



South West Operations Site Visit

7 December 2017



Disclaimer – Forward Looking Statements

This presentation has been prepared by Iluka Resources Limited (Iluka). By accessing/attending this presentation you acknowledge that you have read and understood the following statement.

Forward Looking Statements

This presentation contains certain statements which constitute "forward-looking statements". Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "plan", "believes", "estimate", "anticipate", "outlook" and "guidance", or similar expressions, and may include, without limitation, statements regarding plans; strategies and objectives of management; anticipated production and production potential; estimates of future capital expenditure or construction commencement dates; expected costs or production outputs; estimates of future product supply, demand and consumption; statements regarding future product prices; and statements regarding the expectation of future Mineral Resources and Ore Reserves.

Where Iluka expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and on a reasonable basis. No representation or warranty, express or implied, is made by Iluka that the matters stated in this presentation will in fact be achieved or prove to be correct.

Forward-looking statements are only predictions and are subject to known and unknown risks, uncertainties, assumption and other important factors that could cause the actual results, performances or achievements of Iluka to differ materially from future results, performances or achievements expressed, projected or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. Such risks and factors include, but are not limited to: changes in exchange rate assumptions; changes in product pricing assumptions; major changes in mine plans and/or resources; changes in equipment life or capability; emergence of previously underestimated technical challenges; increased costs and demand for production inputs; and environmental or social factors which may affect a licence to operate, including political risk.

Capital estimates include contingency and risk allowances commensurate with international estimating classification systems.

To the extent permitted by law, Iluka, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this presentation and exclude all liability whatsoever (including in negligence) for any loss or damage which may be suffered by a person as a consequence of any information in this presentation or any error or omission therefrom. Iluka does not undertake to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

No independent third party has reviewed the reasonableness of the forward looking statements or any underlying assumptions.

Non-IFRS Financial Information

This document contains non-IFRS financial measures including cash production costs, non production costs, Mineral Sands EBITDA, Group EBITDA, EBIT, free cash flow, and net debt amongst others. Iluka management considers these to be key financial performance indicators of the business and they are defined and/or reconciled in Iluka's annual results materials and/or Annual report. Non-IFRS measures have not been subject to audit or review.

All figures are expressed in Australian dollars unless stated otherwise.

Compliance Statement



Mineral Resources and Ore Reserves Estimates

As an Australian company with securities listed on the Australian Securities Exchange (ASX), Iluka is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX listing rules that the reporting of ore reserves and mineral resources in Australia comply with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") and that the Ore Reserve and Mineral Resource estimates underpinning the production targets in this presentation have been prepared by a Competent Person in accordance with the JORC Code 2012.

Information that relates to Mineral Resources estimates has been previously announced to ASX on 21 February 2017 in a release titled "Updated Mineral Resource and Ore Reserve Statement" and is available at www.iluka.com/investors-media/asx-disclosures. Iluka confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Iluka confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Production targets

Production targets and the basis thereof are noted within the relevant disclosure.

The outlook included in this presentation is indicative only and should not be construed as guidance. The information is subject to further study, investment approval from the Board and is subject to changes in market and operating conditions; political risk; and any significant unplanned operational issues.

Revenue Factors

Commodity price assumptions are established internally based on monitoring supply and demand on an ongoing basis. Price assumptions are benchmarked against commercially available price forecasts by industry observers. Revenue factors are used to establish mine sensitivities and to test for robustness of the Ore Reserve. Detailed price assumptions are deemed to be commercially sensitive and are not disclosed.

Costs

Cataby

Capital assumptions are based on budget pricing for the majority of the work packages, other than site buildings and camp construction and demolition for which a design and construct tender was received. Pricing for the contractors direct and indirect works has been derived from a combination of the following sources: tendered quotations procured from suppliers and contractors; purchase quotation from suppliers and contractors; budget quotations procured from suppliers and contractors; historical data sourced from previously tendered or estimated projects of a similar nature and location. Where necessary items have been factored to allow for different size/capacity, etc; estimated, factored or built-up rates; and provisional or lump sum allowances where the use of the aforementioned methods are not possible.

Pricing for the operating cost estimate has been derived from a combination of the following sources: budget quotations procured from suppliers and contractors; estimated, factored or built-up rates; historical data sourced from other Iluka mine sites; and provisional or lump sum allowances where the use of the aforementioned methods are not possible. Cost and recovery penalties have been applied to deleterious elements.

Transportation charges have been procured from contractors. Processing costs are based on actual Iluka operational costs, including overheads. Actual operating costs are used to benchmark the operating cost estimates.

Allowances have been made for royalties payable to Government and private stakeholders.

Sierra Rutile

Capital assumptions for the Sembahun development were determined during the PFS, which is yet to be completed. Existing infrastructure will be utilised for mineral separation. Other costs were based on previous recent experience of SRL mine developments and industry estimates. Operating costs are based on historical performance and updated for current economic conditions. Cost and recovery penalties have been applied to deleterious elements in the optimisation and subsequent cost estimate.

