

2 May 2025

ILUKA RESOURCES 2025 ANNUAL GENERAL MEETING

Iluka Resources Limited (Iluka) will today hold its 70th Annual General Meeting of Shareholders.

Shareholders will vote on five resolutions: the election of Director Peter Smith; the re-election of Director Susie Corlett; the adoption of the remuneration report; and the grant of securities to the Managing Director (two separate resolutions).

Copies of the addresses to be delivered by the Acting Chair and the Managing Director are attached.



Nigel Tinley

Joint Company Secretary

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

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2025 Annual General Meeting

Iluka Resources Limited

2 May 2025

Chair's and Managing Director's Addresses

Chair's address

I'm delighted to address this year's meeting as Acting Chair. Our recently announced new Chair, James Mactier, commences his role next week and is in attendance today. On behalf of the Board and all at Iluka, I'll take this opportunity to welcome James formally to our company.

This is Iluka's 70th AGM. That longevity is no accident. We have a rich history. And there have been many points in our past where Iluka has evolved to seize new prospects observable in the markets and world in which we operate.

We're in the midst of one of those periods of evolution now. Iluka's mineral sands business is undergoing an important transition via our new mine at Balranald, which will be commissioned later this year. At the same time, we are developing a new and unique rare earths business, the significance of which the Managing Director has outlined previously and becomes more evident by the day.

These are matters of profound determination for our company. By that I mean the determination to deliver; to take the tremendous opportunities we have before us; and thereby set the foundation for the next era of sustainable value for our shareholders.

There's no denying that we are doing this in an environment of considerable macroeconomic uncertainty, which was persistent in 2024 and has increased further in 2025. Quite obviously, predicting the trajectory of global events is a fraught enterprise. But to a greater or lesser extent, some measure of uncertainty seems very likely to remain the reality for business for the foreseeable future.

Board directors like to think we have some powers. I trust I won't offend my colleagues when I say that eliminating uncertainty is not one of them. What we can do – and what has governed Iluka's approach – is to focus on those areas that are within our means to control. This is important when reflecting on our company's achievements over the past year.

- In safety and environment, we improved our serious potential injury frequency rate and increased rehabilitation to 400 hectares of land.
- Despite muted demand in all markets, we delivered a 42% margin across our product suite, the result of continued discipline in production and pricing.
- Those margins generated cash to fund progress on our development pipeline, including Balranald, without resorting to high gearing levels or raising capital.
- Even with this \$434 million investment in our future, we declared an eight cent dividend in 2024, made possible by our 20% stake in Deterra Royalties.

- And, critically, we finalised our expanded strategic partnership with the Australian Government, ensuring risk protection; a limited equity contribution; and \$1.65 billion in non-recourse finance to deliver Australia's first fully integrated rare earths refinery.

Mindset is paramount to these achievements, but agency is equally a function of long term strategy and planning.

Iluka's discipline in the marketplace is enabled by the company's mineral sands balance sheet, which has been in a net cash position since 2019 and was again at the end of 2024.

Balranald's commercialisation has been made possible by a new mining technology, the product of 11 years investment in research and development, including three field trials.

Our rare earths business is the result of views taken, first, in the early 1990s to stockpile minerals that until recently others thought worthless and, since 2019, that this stockpile could be leveraged to build a multi decade refining business.

And our Deterra stake exists because of careful decision making at the time of that company's demerger in 2020.

It's at this point that I'd like to acknowledge Iluka's former Chair, Rob Cole, who retired in December due to health reasons. Rob joined the Board in 2018 and became Chairman in 2022. Throughout that period, Rob's leadership was integral to much of what I have just outlined and many more matters besides. His contribution to the company will continue to be felt long after his departure. I'm pleased to report that Rob is doing well.

The other Board subject I wish to address this afternoon is the re-election of Susie Corlett. Many will be aware of the recent media commentary regarding Mineral Resources and Susie's resignation as a director of that company. It would not be appropriate for me to comment on any of that – Mineral Resources and Iluka are of course entirely separate.

Nevertheless, one proxy adviser has determined to recommend against Susie's re-election today. For our part, we consider Susie to be a highly experienced and effective Iluka director. She continues to contribute to the Board in driving the company's objective, which is to deliver sustainable value. She has our fullest confidence; and I'm pleased that some shareholders have met with Susie before casting their votes ahead of the AGM.

It's been another eventful 12 months at Iluka and, in many of the respects I mentioned earlier, an important year. We are in the process of delivering developments vital to our future, consistent with our objective and with our longstanding strategy.

That said, I'm mindful that the past few months have not been pleasant for the company's shareholders. Our share price is not what it should be.

I want to assure you this is a situation satisfactory to no one at Iluka. We remain determined. Laser focussed on delivery. And confident that equity markets will recognise the substantial value our investment proposition represents. Tom is leading these efforts and I'd like to thank him and his team for their work in 2024.

I will now hand over to Tom for the Managing Director's Address.

Managing Director's address

Thank you, Andrea. I too offer my thanks – personally and on behalf of everyone at Iluka – for your leadership as Acting Chair following Rob Cole's retirement in December. I also extend a warm welcome to James as our incoming Chair, and to all of our shareholders joining us today.

Andrea just mentioned Iluka's investment proposition. In times like this, with the external environment uncertain and our company engaged in a substantial capital works programme, I think it's helpful to return to those fundamentals.

At Iluka's core is a mature mineral sands business with an established record of attractive margins and cash generation. Zircon and titanium are ubiquitous in everyday life. Construction and development are key drivers of demand, which has historically correlated closely with GDP.

