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Operator: Good day and thank you for standing by. Welcome to Iluka Resources' 2025 half year results conference call. At this time, all participants are in listen-only mode. After the speakers' 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. You will then hear an automated message advising your hand is raised. To withdraw your question, please press star one one again. Please be advised that today's conference is being recorded. I'd now like to hand the conference over to Mr Tom O'Leary, Chief Executive Officer and Managing Director. Please go ahead.

Tom O'Leary: Good morning. With me are Adele Stratton, Matt Blackwell and Luke Woodgate. Thank you for joining us. Both internally and externally, it's been an eventful first half for Iluka against a general backdrop of global economic uncertainty. Ongoing trade disputes among the world's largest economies have affected our Mineral Sands and Rare Earth businesses in different ways.

We have subdued demand for mineral sands at present, with customers reluctant to hold inventories given the broad range of potential economic outcomes they confront. But this has been accompanied by important industry developments on the supply side, including the consolidation and closure of some pigment capacity in China and Europe, the imposition of tariffs and anti-dumping duties and the material reduction in zircon production from Indonesia.

Rare earths have been at the forefront of trade tensions, serving to highlight once again the fragility of the existing supply chain and the pressing need to diversify. It was instructive that among China's first actions in response to US tariffs was the introduction of export controls on rare earths, which saw the idling of production lines by some Western automotive OEMs. This was followed by a significant partnership being struck by the US Department of Defense and MP Materials, which included a price floor, an explicit recognition that higher prices for separated rare earth oxides are essential to establishing a sustainable Western and likeminded industry.

In the context of an external environment that's evolving considerably, continuity has been central to Iluka's approach. Continued discipline in safety costs and markets is reflected in the result we've published today. We also continue to invest in key capital projects that underpin our future, Balranald and Eneabba in particular, and we've continued to develop our Rare Earths business, a business we believe is well positioned with respect to global

developments observed over many years, including those over the past six months. I'll now pass to Adele to step through the result.

Adele Stratton: Thanks, Tom, and good morning. Production was strong in H1, with 280,000 tonnes of zircon, rutile and synthetic rutile. This was ahead of guidance, driven primarily by zircon in concentrate volumes, which we prioritised given market conditions. As a reminder, zircon in concentrate, or ZIC, is residual non-magnetic material that we've accumulated over time and which has historically been difficult or uneconomic to recover fully into zircon sand. Production of zircon in concentrate is recognised on sale.

We've already achieved full-year production guidance for ZIC, producing 60,000 tonnes in the first half, and we expect to produce a further 30,000 tonnes in the second half. That will accelerate the run-down of available material. Production of ZIC in 2026 will be limited as a result of this pull-forward. Revenue in the half was \$558 million, with EBITDA margins of 39%. Unit cash costs of production were lower than forecast, the result of the higher ZIC production volumes on the unit cost on unit cost absorption.

Operating cash flow generated by the Mineral Sands business in H1 was \$115 million, partially funding Mineral Sands' CapEx of \$223 million, which included \$196 million of execute capital expenditure on Balranald.

The Mineral Sands business has a net debt position of \$164 million at 30 June. We remain committed to targeting no net debt through the investment cycle in our Mineral Sands business. Slide 9 in the pack documents our history of drawing on commercial debt facilities to fund new developments before paying down that debt quickly from free cash flow generation.

Iluka also contributed \$55 million equity to the Rare Earths business. Just to recap, Iluka's total equity contribution to the Eneabba refinery is \$414 million, and it's in two tranches. The first tranche is \$200 million, contributed on a 1:3 ratio with the EFA debt, resulting in total funding of \$800 million to the project. Then, the original EFA loan is fully drawn to the \$1.25 billion before Iluka begins to contribute its second tranche of equity of \$214 million, once again on a 1:3 ratio, including to cover \$82 million of working capital during commissioning in 2027.

To date, Iluka has contributed \$161 million of equity to the Rare Earths business, and we expect to contribute a further \$39 million during the remainder of 2025. The non-recourse net debt for the Rare Earths business unit at the end of the half totalled \$338 million. We

deployed capital expenditure of \$178 million on the refinery in H1, and Tom will cover our progress at site shortly.

Our Rare Earths business will operate with a different leverage profile due to the flexible and non-recourse nature of the Australian government's financing. So, it's really important to view our two businesses and their corresponding balance sheets as distinct, and that is how we're managing them.

In line with our dividend framework, and reflecting our significant capital investment in H1, the interim dividend of \$0.02 per share passes through the cash received from our 20% Deterra royalties holding. Back to you, Tom.