All costs are calculated in \$US.

Transportation charges are based on recent rates procured from SRL. Treatment costs are based on actual operational costs including deleterious elements. Actual operating costs are used to benchmark the operating cost estimates. Appropriate allowance has been made for Sierra Leone Government and other private stakeholder royalties.

Environment

Studies and approvals for the Sembahun project are currently in progress and there is a reasonable expectation that these will be in place before the project is executed.

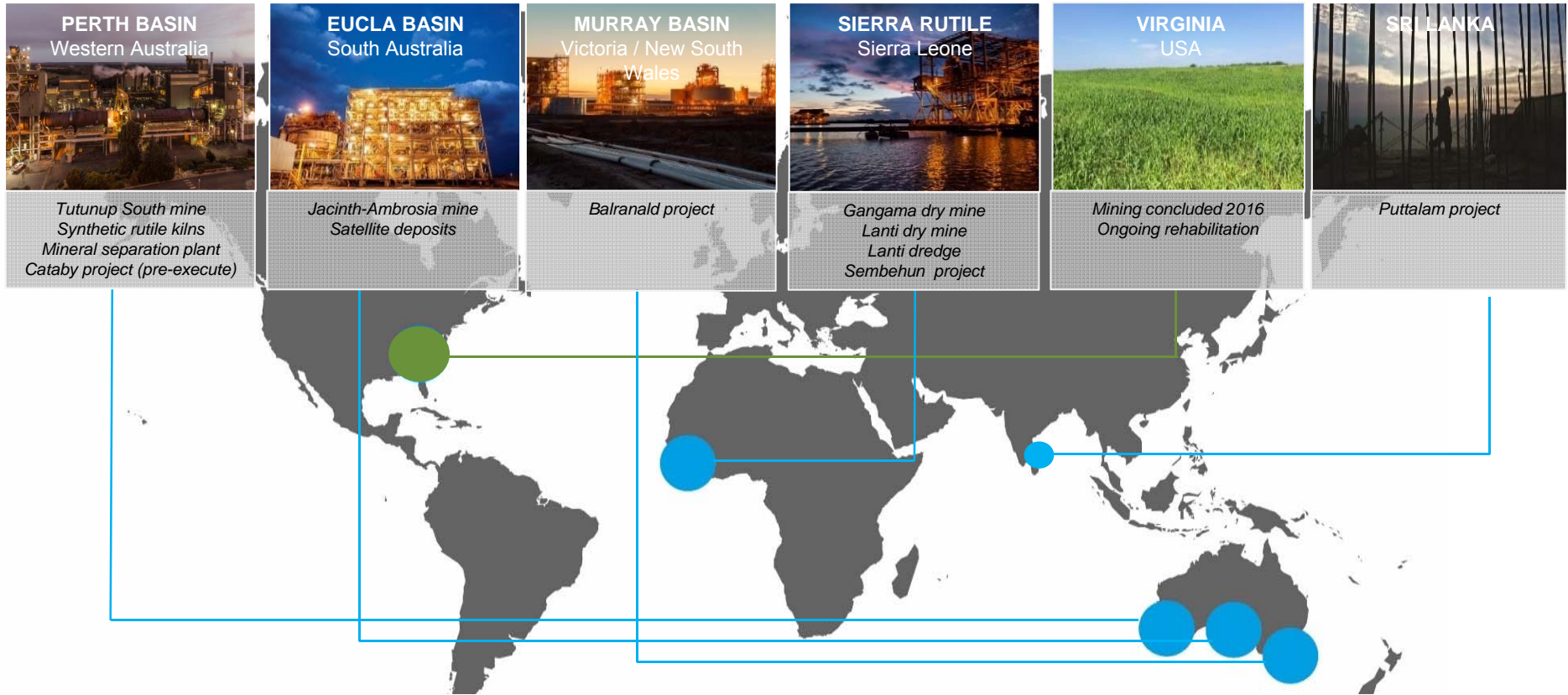
Iluka Overview



Values – Commitment, Integrity and Responsibility

- Largest global producer of zircon and rutile; major producer of synthetic rutile
- Operations assets in Australia and Sierra Leone
- Projects in Australia, Sierra Leone and Sri Lanka
- Global customer base
- Investment in exploration, market development, innovation and technology
- Sustainability focus: governance, health and safety, environmental and community outcomes

Iluka's Mineral Sands Portfolio



Iluka's Product Suite

Zircon

Used in ceramics, refractories and other specialty applications.

