**[START OF TRANSCRIPT]**

Tom O'Leary: Good morning, and thank you for joining us. With me are Adele Stratton and Luke Woodgate. Over the first half, Iluka marked important milestones, advancing key growth projects and delivered a financial result that outperformed our expectations from the beginning of the year.

While demand conditions were mixed, supply tightness in the zircon market drove strong sales and pricing outcomes. This, in turn, led to strong cash generation and a significant reduction in our mineral sands net debt with commissioning of the Balranald project delivered in parallel.

In rare earths, we executed our first offtake agreement, strengthened our long-term feedstock position and progressed construction of the Eneabba refinery to 60% complete. Adele will talk to the financials in a moment. But before that, a few words on mineral sands markets, Balranald and Eneabba.

On markets, we were pleased with our volume and pricing outcomes for zircon. It's mainly supply tightness that supported these with our contracted sand prices increasing to around US$1,760 per tonne for Q3.

Many of you are aware of the fire at Eramet facility in Senegal back in February. And this, along with lower Indonesian exports and operational challenges at some of our peers and our own supply discipline have contributed to the dynamic.

Demand remains mixed across regions, subdued in China and stable in Europe. Absent any change in demand or to the supply situation, we expect prices broadly to hold at the Q3 level for the remainder of the year.

We've managed to identify some ZIC stocks at Narngulu and plan to blend these with some sand volumes and bring them to market in the second half. While that zircon-in-concentrate is a lower-grade product, it generates a good margin.

Our high-grade titanium feedstocks sales are second half weighted this year, a function of both our operational settings having less natural rutile available to sell while Cataby is idle and Balranald is ramping up as well as a customer entering into administration last year and other adjustments to take-or-pay contracts to support customers in challenging market conditions.

These elements were factored into our decision to idle Cataby and SR2, our second kiln late last year. We have 110 thousand tonnes of take-or-pay contracts for synthetic rutile this year, and most of those sales will fall in the fourth quarter. Pigment demand is yet to show clear signs of a recovery, although we're seeing higher input costs in China flowing through at higher pigment prices there as well as some further pigment capacity rationalisation.

On top of this, the widespread tariff protection announced over recent years appears to be offering some protection to multinational pigment producers, Iluka's customers, which have announced some modest gains in price or volume in their recent results. We are monitoring conditions closely and retain the flexibility to respond to renewed demand growth and any improvement in conditions.

On Balranald, the commissioning was an important milestone. We were ambitious in our schedule and on reflection, perhaps we should have allowed for more time and effort to be expended, given that issues can arise where technologies are being applied in a new environment at commercial scale.

We've had to spend time and effort in the second quarter addressing seal failures within the inner pipes as well as improving the mud recipe to preserve stope integrity. Nevertheless, two mining rigs are now operational. We've achieved much better consistency in developing stope lengths to their full potential, and we're transitioning our rigs more effectively from development mode to mining mode.

At the concentrator, both magnetic and non-magnetic heavy mineral concentrates have been produced on specification. Our focus is now on ramping up production, particularly ore extraction rates and recoveries.

Moving to Eneabba, which I know is key for many shareholders. If you haven't looked at the latest drone flyover on our website, I'd really encourage you to do that. You'll see that the refinery is increasingly taking shape.

Just last week, the roaster kiln was raised from its holding area and positioned in place, and we've included a picture of that on Slide 17 in today's presentation. We've also again reaffirmed the total capital budget for the refinery, and we're increasing in confidence on both budget and schedule.

Construction is 60% complete. The vast majority of major equipment has been delivered to site and piping, electrical and instrumentation installation are underway. Commissioning has already begun. The high-voltage power supply and distribution network have been energised together with several low voltage transformers supplying key process areas.

This milestone enables progressive commissioning of plant, equipment, and supports the transition from construction activities to operational testing. Mineral commissioning, that is the delivery of first feedstock into the completed refinery will occur in 2027.