Tom O'Leary: Thanks, Adele. Before opening up for questions, I'll spend just a moment on our progress at Balranald and Eneabba respectively. Balranald remains on schedule for commissioning this half, with mining planned to commence in the fourth quarter.

Recruitment of the operational workforce is 90% complete, and construction work has continued to progress safely. All modules for the concentrator structure have been installed and are currently being connected. All four mining and development rigs are onsite and assembled, with development of the first mining stope completed in July.

Development of the second stope has commenced, with mining to commence once three stopes have been completed and the above-ground facilities are ready to receive ore. The first heavy mineral concentrate will be produced this year, with this material processed to finished goods at Narngulu in the first half of next year.

At Eneabba, detailed earthworks are complete, and concrete installers are onsite and making good progress. Equipment continues to arrive onsite for placement, including mixer settlers, agitators for the SX building and the pylons for the rotating kiln. Total spent and committed capital expenditure has reached \$1 billion. As set out on slide 25, approximately \$270 million remains allocated to contingency, growth and escalation allowance.

We're looking forward to shareholders visiting these key projects, and we're hosting a site tour of Eneabba in October. Balranald will follow in 2026. With that, over to you for questions.

Operator: Thank you. We will now begin the question-and-answer session. To ask a question, please press star one one on your telephone and wait for your name to be announced. To withdraw your question, please press star one one again. Please stand by

while we compile the Q&A roster. Once again, that's star one one for questions. We will now take our first question from the line of Austin Yun from Macquarie. Please go ahead, Austin.

Austin Yun: (Macquarie Bank, Analyst) Morning, Tom and team. Two questions for me, please - from me, please. The first one is on the Eneabba. Given that you have spent \$1 billion, including the committed, to date, do you have visibility of how much contingency funding you need to tap into when you finish this project? Any view on that? I'll come back for the second. Thank you.

Tom O'Leary: Sure. Thanks, Austin. As I just touched on, on slide 25, we've set out, as you've observed, that we've spent and committed \$1 billion, and with the remaining capital to go, we still have that \$270 million allocated to contingency, growth and escalation. We continue with our guidance of \$1.7 billion to \$1.8 billion capital expenditure overall, so you can draw your own conclusion, but we, as I say, remain committed to that total number.

As you'd expect, there'll be puts and takes as we go through the remainder of the build. As I said back in February, the key contracts that are yet to let are the structural, mechanical, piping, electrical and instrumentation contracts, and we're looking to place equipment broadly as it comes to site to reduce the scope of those larger SMPE&I contracts to mitigate risks associated with those.

We're not going to give specific guidance on how much of that \$270 million would need to be tapped into. As I say, there'll be puts and takes as we go through to completion. A couple of things that may give some level of assurance is that we're very advanced with our engineering, at around 75% to date in terms of detailed engineering, and the equipment is, as we've said, largely procured.

Austin Yun: (Macquarie Bank, Analyst) Thank you, Tom. I'll just switch to the Mineral Sands business. Keen to get an update your view of the production plan for SR1, which has remained offline. I note your inventory has, especially the HMC inventory, continued to increase. What's the decision point for the HMC production to slow down, or is there - at what time you need to have a view on the SR business plan. The question is in the context of your commentary around the Mineral Sands business, which remains challenging. Thank you.

Tom O'Leary: Thanks, Austin. As you know, we have the 200,000 tonnes of take or pay contracts that go through to the end of next year, so that underpins our synthetic rutile

business to a large extent, but we have built inventory of SR, and we're well placed to respond to improvement in market conditions. But given those market conditions and the inventory we have, we're very - much more likely to prioritise the draw-down of inventory over the coming period, rather than a nearer-term restart of SR1.

I would note though that the industry commentator's forecasting a 10% increase in demand for titanium feedstocks over the period '24 to '29 to the equivalent of some - effectively 1 million tonnes of high-grade feedstock. So, there are certainly outlooks in the marketplace of stronger demand ahead.

Austin Yun: (Macquarie Bank, Analyst) Thank you, Tom. I'll pass it on.

Tom O'Leary: Thanks, Austin.

Operator: Thank you. We will now take our next question from the line of Paul Young from Goldman Sachs. Please ask your question.

Paul Young: (Goldman Sachs, Analyst) Morning, Tom and Adele. I hope you're both well. Tom, can I start with the refinery, the offtake from the refinery, starting with NdPr. First of all, stating the obvious, that the MP transaction is overwhelmingly positive and draws the line in the sand, if I can say that, providing the floor price for discussion. We know the offtake in theory has to be done by next August, but this is maybe working your favour, but any update you can provide on those offtake discussions, please?