Opaque, hard wearing, heat resistant



Titanium Dioxide (TiO₂) Feedstock

TiO₂ pigment used in paints, plastics, paper

Opaque, UV resistant,

Strong and light metal, corrosion resistant



Iluka's Approach



Create and deliver value for shareholders

Flex assets in line with market conditions

Jacinth-Ambrosia restart and expansion



Preserve and advance growth opportunities

Cataby project

Sierra Rutile expansion projects

Balranald staged development approach

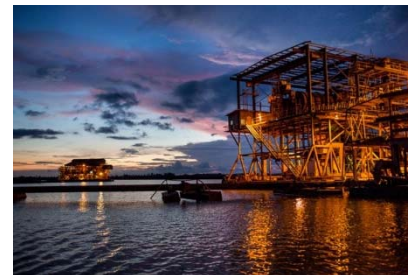
Fine minerals project

Puttalam project



Act counter cyclically where appropriate

Sierra Rutile acquisition completed December 2016



Disciplined capital allocation

Strict financial criteria applied and strategic rationale must be met

Focused on shareholder returns through the cycle



Zircon Applications



Ceramics ~50% of demand

Zircon is opaque, water, chemical and abrasion resistant

Increases pre and post fired strength of tiles



Refractory and Foundry ~30% of demand

Zircon is heat/abrasion/chemical resistant and non-reactive

Uses include steel and glass manufacturing and metal casting



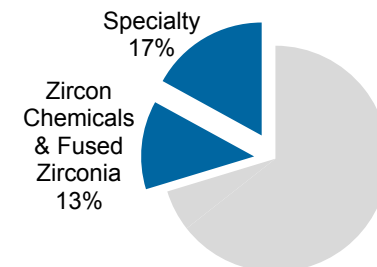
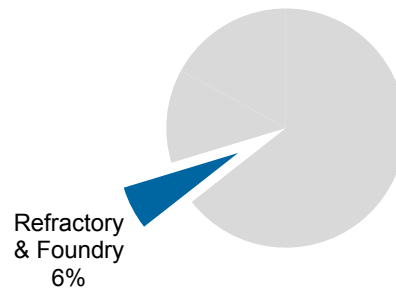
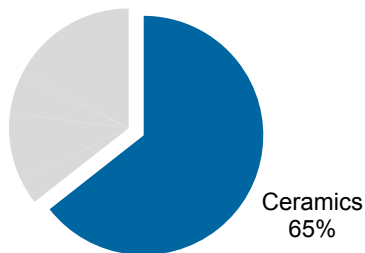
Zirconia, Zirconium Chemicals and Metal ~20% of demand

Zircon does not absorb neutrons; and is non-conductive, with many other unique properties

Uses include fibre optics, electronics, catalytic converters, nuclear fuel rods, cosmetics



Iluka's 2016 zircon sales



Titanium Applications

Pigment ~90% of demand

Titanium dioxide pigment is opaque, UV resistant and inert
Uses include paints, plastics, paper and inks



Titanium Metal ~6% of demand

Titanium metal has high strength to weight ratio, biocompatible and is corrosion resistant
Uses include aviation, sporting goods, defense and medical applications

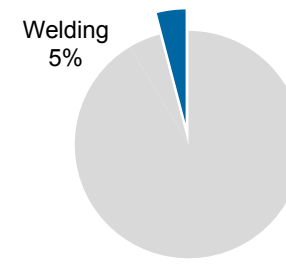
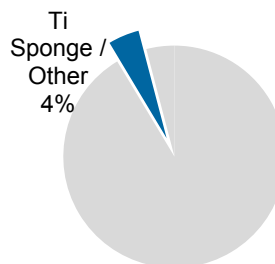
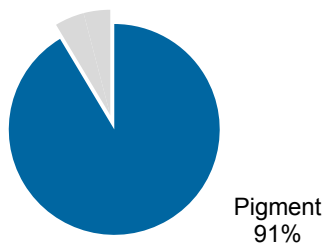


Welding (flux) ~4% of demand

Facilitates arc ignition, good slag removal and reduces splatter



Iluka's 2016 high grade TiO₂ feedstock sales



Stages of the Mineral Sands Process



↳ Mineral sands ore bodies can consist of strand and beach dunal deposits.



↳ Mining can involve both dry and wet (dredge and hydraulic) techniques.



↳ Heavy mineral concentrate is transported from mine sites to a mineral separation plant for processing into final products.



↳ Entails multiple stages of gravity, electrostatic and magnetic processing to separate into final products.



↳ Synthetic rutile is a chemically modified (upgraded) form of ilmenite.



↳ Disturbed areas are rehabilitated to land uses similar to that existing prior to mining.

