ILUKA RESOURCES LIMITED (ASX:ILU)

AUSTRALIAN SECURITIES EXCHANGE NOTICE

ILUKA

QUARTERLY REVIEW TO 30 JUNE 2026

28 July 2026

KEY FEATURES

- Production of zircon/rutile/synthetic rutile (Z/R/SR) in Q2 2026 was 58kt with the Narngulu mineral separation plant processing Jacinth-Ambrosia heavy mineral concentrate (HMC) and synthetic rutile kilns 1 and 2 remaining idle
- Z/R/SR sales in Q2 2026 were 157kt
  - 109kt of zircon (70kt of zircon sand premium and standard grade and 39kt of zircon-in-concentrate (ZIC)), materially higher than Q1
  - 37kt of synthetic rutile, with 2026 full year contracted sales of 110kt weighted to H2
- The average realised zircon sand price contracted in Q2 was US$1,546/t, up US$55/t from Q1
  - the Q2 reported zircon sand price includes some volumes contracted and priced in Q1 but shipped in Q2
  - the average Q3 contracted zircon sand price will increase by US$215/t
- At Balranald, both mining rigs were operational in the quarter and both non-magnetic and magnetic concentrates have been produced on specification. Commissioning took longer than expected and ramp up of ore extraction rates and improvement of recoveries is continuing
- Total capital expenditure for the Eneabba rare earths refinery at 30 June 2026 was $1,101 million. The capital estimate for the project remains $1.7-1.8 billion. Engineering is complete and construction is nearing 60% complete

PHYSICAL AND FINANCIAL SUMMARY	Q2 25	Q1 26	Q2 26	H1 25	H1 26	H1 26 vs H1 25
PRODUCTION kt						**%**
Zircon sand	36.9	10.5	25.7	71.8	36.2	(49.6)
ZIC[1]	41.7	22.0	21.7	59.9	43.7	(27.0)
Rutile[2]	13.4	15.1	10.6	35.6	25.7	(27.8)
Synthetic rutile	57.7	-	-	113.1	-	n/a
TOTAL Z/R/SR	**149.7**	**47.6**	**58.0**	**280.4**	**105.6**	**(62.3)**
Ilmenite	94.6	27.4	26.6	190.8	53.9	(71.8)
SALES kt						
Zircon sand	48.9	40.3	70.0	96.8	110.3	13.9
ZIC[1]	42.0	14.1	39.1	61.4	53.2	(13.4)
Rutile[2]	5.3	15.8	11.8	20.5	27.6	34.6
Synthetic rutile	36.5	-	36.5	70.3	36.5	(48.1)
Z/R/SR sales	**132.7**	**70.2**	**157.4**	**249.0**	**227.6**	**(8.6)**
Ilmenite	19.5	30.6	24.0	29.6	54.6	84.5
REVENUE $ million						
Z/R/SR revenue	280	116	271	522	387	(25.8)
Ilmenite and other revenue	18	31	15	36	46	27.1
Mineral sands revenue	**298**	**147**	**286**	**558**	**433**	**(22.4)**
Production cash costs of Z/R/SR				319	131	(59.1)
By-product costs				11	5	(53.2)
Total cash cost of production				**330**	**136**	**(58.9)**
$ per tonne						
Unit cash production costs Z/R/SR produced				**1,138**	**1,236**	**8.6**
Unit cost of goods sold Z/R/SR sold[3]				**1,241**	**1,358**	**9.4**
Unit revenue Z/R/SR sold	2,109	1,650	1,722	2,095	1,699	(18.9)
AUD:USD cents	64	69	71	64	71	10.9

[1] Production of zircon-in-concentrate (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 of Z/R/SR excludes net realisable value (NRV) adjustments.

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H1 2026 SELECTED FINANCIALS[6]

- The mineral sands business generated operating cash flow of $247 million and free cash flow of $200 million, including a $53 million tax refund
- The Eneabba rare earths refinery had $265 million of capital expenditure in H1
- Mineral sands capital expenditure in H1 2026 included $35 million of costs that had previously been expected to be recognised as operating costs for Balranald, due to slight delays in commissioning (no net change in cash outflows)
  - Balranald achieved commercial production for accounting purposes in the month of June
- Full year Balranald capital expenditure is expected to be $95 million ($60 million project execute and $35 million as noted above)
- Iluka expects full year mineral sands capex to be ~$115 million
- Iluka will also spend ~$25 million on studies for the Wimmera project and rare earths metallisation project during 2026
- As at 30 June 2026, net debt was $273 million for the mineral sands business and $877 million non-recourse net debt for the rare earths business
- H1 2026 underlying mineral sands EBITDA is expected to be ~$40 million, with a net loss after tax of ~$25 million. These results are subject to review

