Iluka Resources Limited

2016 Full Year Results

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23 February 2017

Disclaimer – Forward Looking Statements

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This presentation contains certain statements which constitute “forward-looking statements”. These statements include, without limitation, estimates of future production and production potential; estimates of future capital expenditure and cash costs; 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.

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Non-IFRS Financial Information

This document uses non-IFRS financial information including mineral sands EBITDA, mineral sands EBIT, Group EBITDA and Group EBIT which are used to measure both group and operational performance. Non-IFRS measures have not been subject to audit or review.

Mineral Resources Estimates

Information that relates to Mineral Resources estimates on the Puttalam Project has been previously announced to ASX. 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.

Main Features of Full Year Results

Cash costs of production	↓	33.6% - lower production settings
Unit cash costs of production (excl. by-products)	↓	\$373/t Z/R/SR (2015: \$558/t Z/R/SR)
Unit costs of goods sold	↓	\$700/t Z/R/SR (2015: 780/t Z/R/SR)
Unit revenue	↓	12.1% to \$999/t Z/R/SR – lower zircon price (down 19.6%) and product mix changes
Mining Area C EBIT	↓	\$47.1 million (2015: \$61.2 million) – 2015 included one off payment (\$10.4 million) and \$3.0 million capacity payment
Underlying mineral sands EBITDA[1]	↓	\$103.0 million (2015: \$231.8 million) – lower revenue and Mining Area C royalties and higher resource development expenditure and restructure and idle capacity charges
Underlying Group EBITDA[1]	↓	\$150.5 million (2015: \$293.4 million)
Underlying EBITDA margin[1]	↓	Underlying mineral sands EBITDA margin 14.2% (2015: 28.3%) Underlying Group EBITDA margin 19.5% (2015: 33.3%)
Reported earnings (NPAT)	↓	\$(224.0) million (2015: \$53.5 million profit) – non-recurring items and lower revenue. Non cash impairments of \$140.7 million after tax; rehabilitation provision \$42.1 million after tax
Return on capital (ROC) & Return on equity (ROE)	↓	ROC: (18.3)% (2015: 6.8%) ROE: (17.1)% (2015: 3.8%)
Capital expenditure	↑	\$82.5 million (2015: \$66.4 million) , including \$19.0 million for Metalysis equity
Free cash flow	↓	\$47.3 million (2015: \$155.0 million)
Net debt	↑	\$506.3 million (2015: \$6.0 million net cash) – includes total SRL acquisition of \$469.2 million. Net debt 31 January \$441.8 million
Gearing (net debt/net debt + equity)	↑	31.5% (2015: net cash)
Earnings per share	↓	(53.6) cents (2015: 12.8 cents)
Dividend	↓	No final dividend, 3 cents per share interim 2016 dividend (2015: total dividend 25 cents)

[1] Underlying Group EBITDA excludes non-recurring adjustments including impairments, SRL transaction costs and changes to rehabilitation provisions for closed sites. Underlying EBITDA also excludes Iluka's share of Metalysis Ltd's losses, which are non-cash in nature.

Business Review and Key Initiatives

- Iluka business review progressed; key components
  - commencement of effective integration of Sierra Rutile
  - review of non-production costs to ensure sustainable cost structure; ~$20 million reduction 2017
  - detailed review of existing production portfolio and projects
  - assessment of feasibility, attraction, timing of expansion projects
- Non-cash impairments; change in depreciation for mine specific plant; increase in rehabilitation provisions
  - non-cash impairments of $201 million pre tax
  - move to straight line depreciation method for mine specific plant
  - increased rehabilitation provisions of $45 million
- Ore Reserve adjustment in context of Sierra Rutile acquisition & 10 year mine plans
- Initial Sierra Rutile Ore Reserve booking

Summary Group Results

$m	2016	2015
Mineral sands revenue	**726.3**	**819.8**
Underlying mineral sands EBITDA[1]	**103.0**	**231.8**
Mining Area C EBITDA	47.5	61.6
Underlying Group EBITDA[1]	**150.5**	**293.4**
Underlying Group EBITDA margin %[1]	19.5	33.3
SRL transaction costs	(14.1)	-
Depreciation and amortisation	(79.9)	(132.4)
Rehabilitation costs for closed sites	(42.6)	(2.7)
Impairment expense	(201.0)	-
Group EBIT	**(247.7)**	**143.0**
Profit (loss) before tax	**(277.7)**	**86.6**
Tax (expense) benefit	53.7	(33.1)
Profit (loss) after tax	**(224.0)**	**53.5**
EPS (cents per share)	(53.6)	12.8
Free cash flow	**47.3**	**155.0**
Free cash flow (cents per share)	11.3	37.0
Dividends – fully franked (cents per share)	3.0	25.0
Net cash (debt)	**(506.3)**	**6.0**
Gearing (net debt /net debt + equity) %	31.5	n/a
Return on capital % (annualised)	(18.3)	6.8
Return on equity % (annualised)	**(17.1)**	**3.8**
Average A$/US$ exchange rate	74.4	75.2

[1] Underlying Group EBITDA excludes non-recurring adjustments including impairments, SRL transaction costs and changes to rehabilitation provisions for closed sites. Underlying EBITDA also excludes Iluka's share of Metalysis Ltd's losses, which are non-cash in nature.

Key Factors Influencing Result

2016 versus 2015

- Zircon / rutile / synthetic rutile (Z/R/SR) sales up by 7.2% (697.7 thousand tonnes)
- Z/R/SR revenue down 5.8% to $696.8 million, average zircon price 19.6% lower
- Production costs reduced by 33.6%
  - cessation of US operations from December 2015
  - suspension of mining and concentrating at Jacinth-Ambrosia from April 2016
- Restructure and idle capacity costs increased by 81.5%
  - reflects changed production settings outlined above
- Resource development costs up 36.0%
  - increased investment in trialling underground mining development for Balranald
- Mining Area C royalty EBIT 23.0% lower to $47.1 million (2015: $61.2 million)
  - 2015 included $10.4 million one-off receipt associated with changes to royalty agreement and $3.0 million capacity payments
- Rehabilition and holding costs up $39.9m – higher cost estimates for closed sites, mainly US
  - increase in US provisions follows extensive review and move to closed site/rehabilitation activities
- Non cash impairment charge of $201.0 million (pre-tax)
  - $156 million pre-tax related to idle and surplus equipment in Murray Basin

