



Sierra Rutile

ASX ANNOUNCEMENT

8 May 2024

Intention to restart Area 1 Operations

Sierra Rutile Holdings Limited (ASX: SRX) (**SRX** or the **Company**) refers to its announcement on 6 May 2024 in relation to a notice received from the Government of Sierra Leone (**GoSL**) claiming that Sierra Rutile Limited (**Sierra Rutile**), the operating subsidiary of SRX, has breached the *Mines and Minerals Development Act (2023)* and directing Sierra Rutile to resume mining operations at Area 1 by 31 May 2024.

Although Sierra Rutile does not agree that it has committed the breach alleged by the GoSL in the notice, Sierra Rutile intends to restart operations at Area 1. This includes finalising and entering into a contract to source additional power generation capacity to enable the existing powerhouse to be retired in order to ensure stable and reliable power for ongoing Area 1 operations.

As previously announced by SRX, Sierra Rutile has been negotiating 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. The restart is on the assumption that the Third Amendment Agreement continues to apply for the remaining production from the existing Area 1 operations.

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.

SRX will make further announcements as appropriate in relation to the restart of operations.

Ends

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

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