From a strategic and commercial perspective, we've delivered our first rare earths offtake agreement with a global automotive company and also strengthened the refinery's long-term feedstock position through the concentrate supply agreement with VHM Resources, which we announced in July.

Both developments are consistent with our approach to building a rare earths business based on diversified feedstock and pricing outcomes that are protected from the industry's existing monopoly structure. You'll see on Slide 21, a summary of our internal and third party feedstock options and Slide 22 covers some illustrated production scenarios.

Clearly, external developments continue to reinforce the strategic rationale for our rare earths diversification. We continue to see evidence of industries and governments seeking secure and reliable sources of rare earths with transparent supply chains.

We've been talking about this shift for many years. Momentum is only building and it's becoming evident that Eneabba will play an important role in the evolution of this industry. The refinery coming online in 2027 is also well-timed from a supply and demand perspective. It's one of very few facilities outside China that by design will produce separated light and heavy rare earths oxides at meaningful scale. Over to you, Adele.

Adele Stratton: Thanks, Tom, and good morning, everyone. The mineral sands business generated strong cash flow during the half, supported by improved zircon pricing, inventory drawdown and continued operational discipline.

Mineral sands net debt reduced by 42% to $273 million at 30 June, with the business generating $247 million of operating cash flow and $200 million of free cash flow. These outcomes were achieved while completing the development of Balranald, which accounts for the vast majority of the $94 million of mineral sands capital expenditure in H1.

As we set out in the quarterly, that figure included $35 million that had previously been expected to be recognised as operating costs for Balranald. As a result, we've provided updated guidance on cash costs of production for 2026. And we expect those to be $380 million for the year.

Full year mineral sands capex is now expected to be $115 million. And we'll spend an additional $25 million on studies for Wimmera and rare earth mineralisation. Our ability to invest in these initiatives is supported by our strong cash generation and improved mineral sands balance sheet.

We've reported a statutory loss for the period which includes $156 million of cash and non-cash inventory movements and $41 million in idle charges, which we flagged at the results in February.

On inventory, obviously, we have a significant finished goods decline this half, down 74 thousand tonnes of zircon sand and 37 thousand tonnes for synthetic rutile. Our HMC stocks were down modestly and what we retain is predominantly ilmenite bearing work in progress for kiln feed, enough to feed the SR kiln for around 12 months. The kiln restart timing remains subject to market conditions.

Any potential restart of Cataby would be later, given our stocks of ilmenite bearing HMC. The company declared a 3 cent fully franked dividend in line with our capital allocation framework to distribute receipts from our 20% stake in Deterra Royalties. And with that, back to you, Tom.

Tom O'Leary: Thanks, Adele. Looking ahead, execution remains our focus. At Balranald, this means achieving ramp-up and delivering first final products. Our first heavy mineral concentrate shipment to Narngulu scheduled for September. At Eneabba, construction continues as we work towards mineral commissioning and operations next year.

We continue to have strong engagement with potential customers and feedstock suppliers and are progressing discussions with several credible counterparties across different geographies. Finally, across the broader business, we remain disciplined on costs and capital allocation. We look forward to sharing with you further progress over the year. And with that, we'll move to questions.

Operator: Your first question comes from Rahul Anand from Morgan Stanley.

Rahul Anand: Good morning, team. Thanks for the call. A couple of questions from me. Perhaps if we start with zircon markets first and then I'll come back to Balranald. Obviously, some really good signs in the zircon market. We've seen both volume and price improvements. But Tom, as you highlighted that these are in some part, driven by these disruptions that we've had in Senegal and also Indonesia.

Now I guess my question is, from your perspective, where do you think we currently sit on prices after these increases? Are those prices enough for perhaps the Indonesian side to provide more exports into the market?

And are you thinking about the price as such that once these disruptions go, is there a downside pressure? Or are you seeing some green shoots now that we should be able to hold this level of pricing and volumes? That's the first one on zircon.

