ILUKA

ILUKA RESOURCES LIMITED

ABN 34 008 675 018

INTERIM REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2025

CONTENTS

RESULTS FOR ANNOUNCEMENT TO THE MARKET

ABN 34 008 675 018

INTERIM REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2025

Provided below are the results for announcement to the market in accordance with Australian Securities Exchange (ASX) Listing Rule 4.2A and Appendix 4D for the Consolidated Entity comprising Iluka Resources Limited (Iluka) and its controlled entities for the half-year ended 30 June 2025 (the 'current period') compared with the half-year ended 30 June 2024 (the 'corresponding period').

This report should be read in conjunction with the Annual Report for the year ended 31 December 2024, and public announcements made by Iluka during the half-year ended 30 June 2025 in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

All currencies shown in this report are Australian dollars unless otherwise indicated.

Revenue from ordinary activities	Down 8% to $577.8m	
Net profit after tax for the period from ordinary activities	Down 31% to $92m	
Net profit after tax for the period attributable to equity holders of the parent	Down 31% to $92m	
Dividends		
2025 interim: 2 cents per ordinary share (100% franked), to be paid in September 2025		
2024 final: 4 cents per ordinary share (100% franked), paid in March 2025		
2024 interim: 4 cents per ordinary share (100% franked), paid in September 2024		
Key ratios	**1st Half 2025**	**1st Half 2024**
Basic profit per share (cents)	21.5	31.3
Diluted profit per share (cents)	21.2	31.0
Free cash flow per share (cents)[1]	(67.3)	(11.1)
Net tangible assets per share ($)	4.39	4.12

[1] Free cash flow is determined as cash flow before refinance costs, proceeds/repayment of borrowings and dividends paid in the period. A negative number represents free cash outflows.

DIVIDEND REINVESTMENT PLAN (DRP)

The current Dividend Reinvestment Plan (DRP) was approved by the Board of Directors. Under the plan, eligible shareholders can reinvest either all or part of their dividend payments into additional fully paid Iluka shares. The DRP remains active for the 2025 interim dividend.

The Directors have determined that no discount will apply for the DRP in respect of the 2025 interim dividend. Shares allocated to shareholders under the DRP for the 2025 interim dividend will be allocated at an amount equal to the average of the daily volume weighted average market price of ordinary shares of the Company traded on the ASX over the period of 10 trading days commencing on 8 September 2025. The last date for receipt of election notices for the DRP is 4 September 2025.

INDEPENDENT AUDITOR'S REVIEW REPORT

The Condensed Consolidated Financial Statements upon which this Appendix 4D is based have been reviewed.

The Directors of Iluka Resources Limited present their report together with the financial statements of the Group for the half-year ended 30 June 2025 and the auditor's review report thereon.

REVIEW OF RESULTS

- Net profit after tax of $92 million
- Underlying mineral sands EBITDA of $218 million[1]
- Underlying mineral sands EBITA margin of 39%
- Free cash outflow of $361 million, bringing net debt to $502 million[1]
- Interim dividend of 2 cents per share declared

REVENUE

Mineral sands revenue decreased by 8% to $558 million in H1 2025, down from $606.2 million in H1 2024, despite higher overall sales volumes.

Zircon sales volumes increased by 19% to 158 thousand tonnes, driven primarily by a significant contribution from zircon-in-concentrate (ZIC) sales, with Iluka achieving its full-year ZIC production guidance by the end of H1 2025. The weighted average zircon sand price decreased 10% to US$1,695 per tonne from US$1,892 per tonne in H1 2024. ZIC is a lower quality material that derives lower prices, impacting on average realised prices for zircon, leading to lower revenue generation compared to the prior comparative period.

Synthetic rutile sales volumes were 18% lower at 70 thousand tonnes, reflecting the second-half weighting of contracted sales, with prices also declining moderately to US$1,143 per tonne compared to US$1,232 per tonne in H1 2024

Sales (kt)	1st Half 2025	1st Half 2024	% change
Zircon	158.2	132.9	19.0
Rutile	20.5	23.6	(13.1)
Synthetic rutile	70.3	85.8	(18.1)
Total Z/R/SR sales	**249.0**	**242.3**	**2.8**
Ilmenite	29.6	71.1	(58.4)
Total sales volumes	**278.6**	**313.4**	**(11.1)**
Z/R/SR revenue ($m)	521.6	560.2	(6.9)
Ilmenite and other revenue ($m)	36.1	46.0	(21.5)
Total mineral sands revenue[2] ($m)	**557.7**	**606.2**	**(8.0)**
Revenue per tonne of Z/R/SR sold[3]($/t)	2,095	2,312	(9.4)

[2] Mineral sands revenue includes revenue derived from other materials not included in production volumes, including activated carbon products and iron concentrate.

[3] Calculated as revenue from the sale of zircon, rutile and synthetic rutile (Z/R/SR) products divided by Z/R/SR sales volumes.

EARNINGS

Iluka recorded a profit after tax of $92 million for the half-year ended 30 June 2025, representing a 31% decrease from the $134 million reported in H1 2024.

Underlying mineral sands EBITDA was $218 million. The decline from the prior comparative period was primarily attributable to lower realised prices across key products, which more than offset the benefits of higher zircon sales volumes and improved unit production costs. Despite the revenue headwinds, the Group maintained a robust EBITDA margin of approximately 39% for H1 2025, compared to 42% in H1 2024. The resilient margin performance reflected successful cost control initiatives, including a 19% reduction in unit cash costs, and the favourable impact of accelerated ZIC production.

[1] Non-IFRS measure. See reconciliation to statutory results on page 10.