Mining Area C Royalty
2016 versus 2015

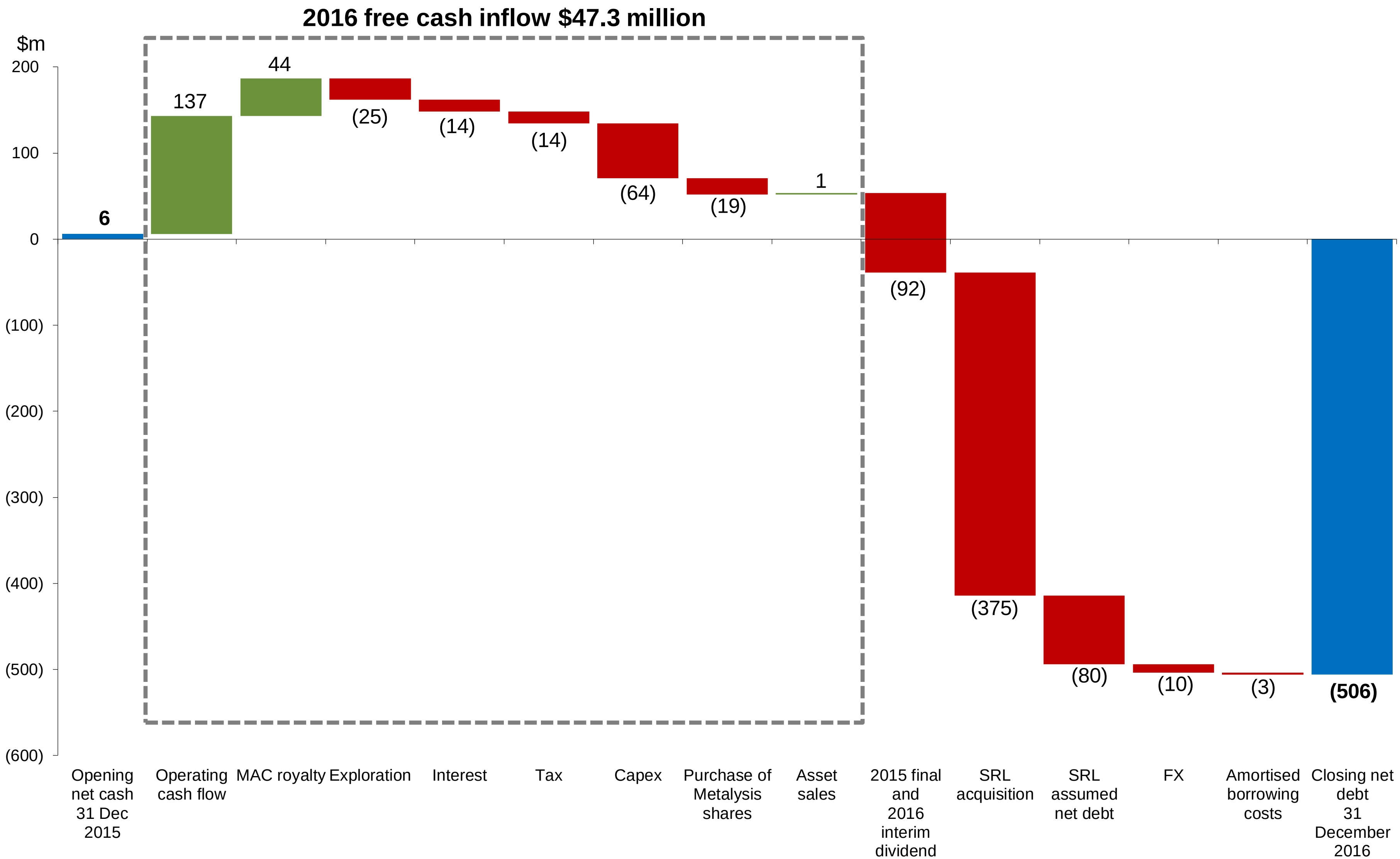
		2016	2015	% change
Sales volumes	mdmt	52.3	53.5	(2.2)
Implied price	A$/t	73.9	71.7	3.1
Net royalty income	$m	47.1	48.2	(2.3)
Annual capacity payments	$m	-	3.0	n/a
Agreement modification one-off receipt	$m	-	10.4	n/a
Mining Area C royalty EBIT	$m	47.1	61.2	(23.0)

(mdmt = million dry metric tonnes)

- Mining Area C EBIT to 31 December decreased 23.0% to $47.1 million
  - no annual capacity payments
  - one-off payment in 2015 of US$8.0 million (A$10.4 million) as part of revised royalty arrangements
- Net royalty income down 2.3%
  - sales volumes decline slightly offset by higher AUD prices
  - additional impact of lower royalty rate (from 1.250% to 1.232% effective from 1 July 2015)

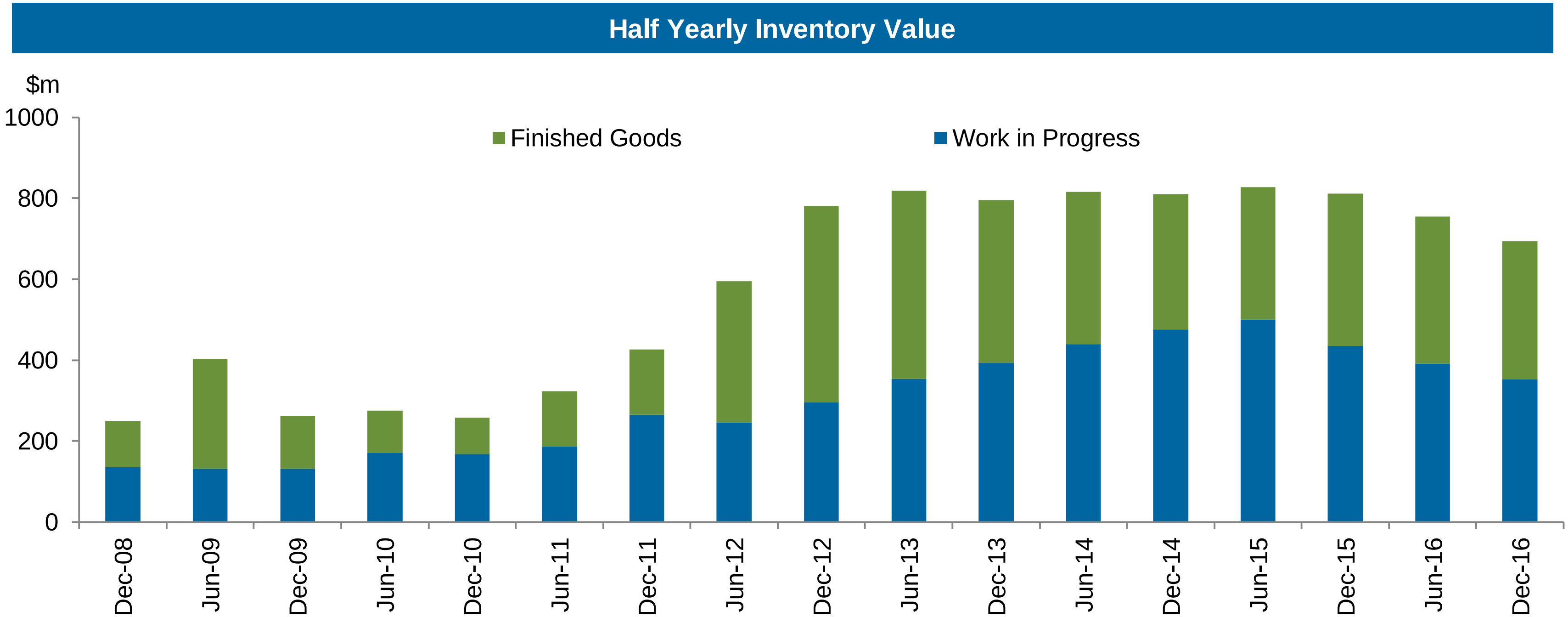
Net Debt Movement

2016 versus 2015



Note: SRL transaction costs of $14.1 million are included in Operating cash flow. Numbers may not add due to rounding.