While few would describe global economic activity in recent times as a runaway growth story, supply dynamics are such that this business has delivered average annual operating cash flows of approximately \$400 million over the past five years.

In parallel, we're developing a new and unique rare earths business with significant growth exposure. Rare earths are a critical component of electric and hybrid vehicles, robotics, defence systems and electronics. They are essential for our modern economy, and demand is set to increase materially. And as I've conveyed in the past, the current industry is unsustainable, owing to China's monopoly position and approach.

That is why governments are acting; and why the risks associated with Iluka's rare earths diversification are mitigated by our \$1.65 billion strategic partnership with the Australian Government.

For a total cash equity contribution of \$414 million – representing about one year of historic average operating cash flows from the mineral sands business – and with the balance funded on a non-recourse basis by government – Iluka shareholders will own one of few rare earths refineries that will exist outside of China – a refinery with enhanced economics by virtue of the feedstocks existing in the Eneabba rare earths stockpile. This is a strategic infrastructure asset that will be the foundation of an independent Western and likeminded supply chain that is clearly required.

Two complementary businesses, each important in its own right and yet mutually reinforcing in the context of key megatrends – urbanisation, electrification and supply chain diversification.

And our 20% stake in Deterra Royalties provides additional financial strength and dividend certainty, which is particularly valuable during periods of capital investment.

I've said it many times previously – discipline is critical to Iluka achieving its objective, not only in how we produce and price our products; but in how we allocate capital, manage risk and position the company to capture the future opportunities that will deliver sustainable value.

This positioning matters given recent geopolitical developments and the realignment of trade flows.

All of Iluka's production occurs in Australia and, in our mineral sands business, zircon is captured by the blanket 10% tariff announced recently by the United States. However, the company's sales of zircon to the US have been relatively small in recent years – 6% in 2024 – meaning the immediate business impact of this action is limited.

Iluka's titanium feedstocks, rutile and synthetic rutile, are exempt from US tariffs. But tariffs are not new to the pigment industry, which accounts for 90% of titanium feedstock demand. We've seen a pattern of action since 2018, with the US, European Union and India all implementing similar anti-

dumping measures against pigment imports from China; and Brazil now undertaking its own investigation.

The vast majority of Iluka's synthetic rutile sales are to pigment manufacturers in the Americas and Europe. To the extent these anti-dumping measures may have the effect of strengthening the ex-China pigment industry, that would be a positive for our company.

I say all of this by way of echoing strongly Andrea's comments about macroeconomic uncertainty and the unpredictability of global events. From recessions in some countries to stimulus in others, the range of potential outcomes resulting from the trade dislocation currently taking place is wide. In turn, the outcomes on Iluka's markets vary in each case; and it's imperative that we remain prepared to deal with them.

As has been reported extensively, China's response to US tariffs has included adding medium and heavy rare earths to its export control list as part of its continued drive to assert ever greater control.

In 2022, the Chinese Government issued a directive to its producers to "jointly guide prices back to rationality." In 2023, China banned the export of rare earth extraction and separation technologies. And during this same period China has consolidated its rare earths industry into three large players, with all rare earth resources declared as belonging to the state.

The most recent action has magnified the threat to Western and likeminded manufacturing that Iluka has been highlighting – and preparing for – over an extended period.

It is a fact that China today controls around 90% of global rare earth oxide production; and effectively 100% of supply of the key heavy rare earths, dysprosium and terbium.

It is also a fact that, at present, Australia and the rest of the world remain reliant on China for the supply of heavy rare earths – materials essential for electrification and defence systems.

And it is a fact that rare earths are among very few metals where China has demonstrated a preparedness to withhold supply to achieve political or strategic objectives.

So it's encouraging to see growing recognition of the risks posed by China's dominance, with the implications of this dynamic and the opportunity it presents having been evident for some time.

This is precisely why Iluka has leveraged our unique stockpile of rare earth minerals at Eneabba to build a refinery that puts us at the forefront of global electrification and the diversification of supply chains, which is now accelerating. Once again, we are sharing the risk associated with this diversification with the Australian Government, primarily through the non-recourse nature of our capital structure, which also includes priority cash flows to Iluka.

With commissioning in 2027, our refinery will produce both light and heavy separated rare earth oxides, with the latter a key point of competitive differentiation for Iluka over other sources of Western world supply.

Beyond capital structure, the principal drivers of value in our rare earths business are project delivery, operational performance, market development and maturing additional feedstock options. We'll continue to update shareholders on our progress in these areas, as well as relevant external developments, as we work towards commissioning.

We take market communication and investor engagement seriously.

Consider that Iluka's Deterra stake is today worth approximately \$400 million. We also hold around \$1 billion of product inventory on our balance sheet at cost. Adding the value of those two assets

together, you don't need to factor much of Iluka's average sales margin on our existing inventory before arriving at the company's current market capitalisation.

This implies that the market is at present ascribing minimal value to either of the mineral sands business we have run for over 70 years or the rare earths business we are building – a business that, as I have outlined, represents significant future upside for a limited equity contribution.

This anomaly becomes even more stark when viewed against the valuations of other non-China participants in the rare earths industry, which do not have a mineral sands business, or the Australian production capacity Iluka is building in permanent magnet heavy rare earths.

We could view this situation with frustration. We choose instead to renew our investor engagement efforts to ensure the equity market recognises Iluka's value. And I share Andrea's confidence that that value will be recognised in time.

I look forward to continuing our discussions with current and prospective shareholders, both this afternoon and at our investor briefing in Sydney next week.

Thank you.
