accept the Offer for your Sierra Rutile Shares, including the circumstances, including how you may revoke or withdraw your acceptance in limited circumstances (see Section 5.6) and any tax liability that may arise (see Section 5.10).</p> <p>2. <b>Sell your Sierra Rutile Shares on ASX</b> (unless you have already accepted the Offer). If you sell your Sierra Rutile Shares on ASX, you:</p> <ul style="list-style-type: none"> <li>• will lose the ability to accept the Offer and receive the Offer Price (and any subsequent improvement in the Offer Price), in relation to those Sierra Rutile Shares;</li> <li>• will lose the ability to accept any Superior Proposal for your Sierra Rutile Shares, if one emerges;</li> <li>• may be liable for tax on the disposal of those Sierra Rutile Shares;</li> <li>• may incur a brokerage charge; and</li> <li>• will lose the opportunity to receive future returns from Sierra Rutile in relation to those Sierra Rutile Shares (although there is no certainty as to whether such events will occur).</li> </ul> <p>3. <b>Reject the Offer and do nothing</b> and remain a Sierra Rutile Shareholder (unless your Sierra Rutile Shares are Compulsorily Acquired). If you disagree with the Sierra Rutile Directors' recommendation to <b>ACCEPT</b> the Offer then do not fill in or return any of the Offer documentation. Ignore all correspondence, documents and communications received from Leonoil. You are not required to do anything.</p> <p>If you are in any doubt as to what to do, your Sierra Rutile Directors recommend that you seek independent financial and tax advice from your professional advisers. Sierra Rutile Shareholders should carefully consider the Sierra Rutile</p>	

#	Question	Answer	Further information
		Directors' recommendation and other important information set out in this Target's Statement.	
(b)	<b>What happens if I do nothing?</b>	<p>You will remain a Sierra Rutile Shareholder.</p> <p>However, if Leonoil obtains a Relevant Interest in 90% or more of Sierra Rutile Shares and 75% (by number) of the securities to which the Offer extends, Leonoil has stated that it intends to Compulsorily Acquire your Sierra Rutile Shares.</p> <p>If Leonoil acquires 50% or more and less than 90% of Sierra Rutile Shares under the Offer, Leonoil has stated it intends to:</p> <ul style="list-style-type: none"> <li>reconstitute the board with Leonoil nominees to reflect its voting power in Sierra Rutile pursuant to its rights under the Bid Implementation Agreement to appoint up to three new Sierra Rutile board members upon attaining a relevant interest of in more than 50% of Sierra Rutile Shares and the Offer becoming or being declared unconditional</li> <li>procure that the Sierra Rutile Board apply to the ASX to have Sierra Rutile removed from the official list of the ASX, in accordance with ASX guidance</li> <li>conduct a wide-ranging strategic review which could result in changes to Sierra Rutile's strategic direction.</li> </ul>	Sections 1.8, 5.7 and 5.8
(c)	<b>How do I accept the Offer?</b>	To accept the Offer, you should refer to Page 4 and sections 1 and 13.3 of the Bidder's Statement for instructions on how to do so. The Sierra Rutile Directors unanimously recommend that you <b>ACCEPT</b> the Offer.	Page 4 and Section 4
(d)	<b>How do I reject the Offer?</b>	To reject the Offer, you should do nothing. You should take no action in relation to all documents from Leonoil regarding the Offer.	Section 4
(e)	<b>What are the risks of rejecting the Offer?</b>	If you reject the Offer you will continue to hold Sierra Rutile Shares and your investment will remain subject to the risks associated with Sierra Rutile.	Section 8.3
(f)	<b>What happens if Leonoil increases the Offer Price?</b>	If Leonoil increases the Offer Price, all Sierra Rutile Shareholders, whether or not they have already accepted the Offer before then, will be entitled to receive the increased Offer Price if they accept the Offer and it becomes unconditional.	Section 5.5

#	Question	Answer	Further information
(g)	<p><b>What are the consequences of accepting the Offer now?</b></p>	<p>If you accept the Offer, you will, subject to your right to revoke or withdraw your acceptance of the Offer in limited circumstances (see Section 5.6):</p> <ul style="list-style-type: none"> <li>• limit your right to sell your Sierra Rutile Shares on ASX (or any other trading platform) or otherwise deal with your Sierra Rutile Shares while the Offer remains open (this may prevent you from accepting any Superior Proposal, if such an offer were to emerge. As noted in Section 1.7, the Sierra Rutile Directors do not currently anticipate that a Superior Proposal will emerge); and</li> <li>• relinquish control of your Sierra Rutile Shares with no guarantee of receiving the Offer Price until if and when the Offer becomes unconditional.</li> </ul> <p>The effect of accepting the Offer is set out in section 13.5 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise rights attaching to your Sierra Rutile Shares and the representations and warranties which you make if you accept the Offer.</p> <p>Sierra Rutile Shareholders should be aware that if they were to accept the Offer while the Offer remains subject to one or more Bid Conditions, then:</p> <ul style="list-style-type: none"> <li>• Leonoil is not obliged to pay the Offer Price and complete the acquisition of your Sierra Rutile Shares until the Offer becomes unconditional; and</li> <li>• you will be unable to sell your Sierra Rutile Shares on market or accept any competing offer unless and until the Offer closes without becoming unconditional or a withdrawal right exists or arises under the Corporations Act.</li> </ul> <p>It is uncertain when, if ever, the Offer will become unconditional.</p>	Section 5.5
(h)	<p><b>If I accept, can I later change my decision and revoke or withdraw my acceptance?</b></p>	<p>Once you have accepted the Offer, you will only be permitted to withdraw your acceptance if the Offer lapses without becoming unconditional or the Offer is varied by Leonoil in a way that extends the Offer Period and postpones Leonoil's obligations to pay the Offer Price by more than one month and the Offer is still subject to one or more Bid Conditions.</p> <p>Section 13.5 of the Bidder's Statement describes in more detail the circumstances in which Sierra</p>	Section 5.6



#	Question	Answer	Further information
		Rutile Shareholders may validly withdraw their acceptance.	
(i)	<b>Can I accept the Offer for only some of my Sierra Rutile Shares?</b>	No.	Section 5.1
(j)	<b>If I choose to accept the Offer, when will I receive the Offer Price?</b>	<p>If you accept the Offer, and the Offer becomes unconditional, you will have to wait until the earlier of:</p> <ul style="list-style-type: none"> <li>• one month after you accept the Offer, or one month after the Offer is declared or becomes unconditional (whichever is the later); and</li> <li>• 21 days after the end of the Offer Period.</li> </ul> <p>It is uncertain when, if ever, the Offer will become unconditional.</p>	Section 5.1(a)
(k)	<b>Can I be forced to sell my Sierra Rutile Shares?</b>	<p>You cannot be forced to sell your Sierra Rutile Shares unless Leonoil is legally entitled to proceed to Compulsory Acquisition of the Sierra Rutile Shares.</p> <p>If Leonoil obtains more than 90% Voting Power in Sierra Rutile, then (subject to satisfaction of various legal requirements) Leonoil will be entitled to proceed to Compulsory Acquisition of Sierra Rutile Shares held by Sierra Rutile Shareholders who did not accept the Offer, in which case you will receive the same consideration as the Offer Price, but it will take longer for you to receive your Offer Price. Leonoil has stated that it intends to Compulsorily Acquire your Sierra Rutile Shares if it acquires 90% or more of Sierra Rutile Shares.</p>	Section 5.7
(l)	<b>During the Offer Period, can I sell my Sierra Rutile Shares on ASX?</b>	Yes, unless you have accepted the Offer in respect of those Sierra Rutile Shares and have not validly revoked or withdrawn your acceptance (see Section 5.6 of this Target's Statement).	Section 4
<b>3.4 Bid Conditions and their implications</b>			
(a)	<b>What are the Bid Conditions on the Offer?</b>	<p>The Offer is conditional. The Bid Conditions include (in summary form only):</p> <ul style="list-style-type: none"> <li>• No Material Adverse Change</li> <li>• No government or regulatory action in consequence or in connection with the Offer which adversely impacts the Offer</li> <li>• No Prescribed Occurrences</li> </ul>	Section 5.2

#	Question	Answer	Further information
		<ul style="list-style-type: none"> <li>• No equity or debt capital raising during the Offer Period (subject to allowance for the Interim Funding)</li> <li>• No incurring of significant liabilities in excess of US\$2.5 million</li> <li>• No capital expenditure incurred or committed in excess of US\$2.5 million</li> <li>• No new material contracts entered into or varied, including material off-take agreements</li> <li>• No material acquisitions and disposals of any asset or business</li> <li>• No discretionary vesting of Sierra Rutile Performance Rights or Sierra Rutile Restricted Rights</li> <li>• Waiver or release received from each counterparty to a Material Contract of a Relevant Right such as a right to terminate or vary the contract</li> <li>• No litigation which may reasonably result in a judgement of US\$3 million or more</li> <li>• All third party approvals received, on an unconditional basis</li> <li>• No default on a debt obligation or financial liability of a Sierra Rutile Group member</li> <li>• No adverse events including outbreak of hostilities, act of terrorism, or change of government in Sierra Leone.</li> </ul> <p>This is only a summary of the Bid Conditions of the Offer. See Section 5.2 for further details and the views of the Sierra Rutile Directors on the likelihood of the Bid Conditions being satisfied. The Bid Conditions are also set out in full in section 13.7 of the Bidder's Statement.</p>	
(b)	<b>Can Leonoil waive the Bid Conditions?</b>	Yes, Leonoil can waive any or all of the Bid Conditions.	Section 5.2
(c)	<b>What happens if the Bid Conditions of the Offer are not satisfied or waived by Leonoil?</b>	If the Bid Conditions are not satisfied or waived by Leonoil before the Offer closes, the Offer will lapse, and you will not receive the Offer Price (even if you had accepted the Offer). However, you would then be free to deal with your Sierra Rutile Shares.	Section 5.3

#	Question	Answer	Further information
(d)	<b>What happens if I accept the Offer and the Bid Conditions are satisfied or waived?</b>	<p>If you have accepted the Offer and each of the Bid Conditions are satisfied or waived, then the Offer will become unconditional and you will receive the Offer Price for your Sierra Rutile Shares from Leonoil as set out in Section 5.1(a).</p> <p>Once you accept the Offer, you may only validly revoke or withdraw your acceptance in limited circumstances (see Section 5.6).</p>	Section 5.1 and 5.6
<b>3.5 Competing proposals</b>			
(a)	<b>What is the status of the PRM Offer?</b>	<p>On 20 March 2024, Sierra Rutile received an unsolicited on-market takeover offer from PRM to acquire all of the Sierra Rutile Shares it does not own at a price of A\$0.095 cash per share. The PRM Offer closed on 31 July 2024 and is no longer capable of acceptance by Sierra Rutile Shareholders.</p> <p>As at the Last Practicable Date, PRM holds a 11.46% interest in Sierra Rutile.</p>	Section 9.1
(b)	<b>What is the status of the Gemcorp Proposal?</b>	<p>On 1 July 2024, Sierra Rutile announced it had entered into the Gemcorp Bid Implementation Agreement pursuant to which Gemcorp agreed to offer to acquire all of the issued and outstanding Sierra Rutile Shares it does not already own under an off-market takeover bid at a price of A\$0.16.</p> <p>As announced to ASX on 29 July 2024, Sierra Rutile announced that it had received written notice from Gemcorp terminating the Gemcorp Bid Implementation Agreement in accordance with the agreement. Accordingly, Gemcorp is released from its contractual obligation under the Gemcorp Bid Implementation Agreement to make a formal offer for all of the Sierra Rutile Shares it does not already own. Sierra Rutile understands that Gemcorp intends to seek relief from ASIC such that it is no longer obliged under section 631(1) of the Corporations Act to proceed with the Gemcorp Proposal as contemplated by the Gemcorp Bid Implementation Agreement.</p> <p>As at the Last Practicable Date, Gemcorp holds a 19.9% interest in Sierra Rutile.</p>	Section 9.1
<b>3.6 Other</b>			
(a)	<b>Are there any tax consequences of accepting the Offer?</b>	A general outline of the tax consequences for certain Sierra Rutile Shareholders of accepting the Offer is set out in section 11 of the Bidder's Statement and Section 5.10 below.	Section 5.10

#	Question	Answer	Further information
		You should not rely on the outline in the Bidder's Statement (or this FAQ 3.6(a) or Section 5.10) as advice on your own tax affairs. It does not deal with the position of certain Sierra Rutile Shareholders. Your Sierra Rutile Directors encourage you to seek your own professional financial and tax advice before making a decision whether or not to accept the Offer.	
(b)	<b>Will I need to pay brokerage or stamp duty if I accept the Offer?</b>	No brokerage or stamp duty will be payable on the transfer of Sierra Rutile Shares if the Offer proceeds.	N/A
(c)	<b>Can Leonoil withdraw its Offer?</b>	Leonoil may only withdraw the Offer with the written consent of ASIC in accordance with the requirements of the Corporations Act and subject to the conditions (if any) specified in such consent.	Section 5.1(d)
(d)	<b>Is the Offer open to vested Sierra Rutile Incentives?</b>	The Offer will not extend to the acquisition of any Sierra Rutile Performance Rights or Sierra Rutile Restricted Rights currently on issue. However, the Offer will extend to any Sierra Rutile Shares that are acquired or issued during the Offer Period as a result of the vesting of Sierra Rutile Performance Rights or Sierra Rutile Restricted Rights.	Section 5.1 and 9.5
(e)	<b>Will Sierra Rutile remain listed on ASX?</b>	That depends on the outcome of the Offer.  If Leonoil Compulsorily Acquires the Sierra Rutile Shares (as is its stated intention if it becomes entitled to do so) then Sierra Rutile will be delisted from ASX following the completion of the Compulsory Acquisition process. In addition, Leonoil has stated that if it were to acquire a Relevant Interest of more than 50% but less than 90% of Sierra Rutile Shares, its intention is to procure that the Sierra Rutile Board apply to the ASX to have Sierra Rutile removed from the official list of ASX. Further information on the Leonoil's intentions on delisting Sierra Rutile is set out at sections 5, 8.2, 10.3 and 10.4 of the Bidder's Statement.  Any proposal to delist Sierra Rutile from ASX will require ASX's consent and may be subject to conditions imposed by ASX.	Section 5.11
(f)	<b>How can I get updates on the Sierra Rutile Share price?</b>	You can receive updates by visiting the ASX website at <a href="http://www.asx.com.au">www.asx.com.au</a> using the code 'SRX'.	Section 9.11
(g)	<b>If I have any questions who can I contact?</b>	You can contact the Sierra Rutile Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia)	N/A

#	Question	Answer	Further information
		<p>between 8:30am and 5:00pm (Melbourne time), Monday to Friday excluding national public holidays.</p> <p>Announcements made to ASX by Sierra Rutile and other information relating to the Offer can be obtained from Sierra Rutile's website at <a href="https://sierra-rutile.com/">https://sierra-rutile.com/</a>.</p>	

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## 4 Your choices as a Sierra Rutile Shareholder

### The Sierra Rutile Directors unanimously recommend that you **ACCEPT** the Offer (in the absence of a Superior Proposal)

However, as a Sierra Rutile Shareholder you have 3 choices currently available to you. Your Sierra Rutile Directors encourage you to consider your personal risk profile, investment objectives and financial and tax circumstances before making a decision as to whether or not to accept the Offer for your Sierra Rutile Shares.

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#### Option 1

##### ACCEPT the Offer

Your Sierra Rutile Directors unanimously recommend that you **ACCEPT** the Offer (in the absence of a Superior Proposal).

If you choose to accept the Offer:

- you will not receive the Offer Price unless and until each of the Bid Conditions of the Offer are all either satisfied or waived by Leonoil. Details of the Offer Price that you will receive if you accept the Offer are set out in Section 5.1 as well as in section 13 the Bidder's Statement;
- you will only be able to revoke or withdraw your acceptance in limited circumstances which are set out in Section 5.6; and
- you may be liable for tax on the disposal of your Sierra Rutile Shares as a result of your acceptance. An overview of the Australian tax consequences for certain Sierra Rutile Shareholders of selling Sierra Rutile Shares is provided in section 11 of the Bidder's Statement. See also Section 5.10 for further information on the tax consequences of the Offer.

If Leonoil increases the Offer Price, all Sierra Rutile Shareholders, whether or not they have already accepted the Offer before then, will be entitled to receive the increased Offer Price if they accept the Offer and it becomes unconditional.

Sierra Rutile Shareholders should be aware that if they were to accept the Offer while the Offer remains subject to one or more Bid Conditions, then:

- Leonoil is not obliged to pay the Offer Price and complete the acquisition of your Sierra Rutile Shares until the Offer becomes unconditional; and
- you will be unable to sell your Sierra Rutile Shares on market or accept any competing offer unless and until the Offer closes without becoming unconditional or a withdrawal right exists or arises under the Corporations Act.

Further information on the consequences of accepting the Offer is discussed in Section 5.5. See Page 4 and sections 1 and 13.3 of the Bidder's Statement and the Acceptance Form (which has been sent to Sierra Rutile Shareholders together with the Bidder's Statement) for instructions on how to accept the Offer.

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<p><b>Option 2</b></p> <p><b>Sell your Sierra Rutile Shares on market</b></p>	<p>During the Offer Period, you may sell your Sierra Rutile Shares on market through ASX at the prevailing market price for cash (less any brokerage), provided you have not accepted the Offer.</p> <p>As at the Last Practicable Date, the closing price of Sierra Rutile Shares was A\$0.17, being lower than the Offer Price of A\$0.18 per Sierra Rutile Share offered under the Offer.</p> <p>If you sell your Sierra Rutile Shares on the ASX, you will receive the consideration for your Sierra Rutile Shares sooner than if you accept the Offer while it is subject to the Bid Conditions. However, you:</p> <ul style="list-style-type: none"> <li>• will lose the ability to accept the Offer and receive the Offer Price (and any subsequent improvement in the Offer Price), in relation to those Sierra Rutile Shares;</li> <li>• will lose the ability to accept any Superior Proposal for your Sierra Rutile Shares if one emerges;</li> <li>• may be liable for tax on the disposal of those Sierra Rutile Shares;</li> <li>• may incur a brokerage charge; and</li> <li>• will lose the opportunity to receive future returns from Sierra Rutile in relation to those Sierra Rutile Shares.</li> </ul> <p>You should contact your broker for information on how to sell your Sierra Rutile Shares on ASX and your tax adviser to determine your tax implications from such a sale.</p>
<p><b>Option 3</b></p> <p><b>Reject the Offer and remain a Sierra Rutile Shareholder</b></p>	<p>The Sierra Rutile Directors unanimously recommend that you <b>ACCEPT</b> the Offer.</p> <p>However, if you do not wish to accept the Offer in respect of a Sierra Rutile Share, you should do nothing. Simply disregard the documents sent to you by Leonoil.</p> <p>You should note that:</p> <ul style="list-style-type: none"> <li>• if you choose not to accept the Offer, you will not receive the Offer Price unless Leonoil holds 90% of the Sierra Rutile Shares at the end of the Offer Period. In this event (subject to satisfaction of various legal requirements), Leonoil will become entitled to Compulsorily Acquire all those Sierra Rutile Shares that it does not already own (see Section 5.7 for further information regarding Compulsory Acquisition); and</li> <li>• if Leonoil acquires less than 90% of the Sierra Rutile Shares and all of the Bid Conditions of the Offer are satisfied or waived, and you continue to hold Sierra Rutile Shares, you will be exposed to the risks associated with being a minority shareholder of Sierra Rutile. Some of these risks are explained in Section 5.8.</li> </ul>

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## 5 Information about the Offer and other important information

### 5.1 Overview of Offer

Leonoil has lodged with ASIC, released to ASX and served on Sierra Rutile a copy of the Bidder's Statement, which contains the Offer to Sierra Rutile Shareholders to acquire all of your Sierra Rutile Shares.

You may only accept this Offer for all of your Sierra Rutile Shares.

#### (a) Offer Price

Leonoil is offering A\$0.18 in cash for every Sierra Rutile Share that you hold. If you accept the Offer, and the Offer becomes unconditional, you will have to wait until the earlier of:

- (i) one month after you accept the Offer, or 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,

before you receive the Offer Price. It is uncertain when, if ever, the Offer will become unconditional.

See section 13.6 of the Bidder's Statement for further details on when you will be sent your payment from Leonoil.

#### (b) Offer Period

The Offer period is open for acceptance from 6 August 2024 until 5:00pm (AWST) on 9 September 2024, unless the Offer is withdrawn or the Offer Period is extended in accordance with the Corporations Act. The Offer Period will be automatically extended by law if within the last seven days of the Offer Period:

- (i) the Offer made under the Bidder's Statement is varied to improve the consideration; or
- (ii) Leonoil's Voting Power in Sierra Rutile increases to more than 50%.

Instructions on how to accept the Offer are set out in Page 4 and the Bidder's Statement in sections 1 and 13.3. If you want to accept the Offer, you should follow those instructions carefully to ensure that your acceptance is valid. Once you accept the Offer, you may not revoke or withdraw your acceptance, except in limited circumstances (see Section 5.6).