Long History of Operations in the South West



- 1956 - South Capel mine
- 1959 - Yoganup mine
- 1964 - Capel north mining and processing
- 1974 - First commercial beneficiated ilmenite plant at South Capel
- 1987 - Synthetic Rutile kiln 1 (SR1) commissioned at North Capel
- 1997 - SR2 and North Capel Separation Mill commissioned
- 2011 - Tutunup South mining commenced



SR1 Opening, 1987

Current Western Australia Operations



Tutunup South Mine



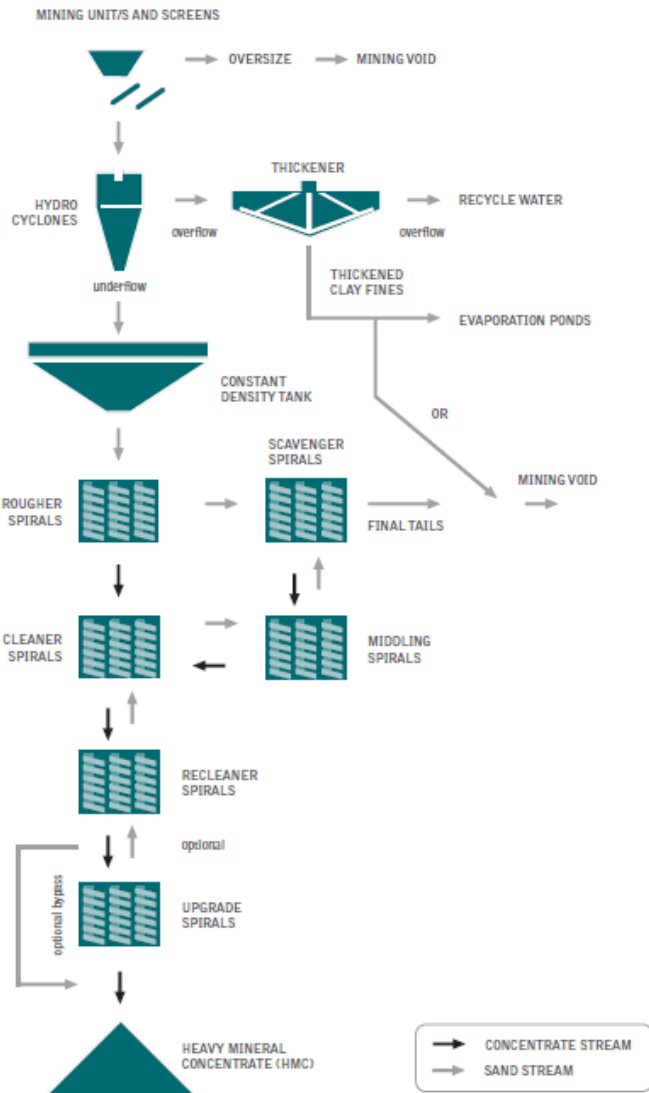
- Mining scheduled to complete February 2018
- Site 1km wide by 3.5km long
- ~25 employees and ~40 contract workers
- 800m² of wetlands relocated

Tutunup South Mine

- Mining unit capability ~270tph
- Average 80,000m³ ore processed per month
 - ~9% valuable heavy mineral (VHM)
- Wet concentrator capability ~200tph
- HMC production capability ~50tph
 - ~86% VHM
- North Capel separation mill splits magnetic (ilmenite) and non-magnetic material
 - ilmenite production ~120ktpa (~30% SR2 feed)
 - ~45ktpa of non magnetic material
- Non-magnetic material (zircon and rutile) processed at Narngulu