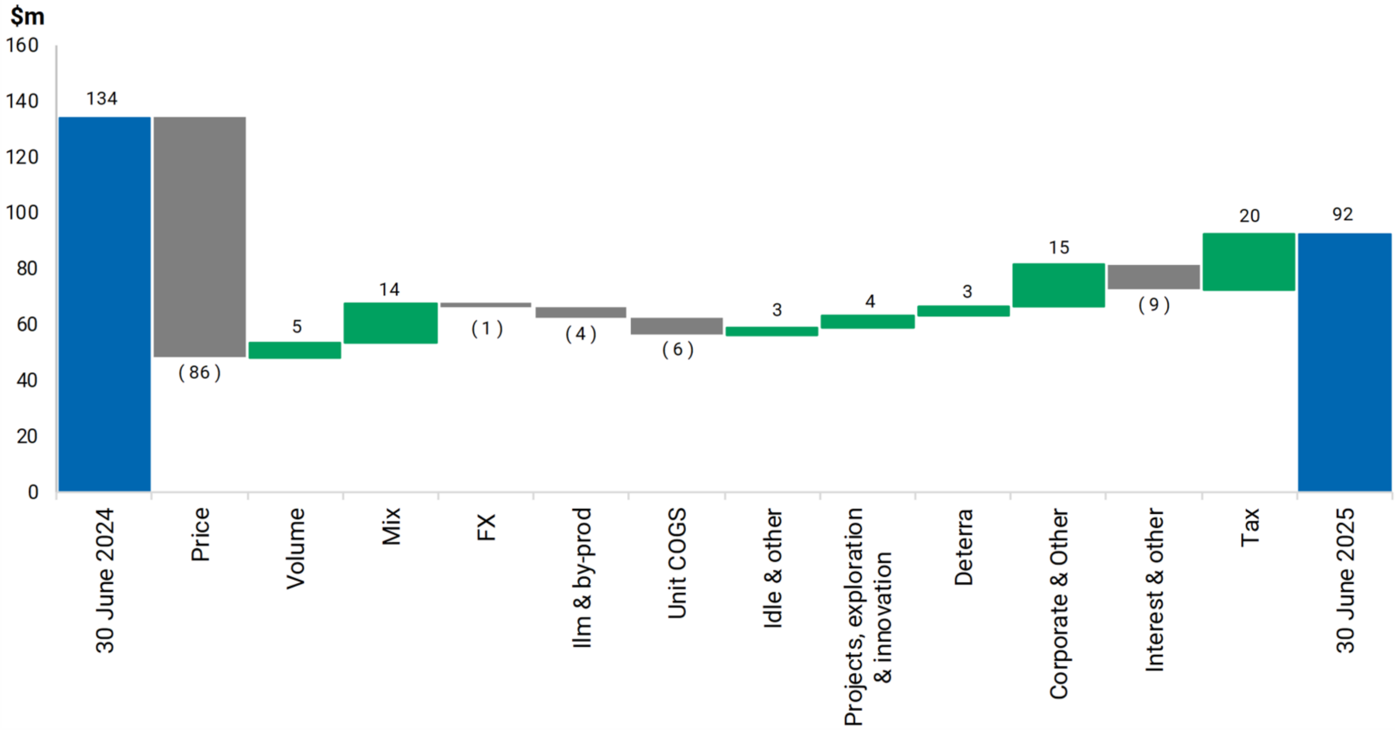
INCOME STATEMENT ANALYSIS

$ million	1st Half 2025	1st Half 2024	% change
Z/R/SR revenue	521.6	560.2	(6.9)
Ilmenite and other revenue	36.1	46.0	(21.5)
Mineral sands revenue	**557.7**	**606.2**	**(8.0)**
Cash costs of production	(319.1)	(321.2)	(0.7)
By-product costs	(10.9)	(9.3)	17.2
Inventory movement - cash costs of production	84.8	64.4	31.7
Idle capacity charges	(21.3)	(19.0)	12.1
Government royalties	(17.7)	(18.6)	(4.8)
Marketing and selling costs[1]	(17.2)	(17.6)	(2.3)
Asset sales and other income	1.1	0.6	83.3
Major projects, exploration, and innovation	(16.2)	(20.5)	(21.0)
Corporate and other costs	(10.6)	(21.0)	(49.4)
Foreign exchange	(12.5)	8.2	n/a
Underlying mineral sands EBITDA	**218.1**	**252.2**	**(13.5)**
Share of profit of associate	15.1	12.1	24.8
Underlying Group EBITDA[2]	**233.2**	**264.3**	**(11.8)**
Depreciation and amortisation	(110.5)	(91.1)	21.3
Inventory movement - non-cash production costs	21.0	27.9	(24.7)
Gain on revaluation of investments	4.5	1.0	n/a
Group EBIT	**148.2**	**202.1**	**(26.7)**
Net interest and bank charges	(4.3)	4.3	n/a
Rehabilitation unwind and other finance costs	(18.7)	(19.4)	(3.6)
Profit before tax	**125.2**	**187.0**	**(33.0)**
Tax expense	(33.2)	(53.3)	(37.7)
Profit for the period (NPAT)	**92.0**	**133.7**	**(31.2)**
Average AUD/USD rate for the period (cents)	**66.0**	**65.9**	**0.2**

[1] Freight revenue and expenses are included as a net number in marketing and selling costs.

[2] Underlying Group EBITDA excludes non-recurring adjustments including impairments and changes to rehabilitation provisions for closed sites, which are non-cash in nature.