#### (c) Extension of the Offer Period

If the Offer is unconditional (that is, all the Bid Conditions are satisfied or waived), Leonoil may extend the Offer Period at any time before the end of the Offer Period. However, if the Offer remains subject to Bid Conditions, Leonoil may extend the Offer Period at any time before it gives Sierra Rutile Shareholders a Notice of Status of Conditions (as described in Section 5.4), but may only extend the Offer after it gives the Notice of Status of Conditions in the circumstances described in the next paragraph or in other limited circumstances set out in the Corporations Act, which only apply where another person also announces or makes a takeover bid for Sierra Rutile Shares.

In addition, there will be automatic extension of the Offer Period if Leonoil's Voting Power in Sierra Rutile increases to more than 50% during the last 7 days of the Offer Period. In this case, the Offer Period will end on the 14th day after Leonoil's Voting Power in Sierra Rutile increases to more than 50%.

The maximum duration of the Offer Period is 12 months.



(d) **Withdrawal of the Offer**

Leonoil may withdraw the Offer at any time but only in limited circumstances and where it obtains the written consent of ASIC and subject to the conditions (if any) specified in such consent. See section 13.9 of the Bidder's Statement for further details about the effects of Leonoil withdrawing the Offer.

(e) **Lapse of the Offer**

The Offer will lapse if, at the end of the Offer Period, the Bid Conditions to which the Offer is subject (as summarised in Section 5.2) are not satisfied or waived. If this occurs, then any acceptances of the Offer given by Sierra Rutile Shareholders will be void. Sierra Rutile Shares the subject of any such acceptances will be returned to you and you will be free to deal with them as you choose. See section 13.8 of the Bidder's Statement for further information regarding the nature of the Bid Conditions.

(f) **Who may ACCEPT the Offer**

A person who:

- (i) is able during the Offer Period to give good title to a parcel of Sierra Rutile Shares; and
- (ii) has not already accepted an offer for those Sierra Rutile Shares,

may, in accordance with section 653B(1) of the Corporations Act, accept the Offer as if an offer on terms identical with the Offer had been made to that person in relation to those Sierra Rutile Shares.

The Offer does not extend to the acquisition of any Sierra Rutile Performance Rights or Sierra Rutile Restricted Rights that have not vested into Sierra Rutile Shares by the end of the Offer Period. However, the Offer extends to any Sierra Rutile Shares that are issued on vesting of Sierra Rutile Restricted Rights and Sierra Rutile Performance Rights prior to the end of the Offer Period as a result of the vesting of Sierra Rutile Performance Rights or Sierra Rutile Restricted Rights. This means that holders of Sierra Rutile Performance Rights or Sierra Rutile Restricted Rights that vest 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.

## 5.2 **Conditions of the Offer**

The Offer is subject to the Bid Conditions. The Bid Conditions are set out in full in section 13.7 of the Bidder's Statement.

If all of the Bid Conditions are not satisfied, or waived by Leonoil, before the end of the Offer Period, including any extended Offer Period, then the Offer will lapse and the Offer Price will not be issued to Sierra Rutile Shareholders who have accepted the Offer.

Furthermore, Sierra Rutile Shareholders who accept the Offer will, in the meantime, lose their ability to deal with their Sierra Rutile Shares or accept any Superior Proposal, except in limited circumstances where Sierra Rutile Shareholders have validly revoked or withdrawn their acceptance of the Offer (see Sections 5.5 and 5.6). Given the status of the PRM Offer and Gemcorp Proposal (as outlined in Section 9.1), and that the Offer is the third takeover proposal since March 2024, the Sierra Rutile Directors do not currently anticipate that a Superior Proposal will emerge.

When considering how these Bid Conditions may affect the prospects of success of the Offer, Sierra Rutile Shareholders should be aware of the following information:

(a) **Bid Conditions wholly or partly outside of Sierra Rutile's control**

Many of the Bid Conditions are wholly or partly outside the control of Sierra Rutile. These Bid Conditions include those set out in the table below.

Name of Bid Condition and Section of Bidder's Statement	Summary of Bid Condition	Likely to be satisfied
<p><b>No Material Adverse Change</b></p> <p>See Bidder's Statement section 13.7(a)</p>	<p>No Material Adverse Change (see defined term in Section 10.1).</p>	<p>Unknown. Sierra Rutile is not currently aware of any Material Adverse Change which it considers would be reasonably likely to trigger this Bid Condition. However, unforeseen events may emerge during the Offer Period which are wholly or partially outside of Sierra Rutile's control and which may trigger this Bid Condition.</p>
<p><b>No government or regulatory action</b></p> <p>See Bidder's Statement section 13.7(b)</p>	<p>There being no decisions, applications, actions, investigations or similar issued, announced or threatened (other than by or to ASIC or the Takeovers Panel) in consequence of or connection with the Offer which restrains or is reasonably likely to:</p> <ul style="list-style-type: none"> <li>• restrain the making of the Offer, the acquisition of Sierra Rutile Shares under the Offer, the rights of Leonoil as a Sierra Rutile Shareholder, the completion of any transaction contemplated by the Offer, or the Group's operations in Sierra Leone; or</li> <li>• seeks to require the divestiture of any Sierra Rutile Shares by Leonoil.</li> </ul>	<p>Unknown. Sierra Rutile is not currently aware of any events which it considers would be reasonably likely to trigger this Bid Condition. However, unforeseen events may emerge during the Offer Period which are wholly or partially outside of Sierra Rutile's control and which may trigger this Bid Condition.</p>
<p><b>Counterparty consent</b></p> <p>See Bidder's Statement section 13.7(j)</p>	<p>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 (<b>Relevant Release</b>) in relation to their Relevant Right and the statement is not materially varied, revoked or qualified before the end of the Offer Period.</p>	<p>Sierra Rutile has reviewed its contracts and does not consider any Relevant Releases are required as at the date of this Target's Statement. Accordingly, Sierra Rutile believes that this Bid Condition is likely to be satisfied.</p>
<p><b>No litigation on foot or pending</b></p> <p>See Bidder's Statement section 13.7(k)</p>	<p>No litigation against the Group which may reasonably result in a judgment of US\$3 million or more is commenced, threatened to be commenced, announced, or made known to Leonoil, other than that which has been announced to ASX by Sierra Rutile prior to 22 July 2024.</p>	<p>Unknown. This Bid Condition is wholly or partially outside Sierra Rutile's control. However, Sierra Rutile is not currently aware of or anticipating any occurrence which it considers would be reasonably likely to trigger this Bid Condition. See Section 9.4 of this Target's Statement in relation to</p>

Name of Bid Condition and Section of Bidder's Statement	Summary of Bid Condition	Likely to be satisfied
		litigation Sierra Rutile is a party to.
<p><b>Leonoil's third party approvals</b></p> <p>See Bidder's Statement section 13.7(l)</p>	<p>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 Group's material assets, and which are necessary to permit:</p> <ul style="list-style-type: none"> <li>• the Offer to be lawfully made by Leonoil to and accepted by Sierra Rutile Shareholders; and</li> <li>• the transaction contemplated by the Bidder's Statement to be completed,</li> </ul> <p>are granted, given, made or obtained on an unconditional basis, remain in full force and effect and do not become subject to any notice or indication of intention to revoke, suspend, restrict, modify or not renew.</p>	<p>Unknown. This Bid Condition is wholly or partially outside Sierra Rutile's control. However, Sierra Rutile is not currently aware of any such consents that are required.</p>
<p><b>No default on debt obligations</b></p> <p>See Bidder's Statement section 13.7(m)</p>	<p>No event, change, condition, matter or thing occurs or becomes known to Leonoil after 22 July 2024, which has or would be reasonably likely to have the effect of a material default on a debt obligation or financial liability of a Sierra Rutile Group member.</p>	<p>Unknown. However, Sierra Rutile as at the date of this Target's Statement has no debt and is not currently aware of or anticipating any occurrence which it considers would be reasonably likely to trigger this Bid Condition.</p>
<p><b>No adverse events</b></p> <p>See Bidder's Statement section 13.7(n)</p>	<p>After 22 July 2024 there is no:</p> <ul style="list-style-type: none"> <li>• outbreak of hostilities or act of terrorism which has a material effect on the Group or its assets;</li> <li>• change of government in Sierra Leone; or</li> <li>• suspension in trading in Sierra Rutile Shares on ASX exceeding 5 days in total in the period of 12 months from 22 July 2024, other than with the written consent of Leonoil.</li> </ul>	<p>Unknown. This Bid Condition is wholly or partially outside Sierra Rutile's control.</p>

(b) **Bid Conditions which may require Sierra Rutile to take or refrain from taking actions where this may not be in interests of Sierra Rutile Shareholders**

Name of Bid Condition and Section of Bidder's Statement	Summary of Bid Condition	Likely to be satisfied
<p><b>No Prescribed Occurrences</b></p> <p>See Bidder's Statement section 13.7(c)</p>	<p>Between 22 July 2024 and the end of the Offer Period (each inclusive) there is no Prescribed Occurrence (see defined term in Section 10.1).</p>	<p>This Bid Condition is within the control of Sierra Rutile and/or the Sierra Rutile Group and accordingly, is likely to be satisfied.</p>
<p><b>No capital raising</b></p> <p>See Bidder's Statement section 13.7(d)</p>	<p>Sierra Rutile does not conduct any form of equity capital raising or material debt financing (including the issue of any new securities) between 22 July 2024 and the end of the Offer Period, except with the written consent of Leonoil.</p>	<p>This Bid Condition is within the control of Sierra Rutile and accordingly, is likely to be satisfied.</p> <p>Sierra Rutile is also entitled to obtain Interim Funding without obtaining Leonoil's consent.</p>
<p><b>No incurring of significant liabilities</b></p> <p>See Bidder's Statement section 13.7(e)</p>	<p>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.</p>	<p>This Bid Condition is within the control of the Sierra Rutile Group and accordingly, is likely to be satisfied.</p>
<p><b>Capital expenditure</b></p> <p>See Bidder's Statement section 13.7(f)</p>	<p>The Sierra Rutile Group does not incur or commit to incur capital expenditure in excess of US\$2.5 million:</p> <ul style="list-style-type: none"> <li>• capital expenditure that has been announced by Sierra Rutile before 22 July 2024 as intended to be incurred or committed;</li> <li>• as Fairly Disclosed; or</li> <li>• as otherwise consented to in writing by Leonoil.</li> </ul>	<p>This Bid Condition is within the control of the Sierra Rutile Group and accordingly, is likely to be satisfied.</p>
<p><b>No new significant contracts and variations</b></p> <p>See Bidder's Statement section 13.7(g)</p>	<p>The Sierra Rutile Group does not, without the written consent of Leonoil, enter into, waive any material rights under, vary or terminate any contract, commitment or arrangement which:</p> <ul style="list-style-type: none"> <li>• 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 Group;</li> <li>• relates to one or more off-take agreements (other than such agreements satisfying relevant criteria); or</li> <li>• is with a Regulatory Authority and relates to the taxation or fiscal regime or regulations applicable to</li> </ul>	<p>This Bid Condition is within the control of the Sierra Rutile Group and accordingly, is likely to be satisfied.</p>

Name of Bid Condition and Section of Bidder's Statement	Summary of Bid Condition	Likely to be satisfied
	the Sierra Rutile Group in Sierra Leone or the Area 1 Project or the Sembehun Project.	
<b>No material acquisitions and disposals</b> See Bidder's Statement section 13.7(h)	The Sierra Rutile Group does not acquire or dispose of, or enter into or announce 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 the manner in which the Sierra Rutile Group conducts its business or operations, or the nature, extent or value of the assets or liabilities of the Sierra Rutile Group businesses or assets, other than product sales or in the ordinary course or with the written consent of Leonoil.	This Bid Condition is within the control of the Sierra Rutile Group and accordingly, is likely to be satisfied.
<b>No discretionary vesting</b> See Bidder's Statement section 13.7(i)	Except as Fairly Disclosed (which includes the Sierra Rutile Performance Rights and Sierra Rutile Restricted Rights set out in Sections 9.3(a) and 9.5), no Sierra Rutile Performance Rights or Sierra Rutile Restricted Rights on issue are caused to vest by the exercise of a discretion of the Board and thereby be converted into Sierra Rutile Shares.	This Bid Condition is within the control of the Sierra Rutile Group and accordingly, is likely to be satisfied.

### 5.3 Consequences of Bid Conditions not being satisfied

As discussed in Section 5.2, there is no certainty that the Bid Conditions of the Offer will be satisfied.

You should be aware that, even if the Bid Conditions of the Offer are not satisfied (or are triggered, as appropriate), they may be waived by Leonoil.

If any Bid Condition is unsatisfied (or has been triggered), and has not been waived, Leonoil will have an option as to whether to proceed with the acquisition of Sierra Rutile Shares under its Offer (by waiving the relevant Bid Conditions) or allow its Offer to lapse with unsatisfied Bid Conditions. Generally speaking, Leonoil would not have to decide whether to proceed with the acquisition of Sierra Rutile Shares under its Offer until the date that it is required to provide its Notice of Status of Bid Conditions which, as discussed in Section 5.4, can be postponed if the Offer Period is extended.

If, by the end of the Offer Period the Bid Conditions have not been satisfied or waived, all contracts resulting from the acceptance of the Offer will be automatically void and have no effect.

### 5.4 Notice of Status of Conditions

The Bidder's Statement indicates that Leonoil will give a Notice of Status of Conditions on 30 August 2024 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended). Leonoil is required to set out in its Notice of Status of Conditions:

- (i) whether the Offer is free of any or all of the Bid Conditions;

- (ii) whether, so far as Leonoil knows, any of the Bid Conditions have been satisfied on the date the Notice of Status of Conditions is given; and
- (iii) Leonoil's Voting Power in Sierra Rutile at that time.

If the Offer Period is extended before the date on which the Notice of Status of Conditions is to be given, the date that Leonoil must give its Notice of Status of Conditions will be taken to be postponed for the same period. In the event of such an extension, Leonoil is required, as soon as practicable after the extension, to notify ASX and Sierra Rutile of the new date for giving the Notice of Status of Conditions.

In addition, if a Bid Condition is satisfied during the Offer Period but before the date on which the Notice of Status of Conditions is required to be given, Leonoil must, as soon as practicable, give ASX and Sierra Rutile a notice stating that the particular Bid Condition has been satisfied.

## 5.5 Effect of acceptance

If you accept the Offer while it is conditional this may (subject to the limited revocation and withdrawal rights set out at Section 5.6):

- (a) **prevent you from accepting any Superior Proposal** that may be made or any alternative superior transaction that may be recommended by the Sierra Rutile Board. As at the date of this Target's Statement, no Superior Proposal has emerged. The Sierra Rutile Board will inform Sierra Rutile Shareholders immediately if a Superior Proposal emerges. Given the status of the PRM Offer and Gemcorp Proposal (as outlined in Section 9.1), and that the Offer is the third takeover proposal since March 2024, the Sierra Rutile Directors do not currently anticipate that a Superior Proposal will emerge;
- (b) **prevent you from selling** or otherwise dealing with your Sierra Rutile Shares on market during the Offer Period;
- (c) **result in you relinquishing control of your Sierra Rutile Shares to Leonoil and the rights attaching to them with no guarantee of payment** until the Offer becomes, or is declared, unconditional – and as the Offer Period could be extended by Leonoil so that its Offer is open for up to 12 months, this could result in further delays in Leonoil issuing the Offer Price;
- (d) **give Leonoil the option to keep your Sierra Rutile Shares** if the Bid Conditions are not satisfied, but Leonoil declares the Offer unconditional by waiving the Bid Conditions;
- (e) **require Leonoil to return your Sierra Rutile Shares** if the Bid Conditions are not satisfied or waived and the Offer lapses (as discussed in Section 5.1(e)); and
- (f) **result in you being liable to pay tax** on the disposal of your Sierra Rutile Shares which may have financial consequences (as discussed in Section 5.10).

If Leonoil improves the Offer Price, all Sierra Rutile Shareholders who have accepted the Offer (whether or not they have accepted prior to that improvement) will be entitled to the benefit of that improved consideration.

The effect of acceptance of the Offer is set out in more detail in section 13.5 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Sierra Rutile Shares and the representations, warranties and declarations that you are deemed by Leonoil to give to it by accepting the Offer.

## 5.6 Revocation and withdrawal rights

If you accept the Offer, you will have a right to revoke or withdraw your acceptance only in limited circumstances.

### (a) Withdrawal rights under the terms of the Offer

The terms of the Offer include that if, by the end of the Offer Period, the Bid Conditions have not been fulfilled or waived, the Offer will automatically terminate, your acceptance will be voided and your Sierra Rutile Shares will be returned to you.

### (b) Statutory withdrawal rights under the Corporations Act

Under the Corporations Act, you may withdraw your acceptance of the Offer if Leonoil varies the Offer in a way that postpones, for more than one month, the time when Leonoil needs to meet its obligations under the Offer (for example, by extending the Offer Period by more than one month) and the Offer is still subject to any Bid Conditions at that time.

If this occurs, Leonoil is required to send you a notice at the time explaining your rights in this regard.

In these circumstances, you will have a period of one month after the date of receiving notice to withdraw your acceptance. Your statutory withdrawal rights will terminate upon the expiry of that one month period, although if the Offer Period is then further extended, you may receive further statutory withdrawal rights.

## 5.7 Compulsory Acquisition

### (a) Post-bid Compulsory Acquisition

Leonoil will be entitled to Compulsorily Acquire any outstanding Sierra Rutile Shares for which it has not received acceptances on the same terms as the Offer if, during or at the end of the Offer Period, Leonoil (taken together with its Associates):

- (i) has a Relevant Interest in at least 90% (by number) of the Sierra Rutile Shares on issue at the relevant time; and
- (ii) has acquired at least 75% (by number) of Sierra Rutile Shares for which it has made an Offer.

Leonoil has indicated in sections 5, 8.2 and 10.3 of its Bidder's Statement that if it becomes entitled to proceed to Compulsorily Acquire outstanding Sierra Rutile Shares, it intends do so.

In order for Leonoil to meet the Compulsory Acquisition thresholds, each of Gemcorp, PRM and Mano Mining Logistics Limited (each holding more than 10% of Sierra Rutile Shares as at the date of this Target's Statement) would need to accept the Offer in respect of their Sierra Rutile Shares (assuming that none of those holders dispose of their Sierra Rutile Shares during the Offer Period). If the Compulsory Acquisition thresholds above are met, Leonoil will have one month from the end of the Offer Period within which to give Compulsory Acquisition notices to Sierra Rutile Shareholders who have not accepted the Offer, but it may choose to commence Compulsory Acquisition as soon as the relevant thresholds are satisfied. The consideration payable by Leonoil will be the Offer Price last offered under the Offer. A Sierra Rutile Shareholder has statutory rights to challenge the Compulsory Acquisition, but this will require the relevant Sierra Rutile Shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent fair value for their Sierra Rutile Shares.

In addition, Leonoil must also offer to buy out the remaining holders of any outstanding securities that are convertible into Sierra Rutile Shares. In such circumstances, Leonoil must give notice of the terms of the acquisition along with an expert's report to holders of those convertible securities of their right to be bought out, during, or within one month after the end of, the Offer Period. A copy of the notice must be lodged with ASX and ASIC. Within one

month after the notice is given by Leonoil, the relevant holders of those convertible securities may choose to give Leonoil notice requiring Leonoil to acquire their securities. If the parties do not agree to the terms of the sale, then the issue may be resolved by a court.

**(b) General Compulsory Acquisition**

If Leonoil does not become entitled to Compulsorily Acquire Sierra Rutile Shares in accordance with the above procedures, it may nevertheless become entitled to exercise general Compulsory Acquisition rights in relation to the Sierra Rutile Shares and any securities that are convertible to Sierra Rutile Shares under Part 6A.2 Division 1 of the Corporations Act.

Broadly, Leonoil will be entitled to Compulsorily Acquire:

- (i) all outstanding Sierra Rutile Shares, if Leonoil (either alone or together with its Related Bodies Corporate) holds full beneficial interests in at least 90% (by number) of Sierra Rutile Shares; and
- (ii) any outstanding securities that are convertible into Sierra Rutile Shares, if Leonoil's Voting Power in Sierra Rutile is at least 90% and Leonoil (either alone or together with its Related Bodies Corporate) holds full beneficial interests in at least 90% (by value) of all securities in Sierra Rutile that are Sierra Rutile Shares or convertible into Sierra Rutile Shares.

If this threshold is met, Leonoil will have 6 months after Leonoil becomes a 90% holder within which to give Compulsory Acquisition notices to the relevant holders. The Compulsory Acquisition notices sent must be accompanied by an expert's report and an objection form.

The expert's report must consider whether Leonoil price for Compulsory Acquisition under this procedure gives "fair value" for the Sierra Rutile securities concerned and the expert's reasons for forming that opinion.

Sierra Rutile securityholders with at least 10% of the securities covered by the Compulsory Acquisition notice may challenge any Compulsory Acquisition relating to their securities and object to the acquisition before the end of the objection period (which must be at least one month). If this occurs, Leonoil may apply to the court for approval of the acquisition of the securities covered by the notice. The court must approve the acquisition if Leonoil establishes that the terms offered give fair value for the securities being acquired. The costs incurred by any securityholder who objects in legal proceedings in relation to the Compulsory Acquisition must be borne by Leonoil, unless the court is satisfied that the securityholder acted improperly, vexatiously or otherwise unreasonably.