	MINERAL SANDS[7]		RARE EARTHS	
	H2 2025	H1 2026	H2 2025	H1 2026
A$ million				
Operating cash flow	(54)	247	n/a	n/a
Capital expenditure	196	94	265	265
Free cash flow	(294)	200	(265)	(265)
	At 31 Dec 2025	*At 30 Jun 2026*	*At 31 Dec 2025*	*At 30 Jun 2026*
Net cash (debt)	(473)	(273)	(584)	(877)

PRODUCTION COMMENTARY

The Jacinth-Ambrosia mine in South Australia produced 55kt of HMC in Q2.

Total HMC produced in Q2 was 91kt and HMC processed was 94kt. The Narngulu mineral separation plant processed 82kt of HMC from Jacinth-Ambrosia, producing a total of 47kt of zircon (including ZIC) and 10kt of rutile (including HyTi). The remaining HMC processed was from inventory.

Balranald produced 10kt of HMC this quarter.

Iluka's Cataby mine remains idle. No synthetic rutile was produced in the quarter with both synthetic rutile kilns remaining idle. Restart is subject to market conditions.

2026 production outlook

Expected full year final product volumes from Balranald are now lower than were included in group Z/R/SR production guidance as provided in February.

Iluka has optimised the group product mix of zircon sand and ZIC. Full year zircon production volumes are in line with guidance of ~180kt, although now a more even split between sand and ZIC.

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[6] Financials are preliminary and are subject to finalisation prior to Iluka's Half Year Results. This section should be read in conjunction with the disclaimer on forward looking statements on page 6.

[7] Excludes Deterra and Northern Minerals convertible note.

EXPLORATION

Expenditure on exploration and evaluation activities in Q2 2026 was $2.1 million.

In Australia, activities targeted resource delineation drilling as part of life of mine (LOM) planning at the Balranald deposit. Sonic core drilling was completed to improve geological confidence across the northern extent of the LOM plan, with a total of 29 holes for 2,976 metres drilled. In addition, exploration commenced in the Northern Territory, with regional mapping and sampling across Iluka's tenement holding. In the US, exploration commenced at the North Fork project area in Idaho, with regional mapping and sampling.

MARKET CONDITIONS

Zircon

Zircon sand sales volumes in Q2 were 109kt, including zircon-in-concentrate (ZIC) sales of 39kt. The average realised price for zircon sand (premium and standard) contracted in Q2 was US$1,546/t, a US$55/t realised increase on Q1. The Q2 reported zircon sand price (US$1,527/t) includes some volumes contracted and priced in Q1 but shipped in Q2.

Market conditions in Q2 were variable across regions. China demand was subdued; Europe was broadly stable; and others relatively resilient, with India demonstrating early improvement before temporary disruption from energy and logistics constraints. Customers remained cautious and continued to manage inventories closely. However, despite these demand conditions, supply discipline and constrained availability of high-quality zircon supported solid volumes and higher pricing outcomes.

Iluka expects to report sales of ~50kt of zircon sand in Q3, with ~35kt contracted and the remaining volumes from Q2 contracts. Q3 contracts incorporate an average price increase of US$215/t FOB, varying by market segment, geography and product quality, to represent a sales price of ~US$1,760/t FOB. Iluka expects the reported zircon sand price in Q3 to be US$1,685/t FOB, including volumes contracted and priced in Q2 but shipped in Q3.

Titanium dioxide feedstocks

Synthetic rutile sales volumes in Q2 were 37kt at an average realised price of US$1,087/t, in line with take-or-pay contract delivery schedules. Sales of natural rutile and HyTi totalled 12kt and Iluka's Q2 realised rutile price (excluding HyTi) averaged US$1,256/t, in line with Q1.

Lower inventory levels and improving operating rates have been reported by some pigment producers. Pigment price increases were announced across a number of regions in response to higher input costs, particularly for Chinese sulphate-process operations. Notwithstanding these developments, feedstock purchasing activity remains cautious and demand conditions in key end-use sectors, including housing and construction, continue to be mixed.

Iluka remains positioned to respond to any improvement in demand, including a recovery in Northern Hemisphere housing markets, changes in Chinese pigment production economics, or supply interruptions in high-grade feedstocks. The company's synthetic rutile kilns remain idle, with restart subject to market conditions.

