

29 January 2026

Mineral sands – FY25 accounting adjustments

Iluka advises two exceptional items are expected to be recognised in the company's financial results for the year ended 31 December 2025 (FY25 Results).

These items relate to an impairment of the carrying value of the Mineral Sands business unit and recognition of a net realisable value (NRV) adjustment to inventory.

The FY25 Results remain subject to audit by KPMG, Iluka's external auditor, and final review and approval by Iluka's Board.

Mineral Sands impairment

In September 2025, Iluka announced the suspension of production activities at both the Cataby mine and the synthetic rutile kiln 2 (SR2) processing facility in Western Australia, effective 1 December.¹ The suspension was enacted given subdued demand for mineral sands and their associated downstream products, particularly pigment. The persistence of these demand conditions has impacted price expectations in the nearer term.

Iluka expects to record a non-cash impairment charge of ~\$350 million pre-tax in its FY25 Results, the majority of which relates to the Cataby mine, synthetic rutile kilns 1 and 2 and associated project study costs for the South West region of Western Australia.

In addition, the company is expected to reduce the remaining Cataby Ore Reserve by ~35%, representing a ~7% reduction to Group Ore Reserves. Cataby's revised mine life is expected to be four years from resumption of mining.

NRV adjustment to inventory

Price expectations have also prompted reductions to the net realisable value (NRV) for inventory, resulting in some product inventory items falling below their weighted average cost, leading to a reduction in inventory value of ~\$215 million pre-tax. This reduction predominantly relates to Cataby ore and heavy mineral concentrate work-in-progress inventories.

Iluka's inventory balance at 31 December 2025, after the NRV adjustment, is ~\$1.1 billion, with ~\$600 million relating to finished goods.

Iluka's FY25 financial results

Accordingly, Iluka's profit and loss statement is expected to include exceptional charges totalling ~\$565 million pre-tax for the year ended 31 December 2025. The company will continue to manage the drawdown of its mineral sands product inventory in a disciplined manner and remains well positioned to respond to improved market conditions.

Iluka expects the underlying mineral sands EBITDA to be around \$300 million, before the exceptional charges.

¹ For further information refer Iluka ASX release, *Mineral sands – production suspension at Cataby and SR2*, 10 September 2025

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.

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