



Sierra Rutile

17 APRIL 2024

Ms Barbara Lim
Adviser, Listings Compliance
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

By email: ListingsCompliancePerth@asx.com.au

Dear Ms Lim

**Sierra Rutile Holdings Limited ('SRX'): Response to ASX Aware Query
Reference: 92263**

Sierra Rutile Holdings Limited (ASX: SRX) (**Sierra Rutile** or **SRX**) refers to the ASX's letter dated 12 April 2024 regarding General – Aware Query and responds to your questions as follows.

Capitalised terms not otherwise defined in our responses below have the same meaning given in your letter.

1 Does SRX consider the following information or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

1.1 Notification by GoSL that the notice of suspension did not comply with the Relevant Requirements, and therefore the suspension is in breach of those laws and regulations.

SRX response: When SRX received the notification by GoSL (**GoSL Notice**), SRX did not consider that the GoSL Notice itself was information that a reasonable person would expect to have a material effect on the price or value of its securities.

2 If the answer to question 1 is “no”, please advise the basis for that view.

SRX response: SRX did not consider that the GoSL Notice itself was information that a reasonable person would expect to have a material effect on the price or value of SRX's securities for reasons including the following:

(a) SRX had been keeping the market aware of the on-going issues in relation to the Third Amendment Agreement (**TAA**) between Sierra Rutile Limited (**SRL**), being the SRX subsidiary that is the operator of the Area 1 Operations, and the GoSL, the temporary suspension of operations at Area 1 and the broader overall negotiations with the GoSL (see the various ASX announcements released by SRX, including the ones of 4 May 2023, 3 July 2023, 27 July



Sierra Rutile

ASX ANNOUNCEMENT

2023, 12 October 2023, 27 October 2023, 14 December 2023, 11 March 2024 and 29 January 2024), and the GoSL Notice did not materially change the circumstances in relation to the on-going TAA negotiations;

- (b) SRX considered the GoSL Notice, in context with information that the market was already aware of, to form part of the issues and ongoing negotiations with the GoSL given the direct connection between the reasons the notice of suspension was given and the GoSL indicating that it wished to move away from the concessions in the TAA, which, in SRX's view, the GoSL is not entitled to do under the TAA;
- (c) the GoSL Notice was in substance dealing with administrative process issues in that it:
 - (i) primarily noted an alleged failure to comply with the procedural requirements to lodge certain supplementary supporting materials when the notice of suspension was given;
 - (ii) expressly acknowledged that SRL had since submitted the relevant supplementary materials;
 - (iii) confirmed that the suspension notice and the supplementary materials would be reviewed by the GoSL and SRL will be informed about the status of the suspension notice and/or next steps; and
 - (iv) contained no threat of sanctions or other significant adverse consequences for SRL, noted a yet to be completed review process and invited SRL to contact the Honourable Minister directly if further information or clarification was required,

and therefore the alleged breach of laws or regulations was not considered material and would be the subject of further discussions with the GoSL;

- (d) as noted in the Announcement, SRL intended to address the allegations in the GoSL Notice in conjunction with the broader overall negotiations with the GoSL; and
 - (e) SRL did not agree or accept that any approval was required for the notice of suspension to be given or to be effective and SRX has advised the GoSL of the detailed reasons for this view by reference to the applicable law and regulations.
- 3 On what date was SRX notified by GoSL that the notice of suspension did not comply with the Relevant Requirements?

SRX response: SRX was notified that the GoSL was alleging the notice of suspension did not comply with the Relevant Requirements when it received the GoSL Notice on Saturday, 16 March 2024.

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ABN 79 613 822 165
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ASX ANNOUNCEMENT

4 When did SRX first become aware of the information referred to in question 1 above?

SRX response: The GoSL notice was received by SRX on Saturday, 16 March 2024.

5 If SRX first became aware of the information referred to in question 1 above or any part thereof, before the date of the Announcement, did SRX make any announcement prior to that date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe SRX was obliged to release the information or any part thereof under Listing Rules 3.1 and 3.1A and what steps SRX took to ensure that the information referred to in question 1 or any part thereof was released promptly and without delay.

SRX response: SRX did not release any announcement prior to the Announcement in relation to the GoSL Notice, because SRX did not consider that the GoSL Notice itself was information that a reasonable person would expect to have a material effect on the price or value of SRX's securities, for reasons set out in our response to question 2 above.