Concentrator Process Flow



North Capel Processing

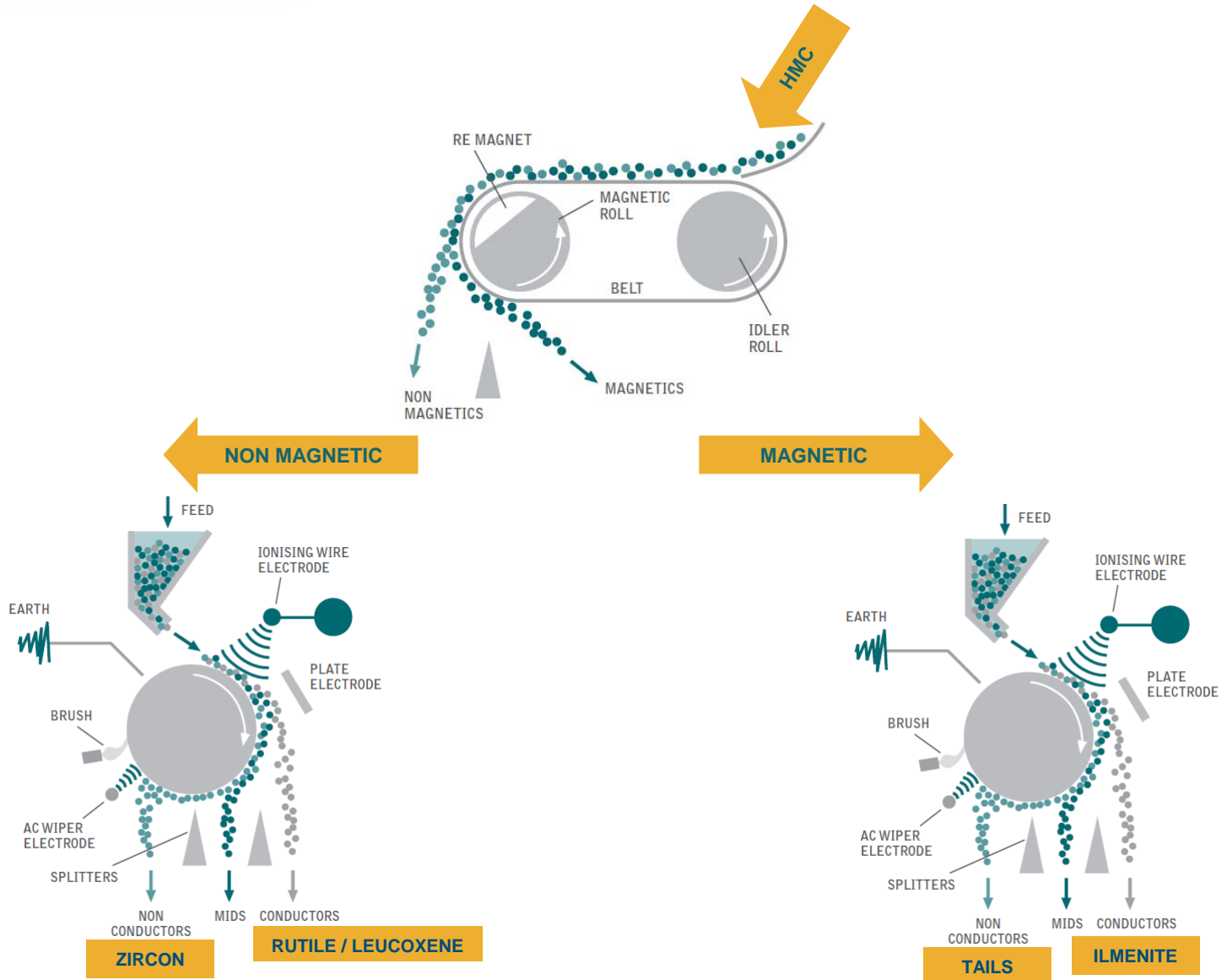
- Separation mill splits magnetic (ilmenite) and non-magnetic (zircon and rutile) material
- Two synthetic rutile kilns - SR2 currently in operation, SR1 idled 2009
- ~200ktpa synthetic rutile capacity of SR2
- 6MW waste heat power generation capability
- By products generated (revenue stream and reduced rehabilitation liability):
 - ~250kt of iron concentrate
 - iron man gypsum
 - activated carbon - 2016 revenue ~\$11m
- ~170 Iluka employees and ~100 contractors



