

**QUARTERLY REVIEW TO 31 DECEMBER 2024**

**22 January 2025**

**KEY FEATURES**

- Production of zircon/rutile/synthetic rutile (Z/R/SR) in Q4 2024 was 129kt
  - 45kt of zircon sand
  - 15kt of zircon-in-concentrate (ZIC), with production recognised upon sale
  - 58kt of synthetic rutile
- Full year 2024 Z/R/SR production was 496kt, exceeding Iluka's guidance issued in February 2024 of 455kt, due to increased ZIC and strong synthetic rutile kiln performance
- Z/R/SR sales in Q4 2024 were 136kt
  - 22kt of zircon sand (premium and standard grade), reflecting subdued demand in key markets and seasonality
  - 89kt of synthetic rutile, for full year 2024 sales of 200kt under take-or-pay contracts

Weighted average zircon sand price in Q4 2024 was US\$1,819/t (Q3 2024: US\$1,891/t), marginally lower than Iluka's guided Q4 price

To date Iluka has contracted ~40kt of zircon sand sales in Q1 2025 at USD prices ~5% lower than Q4 2024. At current exchange rates, received AUD pricing is in line with Q4 2024

Unit cash costs of production of \$1,290/t were below guidance, reflecting slightly higher finished goods production and cost minimisation initiatives

Balranald project construction continues, with the delivery of the mining units expected in H1 2025. The project remains scheduled for commissioning in H2 2025

Iluka and the Australian Government concluded the negotiation of funding arrangements for the construction of the Eneabba rare earths refinery in December 2024, with the project now fully funded

PHYSICAL AND FINANCIAL SUMMARY	Q4 23	Q3 24	Q4 24	FY 23 <sup>1</sup>	FY 24	FY 24 vs FY 23
<b>PRODUCTION</b>						
<b>kt</b>						<b>%</b>
Zircon sand	54.7	42.5	44.8	239.5	158.0	(34.0)
ZIC <sup>2</sup>	30.2	26.7	15.0	87.5	69.2	(20.9)
Rutile <sup>3</sup>	11.6	10.4	11.8	52.7	57.8	9.7
Synthetic rutile	8.1	58.7	57.8	259.5	211.2	(18.6)
<b>Z/R/SR production</b>	<b>104.6</b>	<b>138.3</b>	<b>129.4</b>	<b>639.2</b>	<b>496.2</b>	<b>(22.4)</b>
Ilmenite	35.2	107.9	99.2	460.6	398.0	(13.6)
<b>SALES</b>						
<b>kt</b>						
Zircon sand	23.5	35.2	22.2	147.3	164.9	11.9
ZIC <sup>1</sup>	29.6	24.2	15.6	87.4	65.0	(25.6)
Rutile	14.2	12.2	9.4	48.3	45.2	(6.4)
Synthetic rutile	67.2	25.0	89.2	211.0	200.1	(5.2)
<b>Z/R/SR sales</b>	<b>134.4</b>	<b>96.6</b>	<b>136.3</b>	<b>494.0</b>	<b>475.2</b>	<b>(3.8)</b>
Ilmenite	25.9	19.2	31.0	148.8	121.3	(18.5)
<b>REVENUE &amp; CASH COSTS</b>						
<b>\$ million</b>						
Z/R/SR revenue	283	212	271	1,143	1,043	(8.7)
Ilmenite and other revenue	22	20	19	95	85	(10.6)
<b>Mineral sands revenue</b>	<b>305</b>	<b>232</b>	<b>290</b>	<b>1,238</b>	<b>1,128</b>	<b>(8.9)</b>
Production cash costs of Z/R/SR				661	640	(3.2)
By-product costs				11	12	10.2
<b>Total cash cost of production</b>				<b>672</b>	<b>652</b>	<b>(3.0)</b>
<b>\$ per tonne</b>						
Unit cash production costs Z/R/SR produced				1,035	1,290	24.6
Unit cost of goods sold Z/R/SR sold				1,127	1,178	4.5
Unit revenue Z/R/SR sold	2,103	2,197	1,988	2,314	2,195	(5.1)
AUD:USD cents	65	67	65	66	66	(1.1)

<sup>1</sup> From FY24, corporate support functions (e.g. People, IT, Procurement, Communities etc.) that directly support operations recharge a proportion of their functions' costs to production costs. Cost figures for FY23 have been restated for comparative purposes.