Although SRX had determined that the GoSL Notice itself was not market sensitive information and did not warrant an announcement at the time the GoSL Notice was received:

- (a) following PRM Services LLC (**PRM**) having announced its unsolicited on-market takeover bid for all of the issued shares in SRX on 20 March 2024 (**PRM Bid**); and
- (b) given that the attempts to engage with the GoSL on the GoSL Notice had not been successful,

SRX reassessed the receipt of the GoSL Notice in light of the new circumstances and context noted above, and formed the view that it was appropriate to disclose the GoSL Notice (notwithstanding SRX maintains its view that without the PRM Bid or further adverse comment from the GoSL, the GoSL Notice itself was not market sensitive information) and took the view that what was not market sensitive in the previous context might be so regarded with the change of context, including there now being an on-market takeover bid on foot (as contemplated by ASX GN8 section 4.3).

Following receipt of the GoSL Notice and SRX forming the view that the GoSL Notice was not market sensitive information at that time, SRX's disclosure officers monitored the development of events in relation to SRX and met regularly to consider SRX's ongoing disclosure obligations. Once SRX formed the view that the Announcement was then appropriate as noted in the above paragraph, SRX released the Announcement promptly and without delay.



Sierra Rutile

ASX ANNOUNCEMENT

- 6 What are the consequences for SRX of the notice of suspension not complying with the Relevant Requirements?

SRX response: As noted in our response to question 2, SRX does not agree or accept that any approval was required for the notice of suspension to be given or to be effective. Even if approval from the GoSL were required for the notice of suspension, SRX's understanding is that the potential consequence of the alleged breach of the procedural requirements noted in the GoSL Notice is a maximum of a US\$5,000 fine. Again, SRX reiterates its view that the GoSL Notice and the issues raised in the GoSL Notice are part of on-going negotiations in relation to the TAA.

- 7 Please confirm that SRX is complying with the Listing Rules and, in particular, Listing Rule 3.1.

SRX response: SRX confirms it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

- 8 Please confirm that SRX's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SRX with delegated authority from the board to respond to ASX on disclosure matters.

SRX response: SRX confirms that its responses to the questions above have been authorised and approved by the Company Secretary of SRX under delegated authority from the board to respond to ASX on disclosure matters.

Please contact me if you require further information concerning this matter.

Yours sincerely

Sue Wilson
Company Secretary



12 April 2024

Reference: 92263

Ms Susan Wilson
Company Secretary
Sierra Rutile Holdings Limited

By email

Dear Ms Wilson

Sierra Rutile Holdings Limited ('SRX'): General – Aware Query

ASX refers to the following:

- A. SRX's announcement entitled "Area 1 Operations to be suspended following Government of Sierra Leone Decision" lodged on the ASX Market Announcements Platform ('MAP') on 29 January 2024, disclosing, amongst other matters, that:
- (a) On 22 January 2024, SRX had received correspondence from the Government of Sierra Leone ('GoSL') stating GoSL's intention to proceed on the basis that, with effect from 1 July 2023, the fiscal regime set out in the Third Amendment Agreement would no longer apply to SRX and that it would revert to the fiscal regime in place as at 20 November 2001; and
 - (b) SRX had also issued a suspension notice to GoSL for operations at Area 1 under the relevant mining licence and mining act, which will take effect from 11 March 2024.
- B. SRX's announcement entitled "Update on discussions with Government of Sierra Leone" lodged on MAP on 21 March 2024 (the 'Announcement'), disclosing, amongst other matters, that GoSL had advised that the notice of suspension did not comply with the relevant requirements under the applicable law and regulations of Sierra Leone ('Relevant Requirements'), and therefore the suspension is in breach of those laws and regulations.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following applies:*
- *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*

- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

F. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks SRX to respond separately to each of the following questions and requests for information:

1. Does SRX consider the following information or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
 - 1.1 Notification by GoSL that the notice of suspension did not comply with the Relevant Requirements, and therefore the suspension is in breach of those laws and regulations.
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. On what date was SRX notified by GoSL that the notice of suspension did not comply with the Relevant Requirements?
4. When did SRX first become aware of the information referred to in question 1 above?
5. If SRX first became aware of the information referred to in question 1 above or any part thereof, before the date of the Announcement, did SRX make any announcement prior to that date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe SRX was obliged to release the information or any part thereof under Listing Rules 3.1 and 3.1A and what steps SRX took to ensure that the information referred to in question 1 or any part thereof was released promptly and without delay.
6. What are the consequences for SRX of the notice of suspension not complying with the Relevant Requirements?
7. Please confirm that SRX is complying with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that SRX’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SRX with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **11:30 AM AWST Wednesday, 17 April 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SRX's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require SRX to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in SRX's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in SRX's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to SRX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that SRX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

ASX Compliance