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Operator: Thank you for standing by and welcome to Iluka Resources Full Year 2024 earnings conference call. At this time, all participants are in a listen only mode. After the speaker presentation, there will be a question and answer session. To ask a question during the session, you will need to press star one, one on your telephone.

To remove yourself from the queue, you may press star one, one again. I would now like to hand the call over to Iluka's Chief Executive Officer, Tom O'Leary. Please go ahead.

Tom O'Leary: Good morning. With me are Adele Stratton, Matt Blackwell and Luke Woodgate. Thank you for joining us. Iluka's results in 2024 once again, demonstrated the Company's resilience. Today's numbers were covered in our quarterly review on 22 January but a few aspects of the Company's performance bear highlighting.

First, we're pleased with the financial performance for the year delivered largely as a result of our operational and pricing discipline, which saw us achieve margins of 42% despite both a higher cost environment in Australia and generally muted demand conditions globally.

Second, our progress at Balranald, which will come online later this year and provide a crucial source of natural rutile and high quality zircon in particular. Third, our rare earths business where we've delivered funding certainty for the Eneabba refinery and maintained limited risk exposure for what is a significant and unique growth opportunity.

The project is progressing steadily with detailed earthworks nearing completion and concrete to follow. Long lead packages have been awarded. There's been no change to estimated capital cost and you'll see on slide 20 that our provisions for growth and contingency have been maintained.

Iluka is investing and building to deliver our future and as we do that, it's critical our existing business not only optimises returns but that we maintain high standards of safety. While our total recordable injury frequency rate increased as a result of hand and trip injuries, I'm pleased that we've seen a continued downward trend in Iluka's serious potential injury frequency rate.

Capital and operational intensity means greater levels of activity across our sites and that demands constant vigilance. I'll come back in a moment with some additional comments before opening up the line for questions but I'll first ask Adele to take us through the details of the results. Adele.

Adele Stratton: Thank you Tom and good morning everyone. Firstly to production, we produced 496,000 tonnes of zircon, rutile and synthetic rutile in 2024. We've maintained a focus on optimising unit costs and margins. We ran both our mines at capacity with our main SR2 kiln also running at capacity to deliver synthetic rutile production for our take-or-pay offtake contracts.

As you know, our heavy mineral concentrate includes all our key products and operating at capacity enabled us to service the premium zircon market where demand is stronger and supply shortfalls are evident. This does result in building some work in progress ilmenite inventory, which will underpin a restart of SR1.

Our unit cash costs of finished goods production were elevated last year as a result of building that work in progress inventory and on the cost environment more broadly, costs have risen in Australia driven by a combination of factors including wage inflation, energy costs and coal costs for our synthetic rutile production.

As a result, we undertook a cost review during Q4 to ensure the sustainability of our cost base. The review identified 130 roles to be removed across operations and support functions with expected savings of $20 million for 2025. These are always difficult exercises and I'll take the opportunity to acknowledge the understanding and professionalism of our people as we've undertaken this process.

The Company's revenue was $1.12 billion and net profit was $231 million. Operating cashflow generated by the mineral sands business was $252 million, which funded the majority of our mineral sands growth capital expenditure being $272 million mainly related to the development of Balranald and progressing our studies. Iluka also contributed $50 million equity to the rare earths business.

Just by way of reminder, Iluka's total equity contribution to the refinery is $414 million of which $106 million has been spent, and $82 million is earmarked for working capital during commissioning. As a result, we anticipate contributing equity of approximately $100 million per annum from now through to operations in 2027.

The mineral sands business had a net cash position of $90 million. Reported Group net debt was $150 million, including the $205 million of non-recourse net debt for the rare earths business.

Earlier this year, we extended and expanded our commercial debt facilities, which now encompass an $800 million limit with a renewed five year tenor. Our final dividend of $0.04 per share reflects Iluka's dividend framework and the direct pass through of our profit from our Deterra royalty holding, resulting in a full year dividend of $0.08 per share. With that, back to you Tom.

Tom O'Leary: Thanks Adele. I know that tariffs are front of mind for many at present and while there is uncertainty, what is clear is that international trade flows are undergoing some change. The US pigment industry has operated under a tariff regime targeted at Chinese pigment imports since the first Trump administration. Last year, the European Commission enacted anti-dumping duties on Chinese pigment imports.