<sup>2</sup> Production of ZIC is recognised on sale. ZIC sales include small amounts of lower grade zircon products processed by third parties.

<sup>3</sup> 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%.

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## FULL YEAR 2024 SELECTED FINANCIALS<sup>4</sup>

- Iluka's minerals sands business generated \$252 million operating cash flow, with a working capital build of ~\$225 million across 2024
- The company continued to invest in growth projects through the Balranald and Eneabba developments, with full year capital expenditure of \$434 million
- Dividends received from Deterra were \$31 million. In line with Iluka's dividend framework, these will be passed through to shareholders
- As at 31 December 2024, Iluka's mineral sands business had a net cash balance of \$90 million
- Iluka's rare earths business had a net debt position of \$205 million, with \$249 million drawn under the Export Finance Australia loan, including capitalised interest

Iluka expects FY24 Group EBIT, excluding the Deterra contribution, to be in the range of \$330-340 million. This is subject to audit finalisation, which is currently underway

	MINERAL SANDS		RARE EARTHS		GROUP	
	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24
<b>\$ million</b>						
Operating cash flow	347	252	n/a	n/a	347	252
Capital expenditure	160	272	121	162	281	434
Free cash flow*	(69)	(157)	(121)	(162)	(191)	(319)
	At 31 Dec 2023	At 31 Dec 2024	At 31 Dec 2023	At 31 Dec 2024	At 31 Dec 2023	At 31 Dec 2024
Net cash (debt)	308	90	(82)	(205)	225	(115)

\* excludes Deterra dividend received (\$31m FY24; \$30m FY23)

## COST REVIEW 2024

In Q4 2024 Iluka completed a review to ensure the cost base of the company was sustainable and aligned with its operational outlook and project delivery objectives. As a result of the review, ~130 roles were identified to be removed across operations and support functions, with expected savings amounting to ~\$20 million for 2025.

## 2025 OUTLOOK<sup>5</sup>

Iluka's production outlook for 2025 assumes only the larger synthetic rutile kiln, SR2, is in operation. The company has an ability to increase synthetic rutile production by restarting the smaller swing kiln, SR1, to produce an additional 110ktpa of synthetic rutile, should market conditions warrant.

- Increase in cash costs of production from 2024 predominantly reflects an additional \$25 million included for production of HMC from Balranald in H2 2025, which will be capitalised to inventory in 2025. There are no finished goods produced in 2025 from Balranald, resulting in a distortion to the unit cash costs of production metric.
- In addition, \$25 million of Balranald operational readiness costs will be expensed to the profit and loss in 2025, reflecting costs associated with recruiting and training the workforce in preparation for commissioning in H2 2025.

	2023 <sup>6</sup>	2024	2025
<b>Production (kt)</b>			
Zircon sand	240	158	165
Zircon in concentrate (ZIC)	88	69	60
Rutile, including HyTi	53	58	50
Synthetic rutile	260	211	220
<b>Total Z/R/SR</b>	<b>639</b>	<b>496</b>	<b>495</b>
<b>Key financials (\$ million)</b>			
Cash costs of production	661	640	680
Unit cash costs of production (\$/t Z/R/SR)	1,035	1,290	1,370
By product costs	11	9	10
Restructure, idle costs	18	27	17
Balranald operational readiness	-	-	25
Depreciation & amortisation	168	192	240

<sup>4</sup> Financials are preliminary and are subject to finalisation prior to Iluka's Full Year Results. This section should be read in conjunction with the disclaimer on forward looking statements on page 7.

<sup>5</sup> Indicative only. Production settings are able to be adjusted and are dependent on market conditions. This section should be read in conjunction with the disclaimer on forward looking statements on page 7.

<sup>6</sup> From FY24, corporate support functions (e.g. People, IT, Procurement, Communities etc.) that directly support operations recharge a proportion of their functions' costs to production costs. Cost figures for FY23 have been restated for comparative purposes.