Tom O'Leary: Yes. Just specifically on Indonesia, I'm not sure they're waiting so much for a price signal as more policy constraints around the export of zircon. So not expecting to see a material change there. Yes, look, zircon has, for a long time, been a supply side story and it continues to be that. I think while the Senegal interruption may be rectified in time.

There are other producers who continue to struggle and you know them as well as I, Rahul. So I'm not expecting a material improvement in the supply side anytime soon. And that's why we think that absent any material change to current settings, we're seeing prices pretty stable through the remainder of the year.

Rahul Anand: Excellent. Okay. That's very clear, Tom. And the second one is on Balranald. I believe the ore extraction rate and recoveries have been a bit below

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| | expectations there, or are at the moment. But I guess, can you share your view on what's driving it? |
| | I mean I remember during trials, there was an issue with greater wear rates from what I remember, is that the same problem that's ongoing currently? Or is there something else? Like what type of rectification is going on? And when should we expect for that performance to pick up? |
| Tom O'Leary: | Yes. Thanks, Rahul. What we've been spending time on really over the last half, particularly in the second quarter is around resolving issues we've had with the seal connections between the 10-meter length of 3 core pipe. So what we are focused on going forward is making some in-the-field optimisations to make the mining equipment really easier to deploy. |
| | In that example, we're simplifying connections to ward off the possibility of seal damage in the field. I've also touched on the mud recipes to ensure that we manage to deploy our mining unit to the full potential of stope length, and those two issues, I think, around seals and pipe connections as well as around being able to exploit the full length of stopes, have largely been resolved in the first half. So we're looking forward to really getting on and increasing our rates of extraction over the second half. That's really the objective. |
| Adele Stratton: | Yes. And just to add to that, Rahul, in terms of your question, is it a wear issue? So as you say, when we did some of those trials, it was the mining nozzle that was wearing down a lot quicker. We're not experiencing that same issue. We've talked about those further trials that we did to test the materials of construction, they've all proven to be sufficient for the application. |
| Rahul Anand: | Excellent that's very clear. Thank you team. I'll pass it on. |
| Tom O'Leary: | Thanks Rahul. |
| Operator: | Your next question comes from Paul Young from Goldman Sachs. Please go ahead. |
| Paul Young: | Yes thanks. Morning Tom and Adele. Hope you're well. A few questions on Eneabba. First of all, just based on the photos of construction, it looks like it's going really well. So well done getting to this point, project is really well managed, really well estimated, construction is going really well. I also noticed |

you paid back some of the MOFA facility during the half, which is great from a balance sheet standpoint.

But the question -- first question is actually on just committed to remaining capex. I mean, you've done a great job of disclosing your contingency along way and being transparent there. You've used a little bit of it, though. So just curious around what -- where you've used the contingency and growth allowances so far and do you expect when you look at the forward to use a bit more within the $0.6 to 0.7 billlion of committed and remaining?

Adele Stratton: Hi, Paul. Yes. Look, in terms of it -- as you said, we're really pleased with regards to the progress that the team is making. And we've reiterated once again, the guidance on the full capital cost expected for the refinery, so that $1.7 billion to 1.8 billion.

And we have tried to be really transparent in terms of the funds that are set aside for the contingency growth and escalation, you would expect some of those funds to be utilised for growth and escalation comes from inflation, etcetera. So the purpose of the disclosure is really to provide that transparency that you've still got sizable contingency for the remaining spend to go, in terms of utilisation, it's a whole range of factors.

I mean there's been a little bit, as everyone can imagine, in terms of diesel prices and getting stuff to sites, so transport costs that's a little bit of it. And it's just the normal puts and takes in terms of as you progress through the project. So there's nothing specific that I'd call out, as Tom mentioned, we've now got all of the major equipment on site.

We've led all of the major contracts. So we announced in the quarter the award of the SMPEI, so the structural, mechanical, piping, electrical and, instrumentation contract. That was the last major contract that we had to do. So yes, we're really comfortable with regards to the disclosed capital of $1.7 billion to 1.8 billion for the project in total.

