



ILUKA

Australian Securities Exchange Notice

19 February 2015

SYNTHETIC RUTILE PRODUCTION TO RECOMMENCE

Iluka Resources Limited (Iluka) advises that it will re-activate part of its synthetic rutile production capacity, with the planned re-commencement of production from its synthetic rutile kiln 2 (SR 2), located at Capel, Western Australia, in April of 2015.

Iluka's Managing Director, David Robb said: "I am pleased to advise that, following the completion of detailed planning and negotiations, the company will restart production from SR 2, its largest kiln, from April of this year."

SR 2 is capable of producing approximately 200 thousand tonnes of synthetic rutile annually. The kiln was idled in March 2013 in light of prevailing market demand conditions. Iluka has supplied synthetic rutile since that time from inventories of finished product. Iluka sold 82 thousand tonnes of synthetic rutile in 2014, drawn exclusively from inventory.

Mr. Robb added: "Iluka maintains an ability to reactivate further synthetic rutile capacity as and when market demand and commercial conditions are appropriate. Iluka's planning for major projects, notably the development of the Cataby deposit in Western Australia and the Balranald deposit in the Murray Basin, New South Wales, are well advanced, as Iluka advised in its full year results presentation. Both have the potential to produce material total quantities of ilmenite – Balranald ~ 700 thousand tonnes per annum and Cataby ~ 350 thousand tonnes per annum. In the case of Balranald, in addition to a proportion of ilmenite suitable for synthetic rutile production, a significant proportion will be sulphate ilmenite. Iluka's Eneabba deposit is also a potential source of suitable ilmenite feed, depending on market requirements."

The reactivation of SR 2 has been preceded by the recommencement of mining at the Tutunup South mine in the South West of Western Australia to provide feedstock. The kiln will be reactivated rapidly with minimal capital expenditure. Approximately 80 employees and 70 contractors have been, or will be, recruited to support Tutunup South mine restart and the SR 2 kiln reactivation.

Reactivation of SR 2 will also enable further trials of new products, in a real-world production environment, such as Iluka's potential new high grade sulphate pigment feedstock.

The following briefing paper link provides information on the synthetic rutile production process.
[Iluka's Synthetic Rutile Production Briefing Paper \(June 2012\)](#)

Investment market and media inquiries:

Dr Robert Porter
General Manager, Investor Relations
Phone: + 61 (0) 3 9225 5008
Mobile: +61 (0) 407 391 829
Email: robert.porter@iluka.com

For personal use only