MOVEMENT IN NPAT



THE KEY DRIVERS FOR THE MOVEMENT IN NPAT WERE:

- The weighted average zircon sand price decreased by 10% to US$1,695 per tonne in H1 2025 from US$1,892 per tonne in H1 2024. Similarly, the weighted average synthetic rutile price fell to US$1,143 per tonne in H1 2025 from US$1,232 per tonne in H1 2024.
- Sales volumes were higher on significant ZIC sales, which balanced out lower zircon sand, rutile, and synthetic rutile sales volumes. Synthetic rutile sales are more H2 weighted compared to 2024.
- Sales mix was more favourable than the previous period, reflecting the greater weighting of zircon sales in the product mix.
- Ilmenite and by-products were impacted by a 58% decrease in ilmenite sales volumes despite an increase in sales of other by-products, like iron concentrate. Production costs were slightly higher on higher by-product sales, while ilmenite production remained in line with H1 2024.
- Cash production costs were flat with unit cash cost per tonne of Z/R/SR produced decreasing by 19% to $1,138, reflecting operational efficiencies and the impact of higher ZIC production volumes on unit cost absorption. This improvement demonstrates the Group's effective cost management despite pressures on fuel cost, coal prices, and labour productivity.
- Inventory movement reflected build in synthetic rutile, as well as HMC work-in-progress material. The Group also built stores of coal for use in the kilns, taking the opportunity to acquire high spec carbon while available.
- The unit cost of goods sold per tonne of Z/R/SR sold increased by 2.2% to $1,241 per tonne in H1 2025, up from $1,214 per tonne in H1 2024.
- Idle costs increased in H1 2025 due to operational ramp-up expenses incurred in preparation for Balranald commissioning, which is scheduled for H2 2025. However, this increase was partially offset by favourable variances resulting from the absence of certain 2024 idle costs, including those related to the fully depreciated SR1 kiln major maintenance works and the six-week shutdown of the Narngulu MSP during H1 2024.
- Major project and exploration spend was lower in H1 2025 with a reduction in support costs for the project teams, and a slightly slowing of exploration activity in Australia.
- Corporate and other costs were lower following reductions in spend following the H2 2024 restructure of support functions, as well as the slowing of reseach and development to allow focus on Balranald execution and the ongoing Eneabba Refinery development;
- Interest and other costs increased as the Group went from net cash in H1 2024 and drew on its debt facility in H1 2025 to fund Balranald, with commissioning scheduled for H2 2025.

CASH FLOW AND BALANCE SHEET

Operating cash flow for the 2025 half-year was $115 million, strengthening from the second half of 2024, though lower than H1 2024 primarily due to lower receipts from customers on lower revenue.

Cash capital expenditure was $402 million, with $179 million of spend on the Eneabba Rare Earths Refinery, and $223 million for mineral sands, including $196 million of execute spending on Balranald.

Tax payments represent income tax instalments based on the instalment rate provided by the Australian Tax Office (ATO), as well as a balancing payment made in H1 2025 related to the 2024 tax year.

Lower dividends received from Deterra in H1 2025 reflected a change to their dividend policy, which can be found on Deterra's website.

At 30 June 2025, there were $220 million of debt drawings (31 December 2024: $10 million) under the MOFA. There was $481 million drawn under the debt facility with Export Finance Australia, which includes capitalised interest.

Net debt was $502 million, an increase from $115 million reported at 31 December 2024.

The directors declared an interim dividend of 2 cents per share, to be paid in September 2025. The dividend is in line with Iluka's dividend framework to pay 100% of dividends received from Deterra Royalties and a minimum of 40% of free cash flow from the mineral sands business not required for investing or balance sheet activity.

$ Million	1st Half 2024	2nd Half 2024	1st Half 2025
Opening net cash	**225.4**	**154.4**	**(114.6)**
Operating cash flow	189.2	62.9	115.2
Exploration	(7.2)	(4.9)	(6.3)
Interest (net)	7.0	5.1	(1.7)
Tax	(76.2)	(52.6)	(70.8)
Capital expenditure	(123.8)	(147.9)	(223.4)
Principal element of lease payments	(3.4)	(5.2)	(5.7)
Asset sales	0.2	-	1.0
Treasury share purchases	-	-	(0.5)
Free cash flow - Mineral Sands	**(14.2)**	**(142.6)**	**(192.2)**
Dividends received -Deterra	15.7	15.0	9.5
Eneabba Rare Earths - Capital expenditure	(48.7)	(113.4)	(178.5)
Free cash flow - Group	**(47.2)**	**(241.0)**	**(361.2)**
Dividends	(16.7)	(16.9)	(16.9)
Net cash flow	**(63.9)**	**(257.9)**	**(378.1)**
Exchange revaluation of USD net debt	1.0	(3.0)	0.9
EFA facility costs capitalised to refinery	(0.1)	(0.1)	(0.2)
EFA interest capitalised to refinery	(5.4)	(7.5)	(10.1)
Amortisation of deferred borrowing costs	(2.7)	(0.5)	(0.3)
Increase in net cash/(debt)	**(71.1)**	**(269.0)**	**(387.8)**
Closing net cash/(debt)	**154.4**	**(114.6)**	**(502.4)**

PRODUCTION

Production (kt)	1st Half 2025	1st Half 2024	% change
Zircon	131.7	98.2	34.1
Rutile	35.6	35.6	-
Synthetic rutile	113.1	94.7	19.4
Total Z/R/SR production	**280.4**	**228.5**	**22.7**
Ilmenite	190.8	190.9	(0.1)
Total Mineral Sands Production	**471.2**	**419.4**	**12.4**
HMC produced	497	510	(2.6)
HMC processed	406	324	25.4
Cash costs of production, excluding ilmenite and by-products ($m)	**319.1**	**321.2**	**(0.7)**
Unit cash cost per tonne of Z/R/SR produced excluding by-products[1] ($/t)	1,138	1,406	(19.0)
Unit cost of goods sold per tonne of Z/R/SR sold ($/t)	1,241	1,214	2.2

[1] Unit cash cost per tonne of Z/R/SR produced is determined as cash costs of production less the cost of saleable ilmenite and by-products, divided by total Z/R/SR production volumes.

