ILUKA RESOURCES LIMITED (ASX:ILU)
AUSTRALIAN SECURITIES EXCHANGE NOTICE

QUARTERLY REVIEW TO 30 JUNE 2025

23 July 2025

KEY FEATURES

- Production of zircon/rutile/synthetic rutile (Z/R/SR) in Q2 2025 was 150kt, including
  - 37kt of zircon sand, processed from both Jacinth-Ambrosia and Cataby
  - 42kt of zircon-in-concentrate (ZIC), with production recognised upon sale
  - 58kt of synthetic rutile, with SR2 operating at full capacity
- Z/R/SR sales were 133kt, including
  - 49kt of zircon sand (premium and standard grade), a 2% increase on the prior quarter
  - 37kt of synthetic rutile (sales are second half weighted)
- The Q2 weighted average zircon sand price was US$1,692/t, in line with Q1 and guidance
- Iluka has achieved the full year production guidance for ZIC by 30 June 2025, resulting in a favourable impact on unit cash costs of production in H1. Iluka expects to produce a further 30kt of ZIC in H2, accelerating the run-down of this material. Minimal ZIC production will occur in 2026
- Construction work is progressing to schedule at the Balranald project. All modules for the concentrator structure are now in position on site. All four mining and development rigs are now on site and assembled. Stope development has commenced on Stope 1, the first stage of the underground mining process
- Total capital expenditure spent at the Eneabba rare earths refinery to date is $570 million. Detailed earthworks have concluded and concrete works continue. Equipment is now arriving on site in preparation for placement
- Select H1 2025 financials are provided on page 2

PHYSICAL AND FINANCIAL SUMMARY	Q2 24	Q1 25	Q2 25	H1 24	H1 25	H1 25 vs H1 24
PRODUCTION kt						**%**
Zircon sand	46.5	34.9	36.9	70.7	71.8	1.6
ZIC[1]	14.6	18.2	41.7	27.5	59.9	117.8
Rutile[2]	23.4	22.2	13.4	35.6	35.6	-
Synthetic rutile	57.6	55.4	57.7	94.7	113.1	19.4
Z/R/SR production	**142.1**	**130.7**	**149.7**	**228.5**	**280.4**	**22.7**
Ilmenite	121.9	96.3	94.6	190.9	190.8	(0.1)
SALES kt						
Zircon sand	59.3	47.9	48.9	107.7	96.8	(10.1)
ZIC[1]	14.3	19.4	42.0	25.2	61.4	143.7
Rutile	14.4	15.2	5.3	23.6	20.5	(13.1)
Synthetic rutile	48.5	33.8	36.5	85.8	70.3	(18.1)
Z/R/SR sales	**136.5**	**116.3**	**132.7**	**242.3**	**249.0**	**2.8**
Ilmenite	36.0	10.1	19.5	71.1	29.6	(58.4)
REVENUE $ million						
Z/R/SR revenue	314	242	280	560	522	(6.9)
Ilmenite and other revenue	24	18	18	46	36	(21.5)
Mineral sands revenue	**338**	**260**	**298**	**606**	**558**	**(8.0)**
Production cash costs of Z/R/SR				321	319	(0.7)
By-product costs				9	11	16.1
Total cash cost of production				**330**	**330**	**(0.2)**
$ per tonne						
Unit cash production costs Z/R/SR produced				**1,406**	**1,138**	**(19.1)**
Unit cost of goods sold Z/R/SR sold				**1,214**	**1,241**	**2.2**
Unit revenue Z/R/SR sold	2,297	2,078	2,109	2,312	2,095	(9.4)
AUD:USD cents	66	63	64	66	64	(3.4)

[1] Production of ZIC is recognised on sale. ZIC sales include small amounts of lower grade zircon products processed by third parties.

[2] Rutile sales and production volumes include the lower value titanium dioxide product, HyTi, that typically has a titanium dioxide content of 70-90%. This product sells at a lower price than rutile, which typically has a titanium dioxide content of 95%.

PRODUCTION COMMENTARY

The Jacinth-Ambrosia mine in South Australia produced 68kt of heavy mineral concentrate (HMC), marginally higher than the 66kt produced in Q1.