## **5.8 Implications of Leonoil acquiring more than 50% but less than 90% of Sierra Rutile Shares**

If Leonoil acquires a Relevant Interest of more than 50%, but less than 90% of Sierra Rutile Shares, Sierra Rutile Shareholders who do not accept the Offer will become minority shareholders in Sierra Rutile. This has a number of possible implications, including:

- (a) the number of Sierra Rutile Shares traded on ASX could be significantly reduced, thereby potentially lessening the value of the shareholdings of Sierra Rutile Shareholders who do not accept the Offer (i.e., these Sierra Rutile Shareholders run the risk of being minority shareholders in a company with reduced share trading liquidity). Sierra Rutile 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 Sierra Rutile Shareholders wish to sell them in the future;
- (b) Leonoil has stated in section 10.4 of its Bidder's Statement that its intention is to procure that the Sierra Rutile Board apply to the ASX to have Sierra Rutile removed from the official list of ASX, in accordance with ASX guidance (see Section 5.11 for



more information on the implications of a potential delisting). If this occurs, Sierra Rutile Shares will not be able to be traded on ASX;

- (c) Leonoil will be in a position to cast the majority of votes at a general meeting of Sierra Rutile Shareholders. This will enable it to control the composition of the Sierra Rutile Board and senior management and control the strategic direction of Sierra Rutile and its Subsidiaries;
- (d) Leonoil has stated in sections 10.2 and 10.4 of its Bidder's Statement that Leonoil intends to undertake a wide-ranging strategic review of its operations, covering current strategy, financial and operating matters and, depending on the level of ownership achieved, replace some or all of the members of the Sierra Rutile Board with Leonoil's nominee directors. This will allow the Leonoil nominees on the Sierra Rutile Board to determine the strategic direction of the business and capital management. There is a risk that Sierra Rutile Shareholders may be dissatisfied with the altered strategic direction or the altered Board composition or that such alterations may adversely impact the Sierra Rutile business;
- (e) if Leonoil acquires 75% or more of Sierra Rutile Shares, it will be able to pass special resolutions at meetings of Sierra Rutile Shareholders. This will enable Leonoil to, among other things, change the Sierra Rutile Constitution; and
- (f) it is possible that even if Leonoil is not entitled to proceed to Compulsory Acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general Compulsory Acquisition under Part 6A.2 of the Corporations Act. For example, as a result of acquisitions of Sierra Rutile Shares in reliance on the "3% creep" exception in item 9 of section 611 of the Corporations Act. If Leonoil becomes entitled to Compulsory Acquisition under Part 6A.2 of the Corporations Act, it may exercise those rights.

## **5.9 Consequences of Leonoil acquiring a Relevant Interest in less than 50% of the Sierra Rutile Shares**

If Leonoil acquires a Relevant Interest in less than 50% of the Sierra Rutile Shares, the trading price of Sierra Rutile Shares may be higher or lower than the Offer Price. If you remain a Sierra Rutile Shareholder in these circumstances you will continue to be subject to the risks of being a Sierra Rutile Shareholder. Further, where there is no clear controlling shareholder, the larger shareholders may have different views on what strategic direction for Sierra Rutile they choose to support.

## **5.10 Tax consequences**

### **(a) Introduction**

The following is a brief outline of the certain Australian tax consequences generally applicable to a Sierra Rutile Shareholder who disposes of Sierra Rutile Shares by accepting the Offer.

It is also relevant to those Sierra Rutile Shareholders who do not accept the Offer, if those Sierra Rutile Shares are Compulsorily Acquired following Leonoil acquiring a Relevant Interest in at least 90% of the Sierra Rutile Shares at any time during the Offer Period.

This summary does not consider the Australian tax considerations that may be relevant for:

- (i) Sierra Rutile Shareholders who:
  - (A) hold (or will hold) their Sierra Rutile Shares as trading stock or on revenue account;
  - (B) are exempt from Australian tax;

- (C) acquired (or are deemed to have acquired) their Sierra Rutile Shares prior to 20 September 1985 or have an indexed cost base for their Sierra Rutile Shares;
  - (D) are subject to the Taxation of Financial Arrangements provisions in Division 230 of the Tax Act or the Investment Manager Regime under Subdivision 842-I of the Tax Act;
  - (E) acquired their Sierra Rutile Shares pursuant to an employee share, option or rights plan;
  - (F) are under a legal disability;
  - (G) are partnerships or are partners of such partnerships;
  - (H) hold their share as trustee or nominee for another entity;
  - (I) have changed, or change, their tax residence while holding Sierra Rutile Shares;
  - (J) are foreign residents who hold their Sierra Rutile Shares in carrying on a business through a permanent establishment in Australia;
  - (K) are Australian residents who hold their Sierra Rutile shares as part of a business carried on at or through a permanent establishment in a foreign country; or
- (ii) financial institutions, insurance/life insurance companies, partnerships or partners in a partnership, trusts or beneficiaries under trusts, sovereign entities, superannuation/pension funds or temporary residents.

This Section is general in nature and based on current Australian law and takes into account Sierra Rutile's understanding of the current administrative practices of Australian revenue authorities as at the date of this Target's Statement. It is not advice to any particular Sierra Rutile Shareholder and does not set out all the Australian tax considerations that may be applicable. This outline does not take into account or anticipate changes in the law, whether by way of judicial decision or legislative action, nor does it take into account tax legislation or regulatory policies of countries apart from Australia.

You should seek your own tax advice that takes into account your personal circumstances. Sierra Rutile Shareholders who are tax resident of a country other than Australia should also take into account the tax consequences of the Offer under the laws of their country of residence.

**(b) Taxation on the disposal of Sierra Rutile Shares**

If you accept the Offer, or if Leonoil proceeds to Compulsorily Acquire your Sierra Rutile Shares, the disposal of your Sierra Rutile Shares will be a CGT event.

For Sierra Rutile Shareholders who accept the Offer, the date of the CGT event will be the date the contract to dispose of your Sierra Rutile Shares is formed, being the date the Offer is accepted and becomes unconditional (refer section 11.2 of the Bidder's Statement).

For Sierra Rutile Shareholders whose Sierra Rutile Shares are Compulsorily Acquired, the date of the CGT event should be the date when Leonoil becomes the owner of your Sierra Rutile Shares (refer section 11.2 of the Bidder's Statement).

**(c) Australian resident Sierra Rutile Shareholders**

You may make a capital gain or loss on the disposal of your Sierra Rutile Shares. You will make a capital gain to the extent that your capital proceeds from the disposal of a Sierra

Rutile Share are more than your cost base for that Sierra Rutile Share. You will make a capital loss to the extent that your capital proceeds from the disposal of the Sierra Rutile Share are less than your reduced cost base for that Sierra Rutile Share. Your cost base for a Sierra Rutile Share generally includes your cost of acquisition of the Sierra Rutile Share and certain incidental costs of acquisition and disposal in respect of that Sierra Rutile Share that are not deductible to you. The reduced cost base of a Sierra Rutile Share is determined in a similar (but not identical) manner. There may be circumstances where the cost base or reduced cost base is determined differently. We recommend that you seek tax advice to confirm the cost base or the reduced cost base of your Sierra Rutile Shares.

The capital proceeds should generally be the total cash consideration you receive for your Sierra Rutile Shares.

Any net capital gain in respect of an income year should be included in your assessable income for that income year. Broadly, your net capital gain in respect of an income year is calculated by aggregating all of your capital gains made in that income year and reducing that amount by your total amount of capital losses made in that income year and any net capital losses from prior years that can be utilised. The amount may be further reduced by other concessions, such as under the discount CGT rules (see below).

Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to the satisfaction of any applicable loss utilisation rules).

Individuals may be eligible for discount capital gains treatment in respect of a Sierra Rutile Share that has been held for at least 12 months at the time of the disposal of the Sierra Rutile Share, meaning the capital gain (after taking into account capital losses) will be reduced by 50%. Different rates apply for certain complying superannuation funds. Companies are not eligible for discount CGT treatment. You should seek specific tax advice on the availability of the CGT discount in your own circumstances.

#### (d) **Non-resident Sierra Rutile Shareholders**

If you are not a resident of Australia for tax purposes, you will generally not be subject to Australian tax on any capital gain you make on the disposal of your Sierra Rutile Shares, unless:

- (i) the Sierra Rutile Shares have been used at any time in carrying on business in Australia through an Australian permanent establishment; or
- (ii) at the time of the disposal of your Sierra Rutile Shares, your Sierra Rutile Shares are “indirect Australian real property interests”, meaning:
  - (A) you, together with your Associates, hold, or have held an interest of 10% or more in Sierra Rutile at the time of disposal or for at least 12 months during the 2 years preceding the disposal (**non-portfolio interest**); and
  - (B) more than 50% of the market value of Sierra Rutile’s assets are attributable to direct or indirect interests in “taxable Australian real property” (as defined in the Tax Act) (being direct and indirect interests in real property, including leases of land situated in Australia and mining, quarrying or prospecting rights in respect of material situated in Australia) (**principal asset test**).

The Sierra Rutile Shares should not be indirect Australian real property interests as their underlying value is not principally derived from Australian real property.

You should contact your tax adviser to determine if any capital gain on the disposal of your Sierra Rutile Shares may be subject to tax in Australia.

(e) **Non-resident CGT withholding tax**

Leonoil may have an obligation to pay the Commissioner of Taxation an amount equal to 12.5% of the consideration payable for the Sierra Rutile Shares under the “foreign resident capital gains withholding tax” (**FRCGWT**) rules, subject to certain exceptions.

These rules may apply to the Offer if your Sierra Rutile Shares qualify as an “indirect Australian real property interest” and:

- (i) Leonoil knows or reasonably believes that you are a foreign resident; or
- (ii) Leonoil does not reasonably believe that you are an Australian resident, and either:
  - (A) the Sierra Rutile Shareholder has an address outside Australia; or
  - (B) Leonoil is authorised to provide a related financial benefit to a place outside Australia (whether to you or to anyone else); or
- (iii) you have a connection outside Australia of a kind specified in the regulations.

As stated above in Section 5.10(d) above, the Sierra Rutile Shares should not be indirect Australian real property interests as their underlying value is not principally derived from Australian real property. Further, the terms and conditions set out in the Bidder’s Statement state that, unless you notify the Leonoil Registry otherwise, on acceptance of the Offer you will be deemed to have declared that you are either:

- (i) a resident of Australia; or
- (ii) your Sierra Rutile Shares are not indirect Australian real property interests,

in each case for the purposes of Tax Act (see section 13.5(b)(xvii) of the Bidder’s statement). You should contact your tax adviser to determine the implications of giving this declaration or whether notification to the Leonoil Registry is required.

(f) **Stamp duty**

No stamp duty should be payable by Sierra Rutile Shareholders on the disposal of their Sierra Rutile Shares to Leonoil under the Offer.

(g) **GST**

No GST should be payable by Sierra Rutile Shareholders on the disposal of their Sierra Rutile Shares to Leonoil under the Offer.

GST may be payable on any fees or charges that a Broker, Controlling Participant (in respect of a CHESS Holding) or other similar entity may charge in connection with acceptance of the Offer (such as brokerage and adviser fees).

You should contact your tax adviser to determine the impact of GST in relation to your individual circumstances.

## 5.11 Potential delisting

Leonoil states in its Bidder’s Statement that it intends to proceed with Compulsory Acquisition if it becomes entitled to Compulsorily Acquire your Sierra Rutile Shares, In the event that Leonoil exercises any right to proceed with Compulsory Acquisition of the outstanding Sierra Rutile Shares, Leonoil’s intention as at the date of the Bidder’s Statement is to procure that the Sierra Rutile Board apply to the ASX to have Sierra Rutile removed from the official list of the ASX. Alternatively, if Leonoil obtains a Relevant Interest of more than 50% but less than 90% of Sierra Rutile Shares, Leonoil has stated in the Bidder’s Statement that it intends to

procure that the new Sierra Rutile Board apply to the ASX to have Sierra Rutile removed from the official list of the ASX.

If Sierra Rutile is delisted, Sierra Rutile Shares will not be able to be bought or sold on ASX.

Further information on Leonoil's intentions on delisting Sierra Rutile is set out at sections 10.3 and 10.4 of the Bidder's Statement.

**(a) Important legal protections concerning a delisting of Sierra Rutile**

Sierra Rutile Shareholders should note the following important legal protections regarding any potential delisting of Sierra Rutile:

- (i) any decision to apply to ASX to delist Sierra Rutile would need to be made by the Sierra Rutile Board;
- (ii) the Sierra Rutile Board, including nominee directors appointed by Leonoil, could only decide to seek a delisting if the Board concludes that this action is in the best interests of Sierra Rutile and Sierra Rutile Shareholders as a whole at the relevant time;
- (iii) ASX states<sup>3</sup> that it will use its discretion to ensure that the delisting of any entity is being sought for acceptable reasons. For example, ASX notes that a request to remove an entity from ASX that is primarily or solely aimed at denying minority securityholders a market for their securities, in order to coerce them into accepting an offer from a controlling securityholder to buy their securities at an undervalue, would be an unacceptable reason for requesting removal from the official list of ASX;
- (iv) ASX applies a number of guidelines to safeguard the interests of minority shareholders in the context of any proposed delisting;
- (v) a key ASX guideline provides that the approval of minority Sierra Rutile Shareholders would most likely be needed for ASX to allow delisting following a takeover bid unless each of the following 4 conditions are met:
  - (A) Leonoil has attained ownership or control of at least 75% of Sierra Rutile Shares;
  - (B) there are fewer than 150 Sierra Rutile Shareholders (excluding Leonoil and its Related Bodies Corporate) whose shareholding is worth at least A\$500. As at 1 August 2024, there were approximately 2,832 Sierra Rutile Shareholders with a shareholding of at least A\$500;
  - (C) the Offer remains open for at least an additional 2 weeks after Leonoil has attained ownership or control of at least 75% of Sierra Rutile Shares; and
  - (D) Sierra Rutile has applied for removal from the official list of ASX no later than one month after the close of the Offer.

**(b) Disadvantages to Sierra Rutile Shareholders on delisting**

If, despite the above procedural protections, Sierra Rutile is ultimately delisted at some point in the future, any remaining Sierra Rutile Shareholders (i.e., those who did not accept the Offer) would be holders of unquoted shares. A delisting could result in a number of disadvantages for those Sierra Rutile Shareholders, such as:

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<sup>3</sup> See ASX Guidance Note 33, which sets out ASX's policy in relation to delisting of entities from the ASX official list.

- (i) the absence of an orderly, transparent and timely mechanism for share trading;
- (ii) restricted information compared to that currently provided as Sierra Rutilo would no longer be subject to the continuous disclosure requirements of the Listing Rules. If Sierra Rutilo remains a public company after delisting and has at least 100 members, Sierra Rutilo would still be required to disclose material information to ASIC and likely on its website. Nevertheless, the level of shareholder reporting in these circumstances could be diminished; and
- (iii) the ceasing of various requirements and protections for minority shareholders under the Listing Rules. Examples of provisions that would cease to apply include:
  - (A) restrictions on the issue of new securities;
  - (B) a governance framework for related party transactions; and
  - (C) requirements to seek shareholder approval for significant changes in the nature or scale of Sierra Rutilo's activities.

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

### 6.2 Overview of Leonoil's interest in Sierra Rutile

According to section 8.3 of the Bidder's Statement and its most recent substantial holding notice, Leonoil held 84,273,129 Sierra Rutile Shares representing an interest and voting power of approximately 19.85% of Sierra Rutile Shares as at the date of the Bidder's Statement.

### 6.3 Fuel Supply Contract with Sierra Rutile

As noted above, Sierra Rutile has been obtaining fuel from NPSL 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 ongoing fuel supply contract in place between NPSL (or Leonoil) and Sierra Rutile.

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

### 6.4 Leonoil group structure and directors

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.

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

- Mr Mohamed B Cole – Chairman
- Mr Ibrahim D Cole – Managing Director

- Mr Sidi A Bakarr – Director
- Mr Afriyie Assamany – Director
- Mr Vincent L Kanu (Jnr) – Director
- Ms Rakiatu Kassim – Director
- Mrs Zorah Anthony – Director

See section 6.5 of the Bidder's Statement for further information regarding each of the Leonoil directors.



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## 7 Information about Sierra Rutile

### 7.1 Overview

Sierra Rutile is an Australian company listed on the Australian Securities Exchange (ASX: SRX). Sierra Rutile's principal activities are the operation and ongoing development of a multi-deposit mineral sands mining operation in southern Sierra Leone. Sierra Rutile is currently the largest producer of natural rutile in the world, supplying over 20% of the world's natural rutile.

Rutile is the highest-grade naturally occurring titanium dioxide feedstock used in the manufacture of pigment used in paints, laminates, plastic pipes and packaging, inks, clothing, sunscreen, toothpaste and in the cosmetic industry. Rutile is also used as welding electrode and to manufacture titanium metal, which is a critical mineral and has the highest strength-to-weight ratio of all commercial metals. Titanium is used across a diverse range of applications including aeronautics, medical implants, defence and sporting goods.

Sierra Rutile has an established operating history of over 50 years. If the development of Sembehun proceeds, a future mine life of greater than 13 years post completion of steady state operations at Area 1 can be expected based on the Sembehun DFS.

### 7.2 Area 1 operations

Sierra Rutile's current mining and mineral processing operations extract and process ore from the Gangama, Taninahun, Gbeni, Lanti deposits, and most recently Sierra Rutile undertook a mine life extension program at the Pejebu and Ndendemoia deposits.

Sierra Rutile's mining and mineral processing operations at Area 1 include four wet concentrator plants, a mineral separation plant and associated infrastructure, residential camps for senior and management staff and a dedicated port facility (collectively referred to as Area 1).

Sierra Rutile has investigated two main options to further extend the production life at Area 1:

- drilling at Ndendemoia and Pejebu with a view to add further Resources and Reserves; and
- investigating the possibility of draining the Mogbwemo pond (the site of historic dredge mining adjacent to the mineral separation plant) and retreating tailings as a feed supplement to the mineral separation plant. Mogbwemo offers the potential to reduce operating costs and increase mine life at Area 1. Timing of any investment is contingent on improved market conditions and the continuation of appropriate fiscal arrangements.

Sierra Rutile temporarily suspended the mining and processing activities in Area 1 earlier this year, however as at the date of this Target's Statement, activities at Area 1 have re-started.

On 6 August 2024, Sierra Rutile entered into an 18-month offtake agreement with a major pigment customer in respect of the sale of a total of 75,000 tonnes of standard grade rutile. Pricing for the 25,000 tonnes to be shipped during the second half of 2024 has been fixed and a pricing mechanism for 2025 has been agreed incorporating a floor price higher than the 2024 pricing with additional price upside.<sup>4</sup>

#### (a) Discussions with Government of Sierra Leone

In May 2023, following the Government of Sierra Leone advising Sierra Rutile that it was seeking to renegotiate the terms of the Third Amendment Agreement,<sup>5</sup> Sierra Rutile has subsequently engaged with the Government of Sierra Leone with regards to the terms of the

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<sup>4</sup> Leonoil provided its written consent to Sierra Rutile entering into the offtake agreement, so that entry into the offtake agreement does not breach the Bid Implementation Agreement or any of the Bid Conditions.

<sup>5</sup> See ASX announcement dated 4 May 2023 "Area 1 Fiscal Arrangements" via <https://www.asx.com.au/>.

Third Amendment Agreement. The Third Amendment Agreement governs the fiscal regime applying to the remaining production from the existing Area 1 operations and was ratified by the parliament of Sierra Leone in December 2021 and provided a number of concessions to Sierra Rutile including reduced royalty and minimum corporate tax rates.

Sierra Rutile's current strategy is to obtain resolution on the Third Amendment Agreement with the Government of Sierra Leone, part of which may involve continuing the arrangements under the Third Amendment Agreement or reaching a compromise with the Government of Sierra Leone on the fiscal arrangements and/or the Government of Sierra Leone taking an agreed equity interest.<sup>6</sup>

Sierra Rutile's position is that the Third Amendment Agreement cannot be amended without the mutual agreement of Sierra Rutile. On 8 May 2024, Sierra Rutile announced its intention to restart Area 1 operations. The restart of Area 1 operations was completed on the assumption that the Third Amendment Agreement continues to apply, which currently remains the case.

## (b) Reserves and Resources

See below for Area 1 Ore Reserve Estimate and Mineral Resource Estimate as at 31 December 2023.<sup>7</sup>

### Ore Reserve Estimate

Ore Reserve Category	Diluted Ore Tonnes	Rutile Grade	Rutile Content	Ilmenite Grade	Ilmenite Content	Zircon Grade	Zircon Content
	kt	%	kt	%	kt	%	kt
Proved	5,448	1.58	86	0.93	51	0.11	6
Probable	24,616	1.22	302	0.81	200	0.11	27
Total	30,064	1.29	388	0.83	251	0.11	33

#### Notes:

1. The Ore Reserve estimation considers diluted Measured and Indicated Mineral Resources only.
2. No Inferred Mineral Resources have been included in the Ore Reserve estimation.
3. Ore Reserve stated at a Mineral Resource cut-off of 0.3% rutile.
4. The Ore Reserve estimation was completed using an average real rutile price of US\$1,438/t over the life of mine.
5. The Ore Reserve estimation is stated at a variable rutile cut-off grade as determined by the economic pit limit analysis results.
6. The Ore Reserve estimation is at 100% attributable to SRL.
7. Numbers in columns may not add up due to rounding.

