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

QUARTERLY REVIEW TO 31 DECEMBER 2025

29 January 2026

KEY FEATURES

- Production of zircon/rutile/synthetic rutile (Z/R/SR) in Q4 2025 was 155kt, an increase on Q3, despite the previously announced idling of SR2 from 1 December 2025. This was driven by 38kt of zircon-in-concentrate (ZIC), with production recognised upon sale
- Full year 2025 Z/R/SR production was 559kt, exceeding Iluka's guidance, due to higher than forecast ZIC production – the result of optimised processing of remnant material through all of Iluka's active separation facilities at Eneabba, North Capel and Narngulu
- Z/R/SR sales in Q4 2025 were 161kt, including
  - 30kt of zircon sand (premium and standard grade), for full year 2025 sales of 165kt
  - 56kt of synthetic rutile, for full year 2025 sales of 136kt
- The Q4 weighted average zircon sand price was US$1,502/t, a reduction from Q3, reflecting softer prices for premium grade zircon in China. To date, Iluka has contracted 35kt of zircon sand sales for Q1 2026 at prices consistent with Q4 2025
- Full year 2025 unit cash costs of production of $1,054/t was below guidance, reflecting higher than forecast ZIC production
- Mining has commenced at Balranald. Ore extraction rates have met and at times exceeded nameplate
- Total capital expenditure spent at the Eneabba rare earths refinery to 31 December 2025 was $865 million. Concrete installation advanced alongside the installation of mechanical equipment, pipe rack modules, tanks and buildings
- Iluka has successfully tested the zircon flowsheet developed for the Wimmera project. Customer testing has confirmed ~40% of extracted zircon sand is suitable for ceramics, with markets identified for ~60% of all zircon extracted

PHYSICAL AND FINANCIAL SUMMARY	Q4 24	Q3 25	Q4 25	FY 24	FY 25	FY 25 vs FY 24
PRODUCTION kt						**%**
Zircon sand	44.8	39.5	47.8	158.0	159.2	0.8
ZIC[1]	15.0	12.8	38.4	69.2	111.1	60.5
Rutile[2]	11.8	13.5	29.9	57.8	78.9	36.5
Synthetic rutile	57.8	58.0	38.8	211.2	209.9	(0.6)
Z/R/SR production	**129.4**	**123.8**	**154.9**	**496.2**	**559.1**	**12.7**
Ilmenite	99.2	81.8	62.6	398.0	335.2	(15.8)
SALES kt						
Zircon sand	22.2	30.6	29.7	164.9	157.2	(4.7)
ZIC[1]	15.6	13.2	36.2	65.0	110.7	70.3
Rutile	9.4	10.6	39.7	45.2	70.8	56.6
Synthetic rutile	89.2	10.0	55.9	200.1	136.2	(31.9)
Z/R/SR sales	**136.4**	**64.4**	**161.4**	**475.2**	**474.9**	**(0.1)**
Ilmenite	31.0	21.3	0.3	121.3	51.2	(57.8)
REVENUE $ million						
Z/R/SR revenue	271	127	260	1,043	908	(12.9)
Ilmenite and other revenue	19	15	17	85	67	(20.9)
Mineral sands revenue	**290**	**142**	**276**	**1,128**	**976**	**(13.5)**
Production cash costs of Z/R/SR				644	589	(8.5)
By-product costs				16	10	(40.1)
Total cash cost of production				**660**	**599**	**(9.3)**
$ per tonne						
Unit cash production costs Z/R/SR produced				**1,298**	**1,054**	**(18.8)**
Unit cost of goods sold Z/R/SR sold[3]				**1,190**	**1,274**	**7.1**
Unit revenue Z/R/SR sold	1,988	1,969	1,610	2,195	1,913	(12.9)
AUD:USD cents	65	66	66	66	65	(1.6)

[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%.

[3] Unit cost of goods sold per tonne for Z/R/SR sold excludes net realisable value (NRV) adjustments recognised in the year.