The European measures are favourable to Iluka's titanium feedstock customers and are expected to affect trade flows in 2025. More recently, in fact, just over the weekend, India has announced that it too will implement anti-dumping measures on pigment from China and Brazil has an investigation underway on the same subject. These measures are summarised on slide 15 of our presentation.

The European tariffs and the more recently proposed tariffs are potentially favourable to Iluka. Our Western customers pigment products are made more competitive in those markets. This could drive increased demand for our high grade feedstocks. The proposed US tariffs could also improve competitiveness of Iluka's feedstocks into the US.

The other point to make is that over time, high quality zircon and high grade titanium feedstocks are supply constrained products. The operations that have sustained the mineral sands industry over the past couple of decades are all in the process of depletion and grade decline.

Over the past two years, the industry has seen the difficulty that comes with trying to bring new mines online, be they in Australia from an operational or geological perspective, or in other jurisdictions where sovereign risk is a bigger issue. None of our key mineral sands markets are self-sufficient in these products. In the event of an upturn in demand, there is a strong likelihood of undersupply.

In rare earths there is of course, a long and well-documented history of export restrictions. This continued in 2024 with China announcing restrictions on the export of heavy rare earths processing technology and the US putting in place tariffs with respect to Chinese permanent magnets.

The diversification of supply chains, along with automation and electrification are the key mega trends driving rare earths. While these have been obvious for some time, they are I think, intensifying in the context of what is now a broader discussion around tariffs globally. These mega trends were important in informing Iluka's investment decision for the Eneabba refinery and also the way we've shared risk with the Australian government.

So returning to where I started, Iluka is focused on continuing to run our current business safely, efficiently and with discipline. That includes reducing costs as Adele outlined. We're equally focused on delivering the capital developments that underpin our future and I look forward to updating you on further progress at Balranald and at Eneabba respectively over the year ahead. So over to you for questions.

Operator: As a reminder, to ask a question, you will need to press star one, one on your telephone. To remove yourself from the queue, you may press star one, one again. Please stand by while we compile the Q&A roster.

Our first question comes from the line of Paul Young of Goldman Sachs. Your question please, Paul.

Paul Young: (Goldman Sachs, Analyst) Yes, thanks. Morning, Tom, Adele and Matt. Hope you're all well. Tom, first question is on the mineral sands markets. Just starting with zircon. We saw some of your competitors sell inventory in the fourth quarter. That resulted the benchmark price coming down but since then we've seen a bit of a tick up in prices in Indonesia and just some of the trade journals reporting that. It looks like you've contracted a lot more zircon so far to date. So, just curious about, I know it's been three weeks since Chinese New Year, what trends you're seeing in zircon demand.

Then also just on TiO_2. With the potential restart of SR1 and the pigment producers reported pretty muted results for 4Q, so is it really just a wait to see approach or are you engaging at the moment or have you had any incomings from some of those US and European pigment producers for that additional SR product?

Tom O'Leary: Yes, look, thank you Paul. I'll hand over to Matt to touch on zircon, but just on the second question. It's probably evident that there is an increase in inbounds on the titanium side and as I touched on in relation to tariffs there are potential opportunities there. So, there's positive signs in the pigment space is what I'd say but as we said in the quarterly, we're not at this stage expecting to bring SR1 on this year.

We have a fair amount of inventory of synthetic rutile to meet that uptick in demand when it comes, but certainly we'll be bringing that on as soon as practicable. Matt, over to you for zircon and any other comments you might have around pigment.

Matthew Blackwell: Sure. Thanks, Tom and Paul. Look, you're right and we noted back in our quarterly the significant price reductions by some major competitors. One competitor recently disclosed in their earnings that Q4 volumes, they dropped price by I think 9% for a 43% uptick in volume. Another competitor, a major mining house, has been pushing some volumes into Europe, but we also note both these companies report they face cost pressures at their mines so their behaviour is a bit hard to understand.

We're pleased we've been able to balance customer needs while seeking fair value for our product and certainly industry reporting and trade stats would suggest that we're getting superior pricing compared to our competitors for our products. We also reported that our prices are likely to be down about 5% quarter on quarter but volumes are up 100% compared to the last quarter and that small price reduction, is somewhat offset by depreciation of the Australian dollar.