Tom O'Leary: The offtake discussions continue, but I think as you've observed, the MP deal is really a significant development, and that is the context in which those offtake discussions are being carried out at the moment. I think what that deal though demonstrates is that to establish a successful rare earths industry upstream, as well as downstream to magnet, some really significant measures are called for. As I said at the opening, the MP deal with the US government is really an explicit recognition that higher prices are essential to establishing a successful rare earths industry.

For some years now, we've debated on these calls the possibility of the emergence of a pricing paradigm for rare earths that's separate from the Asian Metal Index, and that's a narrative we've been pursuing generally and with customers over the last several years. The US government has now set that floor price, as you said, of \$110 per kilo for MP's product, and while we're yet to see how that's going to reverberate through the market downstream to customers, it's evidence that we've moved to, at the very least, a bifurcated market. That product will now be rewarded with a price totally disconnected from the Asian Metal Index. That much is clear.

I'd also note the US government's floor price of \$110 a kilo is very close to Adamas long-term view of \$108 a kilo over the next 10 years, which formed the basis of the project economics we published back in December. We engage with a wide range of industry consultants, and we've consistently used Adamas in our forecast, as its analysis is grounded in incentive pricing approach.

As for our own business, we're encouraged by the US government's actions and by the reaction from customers in recent times. Certainly, the level of customer engagement has ratcheted up following China's export controls being imposed back in April. But going to the offtakes and the specific question you asked, we remain very focused on delivering those arrangements that reflect the underlying value of what we're offering, just as we've done for decades in the Mineral Sands business, that value in use equation, and that's what the team is very much focused on.

The MP deal, just to close, is really a clear step in the right direction, but there's still work to do. We're not getting ahead of ourselves. It's also worth noting, I think, the Australian government's approach is also very encouraging.

Paul Young: (Goldman Sachs, Analyst) Thanks, Tom. I have to ask also on heavier earths, because there's some unbelievable prices for terbium, dysprosium being traded in Europe and the US at the moment versus the Asian Metal prices. It does seem that some panic has set in. With some OMs, you can't get terbium, dysprosium at the moment, and this obviously underpins - it's very, very positive for the economics, I should say, of not only Eneabba but certainly Wimmera. How are you thinking about the contracting of heavies? Is it just going to go together with the NdPr? I'm just wondering about your strategy there. Thanks.

Tom O'Leary: It's always been the case that a key competitive advantage that our Rare Earths business has is the endowment of heavies in our feedstocks, whether it's the monazite from Eneabba or the much more heavy weight deposits, be they in the Wimmera or Northern, which is also an exclusively heavies feedstock. It's certainly a key competitive advantage, and we're certainly seeing the appetite for heavies in the marketplace, and it's been observed by the Minister for Resources the importance of the heavies globally and the strategic positioning that results for Australia.

Paul Young: (Goldman Sachs, Analyst) Okay. Thank you, Tom.

Operator: Thank you. We will now take our next question from the line of Reg Spencer from Canaccord. Please go ahead, Reg.

Reg Spencer: (Canaccord Genuity Group, Analyst) Thank you. Good morning, Tom. Thanks for the opportunity. Just asking about your offtake with Lindian and the Kangankunde Project in Malawi. I was just hoping you could help me out on when you might expect to take first delivery of concentrate there and how that slots in your planned ramp-up, relative to your feed from the stockpile and Balranald.

Then the second question would be, with that feed, can you change the profile of those various feed sources to maximise oxide production in those early years, given that there's not an insignificant amount of rare earth coming out of that Lindian feedstock? Thank you.

Tom O'Leary: Yes. Look, thanks for the question. We're really pleased to have entered into the arrangements with Lindian.

As we've said before, there are some really key drivers of the value of the rare earth business. Capital structure, project delivery, operational performance, pricing, and longevity. The concentrate supply deals, like the Lindian deal or like Northern, contribute to that longevity.

We're not going to be guiding specifically on the timing of use of different feedstocks at the moment. That will be something that we develop as we approach commissioning and beyond. We'll inevitably be commissioning the refinery on any other feedstock alone, but we'll be - happily introduce other feeds as soon as they're available.

The comment you made - you also asked about the ability to maximise oxide production. We certainly will be looking to ramp up the refinery as quickly as practicable, and obviously, safely, but we're very much focused on maximising oxide production, and there's plenty of scope for the Lindian material and other material.

The Lindian material at 6,000 tonnes per annum over 15 years would be about 10% of Eneabba capacity. So, there's plenty of scope for further feed from Lindian, but also feed from our own reserves in Australia and further third-party feeds.

Reg Spencer: (Canaccord Genuity Group, Analyst) That's excellent. Thanks very much, Tom. Appreciate it.