Paul Young: Yes. Okay. Great. And then can you remind us just with respect to commissioning, great to see the kilns in place at the moment. It still lots to do around pumping and piping and instrumentation etcetera, installation. When is first monazite scheduled to go through the kiln with respect to the schedule?

Tom O'Leary: Yes. Look, as you've kind of alluded to in your question there, Paul, commissioning is a bit of a continuum. And as I called out in the opening, we've begun commissioning in several areas already. What we've said about mineral commissioning is that it will be in 2027. And I think that's sufficient guidance for the moment.

Paul Young: It's quite broad guidance, Tom. But anyway, we can maybe explore a little bit more. But just -- and last question for me, just on equity contributions, Adele, when you look at the capex profile, when do you expect to make additional equity contributions? Is that $214 million, just the spread of that? Thanks.

Adele Stratton: Yes. Just to remind everyone, in terms of the composition of the $214 million, $82 million of that relates to working capital. So Paul, you'd expect that to be towards the end of the project rather than the beginning as you start to pull in your reagents, etcetera.

And so the next equity contribution as expected at the beginning of next year. So in 2027 from a capital perspective, so for the rest of this year, we'll be drawing down on the Export Finance Australia loan in terms of where we are with that loan, we've got full access to the $1.65 billion, having satisfied the EFA conditions around satisfactory offtakes entered into.

Paul Young: Yeah, great. Okay. Thank you.

Adele Stratton: Thanks, Paul.

Operator: Thank you. Your next question comes from Glyn Lawcock from Barrenjoey. Please go ahead.

Glyn Lawcock: Good morning, Tom and Adele. Tom, can we just get back to the offtake agreement first and just the confusion that was caused when you made that announcement about a month ago or so. Just you weren't trying to give full year production guidance when you said 1,200 tonnes is effectively 10%.

Can we just clear that up? And like how should we think about it? I mean, we see it's really -- your first couple of years will be just on the Eneabba stockpile, but then it will just depend on third-party feed. If you could clear that up, that would be great? Thanks.

Tom O'Leary: Yes, that's right. So Glyn, you're right. We weren't intending to give full year production guidance, particularly given, as we've just discussed, we're commissioning the asset next year. So that estimate was really around using the Eneabba stockpile only.

And as we've set out in the presentation today, there are many prospects for other feedstocks coming into the refinery beyond the Eneabba stockpile, which quite obviously will give rise to higher production outcomes. So really kind of in response to concerns around potential early years production we've sought to allay that somewhat with the disclosure we've made today.

Glyn Lawcock: Yes, much clearer. And then maybe just on the inventory position. Obviously, you're now down to 260 thousand tonnes of finished goods you've got 73 thousand tonnes of SR slated to sell in the next 6 months as well. I mean, I know you don't break it down by product, but at this right now, when do you envisage turning the SR kiln back on? And what is your thinking now around staging? And is it the big kiln, the small kiln, like when do you start making decisions on restarts and what does it look like in your mind at the moment?

Tom O'Leary: Yes. As you well know, Glyn, the larger in SR2 obviously has some heat recycling, some cogeneration. So it's obviously a much more efficient kiln than SR1, but we've said that the restart is very much dependent on market conditions in the titanium space. We're monitoring those really closely and we retain the flexibility to restart pretty quickly.

But really, that is dependent on, I think, improved housing markets in North America and Europe, which will drive pigment demand, which in turn will see pull-through and feedstock demand. And the other driver potentially of restart and an uplift in demand for feedstocks more generally is disruptions to feedstock supply. And we've seen the impact that a relatively small disruption, small in terms of number of suppliers at least in the zircon space can have on zircon feedstock consumption.

And it's a similar industry structure, if you like, in the titanium space. So some interruptions there could see extensive pull-through, changes to requirements for the likes of our feed stocks. When we look at the titanium feedstock industry, look at the financial viability of some of the participants, we also look at, for example, strategic reviews underway from some major producers, which you're well aware of.

