



Sierra Rutile

ASX ANNOUNCEMENT

13 November 2023

Update on Legal Proceedings in Sierra Leone

Sierra Rutile Holdings Limited (ASX: SRX) (**Sierra Rutile** or the **Company**) has disclosed previously (including in the demerger booklet and SRX's 2022 annual report) that its operating subsidiary, Sierra Rutile Limited (**SRL**), has been involved in legal proceedings in Sierra Leone with Transcend International Resources Limited (**Transcend**) in relation to the supply and delivery of zircon middling (**Transcend Zircon Claim**). Transcend's claim was for US\$816,500, general damages, interest, and costs. These proceedings were initiated on 17 April 2018.

Judgement has now been delivered orally in court with a written judgement still to be handed down. The High Court of Sierra Leone has indicated that judgement has been awarded in favour of Transcend for the US\$816,500 claimed, general damages of US\$350,000, costs to be taxed and interest at 25% per annum from January 2018 until full payment. There were previous Transcend proceedings which related to an allegation that SRL had handled Transcend's equipment illegally or wrongfully and damaged the equipment, where judgement was also given in favour of Transcend against SRL – see the Company's ASX announcement of 14 March 2023.

The Company considers that interest of 25% per annum is excessive, and in addition to any other action it may take, intends to take steps to have that the interest rate and/or period during which the interest is applicable reduced.

Once the formal written judgement and reasons are available, the Company will consider what further avenues are open to it, including whether to lodge an appeal.

Further, and by way of a broader litigation update, the Company notes that it is party to other proceedings in the High Court of Sierra Leone.

- (a) As noted in the demerger booklet and SRX's 2022 annual report, a class action brought by a group of landowner representatives who allege that they suffered loss as a result of SRL's mining operations. The claims primarily relate to environmental matters. The landowner representatives allege, in part, that SRL engaged in improper mining practices resulting in environmental degradation and contamination, did not meet certain rehabilitation obligations and violated local mining laws. SRL denies liability in respect of the allegations and considers it has a good defence to the claims.
- (b) A disputed claim for crop compensation (for an area over which third parties have exercised control for the relevant period). The Company is defending the claim and considers it has a good defence to the action.
- (c) Some other claims which are at various stages of progress, none of which are considered material individually or when taken together.



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The SRX Board will consider the implications of each of the above and will keep the market informed of material developments in accordance with its continuous disclosure requirements.

Ends

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

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