You noted, and we've seen it too, Indonesians, who are typically swing producers, have actually lifted prices in India $40 to $50 a tonne in Q1 and we understand that they're trying to lift prices in China. On our assessment they're pretty marginal or zircon coming out of Indonesia is pretty marginal at the moment.

We also have line of sight to toll processes in China, who treat concentrates, are refusing to lower price any further due to margin erosion and some of them are seeking price increases. So, one conclusion that you could draw is that prices have found a floor and I would probably just add that as volume will lead to price, as we see an uptick in consumption, we would expect to see restocking associated with this and traction for price increases.

That's on zircon and just if I could make a couple of comments on TiO_2. Look, you'll be aware there hasn't been a Northern Hemisphere paint season for a couple of years. In the largest market, North America, there is significant pent-up demand for both housing and resales and that demand continues to build in an environment of higher interest rates.

In fact, [unclear] reported last night that the Housing Market Index rose in January again and if you look at history that correlates to an increase in market demand for pigment. So, I think there's some positive signs. They talked about green shoots and we've also seen a significant reduction in exports of Chinese pigment which augurs well for Western multinational producers in Europe, in the Western markets, and we supply to all of that.

Paul Young: (Goldman Sachs, Analyst) Okay, thanks Matt. That's a good run through. Then a second question is actually just on CapEx and just to point out something just on the refinery CapEx. Great to see that you're coming in a little bit under on that committed capital so far and your contingency is almost 30% of the remaining CapEx so unlikely you'll chew through that in my opinion, but just so far as the CapEx which is outstanding as far as what you need to award. What is the biggest risk on that? Is it things like electrical instrumentation, processing equipment, just to understand where the risks sit on balance?

Then a question for Matt maybe on Balranald. I think, Matt, if I'm correct, Balranald CapEx has gone up maybe by $80 million or so versus the budget a couple of years ago when inflation was low. Just a step through if you could and just are we getting anything for that increase in CapEx?

Matthew Blackwell: Yes, look, I'll start with that question and hand over to Tom on the refinery. Look, you're right, Paul. We disclosed $480 million capital estimate. It was a 2023 real number and you're right, we've had two years of inflation since that time. What we have done is also accelerated some deferred capital that was in our forward cashflow estimates and in our financial evaluations.

This includes $15 million, also a 2023 real number, to electrify the mining panels, for example, which will reduce operating costs, provide a more reliable architecture, lower CO_2 emissions and allow for a greater penetration of renewable power across the site. That's pretty much it for Balranald so I'll hand over to Tom.

Tom O'Leary: Okay, thanks Matt. Yes, look, Paul it is pleasing to see that we're a fair way through the preparations for intensive onsite construction activities and we've maintained that contingency growth and escalation allowance. That's pleasing but you can imagine that we're not at all complacent about that, not for a millisecond.

As we look forward the key risks will obviously be when we're undergoing the intense activities around structural and mechanical piping, electrical implementation onsite and that will be commencing late this year. The challenges remain ahead of us and we're not going to be complacent about those.

Paul Young: (Goldman Sachs, Analyst) Okay, thank you very much.

Tom O'Leary: Pleasure.

Operator: Thank you. Our next question comes from the line of Austin Yun of Macquarie. Your question please, Austin.

Austin Yun: (Macquarie, Analyst) Thank you. Morning, Tom and the team. Just a first question on Balranald. Keen to understand if it's going to be commissioned in the second half of the year. What are the key milestones for this and also compared to the initial plan, the first production targeted in the first half now have flipped to the second half and you also guided that there will be no sales. Will it just be stockpiled. Is that just because the volume is quite small this year or is there are any other nuances? Thank you for that.

Matthew Blackwell: Look, thanks Austin. It's Matt here. In terms of the run towards commissioning, all major contracts have been awarded, all major equipment has landed in Australia, we have good visibility on the run through to commissioning an operational ramp up in H2 and we'll move into the camp in a couple of weeks. The access road is done. We're bringing modules to site. The schedule shows and we've tested the schedule, we're really confident in the processes that we have in place and the plan to get us there.

In regards to the ramp up and stockpiling, we haven't said that there won't be any production this year. What we will be doing is we start pre-mining activity sort of middle of the year, we start producing heavy metal concentrate in the second half and then that mineral concentrate, we have to build enough to be able to then take it through our logistics chain and bring it around to the West Coast of Australia, where it will be separated into the constituent components, and then it will find its way to market.