And also the lack of investment among some in the industry that could also lead to further operational outages. But at the end of the day, you can expect us to be a pretty disciplined supplier into the market and have a focus on sustainable returns. So we're just looking at that market and we'll make a judicious decision around restart at the right time.

Glyn Lawcock: All right. And could I squeeze in just a follow-up, Tom, on Balranald?

Just obviously, back at the start of the year, six months ago, you said the first rig had achieved target extraction rates back in February, I think it was, you said that. So obviously, you had some issues in Q2 with the seals. I didn't quite pick up in your answer to Rahul's question, but like what rate are we at now like because obviously, we were at nameplate, you said back in February. We had some issues in Q2. Like where is Balranald now and when -- I didn't quite pick up when you said actually you now expect to be back at full extraction rates across the 2 rigs?

Tom O'Leary: Yes. Good question, Glyn. I didn't disclose a precise rate but what I said back in February is that we achieved targeted extraction rates, but the key is achieving them continuously over a long period of time. And that's what we need to do, and we need to continue to apply effort to get to in the second half to get our extraction rates up to targeted rates permanently as it were, and so that's the -- it's the volatility, it's the failure to achieve it on a continuous, reliable basis that we need to work on over the second half.

Glyn Lawcock: No fatal flaws, Tom, in your mind?

Tom O'Leary: No, I don't think so, Glyn. I mean we've said that with the benefit of hindsight, we probably should have allocated more time an effort to ramping up what is a -- it's an existing technology but in new context. So in that environment, we probably should have we probably should have allocated a bit more time to address these sorts of issues.

Glyn Lawcock: So you don't envisage a third rig being needed then to get to the ultimate output rates, you think you can still do it with two?

Tom O'Leary: Yes, I think so. Yes, that's where we're focused. We're not contemplating additional rigs.

Glyn Lawcock: All right. Thanks for your time, Tom.

Tom O'Leary: No trouble. Thank you, Glyn.

Operator: Thank you. Your next question comes from Dim Ariyasinghe from UBS. Please go ahead.

Dim Ariyasinghe: Thanks, Tom. Thanks, Adele. Just on the offtake, can we talk more broadly now the strategy going forward? Like do you expect to do more offtakes? And I guess how does that inform your thought process in terms of how to eventually feed the plant?

Tom O'Leary: Yes. Okay. Look, as I've kind of alluded to in the past, our -- a couple of things, really, as we get closer to commissioning and operational steady-state production and having material on the ground, I think our negotiating position, our credibility increases pretty dramatically.

The other thing to bear in mind is that the overall context for rare earths, geopolitically and from -- and as a consequence from a supply security perspective, that's only improving from our perspective and deteriorating from a global perspective.

So I think as time goes by, our position improves, we needed to put in place an arrangement, as we've disclosed, satisfactory to government to unlock the funding, and we've done that with a relatively small volume. And we're very much open to locking in further volumes but only bearing in mind those couple of factors I mentioned.

And recognising that the products we'll be producing are highly sought after and are not being produced reliably in meaningful quantities in the West at the moment, particularly I'm referring to the heavy rare earths. So we're very much open to entering into arrangements, but they need to recognise those factors and be on attractive terms.

Dim Ariyasinghe: Understood. And just maybe on the working capital piece. So you guys have been pretty transparent on discipline on capital allocation with Eneabba recently. But how do you see that working capital piece evolve given what are happening with reagent prices as an example. Like is there any risk to the upside there? Or any broader comments you can share?

Tom O'Leary: Yes. So I'll hand over to Adele in a moment. But just to remember that -- and we've disclosed it in the pack as well that the remaining equity contribution from Iluka is expected over '27 and '28. And that contemplates in part the working capital requirements of the early years. Adele, do you want to...

