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

QUARTERLY REVIEW TO 30 SEPTEMBER 2025

17 October 2025

KEY FEATURES

- Production of zircon/rutile/synthetic rutile (Z/R/SR) in Q3 2025 was 124kt, including
  - 40kt of zircon sand, processed from both Jacinth-Ambrosia and Cataby mines
  - 13kt of zircon-in-concentrate (ZIC), with production recognised upon sale
  - 58kt of synthetic rutile, with SR2 operating at full capacity in advance of its idling on 1 December 2025
- Iluka sold 44kt of zircon in the quarter, including 13kt of ZIC. The Q3 weighted average zircon sand price was US$1,615/t, in line with guidance. Year-to-date total sales at the end of Q3 were 202kt, 5% higher than 2024
- Iluka sold 10kt of synthetic rutile in Q3. Given uncertainty described in separate ASX release of 17 October 2025, sales guidance for synthetic rutile has been withdrawn
- Commissioning at the Balranald project remains on track for Q4 2025. All mining equipment has been fully assembled and tested, with four stopes developed in preparation for underground mining. Construction of the process plant and supporting infrastructure is nearing completion
- Site works at the Eneabba rare earths refinery accelerated in Q3. Concrete placement rates continued to ramp up, with piling activities completed along with several non-process facilities, the HV Powerline and gas metering station
- As at 30 September 2025, net debt was
  - $256 million net debt for the mineral sands business
  - $447 million non-recourse net debt for the rare earths business

PHYSICAL AND FINANCIAL SUMMARY	Q3 24	Q2 25	Q3 25	Q3 24 YTD	Q3 25 YTD	Q3 25 YTD vs Q3 24 YTD
PRODUCTION kt						**%**
Zircon sand	42.5	36.9	39.5	113.3	111.4	(1.7)
ZIC[1]	26.7	41.7	12.8	54.2	72.7	34.1
Rutile[2]	10.4	13.4	13.5	46.0	49.0	6.5
Synthetic rutile	58.7	57.7	58.0	153.4	171.1	11.5
Z/R/SR production	**138.3**	**149.7**	**123.8**	**366.9**	**404.2**	**10.2**
Ilmenite	107.9	94.6	81.8	298.8	272.6	(8.8)
SALES kt						
Zircon sand	35.2	48.9	30.6	142.9	127.5	(10.8)
ZIC[1]	24.2	42.0	13.2	49.4	74.5	50.8
Rutile	12.2	5.3	10.6	35.8	31.1	(13.1)
Synthetic rutile	25.0	36.5	10.0	110.8	80.3	(27.5)
Z/R/SR sales	**96.6**	**132.7**	**64.4**	**338.9**	**313.4**	**(7.5)**
Ilmenite	19.2	19.5	21.3	90.4	50.9	(43.7)
REVENUE $ million						
Z/R/SR revenue	212	280	127	772	648	(16.1)
Ilmenite and other revenue	20	18	15	66	51	(23.0)
Mineral sands revenue	**232**	**298**	**142**	**838**	**699**	**(16.6)**
Production cash costs of Z/R/SR				478	472	(1.3)
By-product costs				4	3	(40.5)
Total cash cost of production				**482**	**474**	**(1.6)**
$ per tonne						
Unit cash production costs Z/R/SR produced				**1,302**	**1,167**	**(10.4)**
Unit cost of goods sold Z/R/SR sold				**1,177**	**1,271**	**7.9**
Unit revenue Z/R/SR sold	2,197	2,109	1,969	2,279	2,069	(9.2)
AUD:USD cents	67	64	66	66	64	(3.2)

[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 55kt of heavy mineral concentrate (HMC) with higher ore volumes treated offset by lower ore grades.

In Western Australia, the Cataby mine produced 107kt of HMC, down from 154kt in Q2, with lower ore volumes treated and lower ore grades, in line with the planned mining sequence.

Total HMC processed in Q3 was 178kt. The Narngulu mineral separation plant processed 97kt of HMC, a mix of Jacinth-Ambrosia and Cataby material, producing a total of 52kt of zircon (including ZIC) and 13kt of rutile (including HyTi).

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

On 10 September, Iluka announced the suspension of production at the SR2 processing facility and Cataby mine from 1 December for approximately 6 and 12 months respectively, dependent on market conditions. This reflects current subdued market demand and the current levels of synthetic rutile inventory. The suspension enables increased operating cash generation due to cash cost savings and the release of working capital through the conversion of inventory to cash. Iluka has sufficient inventory of both work in progress (HMC) and finished goods (synthetic rutile) to service customer requirements in 2026. These actions reflect Iluka's longstanding commitment to operational and market discipline.

Iluka's current estimate is for a net cash cost reduction of $150 million in 2026, including $110 million in net cost reductions and a $40 million deferral of sustaining capital expenditure. Furthermore, a review of operational requirements at Cataby for the 12 month idle period is underway and the company expects to provide an update with the full year results.

MARKET CONDITIONS

Macro

Macroeconomic conditions remain challenging for many industries, including mineral sands and associated downstream industries. The pigment market in particular has remained weak, with North American markets experiencing a prolonged downturn since 2022. In parallel to this period of subdued demand, a number of broader industry developments are currently playing out. These include a strategic review by a major feedstock producer (Rio Tinto); zircon production halts in Indonesia; shuttering of pigment plant capacity; and the ongoing impacts of tariffs and anti-dumping duties.

Iluka remains well positioned to respond quickly to any improvement in demand conditions and the broad range of potential outcomes associated with industry developments.