Adele Stratton: Yes, and Austin, just to add - I think you mentioned a slippage to H2 2025. That’s been our guidance for the past 18 months. During 2023, we took the decision to defer some of the capital and push that spend into 2024 and ’25. In our full year results material last year, we also talked about commissioning in H2 25, so we’re very much on track.

Austin Yun: (Macquarie, Analyst) Thank you, Matt and Adele. The second one, just on the market - a lot has been discussed already. I’m just wondering, you have I think quite a bit of finished product inventory by the end of the year. Is any split between the zircon and the synthetic rutile? I think it’s 20,000 [tonnes]. I’m just trying to get a sense of how much additional bulk volume need to come through before you change your business plan and to restart SR1.

Adele Stratton: Austin, just in terms of inventory or finished goods inventory build during 2024, the majority of that was in the rutile and synthetic rutile. You can see that when you compare our production numbers to our sales numbers. So, 11,000 tonnes of SR was built during 2024. As I think both Tom and Matt have talked to in terms of some of those indicators that we need to see before a restart is undertaken for SR1. A slight build in inventory during 2024.

Austin: Okay. Thank you, Adele. I'll pass it on.

Operator: Thank you. Our next question comes from the line of Rahul Anand of Morgan Stanley. Please go ahead, Rahul.

Rahul Anand: (Morgan Stanley, Analyst) Hi. Good morning, Tom, Adele, Matt and team. Thanks for the call. Just a couple from me. Perhaps on Balranald first. Just wanted to get a bit of an update as to what you're seeing on the ground, firstly. Obviously, in your lab trials, you had issues with the head of the drilling equipment because the technology is more suited to oil and gas, and you're trying to move it into mining. How's that - have you done some test work now as the project starts to get closer to first production? How's that going?

Then, perhaps a quick follow-up on that, perhaps for Adele. Adele, just going back to the capital budgets, I've - correct me if I'm wrong, I thought that the CapEx spend expectations were around $480 million for the project, which would have meant that there's about $240 million left in calendar year 2025. But I think in your CapEx splits, you've got about $380 million for Balranald. Is that an additional $140 million in the CapEx number for Balranald? Or am I reading that incorrectly? Thanks. I'll come back with another question after.

Adele Stratton: Yes, sure. Let me start with the capital, and Matt or Tom can touch on the mining unit technology. Rahul, just to remind everyone, when we made the FID decision back in the beginning of 2023, we quoted a capital number of $480 million. That was real, 2023, so not a nominal number. So, you need to add inflation to that number to really represent how much you're going to spend. If we think about the inflationary environment across 2023 and 2024, certainly in New South Wales, you'd need to add a certain amount to that to get to what you're actually going to spend. So, that number's going to go up quite a bit. So, real to nominal.

Then, as Matt just touched on earlier, we've accelerated some of the deferred capital. One example of that being $15 million for electrification. If we recap in terms of the money that we've spent, we've spent $190 million in 2024, and therefore you'd expect the vast majority of the remainder to be spent in 2025, as we've guided.

Matthew Blackwell: Thanks, Adele. Rahul, appreciate the question on the technology. Maybe just to remind or just to go back, we've been studying the Balranald ore body for a long period of time, and we've got a very good understanding of the ore body. We developed the underground mining technology over 10 years, and that development process included three trials, the last of which was at commercial rates. That last trial demonstrated technical, commercial and reliable performance of the mining unit.

It's not quite correct to say that we've borrowed the technology from oil and gas. It is a - it's a collection of technologies that we've been working on. We're comfortable with where we are, and we're very confident that we've applied sufficient rigour in choosing our technology partners as well to get the right balance between capital efficiency and operational predictability. We've got a robust commissioning and execution plan. All that said, we're not complacent, but we're confident.

Rahul Anand: (Morgan Stanley, Analyst) Got it. Okay. Just one follow-up there, perhaps for Adele. Adele, appreciate the inflation, and we've seen that across the market, obviously. For the first unit, there's a lot involved, and you're trying to set up a brand-new site, so I guess your CapEx then, instead of the $480 million, it seems like it was $620 million for that unit.

If I think about the future, can you give us a rough feel for if there were further expansion on site, and you added another module in the future to expand production, what type of numbers - or how much CapEx out of this can we perhaps think as non-repetitive? I guess I'm trying to get to how much another unit would cost in terms of expansions in the future.