FULL YEAR 2025 SELECTED FINANCIALS[4]

- Iluka's minerals sands business generated $976 million revenue in 2025, with $276 million recognised in Q4, resulting in trade receivables balance of $267 million at December 2025
- The company continued to invest in growth through the Balranald and Eneabba developments, with full year capital expenditure of $862 million
- Dividends received from Deterra were $23 million for the full year. In line with Iluka's dividend framework, these are distributed 100% to Iluka shareholders
- As at 31 December 2025
  - Iluka's mineral sands business had a net debt balance of $473 million, with total commercial debt facilities available of $800 million and tenor through to May 2029
  - Iluka's rare earths business had a net debt position of $584 million, with $610 million drawn (including capitalised interest) under the Export Finance Australia loan facility[5]

	MINERAL SANDS		RARE EARTHS		GROUP	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25
$ million						
Operating cash flow	252	61	n/a	n/a	252	61
Capital expenditure	272	419	162	443	434	862
	At 31 Dec 2024	*At 31 Dec 2025*	*At 31 Dec 2024*	*At 31 Dec 2025*	*At 31 Dec 2024*	*At 31 Dec 2025*
Net cash (debt)	90	(473)	(205)	(584)	(115)	(1,057)

2026 OUTLOOK[6]

- Iluka's 2026 production outlook assumes SR2 and Cataby will remain idle throughout the year. The company retains the flexibility to increase synthetic rutile production by restarting SR2 earlier in 2026 should market conditions support a restart. Balranald production will ramp up through H1 2026.
- Lower cash costs of production compared with FY25 predominantly reflect the idling of Cataby and SR2 in 2026, and include $140 million of Balranald production costs
- Idle costs cover Cataby, SR2, Murray Basin and US operations
- Unit cash costs of production are distorted by:
  - ramp up assumptions at Balranald in H1, with operating costs expensed, although not assumed to achieve investment case production rates until H2; and
  - higher 'steady-state' unit costs at Balranald relative to traditional mineral sands mining operations, in line with guidance provided at the final investment decision[7]
- Mineral sands capital expenditure includes study costs for Wimmera and Typhoon, as well as completion of Balranald and minor sustaining capital expenditure.

	2024	2025[4]	2026
Production (kt)			
Zircon sand	158	160	130
Zircon in concentrate (ZIC)	69	111	50
Rutile, including HyTi	58	79	85
Synthetic rutile	211	210	-
Total Z/R/SR	**496**	**559**	**265**
Key financials ($ million)			
Cash costs of production	644	589	420
Unit cash costs of production ($/t ZRSR)	1,298	1,054	1,585
By product costs	16	10	10
Restructure, idle costs	35	32	85
Balranald operational readiness	7	31	-
Depreciation & amortisation (non-cash)	192	233	135
Capital expenditure – mineral sands	272	419	60
Capital expenditure – rare earths	162	443	600

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

[5] 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 $1.65 billion non-recourse loan to Iluka under the Critical Minerals Facility administered by Export Finance Australia. Loan tenor is flexible and can extend to 2038.

[6] 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.

[7] Refer Iluka ASX release *Balranald Development – Final Investment Decision*, 21 February 2023.

COST REVIEW 2025

In Q4 2025, Iluka undertook a comprehensive review of the company's cost base. Approximately 120 roles across operations and support functions were rationalised, delivering expected savings of ~$36 million in 2026.

PRODUCTION COMMENTARY

The Jacinth-Ambrosia mine in South Australia produced 104kt of heavy mineral concentrate (HMC), higher than the 55kt produced in Q3, with higher ore grade, ore volume treated and recovery.

In Western Australia, the Cataby mine produced 99kt of HMC, down from 107kt in Q3, with lower ore volumes treated resulting from the production suspension on 1 December, partially offset by higher ore grade.

Total HMC processed in Q4 was 204kt. The Narngulu mineral separation plant processed 145kt of HMC, a mix of Jacinth-Ambrosia and Cataby material, producing a total of 86kt of zircon (including ZIC) and 30kt of rutile (including HyTi).

SR2 produced 39kt of synthetic rutile, with the kiln running at full capacity until 1 December when production was suspended.

EXPLORATION

Expenditure on exploration and evaluation activities in Q4 was $3.8 million.

In Australia, activities targeted heavy mineral deposits in the Eucla Basin of South Australia. Air core drilling programmes were completed to improve geological confidence and support metallurgical assessments over the Typhoon and Sonoran deposits. A total of 80 holes for 3,042 metres were drilled.