Zircon

Zircon sand sales volumes in Q3 were 31kt, with total zircon sales of 44kt (including zircon in concentrate). The average realised price (premium and standard zircon) was US$1,615 per tonne. Year-to-date total sales at the end of Q3 were 202kt, 5% higher than 2024.

Global ceramic tile production and consumption has continued to decline in 2025, with China leading the contraction due to persistent weakness in its real estate sector and oversupply in the domestic tile industry. Despite falling prices and widespread losses among Chinese manufacturers, exports are showing signs of recovery. In contrast, India's tile market remains stable domestically, though exports are under pressure from freight costs and tariffs. Spain's tile industry has demonstrated resilience, with demand for frit and glaze improving across several Mediterranean and North African markets.

In the current environment, customers remain highly cautious and are reluctant to hold inventory.

Competitors have again reduced prices in China following weaker domestic zircon sand pricing derived from imported concentrates. Similar adjustments have been observed in other regions, with these reductions not currently stimulating demand.

Titanium dioxide feedstocks

Synthetic rutile sales volumes in Q3 were 10kt. The weighted average realised price for synthetic rutile was US$1,106/tonne, down slightly on the first half. Volumes in Q3 reflect customer shipping schedules, with shipments weighted towards final quarter of the year.

Sales of natural rutile and HyTi products were 10.5kt in Q3. Iluka's Q2 realised rutile price (excluding HyTi) was $1,375/tonne, down ~9% on Q2, reflecting the market impact of low quality rutile and leucoxene from China continuing to impact pricing.

Rare earths

On 9 October, China further tightened rules governing rare earths exports. Restrictions are expressed to extend beyond raw rare earth material to also include foreign-manufactured goods containing more than 0.1% of Chinese-origin rare earths, or rare earths produced using Chinese technology. Equipment used in mining and refining rare earths is also subject to the new controls.

From 1 December, both domestic and foreign companies must obtain export licences from China to export or re-export affected rare earth materials and products, with distributors and traders also required to obtain licences to resell products.

These measures are expected to exacerbate already strained global supply chains, which have pushed spot prices in Europe for magnet heavy rare earths, dysprosium and terbium, to historic highs in 2025 albeit with limited volumes available, given China's production dominance in heavy rare earths.

Dysprosium and terbium remain a strategic focus for commercial customers and governments due to their critical applications in high performance permanent magnets and defence technologies. China continues to dominate this segment, maintaining nearly 100% of global heavy rare earth oxide production. Iluka's Eneabba refinery, to be commissioned in 2027, will be one of the few facilities outside China capable of producing both light and heavy separated rare earth oxides. This strategic infrastructure asset positions Iluka as a differentiated supplier, with the ability to offer customers the full suite of magnet rare earths, including dysprosium and terbium. This competitive advantage is underpinned by Iluka's relatively rich heavy rare earth assemblages in its portfolio of both internal and external feedstock options including the Eneabba stockpile, current operations (Balranald), future projects (Wimmera) and third-party feedstock agreements (such as Northern Minerals).

EXPLORATION

Expenditure on exploration and evaluation activities in Q3 was $4.5 million.

In Australia, rare earth exploration activities focused on continued reconnaissance geological mapping, geochemical sampling and the completion of a ground gravity geophysical survey in the Northern Territory. Heavy mineral exploration efforts centred on completing an ecological assessment over areas of interest in the Eucla Basin, South Australia.

In the US, exploration was focussed on completing the field programs in the North Fork project area of Idaho. This included geological mapping and geochemical and geophysical surveys. Further investigations were made into other targets within the Idaho rare earths belt, resulting in the pegging of 154 mining claims.

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.[3]

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 works accelerated in Q3 with the continued ramp up of the concrete placement rates. Piling activities completed along with several non-process facilities, the HV powerline and gas metering station. With the commencement of major equipment deliveries to site, selective installation packages are being progressively awarded to take advantage of concrete completion in specifics areas.

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.

All mining equipment has now been assembled and tested. Four stopes have now been developed in preparation for mining. Construction of the process plant and non-process infrastructure is nearing completion with systems progressively being handed over for energisation and commissioning. The full complement of commissioning and operational staff are now on site in preparation for mineral commissioning.

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.)

Technical and environmental studies that support the Environmental Effects Statement (EES) are progressing. The lead engineering services provider continues to advance engineering in support of the DFS.

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

[3] 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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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 9 months to 30 September 2025	Jacinth-Ambrosia	Cataby
Mining		
Overburden Moved kbcm	4,426	6,144
Ore Mined kt	7,233	10,124
Ore Fed/Treated kt	7,229	7,490
Ore Treated Grade HM %	2.8%	6.4%
VHM Treated Grade %	2.6%	5.4%

Physicals Data 3 months to 30 September 2025	Jacinth-Ambrosia	Cataby
Mining		
Overburden Moved kbcm	1,038	1,028
Ore Mined kt	2,468	3,567
Ore Fed/Treated kt	2,463	2,353
Ore Treated Grade HM %	2.4%	5.0%
VHM Treated Grade %	2.2%	4.4%

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	Q1 25	Q2 25	Q3 25	Q3 25 YTD
US$/tonne FOB					
Zircon premium and standard	1,882	1,698	1,692	1,615	1,676
Zircon (all products, including zircon in concentrate)[1]	1,721	1,557	1,442	1,464	1,485
Rutile (excluding HyTi)[2,3]	1,694	1,549	1,496	1,375	1,471
Synthetic rutile	1,205	1,138	1,147	1,106	1,138

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