

27 July 2022

## Pre-quotations disclosure

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The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with the official quotation and deferred settlement trading of the fully paid ordinary shares in Sierra Rutile Holdings Limited (**Sierra Rutile**) which will commence at 11.00am (AEST) on 27 July 2022.

Unless otherwise defined, capitalised terms in this document have the same meaning they have in the demerger booklet released to ASX by Iluka Resources Limited (**Iluka**) on 20 June 2022 (**Demerger Booklet**). The following information is provided as pre-quotations disclosure.

### **Sierra Rutile's capital structure**

Sierra Rutile's capital structure comprises of 424,236,447 fully paid ordinary shares as at the date of this announcement.

### **Conditions precedent**

All of the conditions precedent to the Demerger (other than ASX granting approval for the admission of Sierra Rutile and the quotation of Sierra Rutile Shares) have been satisfied or waived.

### **ASX waivers**

ASX has granted Sierra Rutile a waiver from ASX Listing Rules 1.1 condition 3, 1.3.5(a), 2.1 condition 2, 9.1 and 10.14 on the terms set out below.

#### **ASX Listing Rule 1.1 condition 3**

##### Confirmation Decision

*Based solely on the information provided, ASX Limited ('ASX'), confirms to Sierra Rutile Holdings Limited (the 'Company') that an information memorandum incorporating the demerger booklet is acceptable for the purposes of listing rule 1.1 condition 3 for its proposed listing on ASX, on condition that the information memorandum complies with the requirements of Listing Rule 1.4.*

*ASX has considered listing rule 1.1 condition 3 only and makes no statement as to the Company's compliance with other listing rules.*

##### Basis for Decision

*Listing Rule 1.1 requires an entity applying for admission to the official list of ASX to meet various conditions before it is admitted. Listing rule 1.1 condition 3 requires an entity applying for admission to issue a prospectus or product disclosure statement required to be lodged with ASIC under the Corporations Act 2001 (Cth). ASX, in lieu of a prospectus or product disclosure statement, may accept an information memorandum that complies with the information memorandum requirements of Listing Rule 1.4 where an entity does not need to raise capital.*

##### Facts/reasons for granting the waiver

*The Company is currently a wholly-owned business of Iluka Resources Limited ('ILU'), which is an existing listed entity, and it is proposed to be spun-off into a separate listed entity. Shareholders of ILU will ultimately become shareholders in the Company. The demerger is to be effected by equal capital reduction under section 256C of the Corporations Act. Shareholders will have an opportunity to consider and vote on the demerger, and the notice of meeting and explanatory memorandum containing the resolution regarding the equal capital reduction will contain all information known to ILU that is material to the decision on how to vote on the resolution ('Demerger Booklet'). Upon implementation of the demerger, each ILU shareholder, as at the record date for the demerger, will receive a proportionate shareholding in the Company. On the basis that the Company will not be raising any capital as part of the listing, the issue of an information memorandum incorporating the Demerger Booklet is acceptable in place of a prospectus.*

### **ASX Listing Rule 1.3.5(a)**

#### Confirmation Decision

*Based solely on the information provided, ASX Limited ('ASX') confirms to Sierra Rutile Holdings Limited (the 'Company') that, for the purposes of satisfying listing rule 1.3.5(a):*

- ASX will accept the audited accounts for Iluka Resources Limited for the financial years ended 31 December 2020 and 31 December 2021 (together the 'Historical Financial Periods'); and*
- ASX will not require the Company to provide audited stand-alone accounts for the Historical Financial Periods nor have those periods separately audited.*

*This resolution is conditional on the Company confirming that ASIC has not raised any concerns that the financial information in the demerger documentation is inconsistent with ASIC Regulatory Guide 228.*

*ASX has considered listing rule 1.3.5(a) only and makes no statement as to the Company's compliance with other listing rules.*

### **ASX Listing Rule 2.1 condition 2**

#### Confirmation Decision

*Based solely on the information provided, ASX Limited ('ASX') confirms to Sierra Rutile Holdings Limited (the 'Company') that pursuant to the proposed spin-out of the Company from Iluka Resources Limited ('ILU') and in consideration for the issue of approximately 424,236,447 Company shares to be distributed in-specie to ILU shareholders ('Consideration Shares'), for the purposes of determining the Company's compliance with listing rule 2.1 condition 2, ASX will accept the value of a share in the Company as the net tangible asset backing per share based on the net tangible assets of the Company in the reviewed pro forma balance sheet as it appears in the Demerger Booklet, being A\$0.262 per share.*