Operator: Thank you. The next question comes from the line of Jonathan Mills from Morningstar. Please, go ahead.

Jonathan Mills: (Morningstar, Analyst) Yes. Morning, guys. Just two questions. Firstly, in terms of the finished goods inventory of about 325 kilotons, is it possible to get a breakdown between Zircon and titanium dioxide feedstocks?

Adele Stratton: Yes, Jonathan, we don't provide that breakdown. In terms of from a competitive position, it's not that helpful to the business to be that specific in relation to that breakdown.

You can obviously see which products are building because we disclose production and sales. So, you can sort of see where that movement comes. If you note in the first half, there's been a little bit of build in SR, but that's because of the timing of shipments. So, really, we're pretty flat on finished goods as to where we were in end of 2024.

Jonathan Mills: (Morningstar, Analyst) Yes. Okay. No worries. The other one is in relation to ZIC. Presumably, once Balranald ramps up, you'll have material that could potentially be - that might become ZIC down the track. Would that be a correct assumption?

Matt Blackwell: Good morning, Jonathan. It's Matt here. Now, the ZIC are more historical stockpiles of material from the MSP at Narngulu. So, once - as Adele commented on earlier, we've monetised, or taken the opportunity, at this point in the market, to monetise as much of those stockpiles as we can. So, you'd expect less ZIC production going forward.

There is always a small amount of material that comes out of the MSP, and as we continue with Balranald, but it's not going to change in any material way.

The thing that Balranald does do is gives us another source of premium-grade zircon, Murray Basin zircon, and particularly the material that's going to come out of Balranald, is a highly sought-after, high-quality, high-opacifying Zircon.

So, that will introduce the material to the market that it hasn't seen for a number of years, and provides us with a competitive advantage at that premium market end.

Jonathan Mills: (Morningstar, Analyst) Okay. Thank you. Thank you very much.

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

Rahul Anand: (Morgan Stanley, Analyst) Tom, Adele, Team, good morning. Thanks for the call. I wanted to start, maybe with ZIC first up. Just following on from the previous question.

I wanted to understand, sort of, what's the thought process in terms of next year's sales being lower? Is it mainly being driven by the fact that the demand is not really there, or is it because you want to focus on trying to draw down some of those inventories?

I guess I'm trying to understand the risk of competitors potentially providing or feeding into that vacuum that you create, and perhaps creating a bit of a negative impact.

Then, if you want to also provide a bit of understanding on how you think about Balranald ramp up as well, just sticking to that demand piece. I mean, do you think that potentially if demand is still looking challenging and you've got enough inventory that potentially it makes sense to delay ramp-up for Balranald once it's built?

I'll come back with a second. Sorry, that's the big first question.

Matt Blackwell: Okay, there are two questions there. The first one I can answer pretty quickly. As I said in my answer previously, we've exhausted most of the ZIC role. It's not about choosing to sell less ZIC next year because of market conditions. It's because we don't have as much of that material to sell as we have this year. So, that's why we'd expect a step down in ZIC sales next year.

It's simply a function of taking that opportunity to monetise the material at this point in the market, and so - and I don't think it'll create a vacuum per se that others will step into. It's an area that we have stepped into opportunistically during this stage of the market, and quite deliberate - well, not so opportunistically, but also deliberately.

When it comes to Balranald and the ramp-up, I'll just remind you that the products that we're expecting from Balranald are a high-grade rutile product, and our rutile offering is more limited at the moment. Particularly, it was more limited after the de-merger of SRL. So, we have had significant interest in the Balranald rutile from both the pigment market and where it is eligible for the welding market. So, that gives us an opportunity to re-establish a rutile position with the pigment market.

The second product, as I just mentioned, is the premium zircon. Murray Basin zircon, extremely well regarded. It's a high-quality product. So, that gives us an opportunity in the premium-grade market. There is sulphate and chloride ilmenite, so primary and secondary ilmenite.

The primary ilmenite is a product that we really haven't had a lot to sell of recently, and so that gives us an opportunity to move and supply sulphate or primary ilmenite to the sulphate feedstock route, or sulphate pigment route.

Then the chloride ilmenite will be used either in our kiln, as a feedstock blended with Cataby or sold to customers who consume chloride ilmenite.

So, I don't see an appetite for Balranald.

Rahul Anand: (Morgan Stanley, Analyst) Okay, no, that makes sense. Thanks for that, Matt. Look, the second one is perhaps for Tom. Just on the rare earths piece, Tom.

