



Sierra Rutile

## ASX ANNOUNCEMENT

11 March 2024

### Area 1 Operations Suspended and Redundancy program commenced

Sierra Rutile Holdings Limited (ASX: SRX) (**Sierra Rutile** or the **Company**) confirms that, further to its announcement dated 29 February 2024, the Company has now suspended all mining and processing activities at its Area 1 operations and commenced a process of engagement with Government of Sierra Leone and staff that will result in approximately 25% of staff, including expatriate staff, being issued with redundancy notices by the end of March.

As previously highlighted in commentary contained in the 2023 Annual Financial Report, these actions are in response to both ongoing weak market conditions and uncertainty regarding the fiscal regime applicable to Area 1 operations.

Sierra Rutile is hopeful that the suspension of operations will be brief and that agreement can be reached with the Government of Sierra Leone on an appropriate fiscal regime that would again support production alongside supportive rutile market conditions. Should this not be achieved in the coming weeks, Sierra Rutile will need to consider the full closure of mining operations at Area 1 which would impact the great majority of the remaining workforce as well as, potentially, a large number of personnel employed by various contractors.

Sierra Rutile continues to monetise its finished goods inventories in the ordinary course of business and will use these funds to fund statutory termination benefits to members of the workforce that are made redundant.

Sierra Rutile continues to advance the definitive feasibility study for the Sembehun project, results of which are expected to be announced in April 2024. In the event that Area 1 operations move to full closure, the Company may look to undertake a strategic review of its Sembehun project with the objective of maximising value for the benefit of all Sierra Rutile stakeholders.

Ends

This ASX Release was authorised for release to the ASX by the Board.

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