Adele Stratton: Yes. Thanks, Rahul. Just to remind everyone, in terms of Balranald, there are four mining units. There's are two development rigs and two mining rigs. That's all included in the total project capital. Just coming back on the $480 million and the inflation, Rahul. When you do your modelling and calculate your NPVs, there's the difference between the real and nominal. I wouldn't want people to walk away from the call thinking there's been a cost blowout for Balranald. This is just normal.

You've quoted a number in real terms, so you have to inflate it to get to what you're actually going to spend in each year. It's certainly not $620 million. As we mentioned, there's $380 million spend in '25 to conclude the project, and we spent $190 million this year. That's in - that's the spend for the project. In terms of future deferred capital, that would just be normal sustaining capital, Rahul, in terms of your maintenance, et cetera. I think in terms of any future expansion, the mine life's got 10 years to run with those four rigs that I've mentioned. There's certainly no intention to introduce any further mining or development rigs.

Rahul Anand: (Morgan Stanley, Analyst) Okay, sure. I was calculating the $240 million spend to date from the FID date, and then that would have left $240 million. If I add your leftover spend, it obviously adds up to $620 million. As I said, I appreciate the inflation side of things, and you've probably seen a 30% inflation in terms of CapEx and build of new projects over that period across the industry really. So, that 30% is fair, I think.

Adele Stratton: Let me take that offline.

Rahul Anand: (Morgan Stanley, Analyst) Sure.

Rahul Anand: (Morgan Stanley, Analyst) Okay. Just one last one from me. If we think about JA, any updates there, Matt or Tom? How are you thinking about the project? Obviously, grades will come off in due course, and obviously mine life there also is a bit of a concern. Any movement on that? Or what are the plans as they stand today in terms of any life extensions or future potential in that asset? Thanks.

Tom O'Leary: Yes, certainly grade has come off already, Rahul and that's evident from our costs and so on but it's also clear that the existing JA deposit will be completed through '28. As we look at those assets, we look at optimising what we have there and we look at the satellite deposits around and look at which and whether they make sense to exploit and in what timeframe.

So we're evaluating all of that and evaluating those options against other options in our portfolio and will update you on those in time.

Rahul Anand: (Morgan Stanley, Analyst) Excellent, okay, that's my questions. Thanks very much. I'll pass it on.

Tom O'Leary: Thanks, Rahul.

Operator: Thank you. Our next question comes from Tom Prendiville of Canaccord Genuity. Please go ahead, Tom.

Tom Prendiville: (Canaccord Genuity, Analyst) Yes, morning, Tom, Adele, and team. Thanks for your comments. Maybe just a question on rare earths. Now you've got the funding for Eneabba, can we please just get a bit of an update on how you're thinking about utilisation at the refinery?

I mean you've got the monazite stockpiles, you've got Balranald, that seems to be progressing well, plus the potential for heavies from Northern Minerals brown range project. But that's probably - that's still subject to funding and FID.

I mean the question here is are you still actively hunting for third party sources to sit alongside them? Then I mean if you are, do you prefer lights, heavies, or are you indifferent? Just a few comments there, thanks.

Tom O'Leary: Sure. Thanks, Tom. Good question. Although I don't think I'm going to be able to shed that much light on it at this point. What we have is options at the moment. You know, we have the Eneabba stockpile that sees us pretty satisfied for feedstock if we choose to for a good deal of time.

Balranald supplements that, as you point out, and then we have the likes of Northern Minerals, the heavies strong deposit. As well as Wimmera, our own deposit where we're advancing our feasibility study.

Yes, we are open to third party feeds. But we'll be determining a feed profile for the refinery much closer to the point at which we will be operating that refinery in earnest. So look, we are open to other feeds. In terms of whether it's lights or heavies, there is certainly an opportunity to maximise utilisation of the refinery by supplementing the Eneabba feedstock with a higher proportion of heavies.

But that's not to say we are not interested in lights at all. So yes, we have a good deal of flexibility with the refinery and we'll be looking to maximise the value that we can achieve from that asset over time.

Tom Prendiville: (Canaccord Genuity, Analyst) Great. No, that's useful, Tom. Maybe just a quick follow up, just staying on rare earths. I mean you're having discussions with potential off takers at the moment, V and PBR oxide and heavies' products. Just curious what are you hearing in terms of rare earth oxide demand as we move into 2025?