<sup>6</sup> Sierra Rutile is aware that the Government of Sierra Leone has an equity interest of 10% in certain major projects in Sierra Leone. This is consistent with the *Mines and Minerals Developments Act 2022*.

<sup>7</sup> For further information on the Reserves and Resources of Area 1 operations, see Sierra Rutile's 2023 Annual Report dated 28 March 2024, via <https://www.asx.com.au/>.

## Mineral Resource Estimate

Mineral Resource Classification	Material	Rutile	Heavy Minerals	Ilmenite Grade	Zircon Grade	Rutile Grade	Cut-off
	Mt	Mt	%	%	%	%	% Rutile
Measured	41.85	0.41	2.67	0.48	0.07	0.99	0.30
Indicated	103.53	0.94	3.22	0.57	0.08	0.91	0.30
Inferred	123.32	0.88	3.52	0.61	0.07	0.71	0.30

### Notes:

1. A calculated cut-off grade of 0.3% Rutile was applied to the new 2023 Mineral Resource estimates for all the Area 1 project areas, together with mining depletions (for Gangama), while the Gbeni 2022 model was only depleted to account for the remaining Mineral Resources. A grade cut-off of 0.3% Rutile was applied for all Area 1 Projects, while a 0.25% Rutile cut-off was applied to the Sembehun and Gbangbama project areas.
2. Totals may not add up due to rounding.
3. Geological losses of 2.5%, 5.0% and 7.5% for Measured, Indicated and Inferred Mineral Resource Classification have been applied respectively to the calculated tonnages.

## 7.3 Sembehun Project and summary of the Sembehun DFS

The Sembehun Project is one of the largest and highest quality known natural rutile deposits in the world. Located approximately 30 kilometres from the current Area 1 operations, Sembehun presents an attractive development opportunity with long mine life, good grades, contiguous deposits, and additional exploration potential that can leverage the extensive Area 1 processing and infrastructure investment.

The development of Sembehun will be dependent on Sierra Rutile's ability to obtain finance on acceptable terms.

On 12 April 2024, Sierra Rutile announced the results of the Sembehun DFS.<sup>8</sup> The DFS confirms that the Sembehun Project is a globally significant Tier 1 natural rutile deposit and presents a commercially attractive development opportunity with significant incremental value potential for Sierra Rutile.

A summary of the initial physical and financial evaluation of the Sembehun Project as provided for in the DFS is set out in this Section 7.3.

The production target referred to in this section is based only on Mineral Resource estimates which are classified as Measured (56%), Indicated (28%) and Inferred (16%). The Mineral Resource Estimate and Ore Reserves underpinning the DFS have been prepared by Competent Persons in accordance with the 2012 JORC Code. There is a low level of geological confidence associated with Inferred mineral resources, and there is no certainty that further exploration work will result in the determination of Indicated mineral resources or that the production target itself will be realised.

Unless otherwise specified, all references to \$, US\$ and USD in this section are references to the currency of the United States of America.

<sup>8</sup> See Sierra Rutile's ASX announcement dated 12 April 2024 "Sembehun DFS Reinforces Strategic Value of Significant Project" via <https://www.asx.com.au/>.

Key production outcomes		Unit	Sembehun
Life of mine		Years	14
LOM ore treated		Mt	173.8
Ore grade		%	1.45
Ore recovery - rutile		%	91.4
Production – total rutile		kt	2,155
Production – total ilmenite		kt	1,242
Production – total zircon in concentrate		kt	107
Annual average production rate		ktpa	175
Key financial outcomes			
LOM total revenue		\$m	3,724
LOM cash production costs		\$m	1,874
Capex		\$m real	301
Sustaining capex		\$m	120
Closure costs		\$m	30.6
Free cash flow		\$m	935
Long term Rutile price assumption (real)		\$/t	1,391
Cash production costs, net of credits		\$/t rutile	622
Cash production costs, net of credits (steady state)		\$/t rutile	600
LOM EBITDA		\$m	1,705
Payback period		# months	55
NPV <sub>8</sub> (post-tax, real)		\$m	408
IRR		%	27.8

Table 1: Production and Financial Outcomes and Economic Assumptions – Sembehun.

Note: Contribution from Sembehun is calculated from the difference between Area 1 continuing alone, versus a combined Area 1 and Sembehun operation.

(a) **Production Profile**

Sembehun has an expected mine life of 14 years including ramp-up and tail periods. The DFS assumes an annual production rate of ~14.4 Mtpa ore mined to support an average of 175 ktpa Rutile production at steady state.

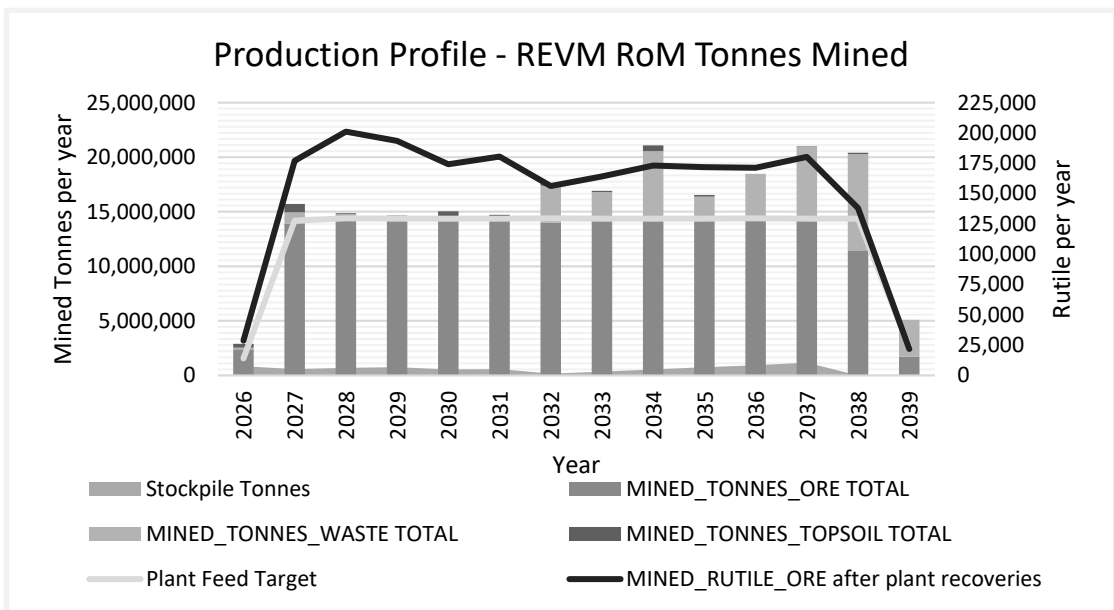


Figure 1: Annual Production Projection Sembehun

(b) **Financial Metrics**

The Sembehun Project value was determined by calculating the difference in the value of Sierra Rutile with Sembehun versus the value of Sierra Rutile without Sembehun.

The scenario without Sembehun assumed a mine plan that continues operations at Area 1 until Sembehun could be ready for commissioning, but in fact that Sembehun does not proceed. This Area 1 mine plan is the same as for the with Sembehun scenario to ensure the incremental NPV represents the impact of the Sembehun Project only.<sup>9</sup>

The scenario with Sembehun assumed that, following the DFS, a decision is made to progress with the execution of the Sembehun Project. Existing operations at Area 1 would continue until Sembehun is commissioned, at which time mining operations feeding the Area 1 concentrators would cease.

The capital cost estimate has been compiled using The Association for the Advancement of Cost Engineering guidelines targeting a Class 3 level of accuracy of -20% and +20% after the contingency. The overall capital cost estimate of the Sembehun Project is US\$301 million which includes a contingency of US\$41 million (16% of the base estimate) and excludes forward escalation.

The capex estimate of US\$301 million (as at September 2023) is a significant reduction on the 2022 PFS figure of US\$337 million. The reduction was driven by a changed approach with Sierra Rutile's management team implementing efficiencies, including seeking in-country earth-moving, civil engineering and product-hauling contractors. For financial analysis purposes, the Sembehun execution capex of US\$301 million has been escalated to US\$308 million.

The capital cost estimate is summarised in table 2 below.

Bill description	Excl Growth Amount US\$
Mine site wide	17,951,561
Concentrator	155,530,870
TSF infrastructure	15,217,801
Process water infrastructure	12,979,310
Mineral separation plant	5,225,306
Power plant infrastructure	154,819
Access road - Nitti	24,645,521
Bridge B6116	7,510,075
Stockpile access road	209,774
Water treatment	943,191
Camp	4,715,794
Solar plant - infrastructure	3,325,179
Resettlement costs	4,491,800
Escalation to base date	945,791
Taxes and duties - withholding tax	6,427,169
Contingency (16.1%)	41,000,000
<b>Sembehun Rev 2 – base line VE</b>	<b>301,273,960</b>

Table 2: Summary of capital costs

<sup>9</sup> The Area 1 mine plan considered in the DFS does not necessarily reflect the current intentions of Sierra Rutile, and will be dependent on the outcome of discussion with the Government of Sierra Leone, as further detailed under the Key Assumptions heading. Future operations at Area 1 may be dependent on rutile prices, and on obtaining additional funding if the life of Area 1 is to be extended beyond the end of 2025. Sierra Rutile may also need to raise additional working capital funding (see Section 1.5).

A critical aspect of the capital cost estimate, and a factor that influences Sembehun's attractive financial returns, is the reliance on the existing mineral separation plant (**MSP**) and facilities at Nitti Port, neither of which need to be replaced.

Table 3 below captures the key financial metrics for the Sembehun Project with the incremental value of the Sembehun Project determined by deducting the "without Sembehun" case detailed in the DFS from the "with Sembehun" case. Steady state average reflects full operating years.

Measure	Unit	Sembehun
EBITDA	\$m	1,705
Free cash flow	\$m	935
Sembehun capex*	\$m	308
Sustaining capex	\$m	120
Closure	\$m	30.6
Cash production costs (rutile basis)	\$/t rutile	858
Cash cost net of credits	\$/t rutile	622
Cash cost net of credits (steady state)	\$/t rutile	600
NPV (post-tax, real)	\$m	408
Payback	# months	55
IRR (post-tax, teal, pre gearing)	%	27.8%
NPV / Total capex (post-tax, real)	Ratio	133%

Table 3: Summary of key financial metrics

Note: For financial modelling purposes, the Sembehun execute capex is US\$301 million incurred in 2024-2027 and escalated to US\$308 million in mid-2024 to model inflation.

### (c) Key Assumptions

Criteria	Assumption
<b>Long-Term Pricing</b>	Pricing is the largest risk to Sembehun economics and is assumed at US\$1,391/t, based on market data.
<b>Ore Grades</b>	174 Mt at 1.45% rutile, 0.91% ilmenite, and 0.11% zircon, of which 111 Mt is classified as proved and 63 Mt as probable, as announced by Iluka Resources Ltd on 24 February 2022 which was re-stated and released by Sierra Rutile on 24 March 2023 in the ASX Release "Sierra Rutile Annual Statement of Resources and Reserves".
<b>Area 1</b>	The DFS models some continued production from Area 1 prior to and during ramp up of Sembehun.
<b>Processing Recoveries</b>	In relation to wet concentrator plant ( <b>WCP</b> ) recoveries, 94% rutile, 92% ilmenite and 97% zircon are assumed to be recovered from heavy minerals concentrate ( <b>HMC</b> ). As for the MSP recoveries, 91.4% rutile, 85% ilmenite and 65% zircon recovered to final products. MSP rutile recovery has been reduced by expected losses of 0.4% to the wet high intensity magnetic separators ( <b>WHIMS</b> ) and 0.24% to the low intensity magnetic separators ( <b>LIMS</b> ).

<b>Operating Costs</b>	Sembehun mining (US\$4.0/t ore), Sembehun WCP (US\$2.3/t ore) and haulage to Area 1 (US\$14.3/t HMC) is based on the DFS estimates, the balance of SRL operating cost was derived from current cost structures at Area 1.  Overhead costs are US\$38.5 million pa and are included for Sembehun, which include Perth-based corporate overheads of ~US\$4.1 million. Overhead or support cost for Sembehun has been developed by SRL following zero-based approach to reflect the reduced footprint of operations from 2027 onwards.
<b>Fiscal Regime</b>	Tax assumptions are based on the <i>Sierra Rutile Agreement (Ratification) Act, 2002</i> , including the application of the Third Amendment Agreement tax concessions to Area 1 volumes.
<b>Timelines</b>	The DFS assumed a timeline for execution as detailed in Table 5, key project milestones. Delays subsequently incurred to earlier key project milestones set out in the table are likely to lead to delays to later key milestones.
<b>Exchange Rate</b>	The estimate base date is October 2023 (Q4,2023). No provision has been made for escalation beyond this date. The exchange rate used is 18.9389 South African Rand (ZAR) to 1 United States Dollar (USD).

Table 4: Summary of Key Assumptions

(d) **Key project milestones**

Description	Date
MSP engineering start	17 April 24
MS1 complete: approved for detail design	23 August 24
MS2 complete: design model complete	02 July 25
MS3 complete: approved for construction	16 July 25
Construction start	22 November 24
Commissioning start	05 August 26
Construction complete	26 August 26
Stream 1: commissioning complete	28 October 26
Stream 2: commissioning complete	08 December 26

Table 5: Key project milestones

Note: The above timeline was assumed in preparing the DFS. The actual timeline is likely to differ given Sierra Rutile is yet to make a final investment decision.

(e) **Mineral Resources & Ore Reserves**

The Sembehun Project represents one of the largest and highest-grade natural rutile deposits globally with combined Measured and Indicated Mineral Resources for the deposit being 301 Mt of grading 1.2% rutile. It also contains ilmenite (0.7%) and zircon (0.1%).

The total combined Mineral Resource of 508 Mt is at material grading 1.1% rutile, containing 5.5 Mt of recoverable rutile. The current Mineral Resources are limited to the extent of the supporting exploration and the potential for upside is considered good.

For the Ore Reserve a total of 111 Mt grading 1.49% rutile is classified as Proved representing 64% of the reported reserve tonnage and contained rutile tonnage.

Tables 6 and 7 below provides a summary of the Mineral Resource and Ore Reserve.

Mineral Resource Category	Mineral Resource	Rutile Grade	Rutile contained
Measured	134 Mt	1.4%	1.9 Mt
Indicated	167 Mt	1.0%	1.7Mt
Inferred	207 Mt	0.9%	1.9 Mt
<b>Total</b>	<b>508 Mt</b>	<b>1.1%</b>	<b>5.5Mt</b>

*Table 6: Sembahun Mineral Resource Summary*

Notes:

1. Mineral Resources are reported inclusive of Ore Reserves.
2. In situ (dry) metric tonnage is reported.
3. The mineral assemblage is reported as a percentage of the in situ material.
4. Rounding may generate differences in the last decimal place.
5. The ilmenite and zircon grades are included for tabulation purposes under the Measured, Indicated and Inferred Resource category. The confidence in the estimate of the grade and tonnage for ilmenite and zircon are however only to be considered as Indicated where rutile is Measured. Otherwise, the ilmenite and zircon are considered to be Inferred due to material factors influencing the confidence in the estimates for ilmenite and zircon.

Ore Reserve Category	Diluted Ore	Rutile Grade	Rutile Contained
Proved	110.6 Mt	1.49%	1,644 kt
Probable	63.1 Mt	1.42%	896 kt
<b>Total</b>	<b>173.6 Mt</b>	<b>1.46%</b>	<b>2,540 kt</b>

*Table 7: Sembahun Ore Reserve Summary*

Notes:

1. Ore Reserves are a sub-set of Mineral Resources.
2. In situ (dry) metric tonnage is reported.
3. The mineral assemblage is reported as a percentage of the in situ material.
4. Rounding may generate differences in the last decimal place.
5. The ilmenite and zircon grades are included for tabulation purposes under the Measured, Indicated and Inferred Resource category. The confidence in the estimate of the grade and tonnage for ilmenite and zircon are however only to be considered as Probable where rutile is Proved. Otherwise, the ilmenite and zircon are considered to be Inferred due to material factors influencing the confidence in the estimates for ilmenite and zircon.

*Note: Neither the Mineral Resource or Ore Reserve have materially changed since previously announced on the ASX by Iluka Resources Ltd on the 24th of February 2022, titled: "Sembahun Ore Reserve and Mineral Resource Update, Sierra Leone" which was re-stated and released by Sierra Rutile in its ASX release on 24 March 2023 titled "Sierra Rutile Annual Statement of Resources and Reserves".*



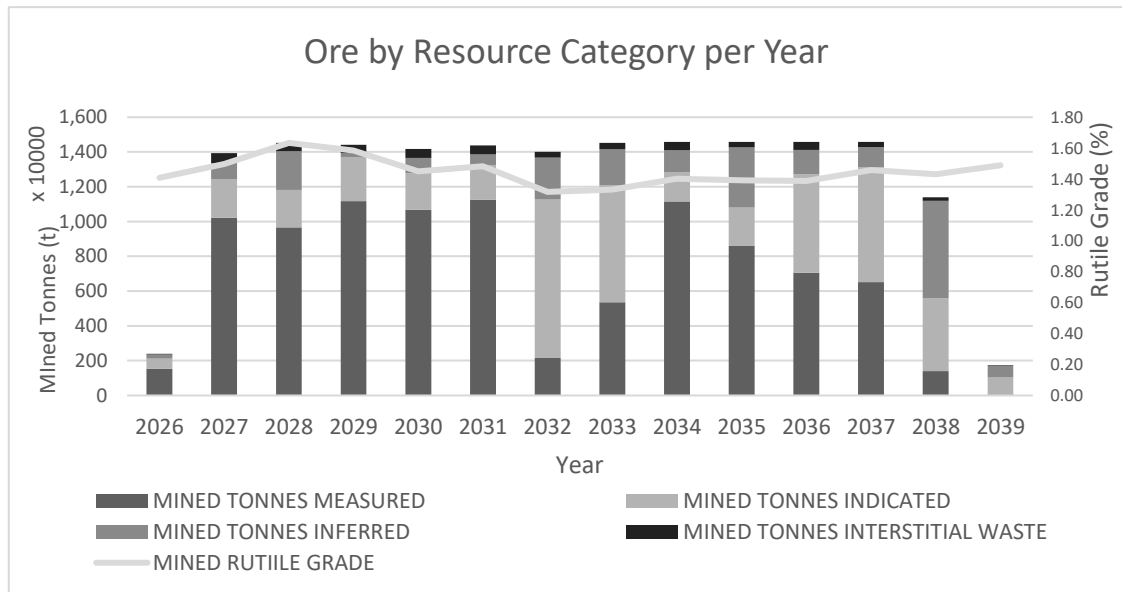


Figure 2: Resource category of target area over LOM

Note: Interstitial waste is material within the inferred part of the resource that must be removed during mining and has been conservatively treated as waste for modelling purposes (at 0% grade) due to a lower level of confidence and does not contribute any rutile to the production target. It does contribute to mining costs (~3% of mined tonnes), hence inclusion in the model. There is a low level of geological confidence associated with this material, and there is no certainty that further exploration work will result in the determination of reserves from this material.

#### (f) Mining

The Sembehun deposit has a LOM of 14 years from startup including the ramp-up and tail periods. The average grade of the target area is 1.45% rutile, yielding an estimated 2.1 Mt of rutile after WCP and MSP recoveries.

A stockpile strategy was implemented to plan a buffer between ex-pit material and the WCP feed during the wet season, based on rainfall data from Gangama. The load and haul mining method is based on similar equipment to the current operations at Area 1. A fleet of 9 Volvo EC950 excavators and 22 Volvo A60D dump trucks is estimated for the primary equipment fleet to execute ore and waste activities.

Mining opex and capex estimates are based on quotes from contractors, using a competitive process from multiple contractors. Existing site-based contractors ultimately provided the most competitive detailed quoted cost estimate which was used in the DFS. The mining capex is US\$17.3 million and a total opex of US\$683.0 million is expected over the LOM. Opex is expected to significantly decrease from 2027 with savings from Area 1 when its mining operations cease.

#### (g) Processing and Facilities

The process plant will consist of two identical streams from the run of mine (ROM) tip through to HMC stockpiling. A new magnetic separation section is included at the MSP to assist with chrome rejection to meet final product specifications and de-bottlenecking to accommodate the increase in ilmenite. A ratio of 2:1 rutile to ilmenite ratio for Sembehun (over the LOM) is targeted for the current operation.

The processing is designed based on annual ore mined of 14,440,324t (according to the PFS Mine Plan 2025-2038) and MSP Rutile Recovery Rate of 91.36 per cent.

Sembehun will be powered by a dedicated electrical power plant. The dedicated power producer will be responsible for the design, supply, installation, and operation of the plant.

#### (h) **Marketing**

Since Sierra Rutile, its products, and its customer base are well established, sales are assumed to mirror production over the Sembehun Project life. Customer testing of Project samples indicates Sembehun's product is acceptable in all rutile end-uses, even the most demanding applications such as aerospace-grade titanium sponge and premium-quality welding consumables.