Obviously, you talked a bit about your negotiations with potential offtake parties, and how you're progressing with that. Obviously, there's no time pressure here because you've got a bit of time. How have you seen the inbound in terms of governments, I guess, because the MP deal is obviously a very different type of a marker in the sand here in terms of government stepping in and providing that [surety].

Are you seeing any other governments starting to engage with yourselves beyond perhaps the Australian Government? I mean, any sort of conversations with the US Government, or otherwise, looking for that heavy rare earth supply for defence purposes? Or otherwise, just to look at potentials to secure a bit of supply from yourselves? Or has it mainly been commercial parties and off-takers that the negotiations have been focused on so far?

Tom O'Leary: Thanks, Rahul. Look, I'll just take the premise of the question; there's no time pressure. We're certainly not complacent about offtakes, and we are applying a fair bit of time pressure to the team that's responsible for delivering those, and they're working very hard at it.

In terms of engagement with government, and governments around the world, I wouldn't be drawn on specific discussions, but it's safe to say that we continue to engage with a range of Western governments about their requirements for their industry and more strategic purposes.

I think it's also fair to say that it's pretty evident to all the shortage of heavy rare earths that's already been touched on, on the call. That's pretty evident to everybody now.

On our own government, the Australian Government's approach is evolving, and you'll no doubt have been seeing the comments made by the Minister for Resources on the Australian Government's intentions in relation to a strategic reserve.

The industry consultation is really just getting underway, and I wouldn't want to look to pre-empt that consultation, what it may comprise, nor what outcomes are likely, or being considered. So, I won't really provide any detail there.

I am encouraged by the Minister's public statements, which illustrate the focus on establishing a successful rare earths industry in Australia, as well as the importance of value addition to our mineral endowment here in Australia.

That's a consistent theme, and in particular, as you've pointed out, the strategic value of our heavy rare earths, which, as we've touched on, is a very key competitive differentiation for Iluka and for Australia over other sources of Western world supply.

Rahul Anand: (Morgan Stanley, Analyst) That's really good. Thank you. Thanks for that detailed answer. That's very helpful. Thank you.

Tom O'Leary: Thanks, Rahul.

Operator: Thank you. Our next question comes from the line of Glyn Lawcock from Barrenjoey. Please, ask your question, Glyn.

Glyn Lawcock: (Barrenjoey, Analyst) Good morning, Tom. Two questions for me, thanks. Firstly, just the zircon market. I mean, you're guiding \$80.00 a tonne down for Q3 now, and you've only sold 30,000 tonnes to date in the quarter, which is down 40% on what you'd done at the start of Q1 and Q2, even earlier in the quarter.

I know we touched on this at the Strategy Day in May, but I just wanted to hear a little bit more. I mean, is this just the demand, or is this really a big issue with China separating HMC coming from Africa? This is really becoming more of a structural problem, in spite it being lower quality Zircon, as Matt touched on in May, this is becoming a bigger problem for you, or is it too early to tell? Thanks.

Tom O'Leary: Oh, look, I'll hand over to Matt, Glyn. Yes, I mean, subdued global demand is an issue, and we'll be - we're - as we've noted exercising discipline in the marketplace, as is appropriate given the uncertainty both on demand and supply. Matt, do you want to take that one?

Matt Blackwell: Yes. Thanks, Glyn. Look, there's a couple of forces at play here, but clearly, as Tom said, you've got demand, which is a bit subdued at the moment, right?

Customers are reluctant to hold inventories given the broad range of potential outcomes that they face. We haven't seen a lot of stimulus, but you probably picked up as well the Chief Engineer of the Ministry of Industry and Information Technology in China recently stated that there were work plans to be expected to be introduced soon that would stabilise growth in 10 key industries.

Which included things that would have a demand for zircon, which was steel, non-ferrous metals, petrochemicals, and building materials.

We are seeing in Europe that customers are just not holding inventory because - and they're purchasing on a just-in-time basis.

India, big emerging market. Uncertainty currently due to the tariffs that are being placed on their exports for tiles, but India's rapid urbanisation is growing growth in the

construction sector. That's due to housing infrastructure and commercial spaces. We see this as a long-term growth and demand story.

Now, the other side, I'd say, on that is that we've seen important industry developments on the supply side. So, for zircon, we've seen the imposition of tariffs, and separately that material reduction in zircon production from Indonesia.

We actually highlighted in July that there was sales from Indonesia had been curtailed with authorities enforcing stricter compliance measures on miners, new tax regime, and we're unclear on the duration, but it's continuing. In fact, there was an ASX announcement this past week from a small miner there saying that all production in Central Kalimantan has ceased.

So, you know there's this supply and demand dynamic going on.