Inventory Drawdown[1]



- Total inventory at 31 December 2016 of $694 million (2015: $812 million)
- Inventory decrease over year of $118 million
  - finished product down $36 million
  - work in progress[1] down $82 million
- Heavy mineral concentrate inventory volume down 572 thousand tonnes
  - Murray Basin and Jacinth-Ambrosia concentrate volumes down significantly, slight increase from Tutunup South
  - will be progressively processed before next planned mines developed
- Jacinth-Ambrosia mining and concentrating suspension will see HMC stockpiles drawn down

[1] Heavy mineral concentrate, work in progress, ilmenite and consumables

Iluka Dividend Payments

- Directors have determined no final dividend will be declared for 2016, in the context of the company's potential investment opportunities, including Cataby and Sierra Rutile expansion options
- Interim 2016 dividend of 3.0 cents per share
- Lower than 40% free cash flow payment; longer term payout of 66%
- Dividend framework remains:
  - pay a minimum 40% of FCF not required for investing or balance sheet activity
  - distribute maximum practicable available franking credits

Distribution Metrics	
2016 Full year free cash flow pay out ratio	27%
2010 – 2016 cumulative dividend payout ratio	66%
2010 – 2016 cumulative free cash flow returned to shareholders	$727 million
2010 – 2016 cumulative retained free cash flow	$374 million

Zircon Market

2016 Overview

- Producer inventory levels normalised over 2016
- 2016 demand variable across sectors and regions
- Iluka weighted average price 20% lower to US$773/tonne due to:
  - 15% decline in first half induced by competitors
  - product mix changes with increased sales of zircon concentrate
- First zircon price rise for five years in third quarter 2016
  - partially achieved US$60/tonne increase announced

2017 Outlook

- Iluka estimates supply and demand now broadly balanced
- Encouraging initial 2017 volumes – some evidence of restocking
- Iluka advised customers of a US$50/tonne price increase from 15 February
- First quarter 2017 volumes secured at higher prices
- Lower volume of zircon concentrate sales for 2017
- Moderate demand growth expected in 2017 and 2018

Titanium Feedstock Market

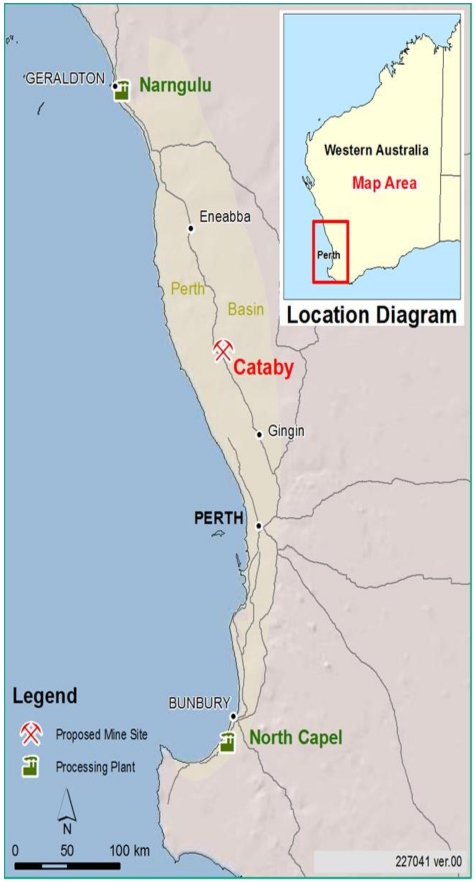
- Pigment market enters 2017 with continued favourable set of factors:
  - historically low pigment inventories
  - industry wide pigment plant utilisation rates increasing
  - recent, multiple, pigment price increases
- Iluka rutile price rises of up to 4% in first half of 2017
- Proportion of 2017 Sierra Rutile rutile contracted prior to acquisition at prices lower than Iluka expects to achieve for Iluka rutile and uncontracted Sierra Rutile material
- Some customers bringing forward high grade feedstock shipments

Cataby Project

- Large chloride ilmenite deposit with significant associated zircon and rutile production
  - ilmenite production to underpin continuation of synthetic rutile kiln 2 in South West

Key Project Features

- Located 150km north of Perth, Western Australia
- Estimated life of ~8.5 years
- Annual average production over life of mine (thousand tonnes per annum, ktpa):
  - ~380 ktpa chloride ilmenite, equivalent to ~200 ktpa synthetic rutile
  - ~50 ktpa zircon
  - ~30 ktpa rutile
- Chloride ilmenite to be used as feed for SR2 kiln
- Conventional mining method (open cut, dozer push and truck and shovel)
- Attractive financial characteristics
- Execute-ready stage
- Marketing personnel continue to engage with customers regarding off take arrangements on appropriate commercial terms



Sierra Rutile Update

Sierra Rutile Limited ILUKA

- Iluka merged with Sierra Rutile Limited on 7 December 2016
- Integration on track and progressing well
- Focus over two months since taking control has included:
  - addressing the most urgent safety aspects
  - maintaining production
  - implement Iluka standards in, for example, tails management and safety reporting
  - increased rigour around operational decisions
  - repositioning product portfolio to improve value capture
  - introducing Iluka’s risk management approach
  - building on existing relationships with key stakeholders, including Paramount Chiefs, local regulators and government

Sierra Rutile Update

Sierra Rutile Limited ILUKA

Operational Improvements

- Mobile mining unit
  - planned for deployment in Gbeni (feeding Lanti wet concentrator plant)
  - replace the existing truck and shovel mining operation
  - mining unit will comprise in-pit mineral sizer and ex-pit scrubber, ore to be pumped to concentrator
  - reduces mining costs
  - completion expected by end of 2017

- Mineral separation plant upgrade
  - capacity expansion and safety improvements
  - scoping work underway

Production Expansion Options

- Gangama and Lanti Dry Mine expansions
  - current capacity of 500 tonnes per hour (tph) at each mine
  - additional throughput of ~1,000 tph combined
  - definitive feasibility study to be underway first half 2017

- Sembehun Dry Mine
  - new mine development ~1,000 tph project
  - development includes mine and associated site infrastructure
  - update of earlier PFS to include wet and dry mining options, underway first half 2017

Balranald Project Update

- Balranald is a large, deep, high grade rutile-rich deposit in Murray Basin, NSW
- Definitive feasibility study on a conventional mining approach completed
- Separate DFS using unconventional, underground mining method in progress

