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**15 August 2024**

Market Announcements Office  
ASX Limited  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

Dear Sir/Madam

**Takeover bid by Leonoil for Sierra Rutile – First Supplementary Bidder’s Statement**

We act for Leonoil Company Limited (**Leonoil**) in relation to its off-market takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) for all the shares in Sierra Rutile Holdings Limited (ACN 613 822 165) (ASX:SRX) (**Sierra Rutile**) that it does not already own (**Offer**).

We attach, by way of service pursuant to subsection 647(3)(a)(ii) of the *Corporations Act 2001* (Cth) (as inserted by *ASIC Corporations (Replacement Bidder’s and Target’s Statements) Instrument 2023/688*), a copy of Leonoil’s first supplementary bidder’s statement in respect of the Offer (**First Supplementary Bidder’s Statement**).

The First Supplementary Bidder’s Statement has today been lodged with the Australian Securities and Investments Commission and served on Sierra Rutile.

We have been authorised by the Board of Directors of Leonoil to provide this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Justin Mannolini'.

**Justin Mannolini**  
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A handwritten signature in blue ink, appearing to read 'Callum Fleming'.

**Callum Fleming**  
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## Leonoil Company Limited

(incorporated in Sierra Leone with company number SLE291216LEONO1600739)

### First Supplementary Bidder's Statement

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#### 1 IMPORTANT NOTICE

This document is a supplementary bidder's statement under section 643(1) of the *Corporations Act 2001* (Cth). It is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) issued by Leonoil Company Limited (**Leonoil**) in relation to its off-market takeover bid for all the ordinary shares in Sierra Rutile Holdings Limited (ACN 613 822 165) (**Sierra Rutile**) that it does not already own.

This First Supplementary Bidder's Statement supplements, and should be read together with, Leonoil's bidder's statement dated 30 July 2024 (**Original Bidder's Statement**).

Capitalised terms in this First Supplementary Bidder's Statement have the same meaning given in the Original Bidder's Statement, unless the context otherwise requires.

A copy of this First Supplementary Bidder's Statement was lodged with ASIC on 15 August 2024. Neither ASIC nor any of its officers take any responsibility for its contents.

A copy of this First Supplementary Bidder's Statement will be available on the ASX website ([www.asx.com](http://www.asx.com)) and Leonoil's Offer website (<https://events.miraqle.com/leonoil-offer>).

#### 2 HIGHLIGHTS

- The Offer is now "**BEST AND FINAL AS TO CONSIDERATION**", in the absence of a **Competing Proposal**
- Further, if Leonoil acquires a Relevant Interest in at least 50.1% of the Sierra Rutile Shares (on a fully diluted basis), Leonoil will free the Offer of all Conditions, provided certain prerequisites are met by the prescribed time
- Offer is scheduled to close at 5:00pm (AWST) on 9 September 2024, unless extended
- Sierra Rutile's Directors have stated that they "do not currently anticipate that a Superior Proposal will emerge" and that "Sierra Rutile may also need to raise additional working capital funding in the coming months"<sup>1</sup>
- Sierra Rutile Shareholders are urged to **ACCEPT** the Offer without delay

#### 3 UPDATE ON THE OFFER

##### 3.1 Offer is now "**BEST AND FINAL AS TO CONSIDERATION**"

Leonoil advises that the Offer of \$0.18 per Sierra Rutile Share is **best and final as to consideration**, in the absence of a Competing Proposal.

This means that, in the absence of a Competing Proposal, the Offer Price of \$0.18 per Sierra Rutile Share **will not be increased**.

The Offer is **unanimously recommended** by the Sierra Rutile Directors, in the absence of a Superior Proposal.

Leonoil notes that the Offer has been publicly recommended by the Sierra Rutile Board (in the absence of a Superior Proposal) since 22 July 2024 and no Superior Proposal has been made public by Sierra Rutile since that date. The Sierra Rutile Directors have also stated that they “do not currently anticipate that a Superior Proposal will emerge”<sup>1</sup>.

Leonoil reiterates that the Offer delivers significant premiums to the historical undisturbed trading price of, and previous takeover offers for, Sierra Rutile Shares, including:

- (i) a 130.8% premium to Sierra Rutile’s undisturbed closing price on 19 March 2024 of \$0.078 per Sierra Rutile Share, being the last Trading Day preceding the announcement of the PRM Bid on 20 March 2024;
- (ii) a 138.9% premium to Sierra Rutile’s undisturbed 30 day VWAP to 19 March 2024 of \$0.0753 per Sierra Rutile Share, being the last Trading Day preceding the announcement of the PRM Bid;
- (iii) a 89.5% premium to the offer price of \$0.095 per Sierra Rutile Share under the PRM Bid;
- (iv) a 35.8% premium to Sierra Rutile’s closing price on 28 June 2024 of \$0.133 per Sierra Rutile Share, being the last Trading Day preceding the announcement of the Gemcorp Bid;
- (v) a 35.5% premium to Sierra Rutile’s 30 day VWAP to 28 June 2024 of \$0.133 per Sierra Rutile Share, being the last Trading Day preceding the announcement of the Gemcorp Bid; and
- (vi) a 12.5% premium to the offer price of \$0.16 under the Gemcorp Bid.