Adele Stratton: Yes. So Dim as you can imagine, we keep a very close eye in terms of the working capital requirements. We're confident in terms of our assumptions underpinning those expected funding needs. Obviously, you're referring to the sulfuric acid price increases. We obviously do use that a lot with the nitric acid and other reagents. But yes, we remain confident in terms of the working capital that we've allocated and we keep it under close monitoring to Tom's point, commissioning next year, and so you'll be starting to bring in those reagents in 6 to 9 months time.

Dim Ariyasinghe: Okay. Cool. Thanks.

Operator: Thank you. Your next question comes from Austin Yun from Macquarie. Please go ahead.

Austin Yun: Good morning. Tom and team. Yes, most of my questions have been asked. Maybe just one follow-up on Balranald. Tom, you mentioned that, it seems like you prefer to have more time to look at the project, to work on the challenges at the seals, improved the mud recipe, just keen to understand, it sounds like this whole project will be in the ramp-up for the remainder of this calendar year.

I would just like to have some colour on how should we think about the 2027, should we anticipate Balranald to get close to the target production rate or run rate in calendar year '27? Thank you.

Tom O'Leary: Yes. Thanks, Austin. It's a good opportunity to clarify that, that's certainly our expectation that we're going to be getting to those rates for calendar '27.

Austin Yun: Okay, cool. Thank you. Second one, if I may, just on Eneabba. Yes, the project is in execution and you're still targeting commissioning in 2027. We're still working with a quite broad ranges of dependent scenarios.

Just keen to understand how should you think about the kind of key milestones that when we should anticipate a more concrete production profile? Or do we need to just work with all three different scenarios until 6 months into the commissioning? Thank you.

Tom O'Leary: Yes. We've disclosed in the pack today a scenario showing Eneabba plus Balranald, and that's probably a pretty reasonable estimate for the operation in '27 and probably a good deal of '28 as well. Beyond that, I think the opportunity for different fees is much more open.

Operator: Thank you. Your next question comes from Chen Jiang from Bank of America. Please go ahead.

Chen Jiang: Morning, Tom and Adele. Thank you for taking my questions. Two questions from me. on rare earths, please. So firstly, for your Wimmera project, just checking if Iluka is still on the right track to provide the DFS, including the capex detail by end of this year, which is in 3, 4 months' time as Iluka previously announced.

And also for the Wimmera project, do you consider it as a mineral sands project or a rare earths concentrate for upstream projects. And if there's any colour you can share with us how Iluka is going to fund it if this is a mineral sands project. I have another one after this.

Tom O'Leary: Yes. Thanks, Chen. Yes, in the quarterly, we actually talked about the Wimmera DFS being first half '27 rather than the end of this year. So that's what we're targeting now. The other question was really whether we see it as rare earths or mineral sands project.

On the rare earths and mineral sands, it's obviously got both attributes. But we declared a reserve a few years ago based on the rare earths side of it. I think it would be a challenging project to develop on the base of mineral sands without certainty about the outcomes for rare earths. I think it's fair to say we're probably seeing it more as a rare earths project than a mineral sands project, quite obviously, it's got both attributes.

But in terms of funding. Look, it obviously would be a very material capital expenditure. I think that's one, we would only embark on once we were a little further down the track in terms of the Eneabba refinery and having that commissioned and working well, so I think the outlook is going to be quite different at that point.

But the beauty of the Eneabba monazite stockpile is that it provides us tremendous flexibility in terms of when we would feel a need to press the button on a project like Wimmera. The other beauty of the feedstock supply arrangements we've entered into is that the refinery provides us the ability to give others a market for their projects and the VHM deal is basically an example of that.

So in some circumstances, it might be that others would spend the capital and we process the material. So again, the context we're in provides a lot of flexibility around the timing of Wimmera.

Chen Jiang: Sure. I understand. So just to summarise, it seems to me in an economic sense, Wimmera is more like a rare earths upstream project with capex to be announced with the DFS. I'm just checking what's the delay in DFS from end of this calendar year to next year?

Tom O'Leary: Yes. Look, it's an important project. So we're making sure that we evaluate all of the aspects of that carefully.