Obviously it was soft in '23/'24 and you combine that with higher production coming out of China from the quotas. Yes, just curious how you're seeing your view on rare earth pricing as we trend into 2025.

Tom O'Leary: Yes, look, I think neither we nor the customers are focused on the current prices that are published by the Asian Metal Index. We're looking at timing of supply that's some years hence. So that's kind of the first point.

Our customers are pretty focused on diversity of supply sources and security of supply. We're engaging with them on a pricing framework that we've described in some detail before.

Look, I think we're getting good traction on that and a reasonable level of interest and engagement from the customers we're looking to supply.

Tom Prendiville: (Canaccord Genuity, Analyst) Okay. No, that's useful. Thanks, Tom. I'll pass it on.

Tom O'Leary: Thank you.

Operator: Thank you. Our next question comes from Paul McTaggart of Citi Group. Please go ahead, Paul.

Paul McTaggart: (Citi Group, Analyst) Morning, morning. So just on that topic, same topic. I hear you, Tom, that you want a different pricing arrangement. I think we all understand that.

The unusual situation here is that normally you'd probably have that in place before you committed and started spending money on a big project like the refinery. So can you tell me - I mean let's assume in the worst case, because you always have to think about what happens in the worst case.

What happens in the worst case if you build the thing and you can't generate enough cashflow to pay the government loans. How does that play out? What's the way forward out of a situation like that?

I mean I know you don’t want to get to that and you obviously have a different pricing regime. But we always have to think about what can happen. What plays out in that process?

Tom O'Leary: Well, Paul, we've been really clear that the loan is nonrecourse. There's been some scepticism about that, about can loans really be nonrecourse. I just emphasise that there is no uncertainty whatsoever between Iluka and the government that it is a nonrecourse loan.

You know, we'll do all we can to construct the refinery in a timely way and with good quality and the ability and the preparedness to produce the rare earth oxides required for permanent magnets for electrical vehicles, for robotics, and all the rest of it.

But at the end of the day, it is a nonrecourse loan. So what this amounts to is an opportunity for Iluka to build a terrific business and to diversity the Company in a very positive way. But the limit of our exposure is as we've outlined pretty clearly in the pack in December.

Adele Stratton: Paul in terms of clarity around that repayment aspect. So in the presentation that we put out in December around the refinancing with the Commonwealth, on slide 10, it steps through the cashflow waterfall.

So what happens to the cash that's generated once the refinery is operating and just a reminder that there is the royalty payment. So once you've paid your interest, that scheduled repayment and Iluka's royalty cashflow start to come into play.

So just a reminder, maybe look at slide 10 of that December presentation. It may help.

Paul McTaggart: (Citi Group, Analyst) I guess what I was thinking though is let's say the loans can't be repaid, what does the government do then? Okay, I know it's nonrecourse, I get that.

But does the government put the asset up for sale? You know, you might say Government forgive loans, right? It can take it on the chin itself. By why would it do that? I mean at least go through a process first to see if someone else wants to pay some money for it.

I mean have you thought about - In some ways, it's not your problem. But have you thought about what might happen in that situation?

Tom O'Leary: Look, Paul, I think it's a pretty hypothetical, speculative journey that you're inviting us to go down. I've been clear about what the end result is in a worst case scenario, which is what you invited me to speculate on originally.

Adele has clarified what happens if, whilst not all of the loan can be repaid, the interest is repaid. Provided interest is repaid, loan repayments and our royalty up to $900 million, then rank equally. There's a range of hypotheticals but the government would have rights as a creditor when the facility terminates in the late '30s. But beyond that I'm not going to be speculating.

Paul McTaggart: (Citigroup, Analyst) Okay thanks Tom, let's hope you do well with your pricing outcomes.

Tom O'Leary: Indeed, thank you Paul.

Operator: Thank you, our next question comes from Jennifer Hewett of AFR. Please go ahead, Jennifer.

Jennifer Hewett: (Australian Financial Review, Journalist) Good morning, I just wanted to follow up again on that rare earths thing. You talked about the pricing framework and the engagement and interest from customers.

Given those megatrends you talked about, in terms of diversification and supply chain, why is it do you think that there's just this resistance to paying more, and why can you be confident that that will change? (2) Do you rule out any need for any additional government financial loans or assistance?