In Western Australia, the Cataby mine produced 154kt of HMC, down from 184kt in Q1, with higher ore volumes treated offset by lower ore grade, albeit in line with the planned mining sequence.

Total HMC processed in Q2 was 201kt. The Narngulu mineral separation plant processed 124kt of HMC, a mix of Jacinth-Ambrosia and Cataby material, producing a total of 79kt of zircon (including ZIC) and 13kt of rutile (including HyTi).

SR2 produced 58kt of synthetic rutile, with the kiln running at full capacity.

H1 2025 SELECTED FINANCIALS[3]

- H1 2025 capital expenditure was $402 million
  - $223 million for mineral sands, including execute spending on Balranald
  - $179 million on the Eneabba rare earths refinery
- Dividends received from Deterra Royalties were $9.5 million
- As at 30 June 2025, net debt for the group was $502 million:
  - $164 million net debt for mineral sands business
  - $338 million non-recourse net debt for rare earths business

	MINERAL SANDS[4]		RARE EARTHS	
	H2 2024	H1 2025	H2 2024	H1 2025
A$ million				
Operating cash flow	63	115	n/a	n/a
Capital expenditure	148	223	113	179
Free cash flow	(143)	(192)	(113)	(179)
	At 31 Dec 2024	*At 30 Jun 2025*	*At 31 Dec 2024*	*At 30 Jun 2025*
Net cash (debt)	90	(164)	(205)	(338)

EXPLORATION

Expenditure on exploration and evaluation activities in Q2 was $3.2 million.

In Australia, 1,797 metres of drilling was completed for target evaluation in New South Wales. Exploration mapping and orientation geochemical sampling commenced in the Northern Territory.

In the US, 229 metres of drilling was completed for target evaluation in the south east of the US. The field exploration program in Idaho was launched following the spring thaw. A detailed magnetic and radiometric survey (undertaken by an unmanned aerial vehicle) of the North Fork tenements was 50% completed.

[3] Financials are preliminary and are subject to finalisation prior to Iluka's Half Year Results. This section should be read in conjunction with the disclaimer on forward looking statements on page 6.

[4] Excludes Deterra

MINERAL SANDS MARKET CONDITIONS

Macro

Trade policy uncertainty continues to impact global economic activity, including Iluka's end markets. Tariffs, the reaction to tariffs (including stimulus in some countries) and geopolitical conflicts continue to undermine forecast reliability. As global trade patterns evolve, the downstream impact on economies remains unclear, with a broad range of potential outcomes as supply and demand dynamics are reshaped.

The US Government recently extended its tariff implementation deadlines from 9 July to 1 August, while at the same time imposing new reciprocal tariff rates on a number of countries including Japan (25%), Europe (30%) and South Africa (30%). The tariff rate to be imposed on Australia remains at 10%. Titanium dioxide feedstocks and rare earth oxides remain exempt from tariffs. Zircon remains subject to tariffs. ~50% of US imports of zircon sand are from South Africa, albeit relatively small volumes.

Given the ongoing uncertainty and the broad range of potential outcomes on market dynamics, Iluka is not providing guidance for zircon sales volumes or pricing for Q3. The company will continue to be disciplined and remains well positioned to respond to a broad range of market conditions.

Zircon

Zircon sand sales volumes in Q2 were 49kt with total zircon sales of 91kt (including zircon in concentrate (ZIC)). As noted previously, Iluka held prices in-line with the first quarter, which resulted in a weighted average realised price (premium and standard zircon) of US$1,692 per tonne. Total sales in H1 2025 were 158kt (19% higher than H1 2024).

Customers remain cautious; and Iluka's assessment is that significant re-stocking of zircon products is yet to occur. This re-stocking could provide a boost to volumes in due course, once the impacts of trade policy changes are clearer and global macroeconomic conditions improve.

Iluka is aware that some competitors have reduced prices for zircon products in China by ~$100/t in Q3.

Production in Indonesia (Central Kalimantan) has been affected by local authorities enforcing stricter compliance measures on artisanal mining operations. Only one player is currently able to produce, with the rest shutdown. The duration of this approach is unclear.