Sembehun is critical to meeting the world's rutile needs since existing reserves are nearing the end of their mine life and there are not enough first-tier resources coming into development to maintain rutile supply at historical levels.

Since supply from existing producers and approved projects is declining, Sierra Rutile's customers and consumers worldwide need supply from Sembehun to maintain consumption at the 500 ktpa titanium dioxide unit level seen in recent years.

Sembehun's low unit costs ensure the mine is competitive regardless of what stage the economic cycle is in. Should the market find itself in an extended downturn, Sierra Rutile will be able to compete against competitors producing by/co-product produced rutile.

#### (i) **Permitting**

An Environmental, Social and Health Impact Assessment (**ESHIA**) has been undertaken in compliance with Sierra Leonean legal requirements. As far as practicable, alignment to international best practice standards was achieved in the ESHIA and the subsequently developed Environmental, Social and Health Management Plan (**ESHMP**). The ESHIA and associated ESHMP have now been approved by the Environmental Protection Agency of Sierra Leone, and are the major required government approval to proceed with the project, as Sembehun sits within the already granted Mining Lease.

Other incidental permits or licences will be required to bring the project into production, such as power generation and fuel storage licences, and these permits or licences are expected to be achieved within the normal course of business.

#### (j) **Strategy**

Sierra Rutile's strategy remains to:

- maximise cashflows from the remaining Area 1 operations through pursuit of efficiency gains and mine life extensions<sup>10</sup>; and
- concurrently progress options for the development of Sembehun in line with the DFS, obtain funding for construction and develop the project to materially extend the overall life of operations and improve long-term cost competitiveness. Sierra Rutile will consider other options, such as a sale of part or all of the Sembehun Project and will pursue the option which the Board considers will maximise value for Sierra Rutile Shareholders.

## 7.4 **Financial information**

The historical financial information in this Section 7.4 for Sierra Rutile has been taken from the audited consolidated financial statements for Sierra Rutile for the years ended 31 December 2023 and 31 December 2022. The full consolidated financial statements for the financial periods ended 31 December 2023 and 31 December 2022, including notes to those financial statements, can be found in the corresponding annual reports that are available <https://sierra-rutile.com/> or from the ASX website.

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<sup>10</sup> Restart of Area 1 operations was completed on the assumption that the Third Amendment Agreement continues to apply. Additional funding is likely to be required if the life of Area 1 is to be extended beyond the end of 2025. Sierra Rutile may also need to raise additional working capital funding (see Section 1.5).

The historical financial information has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act. The financial information also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board. The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

(a) **Historical consolidated statement of profit or loss**

US\$'000	31-Dec-23	31-Dec-22
Revenue from contracts with customers	176,301	254,484
Cost of sales	(147,281)	(188,600)
<b>Gross profit</b>	<b>29,020</b>	<b>65,884</b>
(Impairment expense)/reversal of impairment expense	(35,312)	23,445
Other expenses	(15,007)	(10,925)
<b>Operating (loss)/profit</b>	<b>(21,299)</b>	<b>78,404</b>
Other income	2,392	243
Net foreign exchange gains/(losses)	(201)	836
Interest and finance charges	(2,258)	(1,810)
Remeasurement (loss)/gain – financial instruments	2,141	(787)
<b>(Loss)/profit before income tax</b>	<b>(19,225)</b>	<b>76,886</b>
Income tax expense	(882)	(1,287)
<b>Net (loss)/profit for the year</b>	<b>(20,107)</b>	<b>75,599</b>
<b>Attributable to:</b>		
Owners of Sierra Rutile Holdings Limited	(20,107)	73,398
Non-controlling interests	-	2,201
Basic (loss)/earnings per share for profit attributable to owners of Sierra Rutile Holdings Limited	(0.0473 cents)	0.1740 cents
Diluted (loss)/earnings per share for profit attributable to owners of Sierra Rutile Holdings Limited	(0.0473 cents)	0.1737 cents

(b) **Historical consolidated statement of other comprehensive income**

US\$'000	31-Dec-23	31-Dec-22
<b>Net (loss)/profit for the year</b>	<b>(20,107)</b>	<b>75,599</b>
<b>Other comprehensive income, net of tax</b>		
Items that will not be reclassified to profit or loss		
Remeasurement of post-employment benefit obligations	(362)	2,432
Items that may be reclassified subsequently to profit or loss		
Net exchange differences on translation of foreign operations	405	(2,021)
<b>Other comprehensive income for the year, net of tax</b>	<b>43</b>	<b>411</b>
<b>Total comprehensive income for the year</b>	<b>(20,064)</b>	<b>76,010</b>
<b>Attributable to:</b>		
Owners of Sierra Rutile Holdings Limited	(20,064)	73,809
Non-controlling interests	-	2,201

(c) **Historical consolidated statement of financial position**

<b>US\$'000</b>	<b>31-Dec-23</b>	<b>31-Dec-22</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	7,845	37,714
Trade and other receivables	53,082	53,936
Inventories	61,752	35,032
Current tax assets	764	-
Other financial assets	3,409	2,500
<b>Total current assets</b>	<b>126,852</b>	<b>129,182</b>
<b>Non-current assets</b>		
Other receivables	936	-
Property, plant and equipment	2,275	23,964
Intangible assets	-	720
Exploration and evaluation assets	39,481	29,434
Right of use asset	107	172
Deferred tax assets	6	19
Other financial assets	40,113	39,966
<b>Total non-current assets</b>	<b>82,918</b>	<b>94,275</b>
<b>Total Assets</b>	<b>209,770</b>	<b>223,457</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	32,800	28,973
Right of use lease liability	116	177
Current tax liabilities	-	364
Provisions	6,775	5,737
<b>Total current liabilities</b>	<b>39,691</b>	<b>35,251</b>
<b>Non-current liabilities</b>		
Provisions	54,569	53,170
Total non-current liabilities	54,569	53,170
<b>Total Liabilities</b>	<b>94,260</b>	<b>88,421</b>
<b>Net Assets</b>	<b>115,510</b>	<b>135,036</b>
<b>Equity</b>		
Share capital	546,515	546,515
Other reserves	(1,515)	(2,096)
Accumulated losses	(429,490)	(409,383)
<b>Total equity attributable to equity holders</b>	<b>115,510</b>	<b>135,036</b>

(d) **Historical consolidated statement of cash flows**

US\$'000	31-Dec-23	31-Dec-22
<b>Cash flows from operating activities</b>		
Receipts from customers	174,152	248,333
Payments to suppliers and employees	(181,400)	(204,080)
Cash generated from operating activities	(7,248)	44,253
Interest received	1,085	664
Income taxes paid	(1,597)	(1,573)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(7,760)</b>	<b>43,344</b>
<b>Cash flows from investing activities</b>		
Distribution from rehabilitation trust	2,500	-
Payments for property, plant and equipment	(15,233)	(17,325)
Payments for exploration activities -Sembahun Project	(9,372)	(2,521)
Investments in rehabilitation trust	-	(45,000)
<b>Net cash outflow from investing activities</b>	<b>(22,105)</b>	<b>(64,846)</b>
<b>Cash flows from financing activities</b>		
(Repayment) of borrowings to former parent entity	-	(11,632)
Proceeds from equity contribution from former parent entity	-	45,000
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>33,368</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(29,865)</b>	<b>11,866</b>
Cash and cash equivalents at the beginning of the financial year	37,714	25,995
Effects of exchange rate changes on cash and cash equivalents	(4)	(147)
<b>Cash and cash equivalents at end of the year</b>	<b>7,845</b>	<b>37,714</b>

(e) **Subsequent material changes to historical financial information**

In January 2024, Sierra Rutile received the US\$3.4 million budgeted to be spent on 2024 rehabilitation activities from the Sierra Rutile Rehabilitation Trust.

As foreshadowed in Sierra Rutile's Annual Financial Report and as subsequently announced,<sup>11</sup> Area 1 operations were suspended on 11 March 2024 and did not recommence until 10 May 2024. During this period, approximately 25% of Sierra Rutile's staff were made redundant in March 2024 which resulted in payment of US\$1.7 million in previously provided for "end-of-service" benefits and US\$2.0 million in unprovided redundancy benefits being made to affected staff.

As a result of the suspension and weak market conditions, the Company's net working capital position has declined to US\$44.3 million (unaudited) at 30 June 2024 (see Section 1.5).

## 7.5 Issued capital

As at the date the Last Practicable Date, Sierra Rutile's issued capital comprises:

Class	Number
Sierra Rutile Shares	424,453,918
Sierra Rutile Performance Rights	14,109,004
Sierra Rutile Restricted Rights	362,906

<sup>11</sup> See Sierra Rutile's ASX announcement dated 11 March 2024 "Area 1 Operations Suspended and Redundancy Program commenced" via <https://www.asx.com.au/>.

## 7.6 Substantial Shareholders

Based on substantial shareholder notices provided to Sierra Rutilite, the Bidder's Statement and other publicly available information as at the Last Practicable Date, the substantial shareholders of Sierra Rutilite are:

Name of Holder	Relevant number of Sierra Rutilite Shares	Disclosed Voting Power
Gemcorp Commodities Assets Holdings Limited	84,466,330	19.9 %
Leonoil Company Limited (Leonoil), Vincent L Kanu Jnr., and Mohamed B Cole	84,273,129	19.85%
Ecsson Investments Limited (EIL), Assaad Yazbeck, Joseph Yazbeck, Rockbridge Overseas Limited and Mano Mining and Logistics Limited	55,300,000	13.03%
PRM Services LLC and Craig Dean	48,627,357	11.46%

## 7.7 Sierra Rutilite Directors and management

### (a) Board of Directors

Name and position	Expertise, experience and qualifications
<b>Mr Greg Martin,</b> Chairman and Non-Executive Director	<p>Mr Martin contributes 40 years' experience in the mining, utilities, financial services, energy and energy related infrastructure sectors in Australia, New Zealand and internationally.</p> <p>Mr Martin is currently the Non-Executive Chair of SafetyIQ, ASX listed Provaris Energy Ltd and Nasdaq listed Mawson Infrastructure Group Inc. He is also a Non-Executive Director of Power &amp; Water Corporation.</p> <p>Mr Martin holds a Bachelor of Economics degree from the University of Sydney and a Bachelor of Laws degree from the University of Technology, Sydney. He is also a Member of the Australian Institute of Company Directors. As well as chairing the Board, Mr Martin chairs the Company's People and Nominations Committee.</p>
<b>Mr Theuns de Bruyn,</b> Managing Director and Chief Executive Officer	<p>Mr de Bruyn joined Sierra Rutilite in August 2019 as the Chief Operating Officer and was appointed Chief Executive Officer in January 2021. He has over 25 years' experience in the African mineral sector, starting his career with BHP where he worked across various commodities and departments including Operations and Business Development.</p> <p>Mr de Bruyn has held a range of senior positions including Executive Vice President of Processing with Lonmin Platinum and as Chief Operating Officer for Metorex.</p> <p>Mr de Bruyn holds a Bachelor of Engineering in Chemical Engineering from the University of Pretoria and a Master of Business Administration from Heriot Watt University.</p>
<b>Mr Martin Alciaturi,</b> Finance Director	<p>Mr Alciaturi has more than 40 years' experience across investment banking, corporate finance, and as a mining executive. Prior to his current role, Mr Alciaturi was Finance</p>

Name and position	Expertise, experience and qualifications
	<p>Director of Aquila Resources a major ASX listed iron ore and coal producer/developer which was taken over in 2014. His responsibilities included business development, investor relations, finance and administration. Mr Alciatiuri's previous roles included Partner in Charge of Corporate Finance at Ernst &amp; Young Perth for 10 years and 4 years as Head of Corporate Finance (Perth) at Macquarie Capital.</p> <p>Mr Alciatiuri is currently a Non-Executive Director of 29Metals Limited.</p> <p>Mr Alciatiuri holds a Bachelor of Science (with honours) in Mechanical Engineering from University College London, and a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australia. He is a Fellow of Chartered Accountants Australia and New Zealand, and a member of the Australian Institute of Company Directors.</p>
<p><b>Mr Graham Davidson,</b> Non-Executive Director</p>	<p>Mr Davidson has over 30 years' professional experience of executive and board positions with a track record of leading large multicultural teams on natural resource projects across the African, Australian, and Asian continents, having held senior executive positions in Australia, Borneo Indonesia, Namibia, Guinea and various consulting assignments in South Africa.</p> <p>Mr Davidson has held a range of senior positions including Managing Director of Rio Tinto's Simandou project, Chief Executive Officer of Port Waratah Coal Services (as appointed by Rio Tinto) and General Manager of Operations at Rio Tinto's Uranium project in Namibia. Mr Davidson has also served on several non-profit and governing boards.</p> <p>Mr Davidson holds a Bachelor of Engineering in Mechanical Engineering from Newcastle University and a Diploma of Maintenance Management from Central Queensland University. He is also a member of the UK Institute of Directors, member of the Australian Institute of Company Directors and the Institute of Engineers Australia and various associations within. Mr Davidson chairs the Company's Sustainability &amp; Social Accountability Committee.</p>
<p><b>Mr Patrick O'Connor,</b> Non-Executive Director</p>	<p>Mr O'Connor is an experienced non-executive director and resources senior executive across a wide range of industries, including mining (gold, copper, lead, zinc, tin and coal), oil &amp; gas exploration, biotechnology and government utilities.</p> <p>He is currently the Non-Executive Chairman of FAR Limited and a Non-Executive Director of Metals X Limited. Mr O'Connor spent nine years as a director of the Water Corporation in WA, including four years as its chairman. Mr O'Connor was also the Chief Executive Officer for OceanaGold Corporation at the time of its listing on the ASX and served for a period as a Non-Executive Director. Prior to OceanaGold, Mr O'Connor was Managing Director of Macraes Mining Co Ltd for nine years.</p> <p>Mr O'Connor is a Fellow of the Australian Institute of Company Directors and holds a Bachelor of Commerce (Accounting).</p>

Name and position	Expertise, experience and qualifications
<b>Mr Jan Joubert</b> Non-Executive Director	<p>Mr Joubert has over 25 years' professional experience in senior executive and management positions with proven success in diverse business enterprises across the African continent. Mr Joubert has considerable experience in developing mining projects in Africa. In Sierra Leone, he led the development of the Koidu Mine from concept stage to an operational diamond mine during his time as CEO and Chairman from 2002 to 2015. Mr Joubert is currently the Chief Executive Officer of Meya Mining.</p> <p>Mr Joubert holds a Master of Business Administration from Henley Business School and has completed a course in Technical and Financial Evaluation of Mineral Projects from Imperial College London.</p>

(b) **Key management**

Name and position	Expertise, experience and qualifications
<b>Mr Theuns de Bruyn</b> , Managing Director and Chief Executive Officer	See Section 7.7(a) above.
<b>Mr Martin Alciaturi</b> , Finance Director	See Section 7.7(a) above.
<b>Mr Andre Collyer</b> , Chief Operating Officer	<p>Mr Collyer joined Sierra Rutile in September 2020 and served as the Chief Engineer. He was appointed as Chief Operating Officer in June 2024. He has over 26 years' experience in asset management strategies, asset optimisation and project management in the mining sector in various commodities including manganese, chrome and silicon and worked for BHP in his early career.</p> <p>Mr Collyer held senior positions in BHP including Engineering Manager at Silicon Smelters and IFM.</p> <p>Mr Collyer holds a N.Dip Mechanical Engineering and a GCC (Factories) in Engineering.</p>
<b>Mr Maurice Cole</b> Chief Financial Officer	<p>Mr Cole joined Sierra Rutile in October 2017 as Finance Manager and was promoted in September 2019 to the position of Chief Finance Officer. He has over 30 years' experience in the Accounting and Auditing. He started his career with KPMG and has worked in various sectors including energy, banking, petroleum and mining.</p> <p>Mr Cole previously held a number of senior positions including Financial Controller, Chief Finance Officer and Managing Director of the biggest Petroleum Company in Sierra Leone (NP (SL) LTD) before joining Sierra Rutile.</p> <p>Mr Cole holds qualifications from the Association of Chartered Certified Accountants of England and Wales and the Association of Accounting Technicians of England. He is also a Fellow of the Association of Chartered Accountants of England and Wales and a Fellow of the Association of Chartered Accountants of Sierra Leone.</p>



Name and position	Expertise, experience and qualifications
<p><b>Mr Derek Folmer,</b> General Manager Marketing</p>	<p>Mr Folmer joined Sierra Rutile in April 2013 and transitioned to be Vice President TiO<sub>2</sub> Sales for the Americas and Europe for Iluka in 2017. He was reappointed as General Manager Marketing by Sierra Rutile post Demerger.</p> <p>Mr Folmer has over 25 years of commercial experience in the mineral sands sector, including 9 years of active involvement with Sierra Rutile, where he was Chief Marketing Officer and also a director of the company's in-country board. He has also held previous senior positions including General Manager Sales and Marketing for Rutile and Zircon at Rio Tinto.</p> <p>Mr Folmer holds a Bachelor of Engineering (Mining), a Master of Business Administration (Finance) and is a Member of Quebec Order of Engineers.</p>
<p><b>Ms Sue Wilson,</b> General Counsel and Company Secretary</p>	<p>Ms Wilson is an experienced General Counsel and senior executive. She was previously General Counsel and Company Secretary of Iluka until September 2021 and before that the Head of Company Secretariat at South32 following the demerger from BHP Billiton. She was also General Counsel and Company Secretary and a member of the executive team at Bankwest and HBOS Australia. Prior to joining Bankwest, Ms Wilson was a partner of law firm Parker &amp; Parker (now part of Herbert Smith Freehills).</p> <p>Ms Wilson is currently the Chair of aged care provider, Amana Living and a member of the WA Council of the Australian Institute of Company Directors. She was previously the Pro Chancellor and a member of the Council at Curtin University, Chair of the WA State Council of the Governance Institute of Australia and is a former non-executive director of Western Power.</p> <p>Ms Wilson has been awarded the Honorary degree of Doctor of the University by Curtin University, holds a Bachelor of Laws and Bachelor of Jurisprudence, and is a Fellow of the Australian Institute of Company Directors.</p>
<p><b>Mr Barry Honnah</b> Human Resources Manager</p>	<p>Mr Honnah joined Sierra Rutile in August 2019 as the Human Resources Manager. He has over 20 years' experience in Human Resource Management having worked in various positions in both the UK and Sierra Leone. Prior to his appointment at Sierra Rutile, he served as the General Manager of Human Resources for African Minerals Limited. He has also held roles as the General Manager for Human Resources and Community Relations at London Mining and as Director of Human Resources and Rebranding at Orange Sierra Leone.</p> <p>Prior to working in Sierra Leone, Mr Honnah also held various consultancy roles providing recruitment and human resource solutions to public sector organisations in the UK.</p> <p>Mr Honnah holds a Bachelor of Arts (Politics and Sociology, with Honours) and a Master of Science (Industrial Relations and Personnel Management).</p>
<p><b>Mr Osman Lahai</b> Community Relations</p>	<p>Mr Lahai joined SRL in May 2017, as the Community Relations and Social Development Manager. He has over 20 years of</p>

Name and position	Expertise, experience and qualifications
and Social Development Manager	<p>experience in community relations and public affairs, and started his career at the United Nations Department of Peacekeeping Operations (DPKO) in Sierra Leone, Liberia, Ethiopia, Eritrea and Sudan, where he worked across various departments including Civil Affairs, Human Rights and Public Information.</p> <p>Mr Lahai has also held a range of senior positions including Head of Media Relations and Communications with London Mining Company and as Editor for The Democrat Newspaper in Sierra Leone.</p> <p>Mr Lahai holds a Bachelor of Science (Geography) and a Graduate Diploma (Humanitarian Law).</p>
<p><b>Ms Hussine Yilla</b> Corporate Affairs and Government Relations Manager</p>	<p>Ms Yilla joined SRL in August 2023 as Corporate Affairs and Government Relations Manager responsible for government, stakeholder and public relations, corporate communications, reputational and issues management, and overseeing implementation of the company's Corporate Social Responsibility and Sustainability objectives.</p> <p>Ms Yilla comes with a wealth of knowledge and experience in the mining industry having worked at a large-scale iron ore mining company also operating in Sierra Leone and, previously, the World Bank as an Extractives Sector Specialist before taking on the role of Country Operations Officer for the World Bank country Office in Sierra Leone. She spent the earlier part of her career in Aberdeen, Scotland providing business development support to UK Oil &amp; Gas companies venturing and operating in key hydrocarbon markets in Sub-Saharan Africa.</p> <p>Ms Yilla holds a Bachelor of Laws (with honours) and a Master of Business Administration in International Business.</p>

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## 8 Risk factors

### 8.1 Introduction

In considering the Offer, Sierra Rutile Shareholders should be aware that there are a number of risk factors associated with either accepting the Offer or rejecting the Offer and continuing to hold Sierra Rutile Shares.

In deciding whether to accept the Offer, Sierra Rutile Shareholders should read this Target's Statement and the Bidder's Statement carefully and consider these risks. While some of these risks can be mitigated, some are outside the control of Sierra Rutile and the Sierra Rutile Board and cannot be mitigated.

The risks set out in this Section 8 do not take into account the individual investment objectives, financial situation, position or particular needs of Sierra Rutile Shareholders. You should consult your investment, financial, tax or other professional adviser.