Tom O'Leary: Thanks Jennifer. The premise of your question was why is there resistance. As I've said, back in December and over the course of the last two years, we're on a program really, of market development and we're looking to develop the market and moving away from the Asian Metal Index controlled by China as we've described on several occasions.

As we've moved along that program, there's a growing acceptance by the industry that there is a requirement for change, and that growing awareness and acknowledgement and acceptance has been evident at key rare earth conferences around the world.

I wouldn't agree that there's a resistance to the change. It clearly takes time to evolve and develop the market for products that have hitherto been completely controlled almost, by the Chinese, and the players that are participating in the market from the West have accepted that pricing mechanism.

So, it does take time to evolve the market and we're working through that. As I say, I wouldn't accept that there's resistance, but it will take some time. The second question you asked was whether we'd rule out any further assistance from government. I would just note that the refinery is fully funded and on slide 20 of the deck, you'll see that we have maintained the level of contingency at this stage of the project.

Jennifer Hewett: (Australian Financial Review, Journalist) Thank you.

Tom O'Leary: Thank you, Jennifer.

Operator: Thank you. Our next question comes from Milan Tomic of J.P. Morgan. Your question please Milan.

Milan Tomic: (J.P. Morgan, Analyst) Good morning Tom, Adele and team. Just looking at the presentation today, a bit of info on the Victorian Mineral Sands Rare Earth project in Wimmera in Goschen South. Should we be thinking about these as the logical feed source for the Eneabba Refinery, above the stockpile and some concentrate from Balranald?

Tom O'Leary: Yes, I think that's right. The Goschen South deposit is in the Wimmera, it's a similar style of deposit to the one that we've already declared a reserve in respect of. Yes, I think it would be a logical feed for the refinery in time, it will obviously follow the Wimmera.

Milan Tomic: (J.P. Morgan, Analyst) Yes, thanks for that. Just looking at the distance from the Eneabba Refinery, seems like quite a long haul. Is there much of a cost impost here and has there been any work done on the radioactivity of the ore at these deposits, and potentially haulage implications of that?

Tom O'Leary: Yes, we've certainly examined haulage but I'd just emphasise that the volumes, the tonnages of concentrates that would be being moved around are relatively low. Obviously the refinery products are obviously very, very low volumes.

In terms of concentrates, the front end of the refinery can take about 55,000 tonnes per annum, so in the context of logistics movements that's not an enormous task. The concentrates from the Wimmera would likely come by ship around to Geraldton. But certainly given the volumes, it's not unforeseeable that we could use other means.

Milan Tomic: (J.P. Morgan, Analyst) Thank you very much.

Operator: Our final question comes from Matthew Hope of Ord Minnett. Your line is open Matthew.

Matthew Hope: (Ord Minnett, Analyst) Yes, thank you. Just wanted to follow up on Wimmera again. Previously I think you were going to develop a test zircon refinery, I believe that was over in Geraldton.

Is that still proceeding, is that something that's going to be developed in FY25? Just quickly following that same question would be, is there a market to develop a third-party zircon refinery? Given there's a lot of fairly low-quality zircon, particularly in Western Australia at the moment.

Tom O'Leary: That's right, I'll hand over to Matt in terms of the feasibility of Wimmera in a moment. But yes, there are opportunities for improving low quality zircons in Western Australia and much of the zircon in the Wimmera region, and there are a number of potential projects there, does require some means of addressing the quality of zircon.

As the feasibility progresses for the Wimmera, and as we've noted, we're expecting to complete that in the middle of '26 now. We're looking at a range of ways to optimise the value of zircon and we do propose to update on that score later this year. Beyond that, Matt is there anything you'd like to add at the moment, or not really?

Matthew Blackwell: No, I think you've covered it well Tom. Thanks Matt.

Matthew Hope: (Ord Minnett, Analyst) Thank you.

Tom O'Leary: Pleasure.

Operator: Thank you, I would now like to turn the call back to Tom O'Leary for closing remarks, sir.

Tom O'Leary: Thank you for joining us this morning, appreciate your interest in the Company and look forward to seeing many of you over the next days and weeks.

Bye for now.

Operator: This concludes today's conference call. Thank you for participating, you may now disconnect.

End of Transcript