Rare earths

In June, Iluka executed its first binding rare earths offtake agreement, securing a multi-year take-or-pay contract with a global automotive company for the supply of 1,200t of magnet rare earth oxides.[8] The agreement commences in 2028 for an initial term of four years; encompasses the full suite of light and heavy magnet rare earth oxides; and includes minimum prices agreed between the commercial parties.

This is a significant milestone for Iluka's rare earths business and the development of the Eneabba rare earths refinery, which will be commissioned in 2027. It demonstrates increasing recognition of Iluka's position as a credible, vertically integrated supplier, with diverse feedstock sources spanning internal operations and third-parties. Discussions with other prospective customers are ongoing.

Also in June, Export Finance Australia confirmed Iluka's access to the full A$1.65 billion non-recourse loan provided by the Australian Government to construct the Eneabba rare earths refinery.[9]

[8] Refer Iluka ASX release, *Rare earths offtake,* 22 June 2026

[9] Refer Iluka ASX release, *Rare earths update,* 22 June 2026

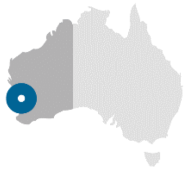
Weighted average received prices

	FY 25	Q4 25	Q1 26	Q2 26	H1 26
US$/tonne FOB					
Zircon premium and standard	1,643	1,502	1,491	**1,527**	**1,514**
Zircon (all products, including zircon in concentrate)[10]	1,422	1,230	1,357	**1,321**	**1,333**
Rutile (excluding HyTi)[11]	1,216	1,110	1,252	**1,256**	**1,254**
Synthetic rutile	1,112	1,073	-	**1,087**	**1,087**

[10] 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.

[11] Rutile prices will vary quarter-on-quarter depending on the end market to which the product is supplied (e.g. pigment or welding). 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%.

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.[12]

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.

Construction is nearing 60% complete, with concrete contractors now in the final stages of demobilising from site. Installation of mechanical equipment, pipe rack modules, tanks, and buildings continues to progress, with the construction workforce increasing in Q2 2026. Significant deliveries of equipment were completed in the quarter, including the roaster kiln. Almost all major equipment is now on site. The remainder of equipment is scheduled to arrive in Q3, as per the installation plan.

Updated drone footage of the Eneabba site as at 24 July is available at www.iluka.com.

Engineering is complete and Civmec has been awarded the contract for structural, mechanical, piping, electrical and instrumentation (SMPEI) works to complete construction.

In July, Iluka concluded an agreement with VHM Limited (ASX:VHM) for the supply of rare earths concentrate as feedstock for the Eneabba refinery. This adds to existing third party feedstock agreements with Northern Minerals (ASX: NTU) and Lindian Resources (ASX: LIN).

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.

Over the course of H1, the technical performance of both the underground mining system and the wet concentrator plant (WCP) have been demonstrated, confirming the ability to develop stopes over their full length using the development rig, transition to the mining rig, and produce magnetic and non-magnetic HMC that meets specification.

Commissioning and ramp up activities in the quarter focussed on preservation of the condition of the stope voids to support mining of the full stopes, and on internal mining pipe connection seals. These issues have been addressed. Optimisation and improvement of ore extraction rates and recoveries is underway.

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).

The DFS study is continuing and scheduled for Board consideration in H1 2027.

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

[12] For further information refer Iluka ASX releases, *Eneabba Rare Earths Refinery Funding Update*, 6 December 2024 and *Eneabba Rare Earths Refinery – Final Investment Decision*, 3 April 2022.

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

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Disclaimer:

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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.

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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 6 months to 30 June 2026	Jacinth-Ambrosia	Cataby	Balranald
Mining			
Overburden Moved kbcm	1,224	-	151
Ore Mined kt	5,063	-	35
Ore Fed/Treated kt	5,063	-	32
Ore Treated Grade HM %	2.6%	0.0%	32.9%
VHM Treated Grade %	2.4%	0.0%	30.4%

Physicals Data 3 months to 30 June 2026	Jacinth-Ambrosia	Cataby	Balranald
Mining			
Overburden Moved kbcm	325	-	80
Ore Mined kt	2,640	-	29
Ore Fed/Treated kt	2,640	-	29
Ore Treated Grade HM %	2.5%	0.0%	35.1%
VHM Treated Grade %	2.2%	0.0%	32.6%

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 – PRODUCTION SUMMARIES