



Sierra Rutile

ASX ANNOUNCEMENT

9 August 2024

Shareholder Overview on Takeover Proposals

Sierra Rutile Holdings Limited (ASX: SRX) (**SRX or the Company**) wishes to provide shareholders with a short overview of the current status of control proposals for SRX, including the off-market takeover bid (**Leonoil Offer**) from Leonoil Company Limited (**Leonoil**), following the release of SRX's Target's Statement earlier today. The Target's Statement outlines the Sierra Rutile Directors' response to the Leonoil Offer, including their recommendation, the reasons behind it, and other important information for shareholders which should be considered when deciding whether or not to accept the Leonoil Offer.

Overview of Previous Takeover Proposals and Current Status

Since March 2024, the Company has been the subject of three takeover proposals:

- **PRM proposal:** An on-market offer from PRM Services LLC for A\$0.095 per SRX share (refer to Target's Statement dated 8 April 2024, as supplemented).
 - The Board of SRX recommended shareholders **reject** the PRM Services LLC offer. Importantly, this offer has now closed and is no longer capable of acceptance.
- **Gemcorp proposal:** A proposed conditional off-market takeover offer from Gemcorp for A\$0.16 per SRX share (refer to SRX's ASX Announcement dated 1 July 2024), subject to a 51% minimum acceptance condition.
 - While the SRX board initially recommended this offer, and a bid implementation agreement was entered into with Gemcorp, the offer proposed under the bid implementation agreement has since been superseded by the higher Leonoil Offer.
 - The Gemcorp bid implementation agreement is now terminated, and Gemcorp no longer has a contractual obligation to proceed with making the A\$0.16 offer. As at the date of this announcement, Gemcorp has not made an offer which is capable of acceptance by shareholders.
- **Leonoil proposal:** The current Leonoil Offer for A\$0.18 per SRX share, with no minimum acceptance condition.
 - This is the highest offer received to date for SRX, and for the reasons outlined in the Target's Statement dated 9 August 2024, the Board of SRX recommends **shareholders ACCEPT the Leonoil Offer** (in the absence of a Superior Proposal¹).

The Leonoil Offer is the only offer currently available for SRX shareholders to accept, and no superior proposal is currently anticipated.

Leonoil Offer

On 22 July 2024, Sierra Rutile announced that it had entered into a Bid Implementation Agreement in relation to a takeover proposal by Leonoil (**Leonoil BIA**) 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, by way of an off-market takeover bid.

The Sierra Rutile Board believes that the Leonoil Offer is an opportunity for Sierra Rutile shareholders to realise value from their investment in Sierra Rutile. As such, the Board unanimously recommends

¹ As that term is defined in the bid implementation agreement entered into between Leonoil and SRX dated 19 July 2024, which was announced on 22 July 2024 (**Leonoil BIA**).



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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.

The Board encourages shareholders to carefully read the Target's Statement, which includes a detailed explanation of the reasons why shareholders should ACCEPT the Leonoil Offer in Section 1.

How to accept the Leonoil Offer

To accept the Leonoil 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).

No Superior Proposal is currently anticipated

As at the date of the Target's Statement, no Superior Proposal has emerged. Given the status of the PRM takeover proposal and Gemcorp takeover proposal, and that the Leonoil Offer is the third takeover proposal since March 2024, the Sierra Rutile Directors do not currently anticipate a Superior Proposal will emerge. The Board encourages shareholders to carefully read the Target's Statement, which includes further detail in relation to the reasons why shareholders should ACCEPT the Leonoil Offer in Section 1.

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

Ends

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

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About Sierra Rutile

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

The Company is well positioned to extend its operations through the proposed development of the Sembehun deposits. Sembehun represents one of the largest and highest grade natural rutile resources in the world, and its development is expected to extend Sierra Rutile's mine life by 14 years. Sierra Rutile is listed on the Australian Securities Exchange. Further details about Sierra Rutile are available at www.sierra-rutile.com