Titanium dioxide feedstocks

Synthetic rutile sales volumes in Q2 were 34kt. The weighted average realised price for synthetic rutile was US$1,147/tonne, up slightly on the first quarter. Volumes in Q2 (and H1 overall) reflect customer shipping schedules, with shipments expected to be weighted towards the second half of the year.

Sales of natural rutile and HyTi products were 5kt in Q2. The lower volumes reflect timing (a shipment of HyTi shifted to Q3); and continued challenges in welding markets, where lower priced exports of low quality rutile and leucoxene from China continue to impact pricing. Despite these pressures, Iluka's Q2 realised rutile price (excluding HyTi) was $1,496/tonne, down ~3% on Q1.

Rare earths

Recent industry developments continue to support Iluka's rare earths strategy, particularly the recently announced agreement between the US Department of Defense (DoD) and MP Materials. Notably, this agreement includes a price floor of US$110/kg for NdPr products – an acknowledgement by the US government that higher prices for separated rare earth oxides are essential to building a sustainable Western and likeminded supply chain. Iluka has consistently advocated for independent pricing mechanisms that are not linked to the Asian Metals Index; these recent developments are encouraging and support Iluka's pricing approach.

Iluka has previously provided a range of possible scenarios for utilisation of the Eneabba refinery at long term forecast NdPr prices of $108/kg (Adamas). Under these scenarios, the equity IRR for the Eneabba refinery ranges from 35% to 51%.[5] These strong equity returns reflect Iluka's strategic partnership with the Australian Government, which includes a limited cash equity contribution from Iluka and preferential cash flows to Iluka in equal priority to loan repayments.

[5] Complete project and equity return assumptions presented in an announcement released to the ASX on 6 December 2024 "Eneabba rare earths refinery – Positive outcome of funding discussions and updated economics".

Iluka remains focused on advancing construction of the Eneabba rare earths refinery (see page 5), with offtake discussions occurring in parallel. Upon commissioning in 2027, Eneabba will be one of few rare earths refineries to exist outside of China; a multi-decade infrastructure asset capable of processing a range of feedstocks and producing both light and heavy separated rare earth oxides. Iluka's production of material amounts of heavy rare earth oxides in Australia remains a key point of competitive differentiation for the company over other sources of Western world supply, which remain limited in their abilities to produce heavy rare earths at scale.

PROJECT UPDATES

Updates on selected projects for the quarter are detailed below.

Execute

Eneabba, Western Australia

Iluka is building Australia's first fully integrated refinery for the production of separated rare earth oxides at Eneabba, Western Australia.[6]

This is taking place via a strategic partnership between Iluka and the Australian Government, with a non-recourse loan to Iluka under the Critical Minerals Facility administered by Export Finance Australia.

Site activity in Q2 increased, with the completion and handover of all facility areas from underground services and detailed earthworks contractors to concrete installers, which are making good progress. Works associated with non-process infrastructure involving administration building, HV powerline and gas metering station are at the final stages of completion; and works on laboratory construction are underway. Equipment is now arriving on site in preparation for placement.

Total capital expenditure spent at the Eneabba rare earths refinery to date is $570 million.

Balranald, New South Wales

Balranald is a rutile-rich critical minerals development located in the Riverina district of south western New South Wales. Owing to its relative depth, Iluka is developing Balranald via a novel, internally developed, remotely operated underground mining technology.

A final investment decision was approved in February 2023.

Construction work continues to progress safely and on schedule. Both mining rigs and both development rigs are on site and assembled. All modules for the concentrator structure are erected, with mechanical and electrical trades now connecting the modules together.

Stope development has commenced on Stope 1. This is first stage of the underground mining process. Balranald remains on track for commissioning in H2 2025.

Definitive Feasibility Study (DFS)

Wimmera, Victoria

The Wimmera development involves the mining and beneficiation of a fine grained heavy mineral sands ore body in Western Victoria for the potential long term supply of rare earths and zircon.

A preliminary feasibility study (PFS) was completed in early 2023 and Iluka's Board approved $30 million funding for a DFS in February 2023. This was accompanied by the declaration of an Ore Reserve for the WIM 100 deposit in respect of the rare earths (zircon revenue is not yet accounted for in Wimmera's Ore Reserve).

