



Sierra Rutile

ASX ANNOUNCEMENT

6 May 2024

Notice from Government of Sierra Leone for restart of Area 1 Operations

Sierra Rutile Holdings Limited (ASX: SRX) (**SRX** or the **Company**) has disclosed previously¹ that the Government of Sierra Leone (**GoSL**) had advised Sierra Rutile Limited (**Sierra Rutile**), the operating subsidiary of SRX, that they are seeking to renegotiate the terms of the Third Amendment Agreement between Sierra Rutile and the GoSL.

Sierra Rutile is continuing to negotiate with the GoSL with a view to reaching agreement on the fiscal regime that will apply under the Third Amendment Agreement for the remaining production from the existing Area 1 operations, and negotiations on potential amendments have been ongoing since May 2023.

The position of the Company remains that the Third Amendment Agreement cannot be amended without the mutual agreement of Sierra Rutile. Reverting to the previous fiscal arrangements would make any remaining operations in Area 1 uneconomic.

Sierra Rutile has also announced:

- the temporary suspension of mining and processing activities in Area 1²; and
- that the GoSL's considers that Sierra Rutile's notice of suspension did not comply with the relevant requirements under the applicable law and regulations, and therefore the suspension is in breach of those laws and regulations and that Sierra Rutile does not agree with the GoSL's position³.

Consistent with its view, the GoSL has now issued a notice to Sierra Rutile to cure what the GoSL considers to be a breach of the *Mines and Minerals Development Act (2023)* and directed Sierra Rutile to resume mining operations at Area 1 by 31 May 2024. For clarity, Sierra Rutile does not agree that it has committed the breach alleged by the GoSL in the notice.

Sierra Rutile is considering its position and its response to the direction from the GoSL. In the meantime, Sierra Rutile will continue to seek to engage with the GoSL to resolve the issue in conjunction with the broader overall negotiations with the GoSL.

Ends

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

¹ ASX Announcement 4 May 2023 "Area 1 Fiscal Arrangements"; ASX Announcement 29 January 2024 "Area 1 Operations to be suspended following Government of Sierra Leone Decision"

² ASX Announcement 11 March 2024 "Area 1 Operations Suspended and Redundancy program commenced"

³ ASX Announcement 21 March 2024 "Update on discussions with Government of Sierra Leone"



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