Underground mining of mineral sands

- Proprietary underground mining technology developed by Iluka
- Directional drilling technology in conjunction with patented equipment and Iluka specific expertise
- Significant advantages to approach:
  - enables access to deep deposits (Balranald deposit is ~60 metres underground)
  - minimal environmental footprint versus conventional open cut mining
  - potentially less capital intensive
  - scalable operations and portfolio flexibility in the context of Sierra Rutile

2016 trials

- Full scale trials conducted at Balranald site
- Proof of concept demonstrated – improved confidence in project
  - successfully extracted significant volume of ore and achieved acceptable recovery and utilisation at stages
- Items requiring further engineering identified

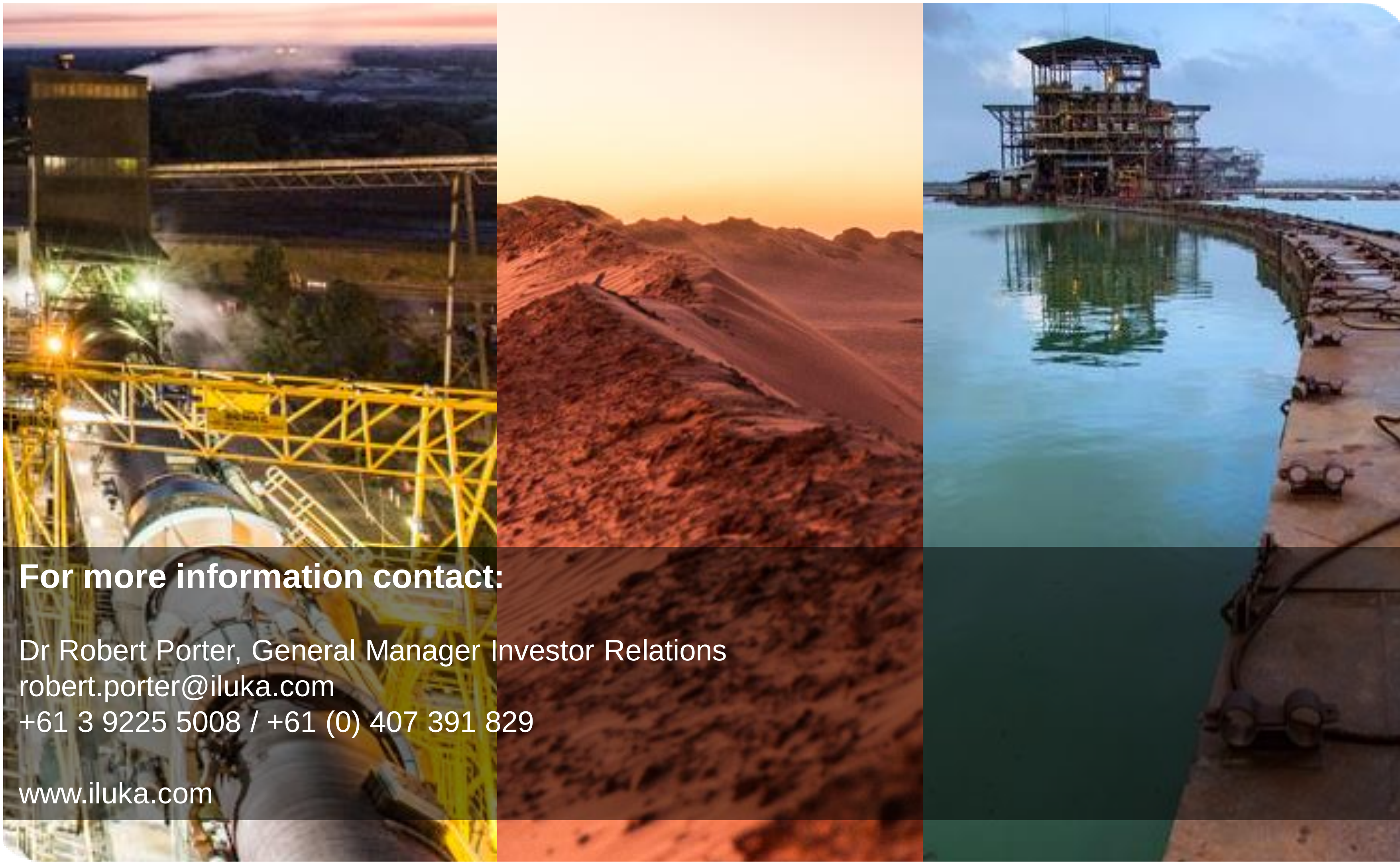
2017 work plan – phased approach – subject to Board approval

- Additional design work on infrastructure and surface works
- Refining and optimising the engineering of key mining equipment
- Modifications to existing government approvals
- Further expenditure to be capitalised

2017: Key Activities and Outlook

- Sierra Rutile – integration, operational improvements and evaluation of expansion projects
- Cataby project progression
- Phased evaluation of Balranald
- Mineral sands market conditions improving
  - positive high grade titanium feedstock dynamics
  - zircon price recovery; more balanced industry supply characteristics
- Operational settings to continue to be aligned to market conditions, inventory drawdown
- Sustainable Business Review: support costs reduced; company focused on key priorities
- 2017 guidance:
  - Z/R/SR sales volumes higher (Iluka), plus additional sales of Sierra Rutile product
  - further inventory drawdown
  - excluding Sierra Rutile costs, cash costs similar to 2016 level
  - capital expenditure of ~$260 million
  - free cash flow generation, second half weighted

Iluka Resources Limited



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Supplementary Slides

Non-recurring items in 2016 Financials

Asset Impairments
The non-cash impairment charge of $201.0 million pre-tax related to the following assets:

- idle and surplus equipment in the Murray Basin of $156 million pre-tax, including the Douglas wet concentrator, mining unit and other equipment, as well as the mining unit and wet concentrator utilised for the Woornack, Rownack, Pirro deposits. In the case of this equipment, some was previously considered able to be utilised for a Balranald conventional mine development, which has been passed over in favour of an unconventional mining approach;
- in the Murray Basin, Iluka is continuing with trialling and evaluating an unconventional, underground mining approach for Balranald following the cessation of work associated with the conventional mine development. As a consequence, $20 million of capitalised costs associated with feasibility work for the conventional method have been impaired; and
- $25 million related to exploration and evaluation assets previously capitalised, as well as mine reserves in the Perth and Murray Basins have been impaired. This category includes a number of areas where no further work is contemplated.

Provisions for Rehabilitation
Provisioning for rehabilitation and mine closure activities, has been increased by $45 million, with the total Group provision increasing to $528 million. The majority of the increase ($41 million) relates to the now discontinued United States operations in Virginia and Florida.

For Iluka's now discontinued United States' operations, the provision has been increased by US$30 million or A$41 million. The increase in the provision relates to the company's former operating assets in the United States, including Virginia which was idled at the end of 2015 and is now undergoing rehabilitation as a closed site, and Florida, which was closed in 2009.