## PRODUCTION COMMENTARY

The Jacinth-Ambrosia mine in South Australia produced 64kt of heavy mineral concentrate (HMC), up from 52kt in Q3, largely due to higher ore treated volumes, ore grade and recovery.

In Western Australia, the Cataby mine produced 128kt of HMC, down from 159kt in Q3, with lower ore grade being processed. An additional 18kt of HMC was produced from historic stockpiles.

The Narngulu mineral separation plant processed 204kt of HMC in the quarter, a mix of Jacinth-Ambrosia and Cataby material, producing a total of 60kt of zircon (including ZIC) and 12kt of rutile.

The SR2 kiln produced 58kt of synthetic rutile. Synthetic rutile produced from SR2 services the ~200ktpa of long term contracts Iluka has in place.

In 2024 Iluka built ~200kt of work in progress (HMC) inventory, predominantly ilmenite-bearing concentrate from Cataby. The SR1 kiln is currently offline and this stock underpins the capability to restart when required. As part of the cost review undertaken in Q4 2024 (refer page 2), some of the combined SR1 / SR2 workforce has been made redundant (to reflect the requirement to operate SR2 only for the time being). As a result, a future restart will require some additional planning with regards to hiring of personnel and maintenance.

MINERAL SANDS PRODUCTION	Q4 23	Q3 24	Q4 24	FY 23	FY 24	FY 24 vs FY 23
kt						%
Zircon sand	4.7	42.5	44.8	239.5	158.0	(34.0)
ZIC <sup>7</sup>	30.2	26.7	15.0	87.5	69.2	(20.9)
Rutile	11.6	10.4	11.8	52.7	57.8	9.7
Synthetic rutile	8.1	58.7	57.8	259.5	211.2	(18.6)
<b>TOTAL Z/R/SR</b>	<b>104.6</b>	<b>138.3</b>	<b>129.4</b>	<b>639.2</b>	<b>496.2</b>	<b>(22.4)</b>
Ilmenite	35.2	107.9	99.2	460.6	398.0	(13.6)

<sup>7</sup> Includes zircon attributable to external processing arrangements.

### Zircon

Zircon sales volumes in the December quarter, including ZIC, were 38kt. Total sales for 2024 were 230kt. Premium and standard zircon sand sales volumes of 165kt are 12% higher than 2023 volumes. ZIC sales volumes of 65kt reflect all available production in the year.

The 2024 weighted average zircon premium and standard price was 9% lower than 2023. However, Iluka's disciplined marketing approach has limited the decline recorded for the company's products, while balancing the need to meet customers' needs and deliver sales revenue.

As anticipated, the fourth quarter demonstrated seasonal weakness.

In China, the ceramic industry gradually scaled back production, with many factories closing for a period and not planning to resume production until post Chinese New Year (celebrations commence 29 January 2025). The residential property market in China has shown signs of stabilising. Across other sectors, producers of fused zirconia faced lower demand; refractories and foundries customers remain cautious on their outlook; and ZOC producers have reported stable conditions. More broadly, stimulus measures in China are likely to have a positive impact on demand, but uncertainty appears to be dominating sentiment at present.

Ceramics production in Europe traditionally slows over the fourth quarter based on seasonal demand and end of year working capital considerations. Energy costs also continue to weigh on sentiment. In the US, the economic outlook is improving, although this is yet to translate to an improvement in consumer demand.

In India, anti-dumping measures introduced on Indian ceramics to the US have led to an increase in finished tile inventories. Manufacturers retain a positive outlook towards opportunities in new export markets. India remains a small but emerging market for Iluka, accounting for less than 5% of sales in 2024.

Iluka's weighted average realised price for zircon premium and standard in Q4 2024 was US\$1,819/t, a 4% decrease from Q3 2024. The average price contracted to date for Q1 2025 is ~5% lower than Q4 2024. Significant price reductions by major competitors have affected pricing outcomes. However, Q1 sales volumes are up ~90% on Q4, exceeding 40kt of premium and standard sand to date.