*ASX has considered Listing Rule 2.1 condition 2 only and makes no statement as to the Company's compliance with other Listing Rules.*

### **ASX Listing Rule 9.1**

#### Confirmation Decision

*Based solely on the information provided, ASX Limited ('ASX') confirms to Sierra Rutile Holdings Limited (the 'Company') that pursuant to the proposed spin-out of the Company from Iluka Resources Limited ('ILU'), and in consideration for the issue of approximately 424,236,447 Company shares to be distributed in-specie to ILU shareholders ('Consideration Shares'), the requirements in Listing Rule 9.1 do not apply to the Consideration Shares issued to ILU shareholders.*

ASX has considered Listing Rule 9.1 only and makes no statement as to the Company's compliance with other Listing Rules.

#### **ASX Listing Rule 10.14**

##### Waiver Decision

Based solely on the information provided, ASX Limited ('ASX') grant Sierra Rutile Holdings Limited (the 'Company') a waiver from listing rule 10.14 to the extent necessary to permit the Company to issue restricted shares in the Company, options over the Company's shares or rights to receive shares in the Company to any executive director/s of the Company as part of the demerger of the Company from Iluka Resources Limited ('ILU') without seeking shareholder approval, on the following conditions:

The demerger booklet to be issued in connection with the proposed demerger of the Company contains the information required by Listing Rule 10.15 in respect of the proposed issues.

In each case, the date by which the Company will issue the shares, options or rights must be no later than 12 months from the date of its admission to the official list.

ASX has considered Listing Rule 10.14 only and makes no statement as to the Company's compliance with other listing rules.

##### Basis for Waiver Decision

Listed entities are required to obtain the prior approval of security holders for an issue of equity securities to related parties, even if pursuant to their participation in an employee incentive scheme. This rule is directed at preventing related parties from obtaining securities on advantageous terms and increasing their holding proportionate to the holdings of other security holders' interests by supplementing the related party provisions of the Corporations Act (and any related party provisions applying to foreign entities under relevant legislation).

##### Facts and reasons for granting/not granting the waiver

The Company is proposing to apply for admission to the official list of ASX. It is proposed that the Company will have an equity plan under which certain employees of the Company, which may include directors, will be eligible to receive awards. The material terms of the awards that the Company proposes to make to any directors of the Company will be disclosed in the demerger booklet that will be sent to ILU shareholders and the Company's equity plans will be established prior to its listing. Waivers from Listing Rule 10.14 are granted on the basis that where a future issue of equity securities to a director under an incentive scheme is disclosed in an initial listing document, persons who subscribe with notice of the future issue of securities to the director may be taken effectively to have consented to the issue. Therefore, it is unnecessary to submit the issue to a security holders' meeting for approval. The disclosure of the details of the future issue must be adequate and consistent with the information that would be required under Listing Rules 10.15 in a notice of meeting. Accordingly, a waiver from listing rule 10.14 is likely to be granted provided the Company's demerger booklet contains adequate disclosure about the proposed issues of securities to directors and the securities are issued within three years of the Company's admission to the official list, which is consistent with the requirements of Listing Rule 10.15.

#### **Demerger agreements**

Sierra Rutile confirms that the Demerger Implementation Deed and Separation Deed (as those terms are defined in the Demerger Booklet) remain in full force and effect.

Sierra Rutile confirms that it has entered into the Transitional Services Agreement (as defined in the Demerger Booklet) with Iluka.

## **Documents enclosed for release to the market**

Enclosed for release to the market are the following documents:

- Sierra Rutile's Appendix 1A, Information Form and Checklist, and Annexure 1 (Mining Entities);
- Sierra Rutile's Information Memorandum dated 15 July 2022;
- Sierra Rutile's Supplementary Information Memorandum dated 22 July 2022;
- Sierra Rutile's constitution;
- Sierra Rutile's securities dealing policy;
- an indicative distribution schedule of the number of holders of Sierra Rutile Shares; and
- an indicative statement setting out the names of the 20 largest Sierra Rutile Shareholders.

This announcement has been authorised by the Board of Directors of Sierra Rutile.

### **For more information, please contact:**

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