In addition, these risks are general in nature only and do not cover every risk that may be associated with an investment in Sierra Rutile now or in the future.

### 8.2 Risks associated with accepting the Offer

The Sierra Rutile Board unanimously recommends that (in the absence of a Superior Proposal emerging) Sierra Rutile Shareholders should **ACCEPT** the Offer for the reasons set out in Section 1.

Sierra Rutile Shareholders should also be aware of the following risks associated with accepting the Offer:

(a) **Possible appreciation of Sierra Rutile Shares in the future**

By accepting the Offer, you may forego any ability to sell your Sierra Rutile Shares in the future for more valuable consideration than the Offer Price (although Sierra Rutile can give no assurances and make no forecast of whether this will occur).

(b) **Possibility of Superior Proposal emerging**

A potential Superior Proposal may emerge. If one emerges, by accepting the Offer, you will not be able to accept any Superior Proposal that may be made unless you are entitled to revoke or withdraw your acceptance under limited circumstances (see Section 5.6 for further information on those rights). As such, you may not be able to obtain any potential benefit associated with any such Superior Proposal. However, given the status of the PRM Offer and Gemcorp Proposal (as outlined in Section 9.1), and that the Offer is the third takeover proposal since March 2024, the Sierra Rutile Directors do not currently anticipate that a Superior Proposal will emerge.

(c) **Tax consequences of accepting the Offer**

The tax consequences of disposing of your Sierra Rutile Shares pursuant to the Offer depend on a number of factors and your particular circumstances. A general outline of certain Australian tax considerations of such a disposal is set out in Section 5.10. You should seek your own specific professional tax advice as to the tax implications applicable to your circumstances.

### 8.3 Risks associated with an investment in Sierra Rutile

This Section describes the material risks to which Sierra Rutile Shareholders will continue to be exposed if they reject the Offer and retain their current investment in Sierra Rutile Shares. The risks described in this Section are not the only risks that Sierra Rutile faces. Other risks may not be known to Sierra Rutile and some that the Sierra Rutile Directors currently believe to be immaterial may subsequently turn out to be material. One or more or a combination of

these risks could materially impact Sierra Rutile's businesses, its operating and financial performance, the price or value of Sierra Rutile Shares or the dividends paid in respect of Sierra Rutile Shares.

(a) **Risk that the proposed development of Sembehun may not proceed as contemplated in the DFS or at all**

The results of the Sembehun DFS announced on 12 April 2024 reinforced the strategic value of the project, and confirmed that once funded and constructed, the project will significantly extend Sierra Rutile's mine life, materially lower its cost structure, leverage existing infrastructure, and generate significant long-term value both to shareholders and the people of Sierra Leone. However, there is no guarantee that Sierra Rutile will proceed to develop Sembehun or that development (if it proceeds) will be successful or that Sierra Rutile will otherwise be able to realise any value from the Sembehun Project, whether by way of development, partial or full sale or otherwise.

The development of Sembehun, as contemplated by the DFS, will be based on certain assumptions with respect to the method and timing of operations. By their nature, these estimates and assumptions are subject to significant uncertainties and the timeframe for and actual costs of developing Sembehun may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the indicative timeline for development and the cost estimates and underlying assumptions will be realised in practice, which may materially adversely affect the development of Sembehun and, in turn, Sierra Rutile's viability.

The development of Sembehun will also be dependent on Sierra Rutile's ability to obtain finance for the development of Sembehun on acceptable terms. It is intended that the development of Sembehun will be integrated with the remaining operations at Area 1 in order to optimise Sembehun pre-production capital expenditure.

The extent to which it will be possible to integrate the remaining operations at Area 1 with the development of Sembehun will depend on Sierra Rutile's ability to develop a robust business case to support the recommencement of operations at Area 1.

If the development of Sembehun does not proceed, or is not successful, Sierra Rutile's activities will be limited to the remaining mine life at Area 1 and the potential monetisation of Sembehun. Additional funding is likely to be required if the life of Area 1 is to be extended beyond the end of 2025.

(b) **Third Amendment Agreement**

The Government of Sierra Leone has communicated to Sierra Rutile that it is seeking to renegotiate the terms of the Third Amendment Agreement.<sup>12</sup> The Third Amendment Agreement governs the fiscal regime applying to the remaining production from the existing Area 1 operations and was ratified by the parliament of Sierra Leone in December 2021 and provided a number of concessions to Sierra Rutile including reduced royalty and minimum corporate tax rates.

Sierra Rutile has been engaging with the Government of Sierra Leone with regards to the terms of the Third Amendment Agreement. The outcome of any negotiations with the Government of Sierra Leone is unknown, and Sierra Rutile's operations may be materially adversely impacted as a result of any amendment to the Third Amendment Agreement.

Sierra Rutile's position is that the Third Amendment Agreement cannot be amended without the mutual agreement of Sierra Rutile. On 8 May 2024, Sierra Rutile announced its intention to restart Area 1 operations. The restart of Area 1 operations was completed on the assumption that the Third Amendment Agreement continues to apply.

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<sup>12</sup> See ASX announcement dated 4 May 2023 "Area 1 Fiscal Arrangements" via <https://www.asx.com.au/>.

(c) **Sovereign and political risk**

Sierra Rutile's mining operations are located in Sierra Leone, and Sierra Rutile will be subject to the various political, economic, labour and other risks, and uncertainties associated with operating in that country. Any future material adverse changes in government policies or legislation in Sierra Leone that affects taxation, foreign ownership, Government of Sierra Leone ownership of or equity participation in mining projects, mineral exploration, development or mining activities, may affect the viability and profitability of Sierra Rutile. The legal system in Sierra Leone is less developed than in more established countries, which may result in difficulties in obtaining effective legal redress in the courts.

(d) **Commodity price risk**

Sierra Rutile's revenue is dependent on market prices for the products that it produces from its mining operations. Market prices for rutile and by-products are subject to fluctuations due to a range of factors outside of Sierra Rutile's control including changes in their current and forecast market supply and demand dynamics as well as the availability and cost of substitute products.

(e) **Health and safety risks**

Safety is a fundamental risk for any mining company, with respect to personal injury, damage to property and equipment and other losses. The health and safety of all employees, contractors and visitors is of critical importance to Sierra Rutile. As a result, Sierra Rutile places significant emphasis on ensuring strong systems, processes and culture to protect the health and safety of its workforce. Sierra Rutile continues to focus on safety performance of both the direct workforce and contractors through the implementation of training programs, risk assessment and enhanced hazard identification processes.

(f) **Future capital requirements**

The development of Sembahun will be dependent on Sierra Rutile's ability to obtain finance on acceptable terms. Preliminary discussions with potential financiers and strategic equity partners have been held as they have with major development partners that might fund key infrastructure. Subject to market conditions, including realised mineral sands pricing, shipment volumes, shipment timing and underlying Area 1 operating costs, Sierra Rutile's working capital needs may require additional funding to be sourced during the remainder of calendar year 2024. Should working capital funding be required during the remainder of calendar year 2024, it may take the form of equity capital, debt capital and/or customer pre-payments. Additional funding is also likely to be required if the life of Area 1 is to be extended beyond the end of 2025.

(g) **Operational risk**

Sierra Rutile's operations are, and continue to be, subject to numerous risks, many of which are beyond Sierra Rutile's control. These include natural disasters, material disruption to logistics, critical plant failure or industrial action. One such operational risk is the lack of power generating capacity which materialised in June 2023 and January 2024, caused by mechanical failures related to ageing infrastructure. Sierra Rutile has entered into a 7MW power supply contract with Himoina Southern Africa Proprietary Limited for additional power capacity. This is expected to be available in late September 2024. Sierra Rutile undertakes regular reviews for mitigation of property and business continuity risks. Sierra Rutile also conducts planning and preparedness activities to ensure rapid and effective response in the event of a crisis. Sierra Rutile also maintains a prudent insurance program that may offset a portion of the financial impact of a major operational interruption.

(h) **Cost inflation**

Operating costs are subject to variations due to a number of factors including changing ore characteristics, haulage distances and the level of sustaining capital invested to maintain operations. In addition, operating and capital costs are impacted by external economic and

inflationary conditions impacting the cost of commodity inputs consumed in mining and mineral processing activities.

**(i) Community and social risks**

Sierra Rutile's ability to operate and expand its mining activities will depend, in part, on its ability to maintain good relations with the local communities. Although Sierra Rutile believes that the local communities generally welcome its mining activities and perceive they will bring benefits to them, no assurance can be given that any negotiation with local communities about the benefit they will derive from the mining and associated activities, will be successful.

Sierra Rutile expects that the development of Sembehun will create significant social and economic benefits for the local communities, including employment opportunities, but acknowledges that some residents may be directly or indirectly affected by the development of Sembehun and / or subsequent mining operations.

Sierra Rutile engages with local communities in a structured and inclusive manner and is proud of its long association with those groups. Sierra Rutile makes a significant contribution to the communities through wages, local sourcing and suppliers, social investment and numerous other commitments in addition to the statutory rents and taxes it pays to the Government of Sierra Leone.

**(j) Environment**

Sierra Rutile is committed to managing its environmental performance to ensure compliance with its obligations under all environmental legislation and is at the forefront of environmental management in the Sierra Leone mining industry.

Sierra Rutile has an Environmental, Social and Health Impact Assessment (**ESHIA**) and management plan in place to both ensure compliance and manage its obligations regarding all aspects of environmental management, including: water, biodiversity, rehabilitation and waste management for Area 1. An ESHIA for Sembehun was completed in 2023 and was approved by the Environmental Protection Agency of Sierra Leone in January 2024.

**(k) Reliance on key personnel**

The success of Sierra Rutile and its business is dependent on the expertise and experience of the Sierra Rutile executive leadership team. The loss of key personnel could harm the business or cause delays in the implementation of Sierra Rutile's plans due to resourcing constraints, while management time is directed to finding suitable replacements.

Sierra Rutile believes the terms of employment including remuneration levels for its directors, executives, management and personnel are market competitive, fair and equitable so as to attract, motivate and retain high quality personnel.

**(l) Anti-bribery and corruption risk**

Sierra Rutile's business activities and operations are located in Sierra Leone, which has a relatively high bribery and corruption risk. This exposes Sierra Rutile to the risk of unauthorised payments or offers of payments to or by employees, agents or distributors in violation of applicable anti-corruption laws.

Sierra Rutile has a clear Anti-bribery and Corruption Policy combined with internal controls and procedures to protect against such risks. These include annual leadership team training and compliance programs for its employees, agents and distributors. There can be no assurance that such controls, policies, procedures and programs will protect Sierra Rutile from potentially improper or criminal acts. A copy of Sierra Rutile's Antibribery and Corruption Policy is available on the Sierra Rutile website at <https://sierra-rutile.com/our-company/corporate-governance/>.

**(m) No geographic diversification of assets**

Sierra Rutile's assets are located in Sierra Leone, the sovereign and political risks of which are discussed in Section 8.3(c) above. Any circumstance or event which negatively affects Sierra Leone could materially affect the financial performance of Sierra Rutile more significantly than if it had a geographically diversified asset base.

**(n) Approvals, permits, licences and consents**

Sierra Rutile currently holds all material authorisations required to undertake its current mining activities in respect of Area 1. However, certain of Sierra Rutile's authorisations require renewal on a regular basis (such as the Environmental Impact Assessment, which requires annual renewal) and Sierra Rutile is subject to the need for ongoing or new government approvals, licences and permits as the scope of its operations change. The granting and renewal of such approvals, licences and permits are, as a practical matter, subject to the discretion of applicable government agencies or officials.

If Sierra Rutile pursues development of the Sembehun deposit, it will, among other things, require various approvals, permits and licences before it will be able to develop and mine the deposit, and need to satisfy certain environmental approval processes. There is no guarantee that Sierra Rutile will be able to obtain, or obtain in a timely manner, all required approvals, licences or permits or satisfy all environmental approval processes. To the extent that required authorisations are not obtained or are delayed or are cancelled or forfeited after being obtained, Sierra Rutile's operations may be materially adversely impacted.

**(o) Rehabilitation and mine closure provisions**

It is possible that the actual costs to carry out Sierra Rutile's rehabilitation obligations will be more than that estimated or that the Government of Sierra Leone may seek additional financial support for Sierra Rutile's rehabilitation obligations under the relevant legislation, and that Sierra Rutile could be required to meet those additional costs, or be required to provide additional or different financial support in respect of existing or future rehabilitation obligations, which could materially and adversely affect Sierra Rutile's viability. The majority of Sierra Rutile's rehabilitation liabilities can be met from the proceeds of the Sierra Rutile Rehabilitation Trust. This is managed by an external trustee in Australia. The amount of the liabilities which will be funded from the Sierra Rutile Rehabilitation Trust will depend on a number of factors, including the investment performance of the trust.

**(p) Title risk**

Sierra Rutile has a right to renew the Mining Lease for a minimum term of 15 years on expiry of the current term of the Mining Lease, which ends on 23 January 2039. The terms applying to the renewal are on equivalent terms and conditions of the current Mining Lease, except for payments by Sierra Rutile which are to be on such fair and equitable terms as to payment as Sierra Rutile and the Government of Sierra Leone may agree.

Sierra Rutile's right to renew the Mining Lease under the Sierra Rutile Agreement is subject to Sierra Rutile's compliance with the provisions of the Sierra Rutile Agreement and the Mining Lease, such as due and punctual payment of rents and meeting of expenditure commitments.

There are no guarantees that the Mining Lease will be capable of renewal on expiry of the current term, or on what terms the Government of Sierra Leone may require to renew the Mining Lease.

**(q) Nature of sales and marketing arrangements and customer concentration**

There can be no guarantee that Sierra Rutile's key customers will not reduce their production requirements or seek to source some or all of their mineral sands products from existing or future competitors in the future. In that case, Sierra Rutile would need to identify other customers and if it is unable to do so, or the terms are less favourable, then this could have a

material adverse effect on Sierra Rutile's business, operational performance and financial results.

There is also the potential that Sierra Rutile will not receive payments for the supply of its mineral sands products if a customer becomes insolvent or fails to make a payment in accordance with its contract with Sierra Rutile.

**(r) Dependence on external contractors**

Sierra Rutile currently outsources, and may continue to outsource, substantial parts of its mining activities pursuant to services contracts with third party contractors. Such contractors may not be available to perform services for Sierra Rutile, when required, or may only be willing to do so on terms that are not acceptable to Sierra Rutile. Once in contract, performance may be constrained or hampered by capacity constraints, mobilisation issues, plant, equipment and staff shortages, labour disputes, managerial failure and default or insolvency. Contractors may not comply with provisions in respect of quality, safety, environmental compliance and timeliness, which may be difficult to control. In the event that a contractor underperforms or is terminated, Sierra Rutile may not be able to find a suitable replacement on satisfactory terms within time or at all.

These circumstances could have a material adverse effect on Sierra Rutile's production and operations.

**(s) Counterparty risk**

The ability of Sierra Rutile to achieve its business objectives will depend to an extent on the performance by Sierra Rutile and counterparties of their contractual obligations. If any party defaults in the performance of its obligations under a contract, it may be necessary for the other party to approach a court to seek a legal remedy, which could be costly for Sierra Rutile. The operations of Sierra Rutile also require the involvement of a number of third parties, including consultants, contractors and suppliers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on Sierra Rutile's operations and performance. It is not possible for Sierra Rutile to predict or protect itself against all such risks.

**(t) Litigation, claims and disputes**

Sierra Rutile is currently, and may continue to be, subject to litigation and other claims and disputes in the ordinary course of its business, including employment and collective bargaining disputes, contractual disputes, indemnity claims, occupational health and safety claims, or civil proceedings in the course of its business. Such litigation, claims and disputes, including the cost of settling claims or paying any fines, operational impacts and reputational damage, could materially adversely affect Sierra Rutile's business, operating and financial performance. See further discussion of material litigation in Section 9.4.

**(u) Estimates of Ore Reserves and Mineral Resources**

Ore Reserve and Mineral Resource estimates are expressions of judgment based on detailed geological and other technical and financial information, as well as knowledge, experience, market information and industry practice. Estimates which were valid when originally calculated may be altered when new information or techniques become available. In addition, by their very nature, Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, positively or adversely affect Sierra Rutile's operations.

There can be no assurance that Sierra Rutile will be able to convert its Mineral Resources to Ore Reserves or of the conversion rate that may be achieved.



(v) **Climate change**

Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, extreme storms, drought, fires, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on Sierra Rutile's ability to access and utilise its Mining Lease and/ or on Sierra Rutile's ability to transport or sell mineral commodities.

Changes in policy, technological innovation and consumer or investor preferences could adversely impact Sierra Rutile's business strategy or the value of its assets (including its Mining Lease) or may result in less favourable pricing for mineral commodities, particularly in the event of a transition to a lower-carbon economy.

(w) **Changing expectations with respect to ESG standards**

Changing community attitudes towards and increasing regulation of ESG risks and disclosure may impact the operation of Sierra Rutile's mining assets in the future which may also have an impact on Sierra Rutile. Increased expectations with respect to ESG risk management may impact on the profitability or value of Sierra Rutile's operations, restrict Sierra Rutile's ability to attract financing or investment, or result in heightened compliance costs associated with meeting prevailing regulatory and disclosure standards.

(x) **Competition**

The industry in which Sierra Rutile is involved is subject to global competition. While Sierra Rutile undertakes reasonable due diligence in its business decisions and operations, Sierra Rutile has no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of Sierra Rutile and its business.

(y) **Insurance**

Sierra Rutile insures its operations in accordance with industry practice and applicable laws. However, in certain circumstances Sierra Rutile's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of Sierra Rutile.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

(z) **Force majeure events**

Events may occur within or outside Sierra Leone and/or Australia that could impact upon the global, Sierra Leone and/or Australian economies, the operations of Sierra Rutile, or the price of Sierra Rutile Shares. These events include, but are not limited to, terrorism, outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on Sierra Rutile's activities and the demand for mineral sands.

## 8.4 **General risks**

Sierra Rutile is subject to a range of general economic and financial risks, including those set out below.

(a) **Economic conditions**

General economic conditions, movements in interest and inflation rates, and currency exchange rates may have an adverse effect on Sierra Rutile's activities as well as on its ability to fund those activities. General economic conditions may also affect the value of Sierra Rutile and its valuation regardless of its actual performance.

(b) **Taxation**

Tax laws, including tax laws in Sierra Leone, are complex and are subject to change periodically as is their interpretation by the relevant courts and the tax revenue authorities. Such changes in interpretation and application may impact the tax outcome of an action, agreement, payment, receipt, disposal, event or transaction (**Tax Events**).

In addition, tax revenue authorities may review the tax treatment of Tax Events. Any actual or alleged failure to comply with, or any change in the application or interpretation of, tax rules applied in respect of a Tax Event may increase tax liabilities or create exposure to legal, regulatory or other actions.

An interpretation of the taxation laws that is contrary to that of the tax revenue authority in Australia or Sierra Leone may give rise to additional tax payable.

(c) **Accounting**

The introduction of new or refined accounting or financial reporting standards may affect the future measurement and recognition of key income statement and balance sheet items, including revenue and receivables. There is also a risk that interpretations of existing accounting or financial reporting standards, including those relating to the measurement and recognition of key income statement and balance sheet items, may differ. Changes to accounting or financial reporting standards or changes to commonly held views on the application of those standards could materially and adversely affect the financial performance and position reported in Sierra Rutile's financial statements.

(d) **Shareholder dilution**

In the future, Sierra Rutile may elect to issue shares to fund or raise proceeds for working capital, project development, growth, acquisitions, to repay debt, or for any other reason.

While Sierra Rutile is subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), Sierra Rutile Shareholder interests may be diluted and Sierra Rutile Shareholders may experience a loss in value of their equity as a result of such issues of Sierra Rutile Shares and fundraisings.

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## **9 Additional information**

### **9.1 Background to the Offer**

On 20 March 2024, PRM announced an unsolicited on-market takeover bid for all of the Sierra Rutile Shares it does not already own at a price of A\$0.095 cash per Sierra Rutile Share. On the same day, PRM lodged with ASIC and served on Sierra Rutile a copy of its bidder's statement setting out the terms of the PRM Offer. The PRM bidder's statement was supplemented and replaced on 26 March and a second supplementary bidder's statement was released on 26 April 2024. On 8 April 2024, Sierra Rutile released its target's statement in response to the PRM Offer, advising Sierra Rutile Shareholders to reject the PRM Offer on the basis the PRM Offer was opportunistically timed did not reflect Sierra Rutile's significant strategic value. Sierra Rutile released supplementary target's statements in response to the PRM Offer on 15 April 2024, 2 July 2024 and 23 July 2024.

On 1 July 2024, Sierra Rutile announced it had entered into the Gemcorp Bid Implementation Agreement pursuant to which Gemcorp agreed to offer to acquire all of the issued and outstanding Sierra Rutile Shares it does not already own under an off-market takeover bid. Under the terms of the Gemcorp Proposal, subject to the satisfaction or waiver of the conditions, each Sierra Rutile Shareholder was to receive a cash offer of A\$0.16 for every Sierra Rutile Share held.