### **3.2 Conditions to be freed if certain prerequisites met**

Leonoil advises that if, prior to the date for the publication of the notice on the status of the Conditions required by section 630(1) of the Corporations Act (currently 30 August 2024) it acquires a Relevant Interest in at least 50.1% of the Sierra Rutile Shares (on a fully diluted basis), it will free the Offer of the Conditions set out in section 13.8 of the Original Bidder’s Statement, provided that there is at that time no breach of the Conditions, and no information indicating an imminent or likely breach of the Conditions on or before the close of the Offer Period.<sup>2</sup>

As at the date of this First Supplementary Bidder’s Statement, Leonoil has a Relevant Interest in 21.12% of the Sierra Rutile Shares and Voting Power in Leonoil of 21.12%.

For the avoidance of doubt, Leonoil reserves the right to declare the Offer free of any or all Conditions at any time (subject to compliance with the Corporations Act) regardless of whether the above prerequisites are met.

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<sup>1</sup> See Chairman’s Letter on page 2 of the Sierra Rutile Target’s Statement dated 9 August 2024.

<sup>2</sup> Leonoil expects that total number of Sierra Rutile Shares on a fully diluted basis will be 438,925,828, based on there being 424,453,918 Sierra Rutile Shares currently on issue and a maximum of 14,471,910 additional Sierra Rutile Shares that may be issued if all Restricted Rights and Performance Rights on issue of which Leonoil is aware vest and are exercised in accordance with their terms.

## 4 HOW TO ACCEPT THE OFFER

Depending on the nature of your holding, you may accept the Offer in the following ways:

### **Issuer sponsored shareholders (your SRN starts with an “I”)**

If Your Sierra Rutile Shares are held on Sierra Rutile’s issuer sponsored subregister:

- (i) to accept the Offer online, you must log in to <https://events.miraqle.com/leonoil-offer/Offer/> using your SRN, follow the instructions there, select the ‘Accept’ option, and submit your acceptance before the end of the Offer Period; or
- (ii) complete and sign the Acceptance Form enclosed with the Original Bidder’s Statement in accordance with the instructions on the form and ensure that the Acceptance Form (including any documents required by the terms of the Offer and instructions on the Acceptance Form) is sent so that it is received before the end of the Offer Period at the address shown on the Acceptance Form.

### **CHESS shareholders (your HIN starts with an “X”)**

If Your Sierra Rutile Shares are in a CHESS Holding:

- (i) contact your broker and instruct your Controlling Participant (for Sierra Rutile Shareholders who are not institutions this is normally the stockbroker either through whom you bought Your Sierra Rutile Shares or through whom you ordinarily acquire shares on the ASX) to accept the Offer on your behalf; or
- (ii) to accept the Offer online, you must log in to <https://events.miraqle.com/leonoil-offer/Offer/> using your HIN, follow the instructions there, and select the ‘Accept’ option; or
- (iii) complete and sign the Acceptance Form enclosed with the Original Bidder’s Statement in accordance with the instructions on the form and send it with all other documents required by those instructions on it to the address shown on the Acceptance Form,

in each case in sufficient time for the Registry to give instructions to your Controlling Participant and for your Controlling Participant to carry out those instructions before the end of the Offer Period.

### **Participants**

If you are a Participant, acceptance of the Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

### **Postal and hand delivery addresses for completed Acceptance Forms**

#### **By post:**

Link Market Services  
Locked Bag A14  
Sydney South  
NSW 1235 Australia

#### **By hand:**

Link Market Services  
Level 12  
680 George Street  
Sydney NSW 2000 Australia

Further information on how to accept the Offer is provided in section 1 and 13.3 of the Original Bidder’s Statement. Copies of the Original Bidder’s Statement and this First Supplementary

Bidder's Statement are available on the ASX website ([www.asx.com](http://www.asx.com)) and on Leonoil's Offer website (<https://events.miraqle.com/leonoil-offer>).

## 5 FURTHER INFORMATION

Leonoil encourages Sierra Rutile Shareholders to accept the Offer as soon as possible.

The Offer will remain open for acceptance until 5:00pm (AWST) on 9 September 2024 (unless extended or withdrawn). Full details on how to accept the Offer are detailed in section 4 of this Supplementary Bidder's Statement.

If you have any queries, please contact the Offer Information Line on 1800 992 145 (within Australia) or +61 1800 992 145 (outside Australia) between 7:00am and 6:00pm (AWST), Monday to Friday (excluding public holidays).

## 6 APPROVAL OF FIRST SUPPLEMENTARY BIDDER'S STATEMENT

This First Supplementary Bidder's Statement has been approved by a resolution passed by the directors of Leonoil Company Limited.

Date: 15 August 2024

Signed for and on behalf of **Leonoil Company Limited**



Ibrahim D. Cole  
Managing Director