

Iluka Resources is building Australia's first fully integrated rare earths refinery

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[Iluka Resources Limited](#) (ASX: ILU) ("Iluka") is an Australian critical metals producer, specializing in mineral sand mining and processing. Iluka is [the world's largest](#) producer of zircon, a major producer of high grade titanium feedstocks rutile and synthetic rutile, and is set to become a significant global supplier of refined rare earths from 2025.

Iluka's core business is the mining and processing of mineral sands to produce zircon and titanium feedstocks rutile and synthetic rutile

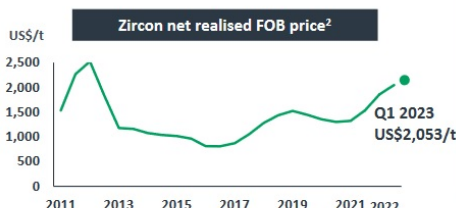
Mineral sands markets

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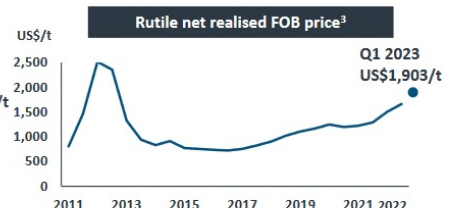
Iluka's portfolio of high grade, high quality critical minerals products produced in Australia delivers secure, reliable supply to customers globally



- Short and long term tightness of supply globally, inventories low
- Steady, sustainable price rises realised, including US\$50/tonne increase for Q2 2023



- ~200 ktpa synthetic rutile 'take or pay' offtake arrangements agreed for next four years with new and existing customers
- Disciplined downstream pigment industry shift to 'value over volume'
- High chlorine prices supporting demand for high grade titanium feedstock
- Iluka's rutile sales increasingly targeted to welding and metal markets, which achieve a price premium



1. Excludes SRL sales volumes. 2. Zircon prices reflect the weighted average price for zircon premium and standard (excluding ZIC). 3. Rutile prices will vary quarter-on-quarter depending on end market to which product is supplied (e.g. pigment or welding). For market position detail, refer slides 25-27.

Source: [Iluka Resources company presentation](#)

The Eneabba rare earth oxide planned refinery

Iluka plans to build one of only a few rare earth oxide refineries globally, at Eneabba in Western Australia. This is occurring in a strategic partnership with the Australian Government which has provided Iluka with a [A\\$1.25 billion](#) non-recourse loan to construct the refinery.

Commissioning of the Eneabba Refinery is [scheduled for 2025](#). The Eneabba Refinery will produce separated neodymium, praseodymium, dysprosium and terbium.

The Eneabba Refinery will be fed by Iluka's internal feedstocks including their unique rare earths stockpile at Eneabba, Wimmera development in Western Victoria and Balranald development in New South Wales, Australia.

A summary of Iluka's Australian operations including the planned Eneabba Refinery which will produce separated neodymium, praseodymium, dysprosium and terbium

Mineral sands and rare earths operations and projects in Australia



Source: [Iluka Resources company presentation](#)

Eneabba Refinery Project update

Iluka already has a stockpile of [~1 million tonnes](#) of high grade rare earth concentrate, readily available at surface at Eneabba.

The Eneabba Refinery feedstock operations continue to progress. Wimmera has completed a PFS (DFS underway), and Balranald has completed a DFS and taken a final investment decision.

The Eneabba Refinery has been approved and [bulk earthworks continue](#) with site preparation.

Once finished and ramped the Eneabba Refinery will produce separated rare earth oxides essential for global electrification, including [~4ktpa Nd+Pr](#) and up to 0.75ktpa Dy+Tb. Once production is ramped the rare earth oxides are expected to potentially produce revenues slightly in excess of Iluka's current mineral sands products revenues (see chart on [page 19](#)).

Schematic of the Eneabba Refinery once complete in 2025

Building a globally significant rare earths refinery



Source: [Iluka Resources company presentation](#)

The Eneabba Refinery will support junior rare earths miners as they can supply feedstock for the refinery

Iluka's Managing Director & CEO, Tom O'Leary, [states](#):

"In strategic partnership with the Australian Government, Iluka is catalysing the development of Australia's rare earths industry by facilitating other emerging Australian mining companies into production, with Iluka as their customer, and with value addition taking place domestically. In October last year, Iluka concluded an agreement with Northern Minerals – just such an emerging rare earths company – for the future supply of concentrate from its planned rare earths mine at Browns Range in the Eastern Kimberley....."

Closing remarks

Iluka Resources is already a giant in the business of mineral sands mining and processing to produce zircon and titanium feedstocks rutile and synthetic rutile.

Even more exciting is their plans to build a globally significant rare earths integrated refinery at Eneabba in Western Australia. Once completed in 2025, the refinery will ramp up to produce key light and heavy rare earth oxides and provide the world with an alternative to the current Chinese dominated supply chain.

Well done Iluka!

Iluka Resources has net cash of A\$431 million (as at 31 March 2023), trades on a [PE of 9.4](#), and has a market cap of [A\\$4.917 billion](#).