

Iluka Resources Ltd 2023 AGM report

ASX code	ILU
Meeting date	10 May 2023
Type of meeting	Hybrid using Computershare
Monitor	John Campbell assisted by Leanne Harrison
Pre AGM-meeting	With Rob Cole chair and Andrea Sutton, chair of People and Performance Committee

Meeting Statistics

Number of holdings represented by ASA	89
Number of shares represented by ASA	308,134
Value of shares represented by ASA	\$3.48m
Total number attending meeting	28 share/proxy-holders in person, 19 virtual, plus 65 visitors in person & online
Market capitalisation	\$4.81 billion
ASA open proxies voted	on a poll

Perhaps unsurprisingly after Iluka's best ever year in terms of revenue and underlying result, the meeting was sparsely attended. The addresses (<https://www.iluka.com/media/q0bh5zvc/2023-agm-chairmans-and-managing-directors-addresses.pdf>) focussed on the company's rare earths refinery rather than its existing beach sands mining operation responsible for the 2022 results. The refinery is to be built with a \$1.25 billion non-recourse loan from an arm of the federal government. A front-end engineering design (FEED) process is underway to plan the fine details of the plant construction and to confirm guidance on projected cost and commercial production in 2025. Currently China produces 80-90% of the world's four key rare earth elements, neodymium, praseodymium, dysprosium and terbium which are essential to produce high strength permanent magnets. The world needs magnets as much as copper to manufacture generators for wind turbines and electric motors for vehicles in combatting climate change. Iluka's refinery will provide a new source of the oxides required for magnets with the hope that its successful output will lead to next step of metallising the oxides in Australia into the products needed by world industry.

Current operations involve beach sand strip mining in WA and SA. Concentrating takes place at Cataby in WA and Jacinth in the SA Nullarbor. Ilmenite is refined to synthetic rutile grade in Capel and marketable products are zircon, rutile, and ilmenite with rare earth concentrates as a by-product which have been stockpiled over the company's 30+-year history of beach sand mining. Synthetic rutile is an important component of the sales mix and its production requires the use of

coal as a reductant. The Capel plant has been identified in the federal government's Safeguard Mechanism legislation in which it has been classified in a manner which will provide a tapering of the overall objective of reducing carbon outputs by 30% by 2030. The legislation will impede future production unless an alternative to coal can be found.

Among other questions, the chair was asked if the demerger of Deterra in 2019 and Sierra Rutile in 2022 exposed the company to greater risk of takeover with the response that the chairman would not speculate on such issues and was focussed on increasing shareholder value. Stephen Mayne also asked why there was a significant vote of 6% against the re-election of director Susie Corlett; one large shareholder had adopted the principle of voting against sustainability committee directors in companies which failed to publish emission reduction targets. Another question resulted in the disclosure that an additional director was being sought to expand the skill set of the existing board. All resolutions passed by 95% or better except for Ms Corlett with 93.9% support.

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