On 15 July 2024, Sierra Rutile announced it had received an unsolicited proposal from Leonoil advising that it intended to make a conditional off-market takeover bid for all of the issued and outstanding Sierra Rutile Shares which Leonoil does not already own for A\$0.18 cash per share, with no minimum acceptance condition. In accordance with the Gemcorp Bid Implementation Agreement, Gemcorp was provided 3 Business Days to provide a matching or superior proposal to the Leonoil proposal. Gemcorp did not exercise its matching right under the Gemcorp Bid Implementation Agreement.

Sierra Rutile announced on 22 July 2024 it had entered into the Bid Implementation Agreement with Leonoil. Pursuant to the Bid Implementation Agreement, Leonoil was required to make the Offer for all the issued and outstanding Sierra Rutile Shares that Leonoil does not already own, with no minimum acceptance condition at A\$0.18 cash per ordinary share.

On 29 July 2024, Sierra Rutile announced that it had received a written notice from Gemcorp terminating the Gemcorp Bid Implementation Agreement. Accordingly, Gemcorp is released from its contractual obligation under the Gemcorp Bid Implementation Agreement to make a formal offer for all of the Sierra Rutile Shares it does not already own. Pursuant to the terms of the Gemcorp Bid Implementation Agreement, Sierra Rutile was required to, and has now paid, the US\$400,000 target break fee to Gemcorp. Sierra Rutile understands that Gemcorp intends to seek relief from ASIC such that it is no longer obliged under section 631(1) of the Corporations Act to proceed with the Gemcorp Proposal as contemplated by the Gemcorp Bid Implementation Agreement.

On 31 July 2024, the PRM Offer period expired. Accordingly, Sierra Rutile Shareholders can no longer accept the PRM Offer and PRM may, should it wish to do so, accept the Leonoil Offer.

For the reasons set out in Section 1, your Sierra Rutile Directors recommend you ACCEPT the Leonoil Offer (in the absence of a Superior Proposal).

As at the Last Practicable Date, both PRM and Gemcorp remain substantial shareholders of Sierra Rutile Shares. Further details about the Sierra Rutile's substantial shareholders are set out in Section 7.6.

### **9.2 Bid Implementation Agreement**

On 22 July 2024, Sierra Rutile announced it had entered into the Bid Implementation Agreement with Leonoil pursuant to which Leonoil agreed to make the Offer. A full copy of the Bid Implementation Agreement was released by Sierra Rutile to the ASX on 22 July 2024 and

is available on Sierra Rutile's website at <https://sierra-rutile.com/> and on the ASX website at [www.asx.com.au](http://www.asx.com.au).

A summary of the key terms of the Bid Implementation Agreement is set out below.

**(a) Recommendation of Sierra Rutile Directors**

Clause 2.2 of the Bid Implementation Agreement provides that all of the Directors will unanimously recommend that Sierra Rutile Shareholders accept the Offer and the Directors intend to 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). Sierra Rutile agrees not to subsequently withdraw its recommendation unless a Superior Proposal emerges.

**(b) Obligations to facilitate the Offer and conduct business in the ordinary course**

Both Sierra Rutile and Leonoil have agreed to take certain steps to facilitate the Offer, which are set out in clause 4 of the Bid Implementation Agreement.

In addition, Sierra Rutile has agreed (subject to certain exceptions) to:

- conduct business and operations in the usual and ordinary course and on a basis consistent with past practice or as may be required in order to satisfy a specific requirement of a Regulatory Agency, and to preserve and maintain the value of their business and assets and relationships with customers, suppliers, regulators, employees and others with whom they have business dealings; and
- certain restrictions on the conduct of the business of the Sierra Rutile Group, including in relation to Material Adverse Change, entering into contracts, and executive and employee remuneration.

**(c) Exclusivity**

Sierra Rutile has agreed to standard exclusivity obligations, subject to a 'fiduciary out' exception. The Bid Implementation Agreement contains no shop, no talk and due diligence restrictions on Sierra Rutile. During the Exclusivity Period, Sierra Rutile agrees to, amongst other things not:

- solicit or encourage any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal,
- communicate an intention to participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal;
- disclose any non-public information about the business or affairs of Sierra Rutile and its Related Bodies Corporate to a third party with a view to obtaining, or which may reasonably be expected to encourage or lead to receipt of, an actual, proposed or potential Competing Proposal, other than as required by any applicable law or the requirement of a Regulatory Agency; and
- provide any information to a Third Party in relation to an actual, proposed or potential Competing Proposal.

During the Exclusivity Period, Sierra Rutile has also agreed that Leonoil has a 'matching right', such that before Sierra Rutile enters in an agreement in relation to a Competing Proposal, Sierra Rutile must first provide Leonoil with all terms and conditions of the Competing Proposal and give Leonoil at least 3 Business Days to provide a matching or superior proposal.

(d) **Break Fee**

Other than the payment of either the Bidder Break Fee and/or Target Break Fee (summarised below), neither party is liable for any loss or damage arising in connection with any such event or occurrence, and other than specific performance or injunctive relief in the event of a Claim, neither party is entitled to seek any other remedies which would otherwise be available in equity or law as a remedy for a breach or threatened breach of the Bid Implementation by any party to that agreement.

(i) Target Break Fee

Sierra Rutile must pay the Target Break Fee (being US\$400,000) to Leonoil in certain situations, including if:

- 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 announcing or making the Competing Proposal acquires an interest in 21% or more of the share capital in any member of the Sierra Rutile Group, or Control of any member of the Sierra Rutile Group;
- any Director fails to recommend, or makes a public statement which withdraws, adversely revises or adversely qualifies the recommendation that Sierra Rutile Shareholders accept the Offer; or
- Leonoil terminates the Bid Implementation Agreement in accordance with clauses 14.1(a) (material breach), 14.1(b) (representations and warranties), or 14.2 (Competing Proposal etc) of the Bid Implementation Agreement (see Section 9.2(f) below).

(ii) Bidder Break Fee

Leonoil must pay the Bidder Break Fee (being US\$400,000) to Sierra Rutile if at any time following the date of the Bid Implementation Agreement and before the end of the Offer Period, Sierra Rutile terminates the Bid Implementation Agreement in accordance with clauses 14.1(a) (material breach) or 14.1(b) (representations and warranties) of the Bid Implementation Agreement.

(e) **Representations and warranties**

In clause 11 of the Bid Implementation Agreement, Sierra Rutile and Leonoil provide a range of representations and warranties in relation to their respective organisations and operations to the other. Sierra Rutile's additional representations and warranties in clause 11.2 of the Bid Implementation Agreement are qualified by matters fairly disclosed, being matters publicly disclosed and certain other information provided to Leonoil or its Representatives, up to the end of the day before the date of the Bid Implementation Agreement.

(f) **Termination**

Sierra Rutile or Leonoil may terminate the Bid Implementation Agreement if at any time after the date on which the Offer is announced and before the end of the Offer Period:

- in accordance with clause 14.1(a) if there is a material breach of the Bid Implementation Agreement;
- in accordance with clause 14.1(b), if a representation or warranty given by the other party under the Bid Implementation Agreement is or becomes untrue in any material respect;

- in accordance with clause with clause 14.1(c), if a court or Regulatory Agency has taken an action that permanently restrains or prohibits the Takeover Bid; and
- in accordance with clause with clause 14.1(d), Leonoil withdraws the Takeover Bid or the Takeover Bid lapses for any reason, including non-satisfaction of a Bid Condition.

In addition, Leonoil may terminate the Bid Implementation Agreement under clause 14.2 if at any time after the date on which the Offer is announced and before the end of the Offer Period:

- a Competing Proposal is made or publicly announced and a majority of the Directors entitled or able to make a recommendation publicly recommend or support that Competing Proposal;
- a Director does not recommend the Takeover Bid be accepted by Shareholders or having recommended the Takeover Bid, withdraws or adversely modifies their recommendation of the Takeover Bid; or
- a Material Adverse Change or a Prescribed Occurrence occurs.

### 9.3 Interests of Sierra Rutile Directors

#### (a) Interests of Sierra Rutile Directors in Sierra Rutile securities

The number and description of Sierra Rutile securities in which each of the Sierra Rutile Directors has a Relevant Interest is set out in the table below:

Sierra Rutile Director	Number of Sierra Rutile Shares held directly or indirectly	Number of Sierra Rutile Performance Rights held directly or indirectly	Number of Sierra Rutile Restricted Rights held directly or indirectly
<b>Mr Greg Martin (Independent)</b> , Chairman and Non-Executive Director	30,000	-	-
<b>Mr Theuns de Bruyn</b> , Managing Director and Chief Executive Officer	217,471	8,780,930	362,906
<b>Mr Martin Alciaturi</b> , Finance Director	100,000	4,278,074	-
<b>Mr Graham Davidson (Independent)</b> , Non-Executive Director	29,900	-	-
<b>Mr Patrick O'Connor (Independent)</b> , Non-Executive Director	-	-	-
<b>Mr Jan Joubert (Independent)</b> , Non-Executive Director	-	-	-

As at the date of this Target's Statement, each Sierra Rutile Director intends to **ACCEPT**, or procure acceptance of the Offer under its current terms in respect of the Sierra Rutile Shares they, or their Associates, hold or control (in the absence of a Superior Proposal). See Section 9.5 regarding the impact of the Offer on Sierra Rutile's incentive arrangements.

**(b) Dealings by Sierra Rutile Directors in Sierra Rutile Shares or other securities**

There have been no acquisitions or disposals of Sierra Rutile Shares by any Sierra Rutile Director in the 4 months ending on the day preceding the date of this Target's Statement.

**(c) Retention and other payments**

In light of the uncertainty created by the PRM Offer, the Sierra Rutile Board approved retention payments to certain executives and employees (not including Mr Theuns de Bruyn or Mr Martin Alciaturi). These payments are subject to continued employment to either 31 August or 31 December. The total amount of retention payments is approximately US\$545,000.

The Sierra Rutile Board deferred the granting of long term incentives for 2024. In the event of a change of control prior to the Board granting long term incentives for 2024 a cash payment will be made to certain executives (including Mr Theuns de Bruyn and Mr Martin Alciaturi) in an amount equivalent to the amount they would have received on a change of control had the long term incentives been issued. By way of example, if a change of control occurs on 9 September 2024 the total payments would be A\$250,122.

**(d) Conditional agreements**

Other than as set out below, no agreement has been made between any of the Sierra Rutile Directors and any other person in connection with, or conditional upon, the outcome of the Offer, other than in their capacity as a Sierra Rutile Shareholder or as a holder of Sierra Rutile Performance Rights or Sierra Rutile Restricted Rights (see Section 9.5 for more information).

**(e) Benefits to Sierra Rutile Directors in connection with loss of, or resignation from, office as a result of the Offer**

As a result of the Offer, no benefit (other than a benefit permitted by section 200F or 200G of the Corporations Act and compulsory superannuation entitlements) has been paid or will be paid to any Sierra Rutile Director or secretary in connection with the loss of, or their resignation from, their office in Sierra Rutile or any Related Bodies Corporate of Sierra Rutile.

**(f) Interests and dealings in Leonoil**

As at the date of this Target's Statement, neither Sierra Rutile nor any of the Sierra Rutile Directors has a Relevant Interest in any securities of Leonoil or any Related Bodies Corporate of Leonoil.

No Sierra Rutile Director has any interest in any contract entered into by Leonoil.

## **9.4 Material litigation**

Other than as set out below, Sierra Rutile is not aware of any litigation or disputes of a material nature being undertaken, commenced or threatened against any member of the Sierra Rutile Group.

**(a) Sierra Leone environmental class action**

On 22 January 2019, SRL was served with a writ and statement of claim in respect of an action filed in the High Court of Sierra Leone Commercial and Admiralty Division against both SRL and The Environmental Protection Agency.

The proceedings have been brought by a group of landowner representatives who allege that they suffered loss as a result of SRL's mining operations. The claims primarily relate to environmental matters. The landowner representatives allege, in part, that SRL engaged in improper mining practices resulting in environmental degradation and contamination, did not meet certain rehabilitation obligations and violated local mining laws. SRL denies liability in respect of the allegations and is defending the claims. SRL filed its defence in March 2019

and also applied to the Court for an order requiring the landowner representatives to provide further and better particulars on their claims. The application for further and better particulars was heard by the court in November 2023 and the decision of the court is yet to be handed down.

As at 31 December 2023, the status of the proceedings has still not reached a stage where SRL is able to reliably estimate the quantum of liability, if any, that SRL may incur in respect of the class action.

**(b) Other Proceedings**

In 2017 proceedings were instituted against SRL and African Lion Agriculture Ltd by a group of landowners including Lansana Kainchallay for crop compensation for an area over which third parties have exercised control for the relevant period. SRL is defending the claim and considers it has a good defence to the action. As at 31 December 2023, the status of the proceedings has not reached a stage where SRL is reliably able to estimate the amount of liability (if any) SRL may incur.

## **9.5 Impact of the Offer on incentives arrangements**

Sierra Rutile has in place the Sierra Rutile Equity Incentive Plan (adopted by Sierra Rutile on 15 July 2022), under which Sierra Rutile Incentives may be issued. As at the Last Practicable Date, there were 14,109,004 Sierra Rutile Performance Rights, 362,906 Sierra Rutile Restricted Rights and 1,827,825 Sierra Rutile Units on issue under the Sierra Rutile Equity Incentive Plan.

Under the terms of the Sierra Rutile Equity Incentive Plan, where “there is an actual change in the Control” of Sierra Rutile, then, unless the Board determines otherwise, all unvested Sierra Rutile Incentives will immediately vest or cease to be subject to restrictions (as applicable) on a pro rata basis (having regard to the portion of the relevant vesting period that has elapsed up to the change of Control). “Control” in the Sierra Rutile Equity Incentive Plan is defined as having the meaning in section 50AA of the Corporations Act.

Any unvested Sierra Rutile Incentives that do not vest as described above, will lapse, unless the Sierra Rutile Board determines a different treatment.

Accordingly, if there is an actual change of Control of Sierra Rutile, in accordance with the terms of the Sierra Rutile Equity Incentive Plan the Sierra Rutile Incentives held by participants in the Sierra Rutile Equity Incentive Plan (including the executive directors, Theuns de Bruyn and Martin Alciaturi) will immediately vest or cease to be subject to restrictions (as applicable) on a pro rata basis (having regard to the portion of the relevant vesting period that has elapsed up to the change of Control).

By way of example, if an actual change of Control of Sierra Rutile were to occur on 9 September 2024, having regard to the portion of the relevant vesting period that would have elapsed up to that date, an aggregate of 7,518,973 Sierra Rutile Performance Rights, 239,367 Sierra Rutile Restricted Rights and 1,063,322 Sierra Rutile Units would vest or cease to be subject to restrictions (as applicable). As noted above, 6,590,031 Sierra Rutile Performance Rights, 123,539 Sierra Rutile Restricted Rights and 764,503 Sierra Rutile Units would lapse.

Each Sierra Rutile Performance Right and Sierra Rutile Restricted Right is exercisable once vested, into one Sierra Rutile Share. The Board may determine that the vesting of a Sierra Rutile Performance Right or a Sierra Rutile Restricted Right will be satisfied by Sierra Rutile making a cash payment in lieu of an allocation of Sierra Rutile Shares.

Following vesting of a Sierra Rutile Unit, Sierra Rutile must make a cash payment equivalent to the number of the Sierra Rutile Units that have vested multiplied by the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all Sierra Rutile Shares traded on the ASX during the previous 5 trading days, or any other calculation as determined by the Board.



The Offer does not extend to Sierra Rutile Performance Rights and Sierra Rutile Restricted Rights that have not vested into Sierra Rutile Shares by the end of the Offer Period. The Offer extends to Sierra Rutile Shares that are issued on vesting of the Sierra Rutile Performance Rights and Sierra Rutile Restricted Rights prior to the end of the Offer Period. This means that holders of Sierra Rutile Restricted Rights or Sierra Rutile Performance Rights that vest 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.

## **9.6 Reliance on ASIC relief generally**

As permitted by *ASIC Corporations (Takeover Bids) Instrument 2023/683*, this Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or ASX. Pursuant to this ASIC Class Order, the consent of persons to whom such statements are attributed is not required for the inclusion of these statements in this Target's Statement.

Any Sierra Rutile Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period, and within 2 Business Days of the request, by contacting the Sierra Rutile Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Melbourne time), Monday to Friday excluding national public holidays.

As permitted by the *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement may include or be accompanied by certain statements fairly representing a statement by an official person, or from a public official document or a published book, journal or comparable publication (provided such a statement was not made or published in connection with the Offer, Leonoil, Sierra Rutile, or any business, property or person the subject of the Bidder's Statement or Target's Statement). Pursuant to this ASIC Instrument, the consent of such persons to whom statements or documents are attributed is not required for the inclusion of those statements in this Target's Statement. In addition, as permitted by this ASIC Instrument, this Target's Statement contains share price trading and financial data sourced from IRESS, without its consent.

## **9.7 Transaction expenses**

The Offer has resulted in Sierra Rutile incurring expenses that would not otherwise arise from its ordinary operations. These expenses include fees of legal, financial and tax advisers engaged to assist in responding to the Offer and other transaction related expenses which will have a negative impact on Sierra Rutile's after tax earnings in FY24. The total cost of the takeover response depends on the outcome of the Offer, the duration of the Offer and required response activities, as well as the complexity of the issues addressed in the response. These costs will be reflected in Sierra Rutile's financial results for FY24.

## **9.8 JORC Reporting**

The information in this Target's Statement relating to Sierra Rutile's estimates of Mineral Resources and Ore Reserves statements is extracted from the Sierra Rutile 2023 Annual Report dated 28 March 2024 which is available to view on Sierra Rutile's website <https://sierra-rutile.com/>.

Sierra Rutile confirms that other than the Sembehun DFS (released on 12 April 2024), it is not aware of any new information or data that materially affects the information included in the Sierra Rutile 2023 Annual Report and that all material assumptions and technical parameters underpinning the estimates of Mineral Resources and Ore Reserves Statements in the Sierra Rutile 2023 Annual Report (and in the case of the Sembehun Project, the DFS) continue to apply and have not materially changed.

Sierra Rutile confirms that the form and context in which the relevant competent persons' findings are presented have not been materially modified from the Sierra Rutile 2023 Annual Report (and in the case of the Sembehun Project, the DFS).

## 9.9 Consents

### (a) Consents to inclusion of a statement

Each of the parties listed below has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to the inclusion of the statements in this Target's Statement that are specified below in the form and context in which the statements are included and to all references in this Target's Statement to those statements in the form and context in which they are included:

- (i) each Sierra Rutile Director specified in Section 7.7, to be named in this Target's Statement and to the inclusion of statements made by them in this Target's Statement;
- (ii) King & Wood Mallesons has given and has not, before the date of this Target's Statement, withdrawn its consent to the inclusion of its name in this Target's Statement as legal adviser to Sierra Rutile;
- (iii) Gresham has given and has not, before the date of this Target's Statement, withdrawn its consent to the inclusion of its name in this Target's Statement as financial adviser to Sierra Rutile; and
- (iv) Computershare has given and has not, before the date of this Target's Statement, withdrawn its consent to the inclusion of its name in this Target's Statement as Sierra Rutile's Share Registry.

### (b) Disclaimer regarding statements made and responsibility

Each person named above as having given its consent to the inclusion of a statement or to being named in this Target's Statement:

- (i) does not make, or purport to make, any statement or representation in this Target's Statement nor any statement on which a statement in this Target's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Target's Statement with the consent of that person; and
- (ii) to the maximum extent permitted by law, expressly disclaims and makes no representation regarding, and takes no responsibility for, any statements or material in or omissions from this Target's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Target's Statement with the consent of that party.

## 9.10 Other material information

- (a) This Target's Statement is required to include all the information that Sierra Rutile Shareholders and their professional advisers would reasonably require to make an informed assessment as to whether or not to accept the Offer, but:
  - (i) only to the extent to which it is reasonable for Sierra Rutile Shareholders and their professional advisers to expect to find this information in this Target's Statement; and
  - (ii) only if the information is known to any Sierra Rutile Director.
- (b) The Sierra Rutile Directors are of the opinion that the information that Sierra Rutile Shareholders and their professional advisers would reasonably require to make an informed assessment as to whether to accept the Offer is:
  - (i) the information contained in the Bidder's Statement;

- (ii) the information contained in Sierra Rutile's announcements to ASX prior to the date of this Target's Statement; and
  - (iii) the information contained in this Target's Statement.
- (c) The Sierra Rutile Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Sierra Rutile Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken to be endorsing, in any way, any or all of the statements contained in it. In deciding what information should be included in this Target's Statement, the Sierra Rutile Directors have had regard to:
  - (i) the nature of Sierra Rutile Shares;
  - (ii) the matters that Sierra Rutile Shareholders may reasonably be expected to know;
  - (iii) the fact that certain matters may reasonably be expected to be known to Sierra Rutile Shareholders' professional advisers; and
  - (iv) the time available to Sierra Rutile to prepare this Target's Statement.

### **9.11 Miscellaneous and publicly available information**

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 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 Sierra Rutile Shares and other securities.

Sierra Rutile Shareholders should have regard to material announcements that have been lodged with ASX.

A list of announcements released by Sierra Rutile in the period from 22 July 2024 (being the Announcement Date) to the Last Practicable Date is set out in Annexure A.

