



Sierra Rutile

ASX ANNOUNCEMENT

28 May 2024

Power contract awarded and Area 1 operations restart complete

Sierra Rutile Holdings Limited (ASX: SRX) (**SRX** or the **Company**) is pleased to announce the restart of operations at Area 1 is complete and additional power generation capacity has been secured with leading energy supplier, Himoina Southern Africa Proprietary Limited (**Himoina**).

Both mining operations and concentrators recommenced operations on 10 May 2024 and the Mineral Separation Plant restarted on 19 May 2024 leading to the production of finished products ready for sale.

As part of restarting its operations, SRX (via its subsidiary, Sierra Rutile Limited (**Sierra Rutile**)) has entered into a 7MW power supply contract with Himoina, for additional power generation capacity over an 18 month term, with an option to extend. Under the contract, Sierra Rutile has agreed to pay approximately US\$2.1 million in upfront costs (including local duties), as well as ongoing costs for the provision of equipment and staff to operate the power generation plant.

The contract, together with an existing 6MW of diesel generators supplied by a third party power provider, is expected to provide Sierra Rutile with sufficient generation capacity to ensure stable and reliable power for the remainder of mine life at Area 1. The new power units are expected to arrive on-site by the end of July 2024.

Sierra Rutile has previously disclosed difficulties with power supply leading to production disruptions (see “Quarterly Activities Report December 2023”, 29 January 2024), and the existing site based and SRX owned powerhouse generation assets continue to have reduced capacity and engine availability and are clearly at the end of their useful lives. SRX has assessed that repair and refurbishment of the powerhouse to restore capacity is not cost effective given the remaining mine life at Area 1 and the age of the assets.

The award of the contract followed a competitive tender process involving a number of non domestic providers of short to medium term deployable power solutions. Himoina is part of Himoina SL, a leader in the design and manufacture of power technology solutions, headquartered in Spain with 20 sites worldwide.

The restart of Area 1 Operations was completed on the basis set out in the ASX announcement of 8 May 2024 (“Intention to restart Area 1 Operations”), including that the Third Amendment Agreement continues to apply.

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

About Himoina Southern Africa

Himoina is a multinational manufacturer of diesel and gas generators, focused on delivering onsite and mobile power solutions for consumers in a wide range of industries. Himoina Southern Africa PTY Ltd (HSA) is a subsidiary of the Himoina Group, the international energy division of Yanmar Energy Systems.

HSA has a successful track record of supporting the mining sector in Africa, with multiple projects in operation currently, as one of the leading onsite power generation providers on the continent. HSA offers a range of technical and commercial solutions for mines, including high speed diesel and gas generation, medium speed diesel and HFO power plants, and integration with hybrid solar / BESS applications. Commercially, HSA offers EPC, rental, BOOT and Operation & Maintenance solutions.

As part of the Yanmar and Himoina groups, HSA offers best in class fuel efficiency, reliability and local service support. For more information on Himoina visit www.himoina.com

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