In the US, exploration was focused on finalising field programmes at the North Fork project area of Idaho, as well as furthering geological understanding of the Little 8 Mile project area. This included geological mapping and sampling at both field areas.

MARKET CONDITIONS

Macro

The macroeconomic uncertainty observable throughout 2025 persisted in Q4, which is typically a seasonally slower period for mineral sands demand. This uncertainty continues to weigh on business and consumer confidence, influencing customer buying patterns.

Pricing for both intermediate and finished mineral sands products is widely reported as being unsustainably low, with several of Iluka's competitors and customers reporting losses, asset closures and significant restructuring efforts.

Historically, improvements in zircon demand tend to become visible after the Chinese New Year (mid-February), while changes in pigment demand are typically signalled by restocking activity aligned with the Northern Hemisphere spring.

Iluka enters 2026 with production settings calibrated for a period of moderate mineral sands demand. The company remains well positioned to respond quickly to any improvement in market conditions that may flow from an uptick in Northern Hemisphere housing markets, economic activity levels in China or supply interruptions.

Zircon

Zircon sand sales volumes in Q4 were 30kt. Zircon-in-concentrate (ZIC) sales were 37kt. Total zircon sales in 2025 (including ZIC) were 268kt, 16% higher than 2024.

ZIC sales volumes were 110kt, 70% higher than 2024, reflecting all available production. The market has sought lower quality and cheaper cost material to help manage profitability.

The average realised zircon sand price (premium and standard zircon) in Q4 was US$1,502 per tonne, reflecting softer prices for premium grade zircon in China, the consequence of aggressive price discounting by a competitor. The 2025 weighted average zircon premium and standard price was $1,643 per tonne.

In China, ceramics production slowed in December as many factories suspended operations through January, with most expected to restart only after Chinese New Year. Ongoing efforts to stabilise China's residential property market in 2026 include government initiatives to reduce housing inventory and expand affordable housing.

In Europe, ceramic production remained resilient throughout the quarter, driven by tile exports and renovation activity.

In the US, demand from industrial activity slowed, particularly in the foundry sector.

India's domestic tile market remains stable, but exports are being constrained by elevated shipping costs and trade tariffs.

To date, Iluka has contracted 35kt of zircon sand sales for Q1 2026 at prices consistent with those achieved in Q4 2025. Customers remain generally cautious, maintaining lean inventories and positioning for a more stable market in 2026.

Titanium dioxide feedstocks

Synthetic rutile sales volumes in Q4 were 56kt. The weighted average realised price for synthetic rutile was US$1,073/tonne.

Full year synthetic rutile sales of 136kt reflect volume reductions due to the previously announced loss of contracted sales to Venator and the outcomes of rebalancing the obligations of other Western pigment customers over 2025 and 2026.[8] The latter included swapping some contracted synthetic rutile with rutile, HyTi and ilmenite volumes. As foreshadowed, Iluka has worked with its longstanding Western pigment customers to address some of their short-term challenges in a manner that is mutually beneficial in the context of current market conditions. This has resulted in existing contracts with these customers being adjusted for 2026 to collectively cover 110kt of synthetic rutile; 10kt of rutile; 12kt of HyTi; and 100kt of ilmenite, with a range of fixed or floor prices underpinning minimum contracted revenue of A$240 million.[9] Additional spot or contracted sales to these or other customers would generate additional revenue from Iluka's titanium dioxide products (revenue from zircon sales is also not included in the A$240 million).

Sales of natural rutile and HyTi totalled 40kt in Q4. Iluka's Q4 realised rutile price (excluding HyTi) averaged U$1,110/tonne. Realised price reflects material sales of lower grade rutile (92% TiO2) in the quarter, as well as a higher proportion of rutile sales into the pigment market, as opposed to welding (which achieves a premium). Sales volumes will be weighted to pigment customers with the introduction of Balranald.

North America is a major end market for Iluka's titanium dioxide feedstock business, with pigment demand closely tied to US housing activity. Over recent years, elevated interest rates and affordability constraints have moderated housing activity, placing downward pressure on pigment demand. A potential improvement in US housing conditions in 2026, supported by deregulation, government incentives and lower interest rates, could lift pigment consumption in North America and in turn strengthen demand for Iluka's feedstock products.

Rare earths

Offtake discussions for Iluka's rare earth products continue to advance in parallel with the development of the Eneabba refinery (refer page 5).