This Target's Statement also contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX by Leonoil or Sierra Rutile.

Any Sierra Rutile Shareholder who would like to receive a copy of those documents may obtain a copy free of charge during the Offer Period, and within 2 Business Days, by calling the Sierra Rutile Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) which is available between 8:30am and 5:00pm (Melbourne time), Monday to Friday excluding national public holidays. Copies of ASX announcements by Sierra Rutile may also be obtained from Sierra Rutile's website at <https://sierra-rutile.com/investors/market-announcements/>.

### **9.12 Date of Target's Statement**

This Target's Statement is dated 9 August 2024, which is the date on which it was given to ASX and lodged with ASIC.

### 9.13 Approval of Target's Statement

This Target's Statement has been approved by a resolution passed by the Sierra Rutile Directors on 6 August 2024.

Signed for and on behalf of Sierra Rutile Holdings Limited:

A handwritten signature in blue ink, appearing to read "G. Martin".

**Greg Martin**  
Chairman  
Sierra Rutile Holdings Limited

## 10 Glossary

### 10.1 Definitions

Term	Meaning
<b>Acceptance Form</b>	the acceptance form enclosed with the Bidder's Statement.
<b>ACN</b>	Australian Company Number.
<b>Announcement Date</b>	the date of the joint announcement of the Offer by Sierra Rutile and Leonoil, being 22 July 2024.
<b>Area 1 Project or Area 1</b>	Sierra Rutile's current mining and mineral processing operations at the Gangama, Taninahun, Gbeni, Lanti deposits, and the extension program at the Pejebu and Ndendemoia deposits.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning given in section 12 of the Corporations Act.
<b>ASX</b>	as the context requires, ASX Limited (ABN 98 008 624 691) or the securities market conducted by it.
<b>ASX Settlement</b>	ASX Settlement Pty Limited (ABN 49 008 504 532).
<b>ASX Settlement Operating Rules</b>	the operating rules of ASX Settlement which govern the administration of CHES.
<b>AWST</b>	Australian Western Standard Time.
<b>Bid Condition</b>	each condition of the Offer set out in section 13.7 of the Bidder's Statement.
<b>Bid Implementation Agreement</b>	the bid implementation agreement dated 19 July 2024 between Sierra Rutile and Leonoil and announced to ASX on 22 July 2024.
<b>Bidder Break Fee</b>	has the meaning given by Section 9.2(d)(ii) above.
<b>Bidder's Statement</b>	the bidder's statement in relation to the Offer, prepared by Leonoil and dated 30 July 2024.
<b>Business Day</b>	a day on which banks are open for business in Perth, Western Australia, excluding a Saturday, Sunday or public holiday in that place.
<b>CGT</b>	capital gains tax.
<b>CHES</b>	the Clearing House Electronic Subregister System, which provides for electronic security transfer in Australia.
<b>CHES Holding</b>	a number of Sierra Rutile Shares which are registered on Sierra Rutile's share register, being a register administered by ASX Settlement and which records uncertificated holdings of shares.
<b>Claim</b>	means any claim, demand, legal proceedings or cause of action including any claim, demand, legal proceedings or cause of action: (a) based in contract (including breach of any warranty);

Term	Meaning
	<p>(b) based in tort (including misrepresentation or negligence);</p> <p>(c) under common law or equity; or</p> <p>(d) under statute (including the Australian Consumer Law (being Schedule 1 of the <i>Competition and Consumer Act 2010</i> (Cth)) or Part VI of the CCA, or like provisions in any state or territory legislation),</p> <p>in any way relating to this agreement or the transaction contemplated by it, under the law of any jurisdiction.</p>
<b>Commissioner of Taxation</b>	has the meaning given in the <i>Taxation Administration Act 1953</i> (Cth).
<b>Competing Proposal</b>	<p>a bona fide proposal or offer that, if successfully completed, would result in a person other than Leonoil whether alone or together with its Associates:</p> <p>(a) directly or indirectly acquiring or being entitled to acquire a relevant interest or an economic interest in 21% or more of Sierra Rutile's Shares or of the share capital of any of Sierra Rutile's Related Bodies Corporate;</p> <p>(b) directly or indirectly acquiring Control of Sierra Rutile;</p> <p>(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</p> <p>(d) otherwise acquiring or merging with the Sierra Rutile,</p> <p>whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares or assets, joint venture, dual listed company structure (or other synthetic merger) or other transaction, and each successive modification of any actual, proposed or potential Competing Proposal will constitute a new actual, proposed or potential Competing Proposal.</p>
<b>Compulsory Acquisition or Compulsorily Acquire</b>	the compulsory acquisition process in respect of the Sierra Rutile Shares held by Sierra Rutile Shareholders that do not accept the Offer under Part 6A.1 and/or Part 6A.2 of the Corporations Act that is expected to occur after successful completion of the Offer (as described in Section 5.7).
<b>Computershare</b>	Computershare Investor Services Pty Ltd (ACN 078 279 277).
<b>Control</b>	has the meaning given in section 50AA of the Corporations Act.

Term	Meaning
<b>Controlling Participant</b>	in relation to your Sierra Rutile Shares, has the same meaning as in the ASX Settlement Operating Rules.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Exclusivity Period</b>	the period from the date of Bid Implementation Agreement until the earlier of the end of the Offer Period or the date of the termination of the Bid Implementation Agreement.
<b>Fairly Disclosed</b>	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 Takeover Bid and familiar with the mining and extraction industry would be aware of the substance and significance of the information, event or circumstance.
<b>FAQ</b>	frequently asked questions set out in Section 3.
<b>FY24</b>	the financial year ending 31 December 2024.
<b>Gemcorp</b>	Gemcorp Commodities Assets Holdings Limited.
<b>Gemcorp Bid Implementation Agreement</b>	the bid implementation agreement between Sierra Rutile and Gemcorp dated 30 June 2024, announced to ASX on 1 July 2024 and terminated on 28 July 2024.
<b>Gemcorp Proposal</b>	the proposal by Gemcorp pursuant to the Gemcorp Bid Implementation Agreement to make an off-market takeover offer for all of the Sierra Rutile Shares it does not already own at a price of A\$0.16 per Sierra Rutile Share.
<b>GST</b>	goods and services tax.
<b>Interim Funding</b>	<p>in respect of the Sierra Rutile Group either or both of:</p> <p>(a) unsecured debt funding which satisfies each of the following:</p> <ul style="list-style-type: none"> <li>(i) is up to US\$10 million (in aggregate);</li> <li>(ii) has a maximum 18 month tenor, and can be prepaid at the Sierra Rutile Group's election without penalty;</li> <li>(iii) has an interest rate of no more than 12% per annum; and</li> <li>(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</li> </ul> <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>
<b>JORC Code</b>	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition.

Term	Meaning
<b>Last Practicable Date</b>	the last practicable trading date on ASX prior to the finalisation of this Target's Statement, being 8 August 2024.
<b>Leonoil</b>	Leonoil Company Limited (a company incorporated in Sierra Leone with company number SLE291216LEONO1600739).
<b>Leonoil Registry</b>	Link Market Services Limited (ABN 54 083 214 537).
<b>Listing Rules</b>	the Official Listing Rules of ASX, as amended and waived by ASX from time to time.
<b>Material Adverse Change</b>	<p>has the same meaning as in section 13.7(a) of the Bidder's Statement, which is:</p> <ul style="list-style-type: none"> <li>(a) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;</li> <li>(b) 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</li> <li>(c) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to Gemcorp (whether or not becoming public),</li> </ul> <p>after the date of the Bid Implementation Agreement, or before the date of this agreement but has not been publicly announced prior to the date of this agreement (each of the above a <b>Specified Event</b>) 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 is reasonably likely to have:</p> <ul style="list-style-type: none"> <li>(d) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Group taken as a whole;</li> <li>(e) a material adverse effect on the status or terms of any approvals, licences, permits, or tenements issued by any Regulatory Agency in relation to the Area 1 Project or Sembehun Project, including the Tenement 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, or would be reasonably likely to result in the loss of, any approvals, licences, permits or tenements currently held by a member of the Group in relation to the Sembehun Project; or</li> <li>(f) without limiting the generality of paragraphs (d) and (e): <ul style="list-style-type: none"> <li>(i) the effect of a diminution in the value of the consolidated net assets of the Group, taken as a whole, by at least US\$25 million</li> </ul> </li> </ul>



Term	Meaning
	<p>against what it would reasonably have been expected to have been but for such Specified Event; or</p> <p>(ii) the effect of a diminution in the revenue of the Group, taken as a whole, by at least US\$35 million in the financial year ending 31 December 2024 for the Group against what it would reasonably have been expected to have been but for such Specified Event,</p> <p>but does not include:</p> <p>(g) any matter Fairly Disclosed;</p> <p>(h) any change occurring with the written consent of Leonoil;</p> <p>(i) any change occurring directly or indirectly as a result of any matter, event or circumstance required by this agreement, the Takeover Bid or the transactions contemplated by them, including the Interim Funding;</p> <p>(j) any matter, event or circumstance arising from:</p> <p>(i) changes or developments in general economic or political conditions, taxation, interest rates, foreign currency exchange rates, the securities market in general; or</p> <p>(ii) any change or proposed change in any laws, or the interpretation or non-application of any laws by any Regulatory Agency, or any arrangements with any Regulatory Agency,</p> <p>provided the Group is not disproportionately affected in comparison to other participants in the mining industry in Sierra Leone;</p> <p>(k) any change in generally accepted accounting principles or standards or the interpretation of them; and</p> <p>(l) any matter, event or circumstance arising from adverse weather conditions or natural disasters.</p>
<b>Material Contract</b>	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 Group taken as a whole.
<b>Mineral Resources</b>	has the meaning given in the JORC Code.

<b>Term</b>	<b>Meaning</b>
<b>Mining Lease</b>	Mining Lease and Dredging Licence No. 2134 granted to SRL and extended over the Area 1 Project.
<b>Non-Withholding Declaration</b>	a declaration that either: (a) you are a resident of Australia for the purposes of the Tax Act; or (b) your Sierra Rutile Shares are not “indirect Australian real property interests” for the purposes of the Tax Act.
<b>Notice of Status of Conditions</b>	Leonoil’s notice disclosing the status of the Bid Conditions of the Offer, which is required to be given under section 630(3) of the Corporations Act.
<b>NPSL</b>	NP (SL) Limited, a company wholly owned by NP Group Limited which Leonoil holds 95% of the shares in (see section 6.4 of the Bidder’s Statement for further details on the Leonoil group structure).
<b>Offer</b>	the off-market takeover offer by Leonoil for all of the Sierra Rutile Shares under Chapter 6 of the Corporations Act as described in the Bidder’s Statement.
<b>Offer Period</b>	the period within which the Offer is open for acceptance in accordance with the Bidder’s Statement and the Corporations Act, as set out in Section 5.1(b).
<b>Offer Price</b>	the consideration offered for Sierra Rutile Shares under the Offer, being A\$0.18 for each Sierra Rutile Share.
<b>Ore Reserve</b>	has the meaning given in the JORC Code.
<b>Prescribed Occurrence</b>	has the same meaning as in section 13.7(c) of the Bidder’s Statement, which is: the occurrence of any of the following: (a) Sierra Rutile converts all or any of its shares into a larger or smaller number of shares (see section 254H of the Corporations Act); (b) any member of the Group resolves to reduce its share capital in any way; (c) any member of the Group: (i) enters into a buy-back agreement; or (ii) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act; (d) any member of the Group declares, pays or distributes any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital; (e) any member of the Group issues shares, or grants a performance right, a phantom performance right, or an option over its shares, or agrees to make

Term	Meaning
	<p>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 the Sierra Rutile;</p> <p>(f) any member of the Group issues, or agrees to issue, convertible notes;</p> <p>(g) any member of the 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 Group;</p> <p>(h) any member of the 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:</p> <p>(i) 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 this agreement;</p> <p>(ii) any such security interest granted in favour of Sierra Rutile or another member of the Group;</p> <p>(iii) a lien which arises by operation of law or legislation securing an obligation that is not yet due; or</p> <p>(iv) in the usual and ordinary course of business consistent with past practice; or</p> <p>(i) any member of the Group becomes Insolvent other than a matter:</p> <p>(j) in relation to which Leonoil has expressly agreed to in writing;</p> <p>(k) resulting from the exercise by any party of its rights, or the discharge by any party of its obligations, under this agreement; or</p> <p>(l) the occurrence or potential or planned occurrence of which has been Fairly Disclosed.</p>
<b>PRM</b>	PRM Services LLC (a Puerto Rican registered company with Registration Number 387071).
<b>PRM Offer</b>	the unsolicited on-market takeover offer by PRM for all of the Sierra Rutile Shares under Chapter 6 of the Corporations Act as described in PRM's bidder's statement lodged with ASIC and served on Sierra Rutile on 20 March 2024.

Term	Meaning
<b>Regulatory Agency</b>	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, and ASX or any other stock exchange, ASIC and the Takeovers Panel.
<b>Regulatory Authority</b>	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, and ASX or any other stock exchange, ASIC and the Takeovers Panel.
<b>Related Bodies Corporate</b>	has the meaning given in section 50 of the Corporations Act.
<b>Relevant Interest</b>	has the meaning given in sections 608 and 609 of the Corporations Act.
<b>Relevant Material Contract</b>	<p>in relation to counterparty consent required under the Bid Implementation Agreement (see Section 5.2(a)), is a Material Contract under which a party (other than Sierra Rutile or any of its subsidiaries) has a Relevant Right, and <b>Relevant Right</b> means the right of a party (other than Sierra Rutile or any of its subsidiaries) to a Material Contract to:</p> <ul style="list-style-type: none"> <li>(i) terminate that Material Contract;</li> <li>(ii) vary, amend or modify that Material Contract;</li> <li>(iii) exercise or enforce any material right under that Material Contract to the detriment of Sierra Rutile or any of its subsidiaries; or</li> <li>(iv) benefit from the operation of a provision which automatically terminates, varies, amends or modifies that Material Contract,</li> </ul> <p>(including where that right is subject to: (x) the satisfaction or failure of a contingency or condition; or (y) one or more defeating conditions to the Offer being fulfilled or freed) as a direct or indirect result of:</p> <ul style="list-style-type: none"> <li>(v) Leonoil announcing or making the Offer;</li> <li>(vi) Leonoil acquiring, or acquiring a Relevant Interest in, any Sierra Rutile Shares;</li> <li>(vii) Leonoil obtaining a Relevant Interest in 50% or more of Sierra Rutile Shares then on issue;</li> <li>(viii) Leonoil acquiring control of Sierra Rutile;</li> </ul>

Term	Meaning
	<p>(ix) Leonoil implementing or seeking to implement any of its intentions for Sierra Rutile as described in the Bid Implementation Agreement; or</p> <p>(x) any of the directors of Sierra Rutile making a recommendation in relation to the Offer.</p>
<b>Representative</b>	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.
<b>Sembehun or Sembehun Project</b>	Sierra Rutile's development project over the large natural rutile deposit located 30 kilometres from the Area 1 Project.
<b>Sembehun DFS or DFS</b>	the definitive feasibility study for the Sembehun Project which was released on 12 April 2024.
<b>Sierra Rutile or SRX</b>	Sierra Rutile Holdings Limited (ACN 613 822 165) or its business or operations or its relevant Subsidiaries (as the context requires).
<b>Sierra Rutile Board or Board</b>	the board of Directors of Sierra Rutile from time to time.
<b>Sierra Rutile Constitution</b>	the constitution of Sierra Rutile from time to time.
<b>Sierra Rutile Directors or Directors</b>	the directors of Sierra Rutile and <b>Sierra Rutile Director or Director</b> means any one of them.
<b>Sierra Rutile Equity Incentive Plan</b>	the incentive plan governed by the Equity Incentive Plan Rules adopted by the Board and associated rules.
<b>Sierra Rutile Group or Group</b>	Sierra Rutile and each of its Subsidiaries and <b>Sierra Rutile Group Member</b> means any one of them.
<b>Sierra Rutile Incentive</b>	a Sierra Rutile Performance Right, Sierra Rutile Restricted Right, Sierra Rutile Option, Sierra Rutile Restricted Share and/or Sierra Rutile Unit (as the case may be).
<b>Sierra Rutile Option</b>	an option to acquire a Sierra Rutile Share under the terms of the Sierra Rutile Equity Incentive Plan.
<b>Sierra Rutile Performance Right</b>	a performance right to acquire a Sierra Rutile Share under the terms of the Sierra Rutile Equity Incentive Plan.
<b>Sierra Rutile Rehabilitation Trust</b>	a trust, externally managed by Perpetual Trustees and holding funds that are restricted to use in the Group's rehabilitation and mine closure activities as governed by the relevant trust deed.
<b>Sierra Rutile Restricted Right</b>	a restricted right to acquire a Sierra Rutile Share under the terms of the Sierra Rutile Equity Incentive Plan.
<b>Sierra Rutile Restricted Share</b>	a Sierra Rutile Share subject to restrictions on dealing and/or other restrictions or conditions under the terms of the Sierra Rutile Equity Incentive Plan.
<b>Sierra Rutile Share</b>	a fully paid ordinary share in the capital of Sierra Rutile.
<b>Sierra Rutile Share Registry</b>	Computershare.
<b>Sierra Rutile Shareholder</b>	a person who is registered as the holder of Sierra Rutile Shares in the Sierra Rutile share register.

Term	Meaning
<b>Sierra Rutile Shareholder Information Line</b>	the information line set up for the purposes of answering enquiries from Sierra Rutile Shareholders in relation to this Target's Statement. The information line numbers are 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) which are available between 8:30am and 5:00pm (Melbourne time), Monday to Friday excluding national public holidays.
<b>Sierra Rutile Unit</b>	an entitlement to a cash payment subject to satisfaction of applicable conditions under the terms of the Sierra Rutile Equity Incentive Plan.
<b>SRL</b>	Sierra Rutile Limited, Sierra Rutile's subsidiary incorporated under the laws of the Republic of Sierra Leone which owns and operates the Area 1 Project.
<b>Subsidiary</b>	<p>has the meaning given in section 9 of the Corporations Act, provided that an entity will also be taken to be a Subsidiary of another entity if it is Controlled by that entity and, without limitation:</p> <ul style="list-style-type: none"> <li>(a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share;</li> <li>(b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation; and</li> <li>(c) an entity will also be deemed to be a Subsidiary of an entity if that entity is required by the accounting standards to be consolidated with that entity.</li> </ul>
<b>Superior Proposal</b>	<p>a Competing Proposal which the Board, acting in good faith and in order to satisfy what the Board consider to be their fiduciary and statutory duties, determines is:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul>
<b>Takeover Bid</b>	the takeover bid by Leonoil that satisfies the requirements of the Bid Implementation Agreement.
<b>Takeovers Panel</b>	the Australian Takeovers Panel.
<b>Target Break Fee</b>	has the meaning given in 9.2(d)(i).
<b>Target's Statement</b>	this document being the statement of Sierra Rutile under Part 6.5 of the Corporations Act in relation to the Offer.
<b>Tax Act</b>	the <i>Income Tax Assessment Act 1997</i> (Cth) and the <i>Income Tax Assessment Act 1936</i> (Cth), as relevant.

Term	Meaning
<b>Third Amendment Agreement</b>	the agreement entered into between Sierra Rutile Limited and the Government of Sierra Leone entitled the “Third amendment to that certain agreement of November 20, 2001 by and between the Government of Sierra Leone and Sierra Rutile Limited” dated 24 August 2021, which amended the agreement between SRL and the Government of Sierra Leone of November 20, 2001, as ratified and confirmed on 21 March 2002 by the <i>Sierra Rutile Agreement (Ratification) Act 2002</i> , as amended from time to time.
<b>Third Party</b>	a person other than Sierra Rutile, Leonoil or their respective Related Bodies Corporate.
<b>Voting Power</b>	has the meaning given in section 610 of the Corporations Act.
<b>VWAP</b>	volume weighted average price.

## 10.2 Interpretation

Headings and labels used for definitions in this Target’s Statement are inserted for convenience and do not affect the interpretation of this Target’s Statement. Unless the context otherwise requires in this Target’s Statement:

- (a) words or phrases defined in the Corporations Act have the same meaning in this Target’s Statement;
- (b) a reference to a Section or a Page is a reference to a Section or a Page of this Target’s Statement;
- (c) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) the singular includes the plural and vice versa;
- (e) the word “person” includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency; and
- (f) the meaning of general words is not limited by specified examples introduced by “including”, “for example”, “such as” or similar expressions.

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## Annexure A

### ASX announcements

The table below contains a list of all material announcements released by Sierra Rutile in the period from 22 July 2024 (being the Announcement Date) to the Last Practicable Date:

No.	Description of announcement	Date of announcement
1	Board Recommends Takeover Offer From Leonoil	22 July 2024
2	Third Supplementary Targets Statement	23 July 2024
3	Termination of Gemcorp BIA and Takeover Offers Update	29 July 2024
4	Quarterly Activities Report - June 2024	29 July 2024
5	Bidder's Statement - Leonoil Company Limited	30 July 2024
6	Becoming a substantial holder	30 July 2024
7	Final Bidders Statement - Leonoil Company Limited	6 August 2024
8	Notice of completion of sending Bidders Statement	8 August 2024

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