



Sierra Rutile

ASX ANNOUNCEMENT

21 March 2024

Update on discussions with Government of Sierra Leone

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 has also advised of the temporary suspension of mining and processing activities in Area 1².

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 notice of suspension was given due to technical and operational issues and the uncertainty concerning the fiscal regime. This uncertainty does not provide a stable platform upon which Sierra Rutile can make ongoing strategic, capital or investment decisions or enter into the required major contracts necessary to continue production for the remainder of Area 1's mine life.

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.

The GoSL has now advised that the 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. Although Sierra Rutile does not agree with the GoSL's position, Sierra Rutile is engaging with the GoSL to seek to resolve the issue in conjunction with the broader overall negotiations with the GoSL.

SRX confirms its previously stated position that it will consider a restart of Area 1 operations if agreement can be reached with the GoSL on an appropriate fiscal regime that would again support production, alongside supportive market conditions.

Ends

This ASX Release was authorised for release to the ASX by the Managing Director & CEO.

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"



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