### Titanium Dioxide Feedstocks

Q4 2024 sales of synthetic rutile were 89kt. Full year 2024 sales of 200kt are in line with anticipated volumes under take-or-pay contracts for synthetic rutile, which extend to 2026.

Sales of natural rutile in Q4 2024 were 9kt, including HyTi. Demand for rutile and HyTi remained stable despite increased competition from lower-priced exports from China, as imported concentrates continue to be processed and sold. The Q4 price for rutile (excluding HyTi) was US\$1,662/t.

The global pigment market experienced a slight downturn in Q4, as ongoing uncertainty surrounding the conflicts in Ukraine and the Middle East dampened demand in European economies. This also affected feedstock demand and market pricing. However, the implementation of tariffs on Chinese imports in Europe and other regions is expected to impact trade flows from the first half of 2025, potentially boosting demand for Western pigment producers. Iluka expects this will be a positive dynamic for synthetic rutile demand.

In North America, both paint and pigment companies observed the lack of a 'paint season' for the second year running as high interest rates in the United States continued to be a drag on new home builds and existing dwelling resales – both significant drivers of pigment demand. Slightly offsetting this, some Western pigment producers increased utilisation rates at the end of 2024 to help restore inventory levels. The potential for easing of monetary policy in the US in 2025 could improve dynamics in the housing market, leading to increased demand for pigment and ultimately titanium feedstocks.

The weighted average price of synthetic rutile in the quarter was US\$1,186/t. Contract prices for H1 2025 are expected to decrease by a low single digit percentage compared with H2 2024, reflecting the lagging nature of the pricing mechanisms in Iluka's offtake agreements.

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.<sup>8</sup>

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.

Iluka announced a positive outcome on funding discussions for the Eneabba refinery 6 December 2024. This includes a further \$400 million contribution from the Australian Government (increasing the total facility to \$1.65 billion) and \$214 million contribution from Iluka. In addition, Iluka and the Australian Government have agreed to establish a \$150 million cost overrun facility, which would be contributed on a 50/50 basis. Capital cost guidance for the project was reconfirmed at \$1.7-1.8 billion.

Site activity in Q4 encompassed detailed earthworks – including laydown, process site and waste dam preparation – and various non-process infrastructure upgrades, including high voltage powerlines and office building upgrades.

Tendering and awarding of equipment, fabrication and site works contract packages continues, including the award of significant shop fabricated tanks, evaporators and mixer settlers and release of the structural, mechanical, piping, electrical and instrumentation (SMPEI) construction tenders.

Capital expenditure at the Eneabba refinery was \$162 million in 2024, bringing total expenditure for the development to \$337 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.

The main components of the modular concentrator have been delivered to Australia and are being readied for transportation to site. Concrete foundations for the concentrator are largely complete, with detailed earthworks and foundation installation underway. All construction contracts have been awarded, with contractor mobilisation aligning with module delivery. The first two of four development/mining rigs have been shipped and will be on site by Q2 2025. First stope development will follow assembly and commissioning in Q3.

The permanent village is expected to be in operation by Q2 2025.

Balranald remains on track for commissioning in H2 2025.

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<sup>8</sup> 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.

## 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 not yet accounted for in Wimmera's Ore Reserve.)

The DFS is progressing, with all fieldwork now complete; the process flow sheet finalised; and environmental studies to support Environmental Effects Statement (EES) submission well advanced.

The major engineering service provider is expected to be selected in H1 2025, following which more detailed engineering will commence.

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

## EXPLORATION

Expenditure on exploration and evaluation activities in Q4 2024 was \$2.3 million. Drilling completed during the quarter included a combination of air core and sonic techniques.

In Australia, 8,927 metres of drilling was completed, comprising resource evaluation in Western Australia and Victoria. Exploration drilling was completed in southwest New South Wales and field mapping and sampling programmes were completed in the Northern Territory.

In the US, drilling activities continued in South Carolina at heavy mineral intersections. Iluka also secured an option agreement for a rare earths claims package in Idaho.