Chen Jiang: Okay. All right. And then just second one, sorry, on the rare earth feedstock. So again, for the rare feedstock from other states like Balranald in New South Wales, Wimmera in Victoria and your third party Lindian from Africa, I'm just thinking, have you got any exemptions to transport? Or is it your base case that you consider transport with your other rare earths concentrate from the states to the refinery in WA? Do you have to send back the residues or the tailings back to the producing space or producing country according to the regulations? Thank you.

Tom O'Leary: Yes. Just in terms of the waste products in the refinery, we have all environmental approvals in place to permanently dispose off those waste products on site at Eneabba. So no, we're not going to be taking material anywhere from Eneabba, any waste material.

Chen Jiang: So you think there's no limitation for you to transport? Because for rare earth concentrate from mineral sands as a by-product, the radioactive like uranium, thorium is pretty high. So there's no limitation for you to transport from different states to WA for internal feedstock?

Tom O'Leary: Yes. So you're talking about transport of the feedstock to Eneabba as well?

Chen Jiang: Yes. Because there are two things. So firstly it is to transport the feedstock from other states to WA and another thing is I think, according to regulation, you have to send back the radioactive residues to the producing place?

Tom O'Leary: Just to be clear, on the transport of feedstocks to Eneabba, we're very comfortable with our ability to get approvals to move that product to the refinery. Remembering that at a concentrate level, it's very, very, low concentrations of any of the products you mentioned uranium and thorium and so on.

Adele Stratton: Yes. So Chen, just in terms of -- let's use Balranald as an example. We transport heavy mineral concentrate all around Australia currently. There's no difference to Balranald in terms of our normal business. So this is business as usual for Iluka.

Chen Jiang: Okay, great to hear. Because I'm just concerned because of the uranium, thorium content, transportation around states in Australia. And I think according to regulators like you have got to send it back.

Adele Stratton: Yes. We transport heavy mineral concentrate all around the country today. So from just Jacinth-Ambrosia in South Australia, the Balranald material is on its way in the second half, the HMC from New South Wales. So all of that is part of our normal project approval. So yes, there's no concerns there, Chen.

Chen Jiang: Yeah. Thank you for your clarification, Adele. Thanks, Tom and Adele. I'll pass it on.

Tom O'Leary: Thanks, Chen.

Operator: Thank you. Your next question comes from Matt Hope from Ord Minnett. Please go ahead.

Matt Hope: Yes. Thanks. As you mentioned, Tom, some others who are going to provide you with [concentrate] offtake for Eneabba are putting in a lot of capital, I was just wondering who decides when that material arrives? So VHM and Wolverine, for instance, if you're still ramping up and using Eneabba and

Balranald, do you have to take that feed when it's supplied and we pay the suppliers or how does that work?

Tom O'Leary: Yes. Look, all of the supply arrangements are individually negotiated. So they are all slightly different terms. But I think probably the -- as good a guide as any, in short is that we have obligations to take and pay for that material when it's delivered, not precisely when it's delivered in terms of working capital and so on. But yes, when it's available and ready to be shipped to us, it is shipped to us and we'll pay for it in the normal course.

Matt Hope: Okay. Thank you. And then just in terms of -- so some of the agreements have upside sharing arrangement. So are you planning to sort of pay a base rate, and then when you find out what the actual level the material was sold at, then you upscale potentially the payment? Is that how it would work?

Tom O'Leary: Yes. Again, each of the contracts is heavily negotiated around those sorts of terms, but that is the principle that we tend to apply in that. We're not providing a forecast what price we're going to be able to get for particular products for the benefit of those suppliers. They're going to get a price for their concentrate, which kind of reflects the sort of price that we were able to achieve in the market with payability percentage and so on applied to it.

So that's broadly how it works. There's a level of confidence in our ability to get attractive pricing in the market. And that confidence is based on our historic track record in mineral sands marketing, I think, to some extent. And obviously, our interests are very, very aligned with the interests of our concentrate suppliers. We want to achieve the very, very best price we can for their product, and that gives a good outcome for both us and our supplier.

