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

written by InvestorNews | July 5, 2023

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

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Source: <u>Iluka Resources company presentation</u>

### 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 href="#">A\$1.25 billion</a> non-recourse loan to construct the refinery.

Commissioning of the Eneabba Refinery is <u>scheduled for 2025</u>. 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



Source: <u>Iluka Resources company presentation</u>

#### Eneabba Refinery Project update

Iluka already has a stockpile of  $\sim 1$  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 <u>bulk earthworks</u> <u>continue</u> 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



Source: <u>Iluka Resources company presentation</u>

## 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, <a href="states">states</a>:

"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 <u>PE of 9.4</u>, and has a market cap of  $\underline{\text{A$4.917}}$  <u>billion</u>.