Now, TZMI is still forecasting somewhere between demand of 1.1 to 1.2 million tonnes in 2025, production of 1.2 million tonnes, and sand production still remains the dominant form of - way of getting zircon to market, with over 800,000 tonnes of sand being produced and consumed this year.

Now, as I think about those numbers, 800,000 tonnes, if we park aside those concentrates which are going to China, which, as you rightly point out, has been a little bit disruptive, let's be clear about that. They're taking some of that material to China. It's not all the same quality.

Of that remaining 800,000, if consumers aren't holding inventory, and they'd normally hold between one to three months, but let's say conservatively it's one to two months, they're going to need to purchase pretty quickly in excess of 70,000 tonnes of inventory once the market starts to tick up again.

So, we're alert to what's going on in China, we're alert to that HMC, but that is one market, and to date, China has not been exporting zircon, or opacifier, and the sales of Chinese tiles, and their exports of those tiles was also reduced as well.

So, I see a continued, strong demand dynamic for zircon sand throughout the rest of the world, and into China.

Glyn Lawcock: (Barrenjoey, Analyst) Okay. Thanks, Matt, for the colour. Then, Tom, just a second question. MP Materials, on their calls, have said discussions with OEMs fall well short of \$110 a kilogram price. So, they're going to be relying on the government for the top-up.

I mean, I know it's way too early and you've still got a long way to go in the journey, but do you think that is the case that it's - the OEMs aren't going to pay the price that the governments are willing to underpin, so you'll need that backstop?

Tom O'Leary: Thanks, Glyn. Look, as I said in the earlier answer, it's really - we're really waiting to see how the MP deal is going to reverberate through the market, and I think it will have implications.

The US Government isn't minded to - I don't expect, to subsidise either foreign OEMs and consumers of rare earths, nor the EV industry in the US.

So, I think we will see in time that this will have a significant and positive impact on recognised and accepted pricing required for acquiring rare earths and for delivering a sustainable rare-earth industry in the West.

Adele Stratton: I think, Glyn, earlier - sorry. It's Adele here. Just to note, as you say, in terms of historic pricing mechanisms, and as Tom's alluded to, we've been very focused on not linking our prices to the Asian Metals Index. For all the reasons that we've articulated many times before, including is this really a spot price, is it a rational market, but you know that spot price that people refer to yesterday was \$89/kilo.

So, if that's how people have priced their contracts historically, the delta isn't that big between what the US Government have done. So, we're very focused around value and economic returns back to Iluka, and I'm pretty sure that's how MP are thinking about it too.

Glyn Lawcock: (Barrenjoey, Analyst) Adele, that's an including VAT price, you just quote, \$89.00, is it not?

Adele Stratton: Yes, yes. Includes VAT, yes.

Glyn Lawcock: (Barrenjoey, Analyst) Okay. Thanks very much.

Tom O'Leary: Thanks, Glyn.

Operator: Thank you. Our next question comes from Al Harvey from J.P. Morgan. Please ask your question.

Al Harvey: (J.P. Morgan, Analyst) Yes, morning team, just on the Eneabba feedstocks and their Lindian arrangement, I suppose it's good incremental feed. Just wanted to get a sense of how you think about the trade-off of developing internal projects like Wimmera and obviously the associated CapEx versus these feedstock arrangements where you're not stumping up the Capex, but perhaps take a bit of a hit on margin. I'm trying to get a sense

of where you might see the optimum split of internal versus external feeds settling out in your view at this point in time.

Tom O'Leary: Yes, look I don't think we're going to settle on a specific percentage as an optimum for internal or external. I think we're going to evaluate opportunities as they arise and compare them to others, both our own and other third-party feeds. So that's the way we go about it, and we take into account the sort of factors you've talked about in terms of capital deferral and the like.

But what I'd say is that probably the thing that one really needs to focus on is that we're building not a feedstock program for five, 10 or even 20 years. We're building a multi-generational business here and we have significant capacity and a lot of opportunity to facilitate developments here in Australia, whether they're our own or third parties, as well as developments like this.

Al Harvey: (J.P. Morgan, Analyst) Thanks, Tom. Then I suppose maybe then just on those feedstock supplies, I just want to get a sense how you're thinking about geographic diversification. Obviously, you've got northern minerals in [Australia], you've got all your projects in [Australia], Lindian in Africa, Mrima Hill potential from Africa, so maybe just trying to get a sense of where else, if you have a preference from where feedstocks would come from.

Tom O'Leary: The reserves and resources in our own portfolio are all in Australia and we're working very hard on those. Clearly, we understand those the best so they automatically have a priority, if you like, from that perspective. Other deposits in Australia have a similar de facto priority in the sense that we understand those well and we understand the risks associated with them well. Beyond that, I think we need to evaluate opportunities as we see them.