OPERATIONS

In Western Australia, the Cataby mine produced 338kt of HMC, up 9kt from 329kt in the prior period, reflecting planned mining sequences and ore grade variations. The operation benefited from the commissioning of additional mining units in the prior year, maintaining efficient processing rates.

The Jacinth-Ambrosia mine in South Australia produced 134kt of heavy mineral concentrate (HMC) in H1 2025, down from 145kt in H1 2024, reflecting lower ore grades processed in line with the planned mining sequence.

The Narngulu mineral separation plant in Western Australia processed both Jacinth-Ambrosia and Cataby material throughout H1 2025, with total HMC processed increasing 20% to 240kt compared to 201kt in H1 2024.The improvement reflects increased plant utilisation relative to prior period, which was impacted by a 6 week planned maintenance outage. ZIC production ramped up substantially to 60kt, more than doubling from 28kt in H1 2024. The Group achieved its full year production guidance for ZIC by 30 June 2025, reflecting the successful acceleration of this lower-grade materials run-down.

The SR2 synthetic rutile kiln operated at full capacity throughout the half, contributing to synthetic rutile production of 113kt, up 19% from 95kt in H1 2024. H1 2024 included a 1 month SR2 maintenance outage. The SR1 kiln remained offline as planned, consistent with the Group's disciplined approach to match production with market demand.

Rutile production remained stable at 36kt, unchanged from H1 2024, demonstrating consistent operational performance across both Jacinth-Ambrosia and Cataby sources.

MARKETING

Zircon

Zircon sand sales in H1 2025 were 97kt. Total zircon sales, including zircon-in-concentrate (ZIC), were 158kt, with Iluka achieving its full-year ZIC production guidance by 30 June 2025, with production recognised on sale.

Market conditions have been significantly impacted by heightened trade policy uncertainty. The US Government extended tariff implementation deadlines from 9 July to 1 August 2025, while imposing new reciprocal tariff rates on multiple countries including Japan (25%), Europe (30%) and South Africa (30%). The tariff rate on Australia remains at 10%. Zircon is subject to these tariffs, with approximately 50% of US zircon sand imports historically sourced from South Africa, creating potential supply chain disruptions, albeit relatively small volumes.

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

Iluka is aware that some competitors have reduced prices for zircon products in China by approximately $100/t in Q3 2025.

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

Titanium Dioxide Feedstocks

Synthetic rutile sales in H1 2025 were 70kt. Volumes reflect customer shipping schedules, with shipments expected to be weighted towards the second half of the year. Sales of natural rutile and HyTi products were 21kt.

Iluka maintains take-or-pay long-term contracts for synthetic rutile through to the end of 2026, providing some degree of revenue certainty.

Exports of lower quality rutile and leucoxene from China continue to dampen pricing expectations in welding markets. Despite these pressures, Iluka’s Q2 realised rutile price (excluding HyTi) was US$1,496 per tonne, down 3% on Q1.

Titanium dioxide feedstocks, including rutile and synthetic rutile, are exempt from the tariffs announced by the United States on 2 April 2025.

Rare Earths

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

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

Rare earth oxides also remain exempt from US tariffs

US$/tonne FOB	FY24	Q4 24	Q1 25	Q2 25	H1 25
Zircon premium and standard	1,882	1,819	1,698	1,692	1,695
Zircon (all products, including zircon in concentrate)	1,721	1,587	1,557	1,442	1,491
Rutile (excluding HYTI)	1,694	1,662	1,549	1,496	1,519
Synthetic rutile	1,205	1,186	1,138	1,147	1,143

CAPITAL AND MAJOR PROJECTS

Eneabba, Western Australia

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

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

Site activity in H1 increased, with the completion and handover of all facility areas from underground services and detailed earthworks contractors to concrete installers, which are making good progress. Works associated with non-process infrastructure involving administration building, HV powerline and gas metering station are at the final stages of completion; and works on laboratory construction are underway. Equipment is now arriving on site in preparation for placement.

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

Balranald, New South Wales

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

A final investment decision was approved in February 2023.

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

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

Wimmera, Victoria

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

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

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

RECONCILIATION OF NON-IRFS FINANCIAL INFORMATION

A reconciliation of the statutory results to the segment and commentary presented in this 4D for the half-year ended 30 June 2025 is presented below:

$m	Mineral sands	Rare Earths	Idle	Total Operating	Non-operating (Corp & Other)	Group
Mineral sands revenue	557.7	-	-	**557.7**	-	**557.7**
Freight revenue	20.1	-	-	**20.1**	-	**20.1**
Expenses	(312.8)	-	(9.0)	**(321.8)**	(14.8)	**(336.6)**
Share of profits in associate	-	-	-	**-**	15.1	**15.1**
FX	-	-	-	**-**	(12.5)	**(12.5)**
Corporate costs	-	-	-	**-**	(10.6)	**(10.6)**
EBITDA	**265.0**	**-**	**(9.0)**	**256.0**	**(22.8)**	**233.2**
Depn & Amort	(108.6)	-	(0.5)	**(109.1)**	(1.4)	**(110.5)**
Inventory movement - non-cash	21.0	-	-	**21.0**	-	**21.0**
Rehabilitation for closed sites	-	-	-	**-**	-	**-**
Revaluation on investments	-	-	-	**-**	4.5	**4.5**
EBIT	**177.4**	**-**	**(9.5)**	**167.9**	**(19.7)**	**148.2**
Net interest costs	-	-	-	**-**	(4.3)	**(4.3)**
Rehab unwind and other finance costs	(16.6)	(0.4)	(1.3)	**(18.3)**	(0.4)	**(18.7)**
Profit Before tax	**160.8**	**(0.4)**	**(10.8)**	**149.6**	**(24.4)**	**125.2**
Segment result	**160.8**	**(0.4)**	**(10.8)**	**149.6**	**n/a**	**125.2**

$m	1st Half 2024	2nd Half 2024	1st Half 2025
Cash and cash equivalents (per condensed consolidated statement of financial position)	**299.6**	**136.0**	**191.0**
Non-current Interest bearing liabilities	(145.3)	(250.6)	(693.4)
Closing net cash	**154.3**	**(114.6)**	**(502.4)**

DIRECTORS' REPORT

The Directors of Iluka Resources Limited present their report together with the financial statements of the Group for the half-year ended 30 June 2025 and the auditor's review report thereon.