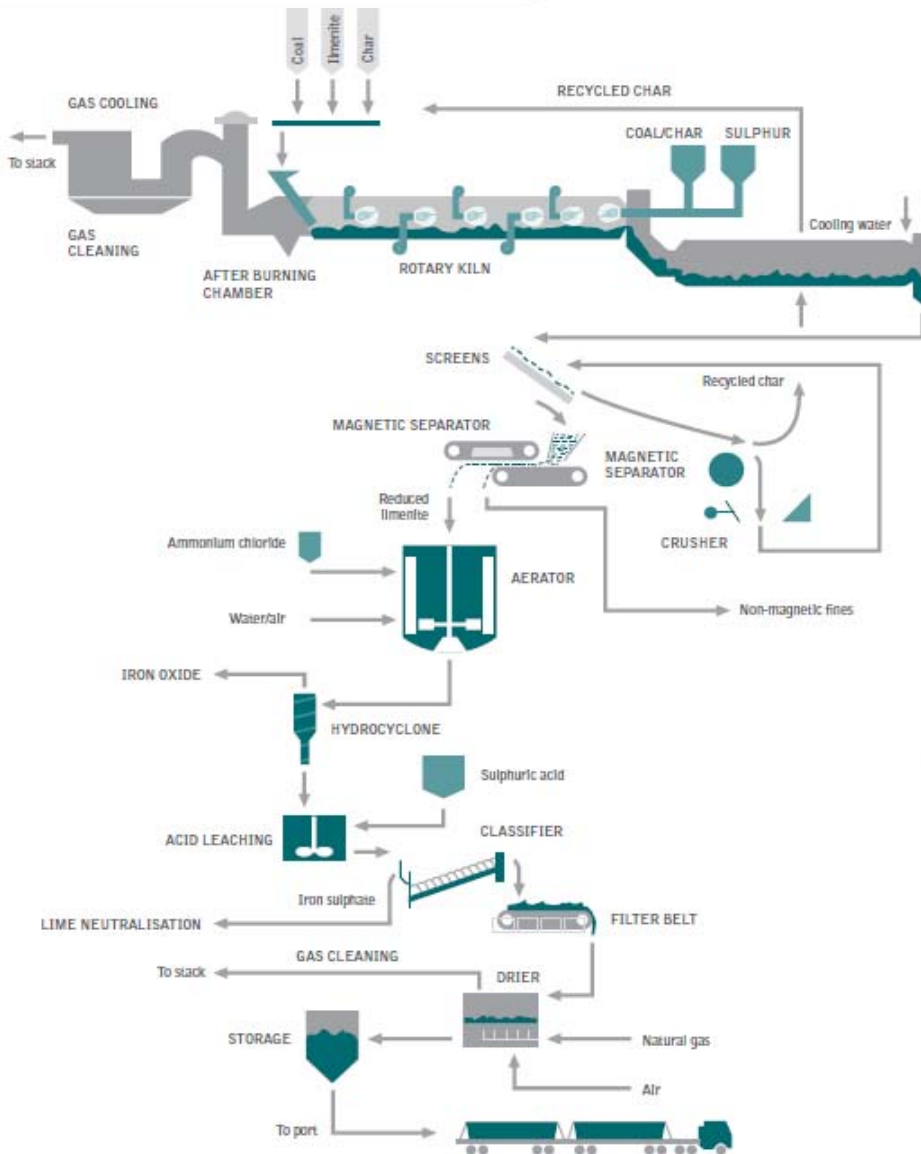
Mineral Separation

MAGNETIC SEPERATION

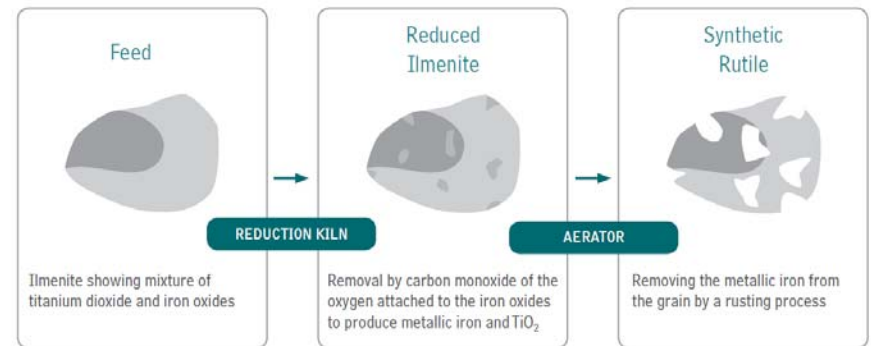
ELECTROSTATIC SEPERATION



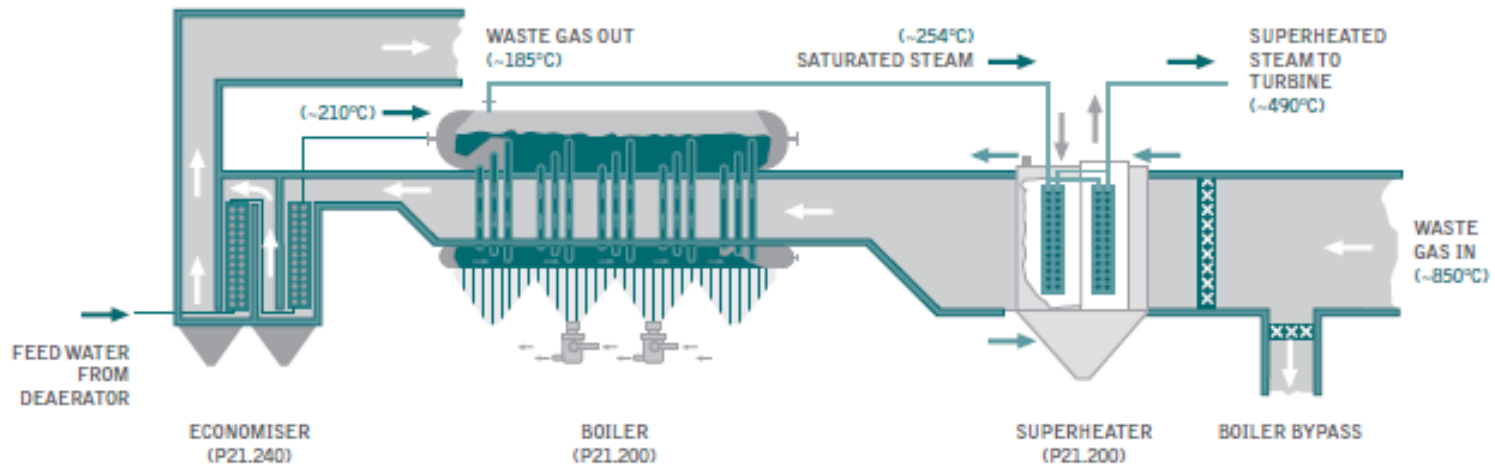
Synthetic Rutile Process Flow



Ilmenite reduction



SR2 Waste Heat Recovery



Laboratory and Testing Facility



Laboratory

- Chemical analysis – XRF, ICP, wet chemistry
- Process chemistry
- Environmental
- Mineral Analysis – XRD
- Particle Size analysis – sieves, laser