The increase in rehabilitation provisions in the United States follows an extensive review in the last 12 months and relates to the refinement of estimates including the current scope of work, approach to undertaking the required work and a change in methodology for calculating the amount of contingency. In the second half of 2016, the focus of the US activities shifted from being an idled site ready to restart should market conditions improve, to a permanently closed site, the primary purpose of which is to rehabilitate in a cost effective and responsible manner. This clarification resulted in a number of costs previously forecast as operating expenses, being incorporated into the provision estimate. The US rehabilitation provision at December 2016 is now $104 million.

Of the $45 million increase, $43 million relates to closed sites, which is charged against the profit and loss statement and $2 million relates to open sites, which is reflected on the balance sheet.

Reconciliation of Non-IFRS Financial Information to Profit before Tax

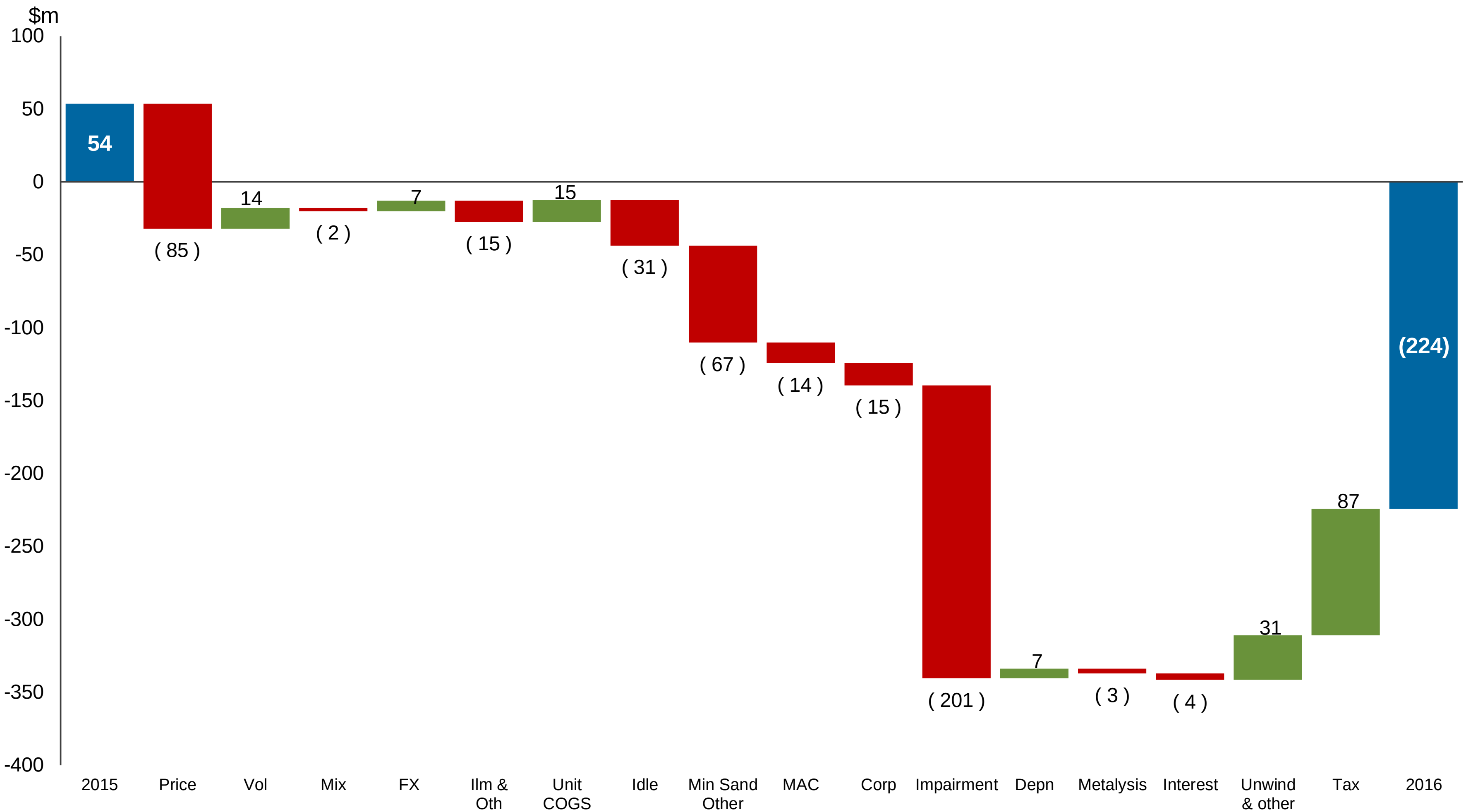
31 December 2016	AUS	US	SRL	Exploration & Other[1]	Corp	**Mineral sands**	MAC	**Group**
Mineral sands revenue	690.2	18.3	17.8			**726.3**		**726.3**
Mineral sands expenses	(408.6)	(53.7)	(16.7)	(95.4)		**(574.4)**		**(574.4)**
Mining Area C							47.5	**47.5**
Foreign exchange					4.9	**4.9**		**4.9**
Corporate costs					(53.8)	**(53.8)**		**(53.8)**
Underlying Group EBITDA[2]	**281.6**	**(35.4)**	**1.1**	**(95.4)**	**(48.9)**	**103.0**	**47.5**	**150.5**
SRL transaction costs					(14.1)	**(14.1)**		**(14.1)**
Depreciation & amortisation	(74.3)		(2.0)	(3.2)		**(79.5)**	(0.4)	**(79.9)**
Inventory movement - non-cash	(57.3)					**(57.3)**		**(57.3)**
Rehabilitation for closed sites	(1.7)	(40.9)				**(42.6)**		**(42.6)**
Share of Metalysis Ltd's losses					(3.3)	**(3.3)**		**(3.3)**
Impairment	(201.0)					**(201.0)**		**(201.0)**
Group EBIT	**(52.7)**	**(76.3)**	**(0.9)**	**(98.6)**	**(66.3)**	**(294.8)**	**47.1**	**(247.7)**
Net interest costs					(15.4)	**(15.4)**		**(15.4)**
Rehabilitation unwind & other	(10.8)	(0.9)		(0.1)	(2.8)	**(14.6)**		**(14.6)**
Profit (loss) before tax	**(63.5)**	**(77.2)**	**(0.9)**	**(98.7)**	**(84.5)**	**(324.8)**	**47.1**	**(277.7)**
Segment result	***(63.5)***	***(77.2)***	***(0.9)***			***(141.6)***	***47.1***	***(94.5)***

[1] Comprises exploration and resources development costs ($79.4m) and marketing and selling costs ($16.6m), offset by other income $0.6m

[2] Underlying Group EBITDA excludes non-recurring adjustments including impairments, SRL transaction costs and changes to rehabilitation provisions for closed sites. Underlying EBITDA also excludes Iluka's share of Metalysis Ltd's losses, which are non-cash in nature.