Al Harvey: (J.P. Morgan, Analyst) Thanks Tom. If I could sneak one more in.

Tom O'Leary: Sure.

Al Harvey: (J.P. Morgan, Analyst) Just with the take or pay contracts on the synthetic rutile, it's going to end in 2026, is there any scope there that you could extend those take or pay contracts or will that all roll to spot pricing and, I suppose, how are you thinking about risk management given the uncertain market outlook?

Tom O'Leary: Yes, we certainly look to have a portfolio of contracts that underpin the business and, at the appropriate time, we'd look to extend those. We've extended them in

the past at the appropriate times and we'll look to do that going forward. But Matt, do you want to provide some further?

Matthew Blackwell: Al, yes, good question. As Tom said, there are times that favour extending contracts and times that don't, so it's probably the former right now, or sorry, the latter right now. But on balance, these contracts have been really positive, not just for Iluka, but for the industry in terms of reducing some volatility.

Pigment prices held up okay, considering where we are within the cycle and particularly given there's been no paint season in North America for a number of years. So as we would expect, an uptrend in pigment pricing and there's a slide in the pack, number 16, which shows, if you look at prior history, you could draw a view that the worm should turn pretty soon. So I'll let people draw their own conclusions on that, but that's a pretty good time to think about renegotiating contracts.

Al Harvey: (J.P. Morgan, Analyst) Great, thanks team.

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

Chen Jiang: (Bank of America, Analyst) Good morning, Tom and Adele. Thanks for taking my question. Firstly, I would like to ask about your project sequencing, especially for Wimmera. Wimmera is so long dated, the final visibility study results due end of next year and you still need FID and construction, et cetera.

So I'm wondering, are you being able to run Wimmera and Eneabba in parallel? Because there's a big gap when Wimmera starts commissioning '27 versus when Eneabba starts. So I'm just wondering how are you going to close the gap? Because you'll have a rare earth Dy and Tb when Eneabba starts will be running well below the designed capacity. Thank you.

Tom O'Leary: Yes, thanks Chen. The feasibility for Wimmera, as you say, is due next year. We do have a fair amount of flexibility in terms of when that is brought on and that flexibility is brought about by the monazite stockpile we have, such that we can run the refinery for quite a while without having brought on additional feeds, third party or our own.

But, as you point out, we will have excess capacity in our heavy circuits prior to bringing on either of northern or Wimmera. Certainly the northern feed would go a long way to filling those circuits, Wimmera slightly less so, but would certainly materially increase our

heavies production. It's a bit like the answer I gave to Al a moment ago, Chen. We'll evaluate our decisions, our investment decisions and our acquisitions of third-party feeds as those opportunities are presented and it's time to make decisions on them.

Chen Jiang: (Bank of America, Analyst) Sure, Tom. Just a follow-up from your answer. So Wimmera feasibility study due next year, the sequencing of Wimmera project, is that more like a CapEx decision because you have heavy CapEx coming over the next two years, or it's more like engineering and, I guess, there is a lot of work you have to do and it's very, very early stage, you are trying to find economics from the mineral sands of that project? I'm just wondering what it is. Is it CapEx or is it more like a resources decision?

Tom O'Leary: Yes, it's both of those but also, importantly, the environmental process is going to be a driver of the timing at which point we'll be able to make that CapEx decision. So all of those trains need to come to the station and the environmental process is potentially the slowest of those trains.

Chen Jiang: (Bank of America, Analyst) Right, thanks for that. Then my second question, Tom, is your third-party feedstock, I guess they are all very early stage. Then when your Eneabba refinery is ready and I guess you are in the process of design, engineering, et cetera, building the refinery, I guess your refinery will be viewed, from an engineering perspective, being able to process the majority of feedstock regardless monazite or hard rock mining.

I'm asking this because also, is there any regulatory requirements of moving feedstock across different states in Australia or across countries, especially the rare earth stocks sometimes contain radiation, so it's very different to, I guess, other minerals? Thank you.

Tom O'Leary: Sure, thanks Chen. Just for clarity, the engineering is locked down, so we're very clear that we are building the refinery so that it is capable of processing that wide range of feedstocks. That was a critically important piece of the government support that was granted by way of the non-recourse loan and the strategic partnership we entered into, in that this refinery really facilitates the development of a broader Australian rare earths industry and with value addition occurring here in Australia.

But in terms of regulation and moving material around, we're moving concentrates around, that's what's proposed, concentrates from, for example, the Wimmera through to any Eneabba in Western Australia and we're comfortable that that material can be moved around with very limited inconvenience. Again I'd refer you to the quantum of material that is to be moved around.