BOARD OF DIRECTORS

T O'Leary (Managing Director and CEO)
J Mactier (Chair) (appointed 5 May 2025)
A Sutton
L Saint
P Smith
S Corlett

PRINCIPAL ACTIVITIES

The principal activities and operations of the Group during the half year were the exploration, project development, mining operations, processing and marketing of mineral sands and rare earths, and rehabilitation. Iluka holds a 20% stake in Deterra Royalties Limited (Deterra), the largest ASX-listed resources focused royalty company.

REVIEW OF RESULTS AND OPERATIONS

The Review of Results and Operations is set out on pages 3 to 10, and forms part of the Directors' Report.

DIVIDENDS

The Board of Directors have determined a fully franked interim dividend of 2 cents per share, payable on 25 September 2025 with a record date of 3 September 2025.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports). Amounts in the financial statements and Directors' Report have been rounded off in accordance with that Rounding Instrument to the nearest million dollars to one decimal place, or in certain cases, to the nearest dollar. All amounts are in Australian dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.

J Mactier
Chair

T O'Leary
Managing Director and CEO

Perth, 20 August 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Iluka Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Iluka Resources Limited for the half-year ended 30 June 2025 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Jane Bailey

Jane Bailey
Partner
Perth
20 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Notes	**Half Year 2025 $m**	Half Year 2024 $m
Revenue	3	**577.8**	629.7
Other gains/(losses)	4	**(5.6)**	16.8
Expenses	5	**(437.8)**	(449.5)
Equity accounted share of profit - Deterra Resources		**15.1**	12.1
Interest and finance charges		**(6.8)**	(5.7)
Rehabilitation and mine closure provision discount unwind		**(17.5)**	(16.4)
Total finance costs	5	**(24.3)**	(22.1)
Profit before income tax		**125.2**	187.0
Income tax expense	6	**(33.2)**	(53.3)
Profit after income tax for the half year		**92.0**	133.7
		Cents	Cents
Earnings per share			
Basic earnings per share		**21.5**	31.3
Diluted earnings per share		**21.2**	31.0

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Half Year 2025 $m	Half Year 2024 $m
Profit for the half year	**92.0**	133.7
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss		
Currency translation of foreign entities	**(1.3)**	0.4
Movements in foreign exchange cash flow hedges, net of tax	**19.4**	(0.6)
Share of other compehensive income of associate	**(4.3)**	-
Total other comprehensive profit/(loss) for the half year, net of tax	**13.8**	(0.2)
Total comprehensive income for the half year	**105.8**	133.5

The above condensed consolidated statement of comprehensive income should be read with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Notes	**30 June 2025 $m**	31 December 2024 $m
ASSETS			
Current assets			
Cash and cash equivalents		**191.0**	136.0
Receivables		**296.2**	305.9
Inventories		**918.1**	839.4
Derivative financial instruments	10	**0.7**	-
Total current assets		**1,406.0**	1,281.3
Non-current assets			
Property, plant and equipment	7	**2,077.9**	1,670.9
Right-of-use assets		**32.2**	35.9
Inventories		**269.5**	205.0
Investments accounted for using the equity method - Deterra		**444.9**	443.6
Financial assets at fair value through profit or loss - Northern Minerals		**15.0**	10.5
Deferred tax assets		**114.1**	94.2
Total non-current assets		**2,953.6**	2,460.1
Total assets		**4,359.6**	3,741.4
LIABILITIES			
Current liabilities			
Payables		**278.1**	198.4
Current tax payable		**17.1**	26.7
Derivative financial instruments	10	**0.2**	13.7
Provisions		**53.6**	65.6
Lease liabilities		**8.3**	12.6
Contract Liabilities		**16.8**	-
Total current liabilities		**374.1**	317.0
Non-current liabilities			
Derivative financial instruments	10	**0.8**	14.4
Interest bearing liabilities	9	**693.4**	250.6
Provisions		**807.6**	770.9
Lease liabilities		**28.6**	28.1
Total non-current liabilities		**1,530.4**	1,064.0
Total liabilities		**1,904.5**	1,381.0
Net assets		**2,455.1**	2,360.4
EQUITY			
Contributed equity	11	**1,163.3**	1,158.4
Reserves		**26.2**	11.2
Retained earnings		**1,265.6**	1,190.8
Total equity		**2,455.1**	2,360.4

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Share capital $m	Other reserves $m	Retained earnings $m	Total $m
Balance at 1 January 2024	1,143.2	21.4	993.9	2,158.5
Profit for the period	-	-	133.7	133.7
Other comprehensive loss	-	(0.2)	-	(0.2)
Total comprehensive income	-	(0.2)	133.7	133.5
Transactions with owners in their capacity as owners:				
Shares issued	13.7	-	-	13.7
Issue of treasury shares, net of tax	(9.7)	-	-	(9.7)
Transfer of shares to employees, net of tax	8.5	(8.5)	-	-
Share-based payments, net of tax	-	5.0	-	5.0
Dividends paid	0.4	-	(17.1)	(16.7)
	12.9	(3.5)	(17.1)	(7.7)
Balance at 30 June 2024	**1,156.1**	**17.7**	**1,110.5**	**2,284.3**