Metallurgical Testing Facility

- Mining unit processing simulation
- Clay separation & characterisation
 - settling, consolidation, rheology
- Gravity separation – spirals, wet table
- Magnetic (wet & dry) separation
- Electrostatic separation
- SR process simulation – pyro & hydro stages
- Sulphatability testing
- Important component of in-house technical capabilities
 - evaluation of new deposits
 - improvement of existing processes
 - development of new processes and products



Port of Bunbury

- Finished product is trucked 35km to Port of Bunbury
- Storage sheds: 100kt capacity
- Export through Port of Bunbury: Load rate 500 -1000tph
- Typical shipment capacity: 10-20kt



Source: Bunbury Mail



New storage facility based in Picton, located on the Port Access Road

Sustainable Development



Iluka's sustainable development objectives:

- high levels of environmental, health and safety performance;
- sound planning, control and risk management systems; and
- stakeholder relationships which, over time, are mutually beneficial.



Sustainable Development Performance

Employee safety paramount

Strong community relations and sustainable environmental development underpin operations

Key Performance Indicator	2013	2014	2015	2016	2017 (year to date)
Total Recordable Injury Frequency Rate (TRIFR) (South West)	5.0	0	0	9.3	1.7

Iluka's primary safety measures, in accordance with industry practice, include TRIFR.



South West Rehabilitation



Iluka seeks to achieve best practice environmental outcomes including cost effective rehabilitation success through innovative processes that meet or exceed required closure criteria.

Iluka group total rehabilitation spend over past five years is \$204 million (to end 2016).

Wetlands relocation: Tutunup South mining area included some native wetlands. A portion of this was relocated and maintained during the mining process to be planted back in position during rehabilitation activities.



Wetlands relocation preparation



Wetlands relocation

South West Rehabilitation

Former mine site, Wagerup, Western Australia



February 2015



October 2017

Iluka group has rehabilitated 3,053 hectares since 2012 (to end 2016)

External Recognition – Sustainability Focus



Western Australian Department of Mine Regulations and Safety Awards

- Safety and Health, Safety and People Category (2017)

Victorian Government via Strzelecki Award

- Excellence in community engagement (2005)
- Excellence in sustainable development (2009)

South Australian Premiers Awards

- Social Inclusion (2013)
- Environmental Excellence (2014)
- Supporting Communities (2015)
- Social Inclusion (2017)