## CORPORATE UPDATE

### Cash generating unit (CGU) reporting change

Iluka will report financial results under revised business segments of Mineral Sands, Rare Earths, and US / Murray Basin in the 2024 Annual Report. All future Quarterly Reviews will also adopt this reporting approach. The previous CGUs of Cataby / South west and Jacinth-Ambrosia / Mid west will no longer be used. The updated units reflect the integrated nature of the company's mineral sands operations in particular and are more indicative of Iluka's business performance and how it aligns with the company's operational model. Reporting on this basis will better represent the efficiencies inherent in Iluka's interconnected processes and shared infrastructure.

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

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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.

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## APPENDIX 1 – MINING PHYSICAL DATA

Physicals Data 3 months to 31 December 2024	Jacinth-Ambrosia	Cataby
Overburden Moved kbcm	562	2,694
Ore Mined kt	2,618	3,156
Ore Fed/Treated kt	2,448	2,398
Ore Treated Grade HM %	2.9%	5.8%
VHM Treated Grade %	2.6%	4.9%

Physicals Data 12 months to December 2024	Jacinth-Ambrosia	Cataby
Overburden Moved kbcm	3,607	13,888
Ore Mined kt	9,766	9,362
Ore Fed/Treated kt	9,596	9,408
Ore Treated Grade HM %	3.0%	7.2%
VHM Treated Grade %	2.8%	6.1%

### 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.

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## 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](http://www.iluka.com) contains further historical mineral sands price information.

	FY 23	Q1 24	Q2 24	Q3 24	Q4 24	FY 23	FY 24
<i>US\$/tonne FOB</i>							
Zircon premium and standard	2,066	1,873	1,907	1,891	1,819	2,066	1,882
Zircon (all products, including zircon in concentrate) <sup>1</sup>	1,849	1,753	1,801	1,674	1,587	1,849	1,721
Rutile (excluding HYTI) <sup>2,3</sup>	1,887	1,828	1,690	1,589	1,662	1,887	1,694
Synthetic rutile	1,258	1,282	1,194	1,178	1,186	1,258	1,205

### 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%.

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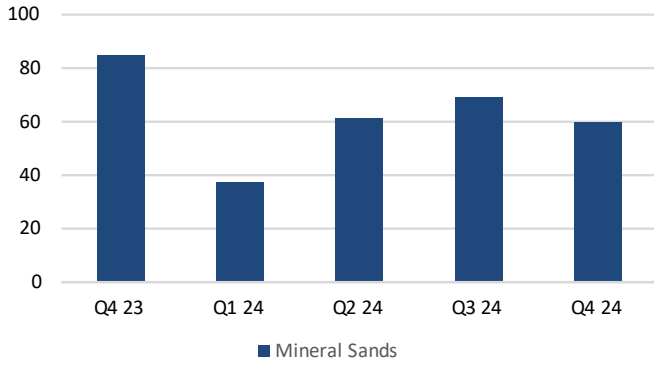
APPENDIX 3 – PRODUCTION SUMMARIES



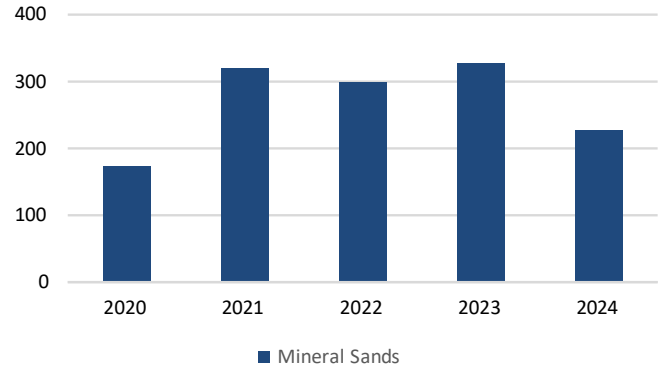
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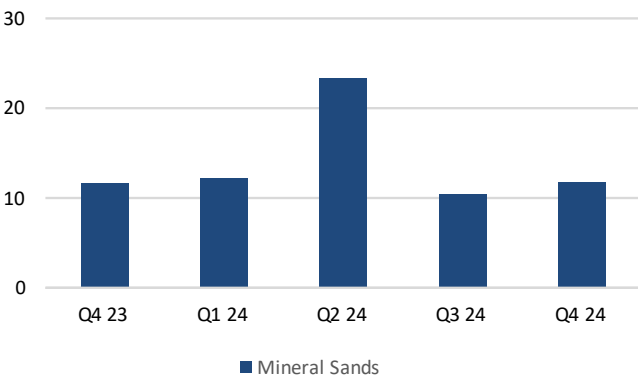
**Zircon**  
Quarterly Production (kt)