Matt Hope: Okay. Thanks. And just one last question, if I could. On Slide 22, you have a third chart there is HRE plus Yttrium. I was just wondering, what exactly is that showing? Because you have no -- as I understand it, you have no plans to produce Yttrium. Is this something that you are planning to sell to others? And if so, who? Is it China?

Tom O'Leary: Yes. Look, we're going to be selling a mix of products, which included Yttrium. Obviously, we're going to – we have to look at our assemblages, and we've got very high assemblages of Yttrium, particularly some of the more heavy dominant feeds are very, very high in terms of Yttrium content. So we are going to be producing Yttrium.

And as you can see on the following slide, Slide 23, we're producing that Yttrium as part of a mixture in a carbonate form. And as the refineries currently configured we will be selling that heavy rare earths plus Yttrium mix as a carbonate. We flagged the potential on Slide 23 there at some stage in the future we may add the capability to separate that Yttrium out then and then produce Yttrium oxide in a separate form. So that's a potential for the future. But certainly, at the moment, we're looking to sell the heavy rare earths and Yttrium carbonate mixture to -- there are players in the West who are very, very anxious to get supply that material in that form for separation and so we are engaging with those extensively.

Matt Hope: Okay. Thanks very much, Tom.

Operator: Your next question comes from Paul Young from Goldman Sachs. Please go ahead.

Paul Young: Yeah, hi, again, Tom. Actually, just a follow-up from that last question on the carbonate which I know it's always been the plan. Just not to put the cart before the horse too much here, really ahead of commissioning. But the carbonate -- as far as carbonate sales is concerned, should we be thinking that as far as those Western players processing, I mean, it's a very small group, maybe only 1 or 2. Is the plan there to send that carbonate to France? Is that the base case?

Tom O'Leary: Yes, it's probably more than 1 or 2, Paul. But I wouldn't want to be more specific about where that might go at this point.

Paul Young: Okay. And then, Tom, a question on just mineral sands capex and how you think about that. You've been pretty clear about Wimmera, and it's pretty prudent to start spending on Wimmera, I think when Eneabba is free cash flow positive and Balranald is fully ramped up. I would have thought.

So I think that's pretty prudent. You've got flexibility with VHM, as you said. So you've got many permutations, and you've actually got that decisions -- and the ability to make those decisions around spending on mineral sands projects, etcetera, including Wimmera.

Can I just talk about JA specifically, actually in that context and actually more specifically on Typhoon, where I see you've submitted to the federal permitting process, the permit for Typhoon to start up, I think, 3Q next year?

Can you just remind how that decision is going on Typhoon? I know it's capital-light, extends JA by a couple of years, but just the timing around the FID on Typhoon and maybe give us some capex guidance on that project?

Tom O'Leary: Yeah. Look, thanks, Paul. It's very observant of you to pick that up. Yeah, the way we're thinking about Typhoon is as you've indicated, it's still the same. We're treating that more as a mine move rather than a significant development to the new precinct as you'd expect.

It's not to say that it's an easy decision, though, and there will be some capital involved, obviously. And there are some things we need to tick off from an environmental perspective and others. So look, we expect to be in a position at the end of this year to make a decision there. And so we expect to be talking about it early next year.

Paul Young: Okay. Just confirm the capex on that project will fall into probably, in that case, second half of next year, it sounds?

Adele Stratton: Yes, that's right, Paul. And to Tom's point, thinking of it like a mine move. So that capital required is very capex-light. It's not a new mineral sands development.

Paul Young: Yeah, understood. Okay. Thanks very much.

Operator: Thank you. There are no further questions. I'll hand back to Tom O'Leary for closing remarks.

Tom O'Leary: Okay. Look, thanks for joining the call this morning. Again, I'd encourage you to have a look at the video if you haven't seen it on the website and I look forward to engaging with shareholders in coming days. Thanks again.

**[END OF TRANSCRIPT]**