Net Loss After Tax Movement

2016 versus 2015



Note: Mineral Sand Other includes movements in: rehabilitation and holding costs ($39.9) million and resource development ($21.0) million. The year-on-year change in resource development expenditure was largely due to expenditure related to Balranald underground mining with total expenditure of $36.0 million in 2016 (2015: $15.0 million), slightly offset by lower exploration expenditure (down $2.7 millon).

Production Volumes

kt	2016[1]	2015	% change
Zircon	347.1	388.6	(10.7)
Rutile	117.6	136.5	(13.8)
Synthetic rutile	210.9	164.9	27.9
Total Z/R/SR production	**675.6**	**690.0**	**(2.1)**
Ilmenite – saleable and upgradeable	329.4	466.1	(29.3)
Total production volume	**1,005.0**	**1,156.1**	**(13.1)**
Heavy mineral concentrate produced	395	1,137	(65.3)
Heavy mineral concentrate processed	967	1,206	(19.8)

[1] Includes 2016 Sierra Rutile production of: 0.1kt zircon, 8.8kt rutile and 3.2kt ilmenite.

2016-17 Production Settings

	2016	2017
Jacinth-Ambrosia mining **South Australia**	Mining and concentrating suspended from April 2016 for 18-24 months. Concentrate processed at Hamilton and Narngulu mineral separation plants.	Mining and concentrating idle. Concentrate processed at Hamilton and/or Narngulu mineral separation plants.
Murray Basin mining **Victoria**	Mining ceased. Concentrate continued to be processed.	Continue to process existing concentrate.
Tutunup South mining **Western Australia**	100% utilisation	100% utilisation
Hamilton mineral separation plant **Victoria**	60% utilisation Murray Basin and Jacinth-Ambrosia feed	Subject to review in light of market demand/inventory considerations
Narngulu mineral separation plant **Western Australia**	50% utilisation	Subject to review in light of market demand/inventory considerations
SR kiln 2	100% utilisation	100% utilisation
One other SR kiln	Idle	Idle
US Mining **Virginia**	Idle Mining and processing operations idled at end of 2015.	Closed 31 December 2016
Stony Creek mineral separation plant **Virginia**	Idle	Closed 31 December 2016

Sales Volumes

kt	2016[1]	2015	% change
Zircon	338.8	346.2	(2.1)
Rutile	172.1	133.6	28.8
Synthetic rutile	186.8	171.2	9.1
Total Z/R/SR	**697.7**	**651.0**	**7.2**
Ilmenite	17.7	299.8	(94.1)
Total sales volumes	**715.4**	**950.8**	**(24.8)**

[1] Includes 2016 Sierra Rutile sales of: 18.1kt rutile.

Mineral Sands Results

$ million	Revenue		Underlying Mineral Sands EBITDA[1]		Group EBIT	
	2016	2015	2016	2015	2016	2015
Australia	690.2	770.5	281.6	366.8	(52.7)	246.8
United States	18.3	49.3	(35.4)	(6.9)	(76.3)	(34.5)
Sierra Rutile Limited	17.8	-	1.1	-	(0.9)	-
Resource development and support costs	-	-	(144.3)	(128.1)	(117.8)	(69.3)
Total	**726.3**	**819.8**	**103.0**	**231.8**	**(247.7)**	**143.0**

Unit Cash Costs and Revenue per tonne

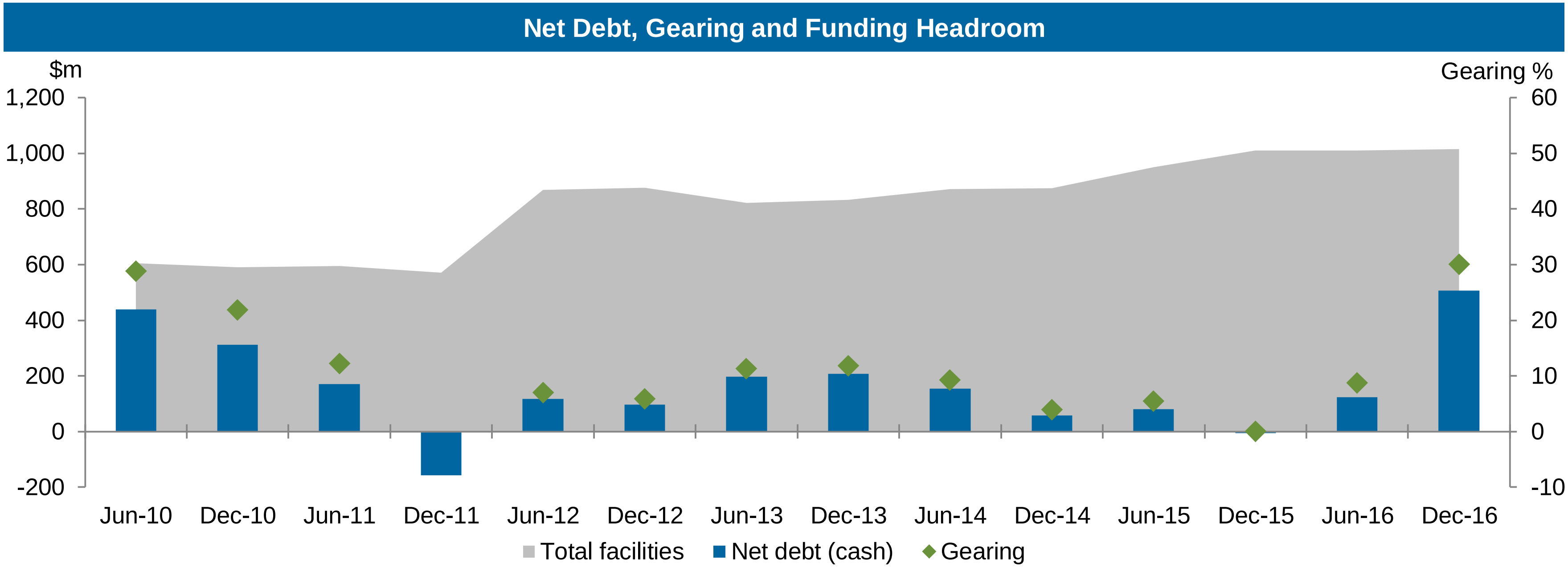
		2016	2015	% change
Total Z/R/SR production	kt	675.6	690.0	(2.1)
Ilmenite – saleable and upgradeable	kt	329.4	466.1	(29.3)
Total production	**kt**	**1,005.0**	**1,156.1**	**(13.1)**
Total cash costs of production, incl. by-products	$m	260.6	392.5	(33.6)
Unit cash costs per tonne of Z/R/SR produced[1]	$/t	386	569	(32.2)
Unit cash costs per tonne of Z/R/SR produced excluding by-products[1]	$/t	373	558	(33.1)
Cost of goods sold per tonne of Z/R/SR sold[2]	$/t	700	780	(10.2)
Z/R/SR revenue	$m	696.8	739.7	(5.8)
Ilmenite and other revenue	$m	29.5	80.1	(63.2)
Revenue per tonne of Z/R/SR sold[3]	$/t	999	1,136	(12.1)

[1] Unit cash cost per tonne of Z/R/SR produced is determined as cash costs of production divided by total Z/R/SR production volumes.