	Share capital $m	Other reserves $m	Retained earnings $m	Total $m
Balance at 1 January 2025	**1,158.4**	**11.2**	**1,190.8**	**2,360.4**
Profit for the period	-	-	92.0	92.0
Other comprehensive income	-	13.8	-	13.8
Total comprehensive income	-	13.8	92.0	105.8
Transactions with owners in their capacity as owners:				
Shares issued	6.3	-	-	6.3
Issue of treasury shares, net of tax	(4.8)	-	-	(4.8)
Transfer of shares to employees, net of tax	3.1	(3.1)	-	-
Share-based payments, net of tax	-	4.3	-	4.3
Dividends paid	0.3	-	(17.2)	(16.9)
	4.9	1.2	(17.2)	(11.1)
Balance at 30 June 2025	**1,163.3**	**26.2**	**1,265.6**	**2,455.1**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Half Year 2025 $m	Half Year 2024 $m
Cash flows from operating activities		
Receipts from customers	**562.0**	660.8
Payments to suppliers and employees	**(446.8)**	(471.6)
Operating cash flow	**115.2**	189.2
Interest received	**1.7**	7.9
Interest paid	**(3.4)**	(0.9)
Income taxes paid	**(70.8)**	(76.2)
Exploration expenditure	**(6.3)**	(7.2)
Net cash inflow from operating activities	**36.4**	112.8
Cash flows from investing activities		
Payments for property, plant and equipment	**(401.9)**	(172.5)
Sale of property, plant and equipment	**1.0**	0.2
Dividends received - Deterra Royalties	**9.5**	15.7
Net cash outflow from investing activities	**(391.4)**	(156.6)
Cash flows from financing activities		
Proceeds from borrowings	**432.4**	-
Purchase of treasury shares	**(0.5)**	-
Dividends paid	**(16.9)**	(16.7)
Debt refinance costs	**-**	(2.4)
Principal element of lease payments	**(5.7)**	(3.4)
Net cash inflow/(outflow) from financing activities	**409.3**	(22.5)
Net increase/(decrease) in cash and cash equivalents	**54.3**	(66.3)
Cash and cash equivalents at 1 January	**136.0**	364.9
Effects of exchange rate changes on cash and cash equivalents	**0.7**	1.0
Cash and cash equivalents at end of the half year	**191.0**	299.6

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

1. BASIS OF PREPARATION

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2025 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 December 2024 and any public announcements made by Iluka Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules.

a) Accounting policies

The accounting policies adopted and applied by the Group are consistent with those of the previous financial year and corresponding interim reporting period.

Where applicable, certain comparatives have been adjusted to conform with current year presentation.

(i) Financial instruments

In addition to the hedging related financial instruments outlined in note 10, the Group also holds an investment in Northern Minerals Limited. The investment is classified as at fair value through profit or loss. Its fair value is determined based on the closing share price of Northern Minerals on each reporting date (a level 1 input). At 30 June 2025, the investment had a fair value of $15.0 million (31 December 2024: $10.5 million).

b) Critical accounting estimates and judgements

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and future periods affected.

(i) Rehabilitation and mine closure provisions

These provisions represent the discounted value of the present obligation to restore, dismantle and rehabilitate certain items of property, plant and equipment. The discounted value reflects a combination of management's assessment of the nature and extent of the work required, the future cost of performing the work required, the timing of the cash flows, and the discount rate. Changes to one or more of these assumptions is likely to result in a change to the provision and the related asset (for open sites), or a charge to profit or loss (for closed sites) in accordance with the Group's accounting policy.

(ii) Net realisable value and classification of inventory

The Group's assessment of the net realisable value and classification of its inventory holdings requires the use of estimates, including expected future product prices and likely timing of the sale of the inventory. Inventories are valued at the lower of weighted average cost and estimated net realisable value. The net realisable value is the estimated selling price in the normal course of business, less any anticipated costs of completion and the estimated costs to sell, including royalties.

Inventories expected to be sold (or consumed in the case of stores) within 12 months after the balance sheet date are classified as current assets; all other inventories are classified as non-current assets.

2. SEGMENT INFORMATION

a) Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision-makers) in assessing performance and in determining the allocation of resources. The operating segments of the Group are:

Mineral Sands comprising the mining operations at Jacinth-Ambrosia in South Australia, Cataby in Western Australia, and activities at Balranald in New South Wales. It also includes associated processing operations at the Narngulu mineral separation plant in mid-west Western Australia, and the processing of ilmenite at the Synthetic Rutile Kilns, also located in Western Australia.

Rare Earths (RE) comprises the Eneabba Rare Earths Refinery currently being constructed in Western Australia, Phase 1 and 2 of the Eneabba development, and the Group's investment in Northern Minerals Limited.

Idle comprises rehabilitation obligations in the United States (Florida and Virginia), where mining and processing activities were substantially completed in December 2015, and certain idle assets located in Australia (Murray Basin).

The Rare Earths operating segment has access to a loan facility from Export Finance Australia that is non-recourse to the rest of the Group. As such the associated assets and liabilities are included in the Rare Earths segment assets and segment liabilities below. All other cash, debt, and tax balances are managed at a group level, together with exploration and other corporate activities, and are not allocated to segments.

