



Australian Government

Takeovers Panel

# MEDIA RELEASE

No: TP24/27

Thursday, 23 May 2024

## Sierra Rutile Holdings Limited - Panel Receives Application

The Panel has received an application from PRM Services LLC in relation to the affairs of Sierra Rutile Holdings Limited (ASX: SRX). Sierra Rutile is currently the subject of an on-market takeover bid from PRM.

Details of the application, as submitted by the Applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

### Details

On 29 January 2024, Sierra Rutile announced that it would suspend operations at its "Area 1" mining site (**Area 1**) in Sierra Leone.

On 29 February 2024, Mano Mining and Logistics Limited and Rockbridge Overseas Limited (**Mano & Rockbridge**) lodged a substantial holding notice in relation to Sierra Rutile. Mano & Rockbridge currently have a relevant interest of 11.90% in Sierra Rutile.

On 20 March 2024, the Applicant launched its on-market takeover bid for Sierra Rutile at a price of A\$0.095 per share.<sup>1</sup>

On 29 April 2024, Leonoil Company Limited lodged a substantial holding notice in relation to Sierra Rutile. Leonoil currently has a relevant interest of 12.49% in Sierra Rutile.

Also on 29 April 2024, Gemcorp Commodities Assets Holdings Limited lodged a substantial holding notice in Sierra Rutile. Gemcorp Commodities currently has a relevant interest of 19.90% in Sierra Rutile.

On 8 April 2024, Sierra Rutile issued its notice of annual general meeting (**AGM**) which included additional resolutions put by the Applicant in respect of the removal of several directors of Sierra Rutile pursuant to section 203D of the *Corporations Act 2001* (Cth).

On 8 May 2024, Sierra Rutile announced its intention to restart operations at Area 1.

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<sup>1</sup> Currently scheduled to close on 31 July 2024

The Applicant submits (among other things) that Mano & Rockbridge, Leonoil, and Gemcorp Commodities (together, with their respective associates, the **Concert Parties**) had:

- a relevant agreement or have acted in concert for the purpose of controlling or influencing the affairs of Sierra Rutile, namely the recommencement of the operations at Area 1, which they have all benefited from and
- an understanding that they would collectively acquire sufficient shares to influence Sierra Rutile to restart operations at Area 1 by leveraging their combined voting power at the AGM to influence Sierra Rutile to agree.

The Applicant also submits (among other things) that the outcome of the resolutions tabled at the AGM supports an inference that the Concert Parties co-ordinated their voting at the AGM.

The Applicant submits that:

- The Concert Parties increased their aggregate relevant interests in Sierra Rutile in excess of 20% and without disclosing their associates, in contravention of the 20% takeovers prohibition and the substantial holding provisions.
- In the alternative, the actions of the Concert Parties, combined with the material financial interests each had in having the operations at Area 1 restarted, and the influence that they have subsequently exerted over Sierra Rutile, gives rise to a control effect in Sierra Rutile that constitutes unacceptable circumstances.

The Applicant seeks interim orders that, pending determination of the application, each of the Concert Parties be restrained from voting their Sierra Rutile shares and (with their associates) be restrained from acquiring any further shares or increasing their relevant interest in voting power in Sierra Rutile.

The Applicant seeks final orders including an order vesting Sierra Rutile shares acquired by the Concert Parties in excess of 20% in ASIC for sale and corrective substantial holder notices.

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