

22 July 2022

2022 EXTRAORDINARY GENERAL MEETING
ADDRESS BY CHAIRMAN ROB COLE

Please find attached the address to shareholders to be delivered by the Chairman at the Iluka Resources Limited's (**Iluka**) Extraordinary General Meeting (**EGM**) to be held today.

A poll will be conducted on the sole resolution to be proposed at the Iluka EGM. The poll results on the resolution will be released to the market shortly after conclusion of the Iluka EGM.

A live webcast of the meeting will be available at: <https://meetnow.global/MN7RMAU>.

This document was approved and authorised for release to the market by Iluka's Chairman of the Board.

Investor and media enquiries

Luke Woodgate
Group Manager, Investor Relations and Corporate Affairs
Mobile: + 61 (0) 477 749 942
Email: investor.relations@iluka.com

For personal use only

**2022 Extraordinary General Meeting
Iluka Resources Limited
22 July 2022**

Chairman's Address

Chairman Rob Cole

Once again, I extend a warm welcome to all shareholders and guests joining us today at this Extraordinary General Meeting.

As mentioned earlier, shareholders received notice of this meeting in June, along with the demerger booklet.

The booklet outlines in detail the rationale for the demerger; its advantages and disadvantages; and the pro forma financial position of Iluka and Sierra Rutile. These documents contain important information to help inform your vote.

At our AGM in April, Iluka announced its intention to demerge the company's business in Sierra Leone.

Following that announcement, the Board engaged Deloitte as an independent expert to assist shareholders in considering our proposal. This can be found in Section 8 of the booklet.

Like the Board, Deloitte concluded that the demerger is in the best interests of Iluka shareholders.

In the event we approve the demerger today, Iluka and Sierra Rutile will start trading independently on the ASX on 27 July 2022 on a deferred settlements basis with normal settlement trading commencing on 5 August 2022. Eligible Iluka shareholders will retain equity in both companies.

As I said in my letter in the booklet, Iluka has evolved significantly since it acquired Sierra Rutile in 2016, with our strategic and capital allocation priorities now focused on key Australian critical minerals operations and development projects.

Chief among these is Iluka's significant diversification into rare earths. In April, the Board approved the development of Australia's first fully integrated refinery at Eneabba in Western Australia. This final investment decision was taken following the agreement of a strategic partnership with the Australian Government.

Furthermore, we are progressing a significant pipeline of major mining and processing projects. Some of these, such as Balranald and Wimmera, are potential game changers for the industry and the result of Iluka's sustained investment in technical development to unlock Australian resources.

Taken together, Iluka is undergoing substantial evolution. Realising the opportunities this presents will require disciplined focus at every level of the company, your Board included.

Sierra Rutile is at a similarly important point in its history.

Following an impressive turnaround over the past year, local management now has the opportunity to extend life in the existing area of operations – Area 1. This provides an important, credible runway to the development of Sembehun, which is one of the world's largest known deposits of natural rutile. A preliminary feasibility study for the Sembehun project has been completed, with its key findings outlined in the demerger booklet.

Sembahun holds the prospect of underpinning Sierra Rutile's business for many years to come. As Tom has mentioned in previous meetings, the market outlook for natural rutile is characterised by scarcity and depleting supply globally. This presents potentially very favourable dynamics for existing, established producers.

As is the case for Iluka, disciplined focus will be central to Sierra Rutile delivering on these opportunities. And it is notable that the growth paths of both businesses are set to play out in parallel from a timing perspective over coming years.

Given these circumstances, the Board has determined that a demerger presents the best way of enabling the respective strategies of Iluka and Sierra Rutile to be achieved. It will facilitate the requisite management bandwidth to do this, in the timeframe required, and thereby maximise the potential value for shareholders.

The local turnaround delivered at Sierra Rutile has been central in the Board's decision making. This includes marked operational improvement – underscored by consistent production performance over each of the past four quarters – and a renegotiated fiscal regime for Area 1 operations that has been ratified by the Parliament of Sierra Leone.

Building on this position, we have, as you'd expect, sought to set Sierra Rutile up for success post demerger.

Sierra Rutile has been established with a dedicated, high-quality Board and management team.

Having led the business's operational and financial turnaround, Theuns de Bruyn has been appointed Managing Director-elect. Theuns' local management team will be supported by a strong Board that includes former Iluka Chairman Greg Martin, who will assume the chair; Martin Alciaturi as Finance Director-elect; and other appointed non-executive directors, Joanne Palmer and Graham Davidson.

Sierra Rutile's standalone balance sheet will be established with no debt and a healthy opening cash balance.

Significantly, Iluka has established a trust, which will be cash funded with US\$45 million, to support Sierra Rutile's existing rehabilitation obligations.

These steps are consistent with the priority Iluka places on sound governance, financial management and sustainable development outcomes as first principles. Post demerger, Sierra Rutile will continue to benefit from the robust sustainability frameworks that have been implemented during Iluka's ownership. These include a strong focus on safety, environmental management, community relations and anti-bribery and corruption.

Ladies and gentlemen, the Iluka Board unanimously views the demerger of Sierra Rutile as being in the best interests of our shareholders and delivering greater value than the current structure over time.

Both companies have exciting futures ahead.

Thank you.