Where finished product capable of sale to a third party is transferred between operating segments, the transfers are made at arm's length prices. Any transfers of intermediate products between operating segments are made at cost. During the half-year ended 30 June 2025, $14.6 million was transferred from Rare Earths to Mineral Sands. (2024: $11.5 million).

b) Segment results

Half-year 2025	**Mineral Sands**	**Rare Earths**	**Idle**	**Total**
	$m	$m	$m	$m
Total segment sales of critical minerals	557.7	-	-	557.7
Total segment freight revenue	20.1	-	-	20.1
Depreciation and amortisation expense	(108.6)	-	(0.5)	(109.1)
Total segment result	160.8	(0.4)	(10.8)	149.6
Segment assets - at 30 June 2025	2,931.3	646.8	121.7	3,699.8
Segment liabilities - at 30 June 2025	915.8	612.0	61.0	1,588.8
Segment capital expenditure	231.0	262.6	-	493.6

Half-year 2024[1]	**Mineral Sands**	**Rare Earths**	**Idle**	**Total**
	$m	$m	$m	$m
Total segment sales of critical minerals	606.2	-	-	606.2
Total segment freight revenue	23.5	-	-	23.5
Depreciation and amortisation expense	(89.0)	-	(0.5)	(89.5)
Total segment result	216.7	(0.3)	(11.2)	205.2
Segment assets - at 31 December 2024	2,591.1	348.7	118.4	3,058.2
Segment liabilities - at 31 December 2024	876.1	302.5	70.9	1,249.5
Segment capital expenditure	128.0	57.0	-	185.0

[1] Previously reported segment information had been restated to align with updated reporting segments.

2. SEGMENT INFORMATION (CONTINUED)

b) Segment results (continued)

	Half Year 2025 $m	Half Year 2024 $m
Total segment result	**149.6**	205.2
Interest income	**1.2**	7.0
Marketing and selling	**(0.6)**	(0.8)
Corporate and other costs	**(10.6)**	(21.0)
Revaluation gain on investment in Northern Minerals	**4.5**	1.0
Projects, innovation and exploration	**(14.2)**	(18.3)
Depreciation	**(1.4)**	(1.5)
Interest and finance charges	**(5.9)**	(4.8)
Net foreign exchange (loss)/gain	**(12.5)**	8.2
Share of profits in associate	**15.1**	12.1
Profit before income tax	**125.2**	187.1

3. REVENUE

	Half Year 2025 $m	Half Year 2024 $m
Sale of goods	**557.7**	606.2
Freight revenue	**20.1**	23.5
	577.8	629.7

4. OTHER (LOSSES)/GAINS

	Half Year 2025 $m	Half Year 2024 $m
Interest income	**1.3**	7.0
Revaluation on investments - Northern Minerals	**4.5**	1.0
Net foreign exchange (loss)/gain	**(12.5)**	8.2
Net gain on sale of fixed assets	**1.1**	0.6
	(5.6)	16.8

5. EXPENSES

		Half Year 2025 $m	Half Year 2024 $m
Expenses			
Cash costs of production		**319.1**	321.2
Depreciation/amortisation		**102.6**	79.3
Inventory movement - cash costs of production	(a)	**(84.8)**	(64.4)
Inventory movement - non-cash production costs	(a)	**(21.0)**	(27.9)
Cost of goods sold		**315.9**	308.2
By-product costs		**10.9**	9.3
Depreciation (idle, corporate and other)		**7.9**	11.8
Idle capacity and operational readiness		**21.3**	19.0
Government royalties		**17.7**	18.6
Marketing and selling costs		**37.3**	41.1
Corporate and other costs		**10.6**	21.0
Projects, exploration and innovation		**16.2**	20.5
Total expenses		**437.8**	449.5
Finance Costs			
Interest charges		**3.4**	0.6
Bank fees and similar charges		**2.2**	2.1
Amortisation of deferred borrowing costs		**0.3**	2.7
Lease borrowing costs		**0.9**	0.3
Rehabiliation and mine closure provision discount unwind		**17.5**	16.4
Total finance costs		**24.3**	22.1

a) Inventory movement

Inventory movement comprises the difference between inventory on hand at the end and beginning of the reporting period. A credit to inventory movement in the profit or loss in the period represents an increase in total inventory and a debit represents a net drawdown.

6. INCOME TAX

	Half Year 2025 $m	Half Year 2024 $m
Current tax	**57.8**	61.5
Deferred tax	**(23.9)**	(7.4)
(Over)/under provided in previous years	**(0.7)**	(0.8)
	33.2	53.3

Income tax expense for the half-year interim reporting period has been recognised based on the Group's estimate of the effective income tax rate expected to apply to the full year. The estimated effective income tax rate used for the Group in the interim reporting period is 27.1% (2024: 28.5%).

7. PROPERTY, PLANT AND EQUIPMENT

The Group recognised $493.6 million of additions to property, plant and equipment during the half-year 30 June 2025 (2024: $190.0 million additions), of which $204.7 million related to Balranald (2024: $75.6 million), $260.7 million (including capitalised interest and accruals) related to the Eneabba Rare Earths Refinery (2024: $57.0 million), and the remainder related to other Group growth initiatives and studies, and sustaining capital spend on Australian Operations.

8. CAPITAL COMMITMENTS

Capital commitments at 30 June 2025 total $576.0 million and relates to the purchase of property, plant and equipment, of which $457.5 million is related to the Eneabba Rare Earths Refinery project. Of the total amount, $406.8 million is expected to be paid within one year and the remainder in more than one year but less than five years from the reporting date (30 June 2024: $278.6 million total capital commitments, of which $137.5 million was payable within one year and the remainder in more than one year but less than five years).