The DFS continues to progress, alongside the technical and environmental studies that support the Environmental Effects Statement (EES). WSP has been engaged as the lead engineering services provider and detailed engineering has now commenced.

For more detail on these and other projects, refer to: iluka.com/operations-resource-development/resource-development

[6] For further information refer Iluka ASX releases, *Eneabba Rare Earths Refinery Funding Update*, 6 December 2024 and *Eneabba Rare Earths Refinery – Final Investment Decision*, 3 April 2022.

This document was approved and authorised for release to the market by Iluka's Managing Director.

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Disclaimer:

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By accessing this document you acknowledge that you have read and understood the following statement.

This document includes forward-looking statements reflecting Iluka's current expectations. These statements are expressed in good faith and the expectations and beliefs are genuinely held but no representation or warranty is being made by Iluka that the matters stated in this document will in fact be achieved or prove to be correct. Readers should not place undue reliance on any forward-looking statement.

Forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that could cause the actual results or achievements of Iluka to differ materially from expectations. These risks and uncertainties include changes in exchange rate assumptions; changes in labour or product pricing assumptions; major changes in mine plans and/or resources; changes in equipment life or capability; changes in regulation and policy; emergence of previously underestimated technical challenges; increased costs and demand for production inputs; physical events that materially impact project timelines or production schedules; and environmental or social factors which may affect a licence to operate, including political risk.

Iluka does not undertake to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this document, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

All figures are expressed in Australian dollars unless stated otherwise.

APPENDIX 1 – MINING PHYSICAL DATA

Physicals Data 6 months to June 2025	Jacinth-Ambrosia	Cataby
Mining		
Overburden Moved kbcm	3,388	5,116
Ore Mined kt	4,766	6,557
Ore Fed/Treated kt	4,766	5,138
Ore Treated Grade HM %	3.0%	7.1%
VHM Treated Grade %	2.8%	5.9%

Physicals Data 3 months to 30 June 2025	Jacinth-Ambrosia	Cataby
Mining		
Overburden Moved kbcm	1,970	2,236
Ore Mined kt	2,281	4,331
Ore Fed/Treated kt	2,281	2,573
Ore Treated Grade HM %	3.2%	6.4%
VHM Treated Grade %	2.9%	5.3%

Explanatory comments on terminology

Overburden moved (bank cubic metres) refers to material moved to enable mining of an ore body.
Ore mined (thousands of tonnes) refers to material moved containing heavy mineral ore. For Cataby/ South West this refers to ore treated.
Ore Fed/Treated (thousands of tonnes) refers material processed through the mining units for Cataby/ South West.
Ore Treated Grade HM % refers to percentage of heavy mineral (HM).
VHM Treated Grade % refers to percentage of valuable heavy mineral (VHM) - titanium dioxide (rutile and ilmenite), and zircon found in a deposit.

APPENDIX 2 – WEIGHTED AVERAGE RECEIVED PRICES

The following table provides weighted average received prices for Iluka's main products. Iluka's Annual Report, available at www.iluka.com contains further historical mineral sands price information.

	FY 24	Q4 24	Q1 25	Q2 25	H1 25
US$/tonne FOB					
Zircon premium and standard	1,882	1,819	1,698	1,692	1,695
Zircon (all products, including zircon in concentrate)[1]	1,721	1,587	1,557	1,442	1,491
Rutile (excluding HyTi)[2,3]	1,694	1,662	1,549	1,496	1,519
Synthetic rutile	1,205	1,186	1,138	1,147	1,143

Notes:

1. Zircon prices reflect the weighted average price for zircon premium, zircon standard and zircon-in-concentrate. The prices for each product vary considerably, as does the mix of such products sold period to period.
2. Rutile prices will vary quarter-on-quarter depending on the end market to which the product is supplied (e.g. pigment or welding). Post the demerger of Sierra Rutile Limited in H2 2022, rutile sales are a smaller contributor to Iluka's revenue.
3. HyTi is a lower value titanium dioxide product that typically has a titanium dioxide content of 70 to 90%. This product sells at a lower price than rutile, which typically has a titanium dioxide content of 95%.

APPENDIX 3 – PRODUCTION SUMMARIES