

ENEABBA PROJECT - PHASE 2



AUGUST 2020

WORK STARTS ON ENEABBA PROJECT - PHASE 2

Welcome to the first newsletter for Iluka Resources' Eneabba Project - Phase 2.

Building on the successful establishment of mineral sands concentrate exports via Geraldton Port with a first shipment in June, Iluka's Board of Directors has approved investment of around \$35 million to upgrade the operation's processing facilities.

The upgrade will involve construction of a new plant at Eneabba to further process and separate the existing mineral sands concentrate into two separate products: a monazite concentrate; and a heavy mineral concentrate containing zircon and ilmenite.

The processing plant upgrade at Eneabba presents a range of economic opportunities for Iluka's Mid-West communities via the production of high-quality mineral sands and rare earths products.

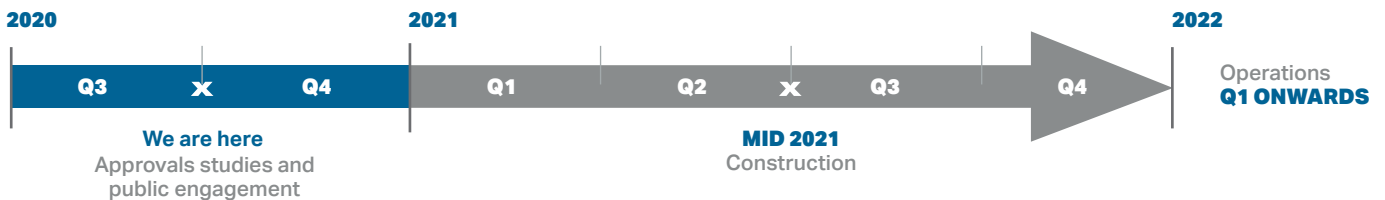
Pending regulatory approvals, Iluka expects the upgrade will employ more than 60 people during construction. Once operational, there would be around 30 jobs, including contractor and supply chain roles. Where possible, Iluka will prioritise local employment. The operational life of the Eneabba deposit is estimated at around a decade.

PERMITS AND APPROVALS

The Eneabba Project - Phase 2 requires several regulatory permits and approvals. This includes approval under the *Mineral Sands (Eneabba) State Agreement Act*; as well as from the Radiological Council of Western Australia, the Department of Water and Environment Regulation, and the Department of Mines, Industry Regulation and Safety.

The project timeline is shown in the table below.

INDICATIVE TIMELINE FOR ENEABBA UPGRADE PROJECT



ENGAGEMENT

Iluka will engage widely with stakeholders throughout the approvals process. Some stakeholder engagement is already underway and we look forward to expanding the discussion further.

Community 'Listening Post' forums will be held in Eneabba and Geraldton at key stages of the approvals process, including in the coming weeks. We will hold targeted meetings with groups representing different parts of the community; and also engage with others on request. Engagement opportunities will be publicised over the coming weeks.

Online engagement is underway at iluka.com/engage/eneabba. The engagement website includes ways to provide feedback and to get in touch with Iluka's project team. It will be updated regularly.

Our 24/7 community line is also available on 1800 305 993.

FOCUS ON ROAD SAFETY

Iluka's increased truck movements between Eneabba and Geraldton are on public roads. Should the Phase 2 project proceed through to construction and operations, we anticipate there will be four trucks per day on average.

Other road users, their families and their communities rightly expect Iluka to prioritise road safety. As part of meeting that expectation, Iluka plans to re-open the southern site entry point from the Brand Highway.

The South Secondary Road, about 14 kilometres south of the Eneabba township, already has a slip lane to facilitate truck movements to and from the highway.

MINERAL SANDS CONCENTRATE EXPORTS MILESTONE

The achievement of the first shipment of mineral sands concentrate from Iluka's Eneabba operations via Geraldton Port on June 28 was a major milestone in the company's 45 year history in the Mid-West.

Narngulu Operations Manager Courtney Ackland said community engagement during the project development stages helped Iluka to address expectations around safety and other matters.

"To obtain the very stringent regulatory approvals required for the Eneabba operation, it was essential that Iluka could show we had heard the community and appropriately addressed matters raised," Mr Ackland said.

"I would like to thank all those who participated in the consultation and approvals processes for their part in bringing this project to fruition."

A second mineral sands concentrate shipment was completed successfully in mid-August.

RADIATION MANAGEMENT

Most minerals sands deposits, and their processed products and by-products contain naturally occurring radioactive material. Safe management of this material is well researched and regulated; and integral to all aspects of Iluka's operations globally.

At Eneabba, Iluka uses sealed storage containers and placarded trucks to transport mineral sands concentrate to Narngulu between shipments, and then from Narngulu to Geraldton Port for ship loading. This is consistent with the Iluka's longstanding approach to radiation safety and compliant with all applicable regulations.

Throughout ship loading, Iluka's radiation experts conduct monitoring to ensure worker and public safety. Also, in accordance with the Australian Standards and Iluka's approved Radiation Management Plan, the Mid-West Port Authority also conduct independent radiation monitoring. Monitors are located on the vessel, on the dock and worn by all personnel in proximity to the operation. In addition, during loading for the first shipment in June, a radiation specialist from the Department of Mines, Industry Regulation and Safety carried out independent radiation monitoring.

Radiation monitoring data collected by all parties over the first two shipments showed that radiation remained well below the regulated levels set to protect people during the entire ship loading process, and were mostly undetectable.

Iluka's Senior Environmental Specialist for Radiation - Russell Browne said a combination of factors was critical to the safe execution of a complex project where radiation safety is paramount.

"The use of specialised equipment and application of stringent controls were essential to ensure the safety of workers and the wider community throughout all stages of the export activity," Mr Brown said.

"Ultimately, the most critical factor is team work by vigilant and highly-skilled people across a range of varied roles."



Loading begins for first mineral sands concentrate export in June.

REHABILITATION PROGRAM ONGOING

Rehabilitation of previously mined areas is another big part of Iluka's activities around Eneabba and an example of innovation driving outcomes.

Iluka's rehabilitation team recently completed a 72 hectare revegetation project at Eneabba using their ground-breaking invention, the Flora Restorer.

The machine was designed by the Eneabba rehabilitation team. It combines several land management techniques into a single piece of equipment to address wind erosion, water run-off, evaporation and other barriers to revegetation in the Mid-West region.

Iluka's Revegetation and Closure Superintendent Sarah Barron said more than 70,000 native seedlings were planted this year alongside the seed distributed by the Flora Explorer.

"We collected the native seeds and cuttings locally from more than 180 species and processed them on site at Eneabba, so that the biodiversity of the region is reflected in our revegetation," Ms Barron.

"We then use advanced techniques such as tissue cultures to grow species that are very difficult to cultivate using conventional methods."

Ms Barron said the team was now eagerly awaiting more rain to ensure the seedlings' root systems could establish early enough to survive the dry summer months.



Eneabba local and Iluka employee Jerrilee Dunham planting seedlings for revegetation project.