The feedstock that can go into the refinery is about 55,000 tonnes per annum. That's the capacity of the refinery at the front end. It's not as if it's Pilbara-style, hundreds of millions of tonnes, so the transport task is not enormous, nor is it particularly complicated, given the nature of the material that we're moving.

Chen Jiang: (Bank of America, Analyst) Sure, I understand, Tom. How about across countries, if you are taking third-party feedstock from other countries, any regulations taking rare feedstock that has radiation?

Tom O'Leary: Yes, sure Chen, thanks. Look, as you know, we export mineral sands and concentrates around the place at the moment, so we're very familiar with the regulatory environment around transport of these sorts of materials and we're very comfortable that we can meet the regulatory requirements that are applicable.

Chen Jiang: (Bank of America, Analyst) Sure, appreciate the answer. Thank you very much, Tom and Adele. Thank you.

Tom O'Leary: Thank you, Chen.

Operator: Thank you. Our next question comes from Dim Ariyasinghe from UBS. Please ask your question, Dean.

Dim Ariyasinghe: (UBS, Analyst) Thanks Tom. Thanks, Adele. Just on the offtake, I was wondering if you could just clarify, does it need to be directly with a magnet maker, could it be with an OEM, could it be with Apple? Any context on that and how binding does it need to be? Does it need to be an MOU or can it just be an MOU, or does it need to be a bit more concrete?

Tom O'Leary: Look, Dim, I'll hand over to Adele who's leading the charge on rare earth offtakes, but we're engaging with a very wide range of potential off-takers. But perhaps Adele you could provide some specifics around the EFA requirements.

Adele Stratton: Yes, thanks. So, Dim, as part of the refinancing that we did last December, it was quite clear that we had lots of flexibility in terms of coming to off-take contracts that meet the needs of the government, so there's not a lot of specificity. But more to the substance of the question, we're engaging with a whole range of customers throughout the supply chain. So think of that as end-use customers through to the intermediates of the magnet makers, et cetera, so a really broad range of customer engagement, including, as you'd expect, OEMs.

In terms of does it need to be a contract or can it just be an MOU, our history has shown that we never really focus on MOUs because they are just that, there's no real contractual commitment. So we're very focused around getting commercial agreements that support the economics of the project that we're developing. That's how we're considering all of those negotiations.

Dim Ariyasinghe: (UBS, Analyst): Yes okay, that's clear. Then just on – so you guys are privy to a bunch of government conversations, we're not, maybe could we get your opinion on how you think the focus is split between encouraging further oxide or chemical production, western production, versus metals and magnets, noting you guys actually dip your toe in the water further downstream? Do you think it's the right balance or are we going to end up with a bunch of NdPr in a few years that we don't know what to do with?

Tom O'Leary: It's a good question, Dim. Look, as I said earlier, I'm not going to look to pre-empt the government's approach, but there's certainly a focus on value addition. That's a recurring theme both here in Western Australia, federally and there's a growing awareness internationally around that as well. So it is a good question and it's something that we're continuing to work on metallisation in particular.

We've also put some material in the deck around western magnet capacity, which I think you'll find interesting, but again, the consultation with industry here in Australia is really getting underway in earnest and there'll certainly be developments on that front as the next year, next 12 months unfolds.

Dim Ariyasinghe: (UBS, Analyst) Awesome. I might sneak one last one in, just post the NP deal, how do you guys see the US's own heavy rare earth supply? Is there an opportunity there? You alluded to your competitive advantage in that space.

Tom O'Leary: I'm not sure I can add much to what I said earlier. The obvious shortfall around heavy rare earths in the West is evident to many now and you're aware of what they're used for, the strategic nature of them and the requirement for them being so critical. That does obviously present opportunities for us, given the endowment in not only the northern and Wimmera feeds, but also in the monazite from Eneabba. There's a relatively high proportion of heavies in that material when you compare it with other sources of western supply. So we do have an attractive endowment and as I said, that gives us a competitive differentiation from others and that gives rise to opportunity.

Dim Ariyasinghe: (UBS, Analyst) Awesome. Okay, cool. Thanks. Thanks guys.

Tom O'Leary: Thank you, Dim.

Operator: We have now reached the end of the question-and-answer session. Thank you all very much for your questions. I'll now turn the conference back to Tom for his closing comments.

Tom O'Leary: Okay, thank you again for joining the call this morning. It's been an eventful half and we look forward to catching up with you over the coming weeks. Thanks again.

Operator: Thank you for your participation in today's conference. This does conclude the program. You may now disconnect your lines.

End of Transcript