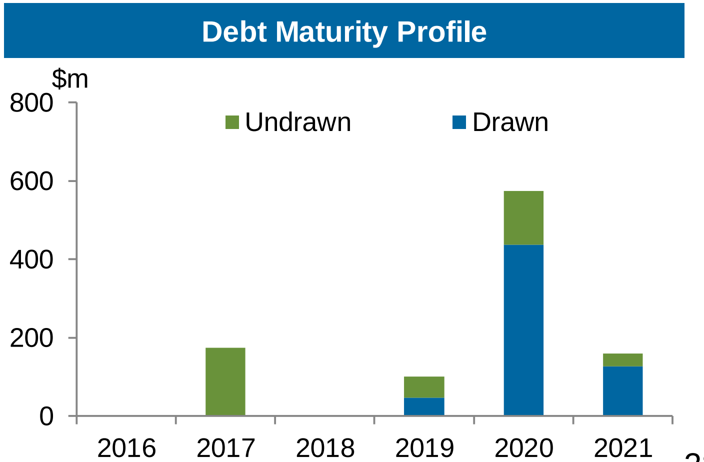
[2] Cost of goods sold per tonne of Z/R/SR sold is determined as cost of goods sold divided by total Z/R/SR sales volumes.

[3] Revenue per tonne of Z/R/SR sold is determined as total Z/R/SR revenue divided by total Z/R/SR sales volumes.

Balance Sheet – 31 December 2016



- Net debt increase following Sierra Rutile merger in December
  - Total SRL transaction of $389.5 million
  - Iluka assumed SRL net debt of $79.7 million (US$59.3 million)
- Significant funding headroom, total facilities $1,015 million
  - net debt of $506.3 million ($441.8 million at 31 January)
  - undrawn facilities of $404.2 million



Capital and Exploration Expenditure (cash)

$m	2016	2015	% change
Capital expenditure	63.5	62.3	1.9
Metalysis	19.0	4.1	363.4
Exploration	24.7	27.7	(10.8)
Total	**107.2**	**94.1**	**13.9**

Australian Operations

		2016	2015	% change
Production volumes				
Zircon	kt	347.0	351.3	(1.2)
Rutile	kt	108.8	136.5	(20.3)
Synthetic rutile	kt	210.9	164.9	27.9
Total Z/R/SR production	**kt**	**666.7**	**652.7**	**2.1**
Ilmenite	kt	326.2	320.9	1.7
Total production volume	**kt**	**992.9**	**973.6**	**2.0**
HMC produced	kt	371	890	(58.3)
HMC processed	kt	942	949	(0.7)
Unit cash cost of production – Z/R/SR[1]	$/t	364	466	21.9
Mineral sands revenue	**$m**	**690.2**	**770.5**	**(10.4)**
Cash costs of production	$m	(242.5)	(304.3)	20.3
Inventory movements - cash	$m	(88.2)	(31.4)	180.9
Restructure and idle capacity charges	$m	(38.8)	(29.3)	(32.4)
Government royalties	$m	(19.7)	(21.0)	6.2
Marketing and selling costs	$m	(18.3)	(16.4)	(11.2)
Asset sales and other income	$m	(1.1)	(1.3)	(15.4)
EBITDA	**$m**	**281.6**	**366.8**	**(23.2)**
Depreciation & amortisation	$m	(74.3)	(129.7)	42.7
Inventory movements - non-cash	$m	(57.3)	(15.3)	(274.5)
Rehabilitation and holding costs for closed sites	$m	(1.7)	25.0	106.8
Impairment expense	$m	(201.0)	-	n/a
EBIT	**$m**	**(52.7)**	**246.8**	**n/a**

[1] Calculated as cash costs of production, including by-product costs divided by Z/R/SR production.

US Operations

		2016	2015	% change
Production volumes				
Zircon	kt	-	37.3	n/a
Ilmenite	kt	-	145.1	n/a
Total saleable production volume	**kt**	**-**	**182.4**	**n/a**
HMC produced	kt	-	247	n/a
HMC processed	kt	-	257	n/a
Unit cash cost of production - saleable product[1]	$/t	-	484	n/a
Mineral sands revenue	**$m**	**18.3**	**49.3**	**(62.9)**
Cash cost of production	$m	(8.7)	(88.2)	90.1
Inventory movements - cash	$m	(13.9)	41.0	133.9
Restructure and idle capacity charges	$m	(30.7)	(9.0)	(241.1)
Marketing and selling costs	$m	(0.4)	-	n/a
EBITDA	**$m**	**(35.4)**	**(6.9)**	**413.0**
Rehabilitation costs for closed sites	$m	(40.9)	(27.6)	(48.2)
EBIT	**$m**	**(76.3)**	**(34.5)**	**(121.2)**

[1] Calculated as cash costs of production, including by-product costs divided by zircon and ilmenite production.

Sierra Leone Operations

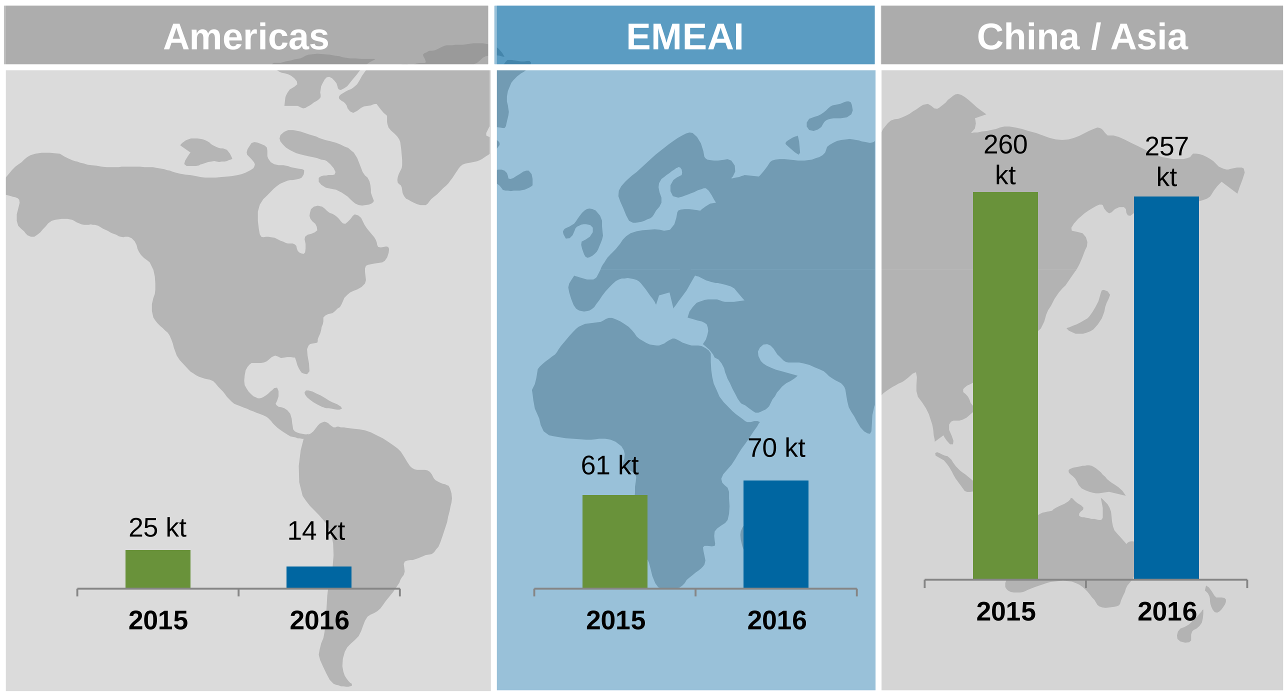
		2016	2015	% change
Production volumes				
Zircon	kt	0.1	-	n/a
Rutile	kt	8.8	-	n/a
Ilmenite	kt	3.2	-	n/a
Total saleable production volume	**kt**	**12.1**	**-**	**n/a**
HMC produced	kt	23.3	-	n/a
HMC processed	kt	24.6	-	n/a
Unit cash cost of production - saleable product[1]	$/t	777.0	-	n/a
Mineral sands revenue	**$m**	**17.8**	**-**	**n/a**
Cash cost of production	$m	(9.4)	-	n/a
Inventory movements - cash	$m	(5.5)	-	n/a
Government royalties	$m	(0.7)	-	n/a
Marketing and selling costs	$m	(1.0)	-	n/a
Asset sales and other income	$m	(0.1)	-	n/a
EBITDA	**$m**	**(1.1)**	**-**	**n/a**
Depreciation & amortisation	$m	(2.0)	-	n/a
EBIT	**$m**	**(0.9)**	**-**	**n/a**