9. INTEREST BEARING LIABILITIES

		30 June 2025 $m	31 December 2024 $m
Non-current interest bearing liabilities			
Multi Optional Facility Agreement	(a)	**220.5**	10.0
Export Finance Australia (EFA) facility	(b)	**480.8**	248.8
Deferred borrowing costs		**(7.9)**	(8.2)
Total interest-bearing liabilities		**693.4**	250.6

The Group has access to the facilities below at the reporting date. Both facilities are subject to certain covenants, of which the Group is in compliance with at 30 June 2025.

a) Multi Option Facility Agreement (MOFA)

The Multi Option Facility Agreement comprises a series of unsecured committed five year bilateral revolving credit facilities with several domestic and international institutions. The facility has a total limit of $800 million, expiring in 2029 (31 December 2024: $800 million expiring in 2029). At 30 June 2025, $220.5 million cash (comprising AU$213.5 million and US$4.5 million) and $41.0 million of bank guarantees were drawn (31 December 2024: $10.0 million cash and $39.0 million of bank guarantees drawn).

b) Export Finance Australia (EFA) facility

With the risk sharing agreement between the Group and the Australian Government the Group has access to a loan facility to fund the construction and commissioning of the Eneabba Rare Earths Refinery. The facility provides access to $1,650 million, with an additional $75 million overrun allowance available. The facility is non-recourse to Iluka and has a variable interest rate equal to the BBSY + 3% with a term of up to 16 years expiring in 2038. At 30 June 2025, $480.8 million was drawn against the facility, leaving $1,169.2 million undrawn. The $75 million overrun facility was also undrawn. (31 December 2024: $248.8 million was drawn against the facility, $1,401.2 million undrawn).

10.HEDGING

	30 June 2025 $m	31 Dcember 2024 $m
Assets		
Foreign exchange forward contracts - current	**0.7**	-
Liabilities		
Foreign exchange collar hedges - current	**0.2**	13.7
Foreign exchange collar hedges - non current	**0.8**	14.4
Total liabilities	**1.0**	28.1

The Group is exposed to risk from movements in foreign exchange in relation to its forecast US dollar denominated sales and, as part of the risk management strategy, has entered into foreign exchange collar contracts.

a) Fair value of derivatives

Derivative financial instruments are assets and liabilities measured and recognised at fair value at 30 June 2025 and 31 December 2024, comprising the hedging instruments in (b) below. The fair value of hedging instruments is determined using valuation techniques with inputs that are observable market data (a level 2 measurement). The valuation of the options making up the collars is determined using forward foreign exchange rates, volatilities and interest rates at the balance date. The only unobservable input used in the calculations is the credit default rate; movements in which would not have a material effect on the valuation.

b) Hedge accounting

Cash flow hedges

The foreign exchange collars Iluka holds are classified as cash flow hedges. Hedges are classified as cash flow hedges when they hedge a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions.

Foreign exchange collar contracts in relation to expected USD revenue, predominantly from contracted sales to 31 December 2026, remain open at the reporting date. The foreign exchange collar hedges cover US$329.8 million of expected USD revenue to 31 December 2026 and comprise US$329.8 million worth of purchased AUD call options with a weighted average strike price of 68.3 cents and US$329.8 million of AUD put options at a strike price of 62.9 cents.

US$160.8 million in foreign exchange collar contracts matured during the half-year, consisting of US$160.8 million of bought AUD call options with weighted average strike prices of 68.6 cents and US$160.8million of sold AUD put options with weighted average strike prices of 63.5 cents. No new foreign exchange collar contracts were entered into during the half year.

11. CONTRIBUTED EQUITY

a) Movements in ordinary share capital

On 21 February 2025, the Group issued 1,340,000 ordinary shares to the Iluka Employee Share Trust trustee at a price of $4.67 per share. The issued shares became treasury shares held by the trust on the same date and are included with treasury shares in (b), below.

On 28 March 2025, the Group issued 72,718 ordinary shares to shareholders at a price of $4.16 per share as part of the Dividend Reinvestment Plan, the terms of which are detailed in the ASX announcement dated 27 February 2018. As at 30 June 2025, 429,662,053 ordinary shares are on issue.

b) Movements in treasury shares

During the period 817,766 treasury shares were transferred to employees (2024: 1,600,342) and 1,340,000 treasury shares were acquired (2024: 1,850,000 treasury shares were acquired). The total number of treasury shares on hand at 30 June 2025 is 1,023,442.

12. DIVIDENDS

	Half Year 2025 $m	Half Year 2024 $m
Final dividend		
for 2024 of 4 cents per share, fully franked	**17.2**	-
for 2023 of 4 cents per share, fully franked	**-**	17.1
Total Dividends	**17.2**	17.1

Of the total $17.2 million final dividend declared for 2024, $0.3 million was taken up by shareholders as part of the Dividend Reinvestment Plan as detailed in the announcement to the ASX dated 28 March 2025.

The Directors have determined that an interim dividend of 2 cents per share will be declared for the half-year ended 30 June 2025.

FRANKING CREDITS

The balance of franking credits available as at 30 June 2025 is $880.6 million (30 June 2024: $761.2 million). This balance is based on a tax rate of 30% (2024: 30%).

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the interim financial statements and notes set out on pages 13 to 25 are in accordance with the Corporations Act 2001, including:

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the half-year ended on that date, and

(b) there are reasonable grounds to believe that Iluka Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

J Mactier
Chair

T O'Leary
Managing Director

Perth, 20 August 2025

Independent Auditor's Review Report

To the shareholders of Iluka Resources Limited

Conclusion

We have reviewed the accompanying ***Interim Report*** of Iluka Resources Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Report of Iluka Resources Limited does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the ***Group's*** financial position as at 30 June 2025 and of its performance for the half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Report*** comprises:

- Condensed consolidated statement of financial position as at 30 June 2025;
- Condensed consolidated statement of profit or loss, Condensed consolidated statement of comprehensive income, Condensed consolidated statement of changes in equity and Condensed Consolidated statement of cash flows for the half-year ended on that date;
- Notes 1 to 12 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Group*** comprises Iluka Resources Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Interim Report

The Directors of the Company are responsible for:

- The preparation of the Interim Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Interim Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the review of the Interim Report

Our responsibility is to express a conclusion on the Interim Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group’s financial position as at 30 June 2025 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Jane Bailey

KPMG

Jane Bailey
Partner
Perth
20 August 2025