



**ILUKA**

# Australian Securities Exchange Notice

26 June 2020

ASX: ILU

## **REDUCTION OF 2020 SYNTHETIC RUTILE OFF-TAKE VOLUMES**

Iluka Resources Limited (Iluka) expects that not all of the 175 thousand tonnes of synthetic rutile subject to take or pay arrangements in 2020 will be taken as contemplated under the relevant contracts. Year to date, 78 thousand tonnes of synthetic rutile have been sold under these contracts.

Iluka has issued a Notice of Default to one of its customers in relation to its failure to take, or pay for, 20 thousand tonnes of synthetic rutile scheduled for shipment in May. The customer has subsequently issued a notice (defined in the agreement as an FM Notice) referring to a range of matters. Iluka disputes the validity of the FM Notice and is continuing to endeavour to negotiate an appropriate commercial outcome. In 2020, year to date, the customer has taken 17 thousand of its 80 thousand tonnes of contracted synthetic rutile volumes.

In addition, Iluka has been notified by another of its customers that a circumstance has occurred that may potentially entitle it to take less than the contracted amount of synthetic rutile for a period of at least three months. In the notice the customer has stated that this circumstance will impact its September scheduled shipment of 12 thousand tonnes.

In 2019, Iluka sold 207 thousand tonnes of synthetic rutile, with total rutile and synthetic rutile sales volumes of 407 thousand tonnes. 2019 total rutile and synthetic rutile revenues were \$583 million.

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