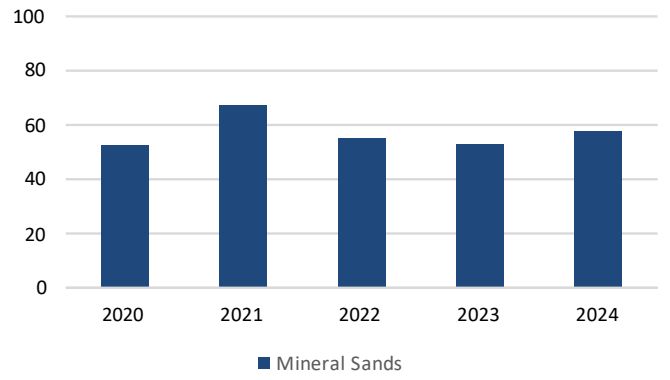
**Zircon**  
Annual Production (kt)



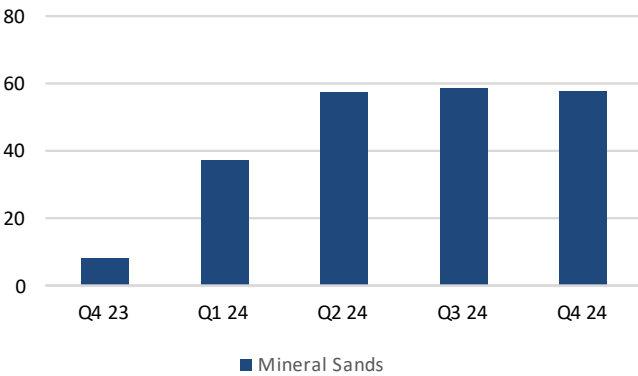
**Rutile**  
Quarterly Production (kt)



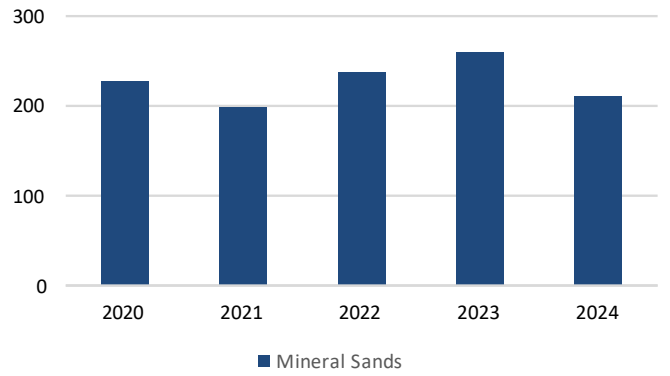
**Rutile**  
Annual Production (kt)



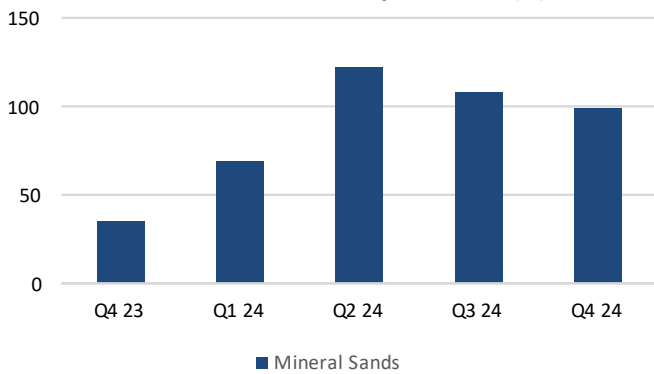
**Synthetic Rutile**  
Quarterly Production (kt)



**Synthetic Rutile**  
Annual Production (kt)



**Ilmenite**  
Quarterly Production (kt)



**Ilmenite**  
Annual Production (kt)

