



Sierra Rutile

ASX ANNOUNCEMENT

4 May 2023

Area 1 Fiscal Arrangements

The Government of Sierra Leone (**GoSL**) yesterday (Sierra Leone time) advised Sierra Rutile Limited (**Sierra Rutile**), the operating subsidiary of Sierra Rutile Holdings Limited (**SRX**), that they are seeking to renegotiate the terms of the Third Amendment Agreement between Sierra Rutile and the GoSL. The Third Amendment Agreement is in relation to the fiscal regime applying to the remaining production from the existing Area 1 operations.

SRX is assessing the implications of this development which could impact the economic life of Area 1. SRX will update the market as required under its continuous disclosure obligations.

Background

In May 2021, after a period of challenging operating conditions, Sierra Rutile, then a subsidiary of Iluka Resources Limited (**Iluka**), provided to the GOSL six months' notice of its intention to temporarily suspend the operations of Sierra Rutile, effective 19 November 2021. The Notice of Suspension was withdrawn in January 2022 following operational improvements and the negotiation of revised fiscal arrangements for Sierra Rutile's Area 1 operations. The revised fiscal arrangements were contained in the Third Amendment Agreement dated 24 August 2021 to the Sierra Rutile Agreement between the GOSL and Sierra Rutile dated 20 November 2001 (**Third Amendment Agreement**). The revised fiscal arrangements provided for a range of reductions in government costs, duties, royalties and taxes.

The Third Amendment Agreement was ratified by the Parliament of Sierra Leone in December 2021. Additional information about the Third Amendment Agreement and the revised fiscal arrangements is contained in Sections 3.24.3, 3.24.4, 3.24.9 and 3.24.11 of the Demerger Booklet contained in the ASX Release by SRX entitled "Information Memorandum and Demerger Booklet" dated 25 July 2022 which sets out the basis for the demerger by Iluka of SRX. This ASX Release is available on the SRX website at <https://sierra-rutile.com/investors/>.

Ends

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

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