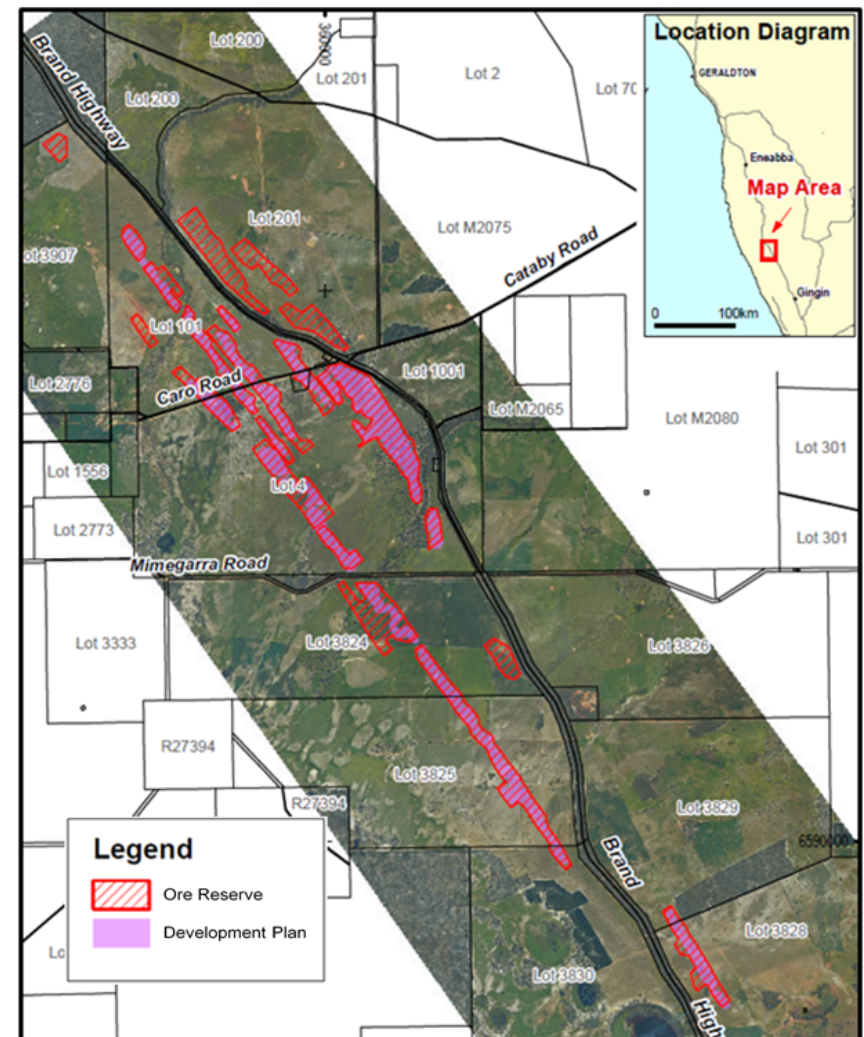
Cataby Development Plan and Ore Reserve



Deposit

- 8.5 year mine life based on development plan which is underpinned by 86% Proved Ore Reserve and 14% Probable Ore Reserve.
- Two in-pit mobile mining units
- 1,100 tph feed rate to wet concentrator plant
- Mine life could increase beyond 8.5 years
 - by accessing additional 40 mt in the ore reserve
 - dependent upon land access and approvals

Cataby Ore Reserves	Ore Mt	HM %	Ilmenite %	Zircon %	Rutile %
Development Plan	80	6.6	60.0	9.6	4.1
Ore Reserve - Proved	88	6.3	59.7	9.3	4.1
Ore Reserve – Probable	33	4.1	62.3	9.4	4.3
Ore Reserve - Total	120	5.7	60.2	9.3	4.1



Cataby Project

Schedule	2017			2018				2019	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Engineering	■	■							
Award contracts		■	■	■	■				
Construction				■	■	■	■		
Pre-strip						■	■		
Commissioning								■	
SR Production									■

Newman Wet Concentrator Plant (Eneabba)



Note – Timing assumes Q4 2017 Board approval

Capital Cost	\$ million
Land, EPCM & Owners Costs	65-70
Camps & Site Buildings	30-35
Power Supply	10-15
Equipment supply & site construction	145-155
Total*	250-275

- Major environmental approvals obtained
- Integrated project team
- Engineering substantially complete
- Long lead power supply equipment procured
- Camps contracts awarded
- Existing plant to be relocated:
 - Primary concentrator & pumps from Eneabba
 - Thickeners & pumps from Murray Basin
 - Secondary concentrator from Murray Basin

* Given recent cost escalation in Western Australia, capital likely to be at top end of estimate range

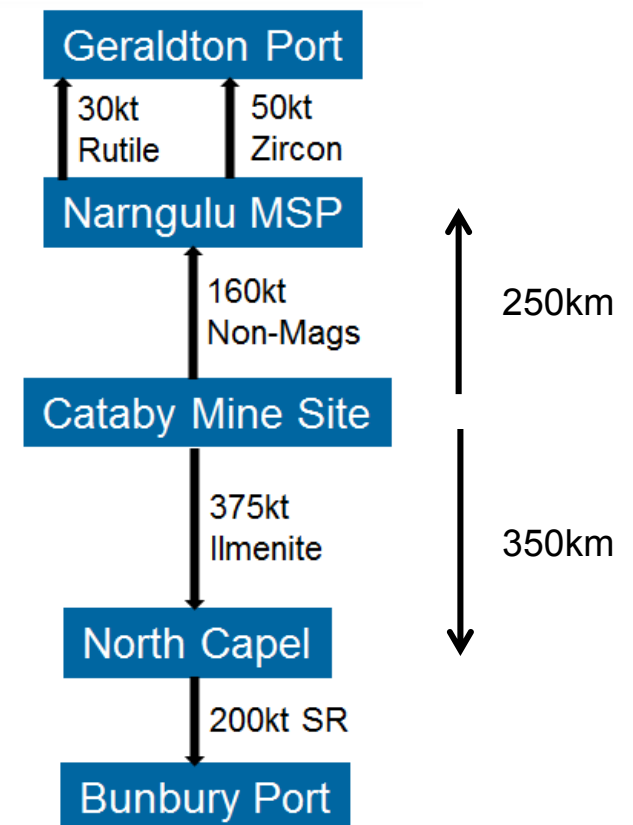
This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2 and compliance statement on slide 3.

Cataby Product Logistics



- Located 150km north of Perth, Western Australia
- Sustains ~200 ktpa of synthetic rutile (SR) production in South West WA
- Average annual production (ktpa, thousand tonnes per annum)
 - ~200 ktpa SR (annual feed ~330 ktpa chloride ilmenite)
 - ~50 ktpa zircon
 - ~30 ktpa rutile
- Zircon and rutile processed at Narngulu mineral separation plant in Geraldton

Annual Volumes





ILUKA

Notes:

For more information contact:

Adele Stratton, General Manager Finance, Investor Relations and Corporate Affairs

adele.stratton@iluka.com

+61 8 9360 4631 / +61 (0) 415 999 005

www.iluka.com