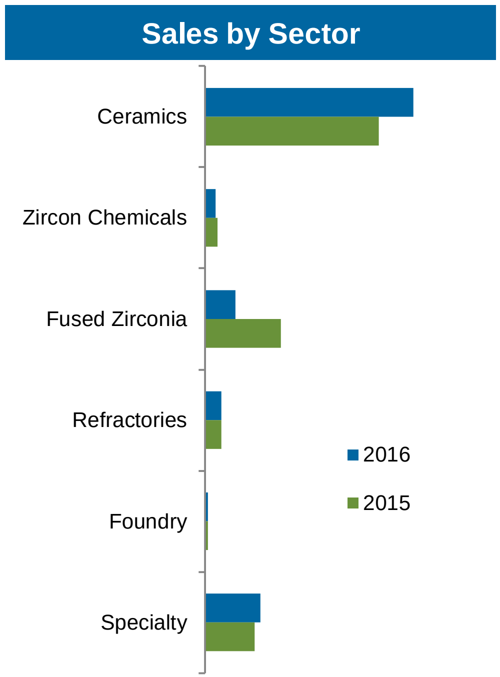
[1] Calculated as cash costs of production, including by-product costs divided by zircon and ilmenite production.

- Iluka acquired SRL on 7 December and the above represents SRL's contribution from this date.

Zircon Sales

- 2016: 338.8 thousand tonnes (2015: 346.2 thousand tonnes)

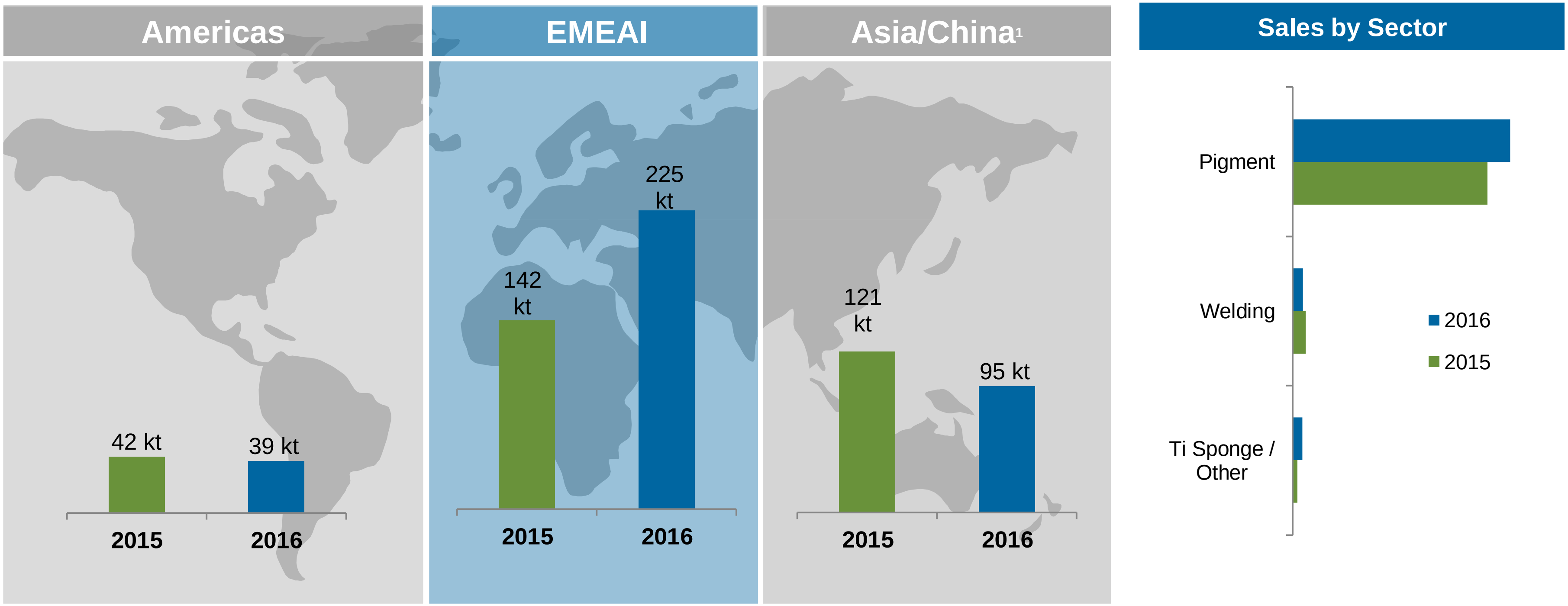




NOTE: EMEAI – Europe, Middle East, Africa, India

High Grade Feedstock Sales

- 2016: 358.9 thousand tonnes (2015: 304.8 thousand tonnes)



Note: HGO (high grade ore) refers to titanium feedstocks with greater than 80 per cent TiO_2 content. Iluka's HGO products include rutile, HyTi and synthetic rutile and are sold for use in chloride pigment process. EMEAI – Europe, Middle East, Africa, India.

[1] It should be noted that Iluka sales of HGO (rutile/synthetic rutile) to China are low (less than 10kt); most of the sales reflected here are to Asia and Australia.