The industry backdrop for rare earths remains favourable, with sustained interest from both governments and commercial customers to strategically diversify the supply chain, despite record exports from China in 2025. Recent commentary has noted the potential for international cooperation via the G7 and its partners to enhance supply chain independence, including in relation to pricing support.

Upon commissioning in 2027, Eneabba will be one of the few rare earths refineries operating outside of China; a multi-decade infrastructure asset capable of processing a diverse range of feedstocks, from Australian and international projects, and producing both light and heavy separated rare earth oxides.

[8] Refer Iluka ASX release *Synthetic Rutile Sales Outlook*, 17 October 2025

[9] Sales contracts are priced in USD and an exchange rate of 0.67 has been assumed to convert to AUD

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.[10]

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.

Concrete installation advanced through Q4 2025, with over 21,000m^3 poured in 2025. Progressive completion of plant areas has enabled the installation of mechanical equipment, pipe rack modules, tanks and buildings, providing a solid foundation for subsequent works. The construction workforce reached over 400 in December.

Major equipment deliveries to site continue, with the roaster kiln due at site in H1 2026. The remaining contract awards relate to structural, mechanical, piping, electrical and instrumentation (SMPEI), which were tendered in Q4 2025 and are scheduled for award in H1 2026.

The lining of the tailings disposal facility has been completed.

Total capital expenditure at the Eneabba rare earths refinery through 31 December 2025 was $865 million. The capital estimate to deliver the project remains $1.7-1.8 billion.

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.

Work in Q4 focussed on commissioning mining equipment and the processing plant. Safety performance has seen the project remain LTI free, with over 1 million hours expended.

Mining and processing of run-of-mine ore commenced in January. Extraction rates have met or exceeded nameplate. Commissioning of the processing plant has progressed to the point of producing HMC.

Consistent with the investment case, Iluka expects to progressively ramp up mining and production of HMC to steady-state by mid-2026.

---

[10] 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 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.

Iluka has successfully tested the flowsheet developed for the Wimmera project and produced finished zircon products. Customer testing has confirmed ~40% of extracted zircon sand is suitable for ceramics with markets identified for ~60% of all zircon extracted.

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

Teleconference

Iluka will host a teleconference at 12pm AEDT. Details for the teleconference are below:

https://register-conf.media-server.com/register/BI9c7e0feb0b32461f9990d21b85a64c06

Dial in details and instructions will be provided in the confirmation email received upon registering.

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

Investment market and media enquiries:
Luke Woodgate
General Manager, Investor Relations and Corporate Affairs
Mobile: +61 (0) 477 749 942
Email: investor.relations@iluka.com

Disclaimer:

This document has been prepared by Iluka Resources Limited (Iluka).

By accessing this document you acknowledge that you have read and understood the following statement.

This document includes forward-looking statements reflecting Iluka's current expectations. These statements are expressed in good faith and the expectations and beliefs are genuinely held but no representation or warranty is being made by Iluka that the matters stated in this document will in fact be achieved or prove to be correct. Readers should not place undue reliance on any forward-looking statement.

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 12 months to 31 December 2025	Jacinth-Ambrosia	Cataby
Mining		
Overburden Moved kbcm	5,349	7,694
Ore Mined kt	10,299	11,855
Ore Fed/Treated kt	9,766	9,290
Ore Treated Grade HM %	3.2%	6.3%
VHM Treated Grade %	2.9%	5.3%

Physicals Data 3 months to 31 December 2025	Jacinth-Ambrosia	Cataby
Mining		
Overburden Moved kbcm	923	1,551
Ore Mined kt	3,065	1,732
Ore Fed/Treated kt	2,537	1,800
Ore Treated Grade HM %	4.2%	5.9%
VHM Treated Grade %	4.0%	5.1%

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.

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	Q4 25	FY 25
US$/tonne FOB						
Zircon premium and standard	1,882	1,698	1,692	1,615	1,502	**1,643**
Zircon (all products, including zircon in concentrate)[1]	1,721	1,557	1,442	1,464	1,230	**1,422**
Rutile (excluding HyTi)[2,3]	1,694	1,549	1,496	1,375	1,110	**1,216**
Synthetic rutile	1,205	1,138	1,147	1,106	1,073	**1,112**

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).
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