



ILUKA

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Disclaimer – Forward Looking Statements



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- changes in product pricing assumptions;
- major changes in mine plans and/or resources;
- changes in equipment life or capability;
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Non-IFRS Financial Information

This presentation 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. A reconciliation of non-IFRS financial information to profit before tax is included in the supplementary slides. Non-IFRS measures have not been subject to audit or review.

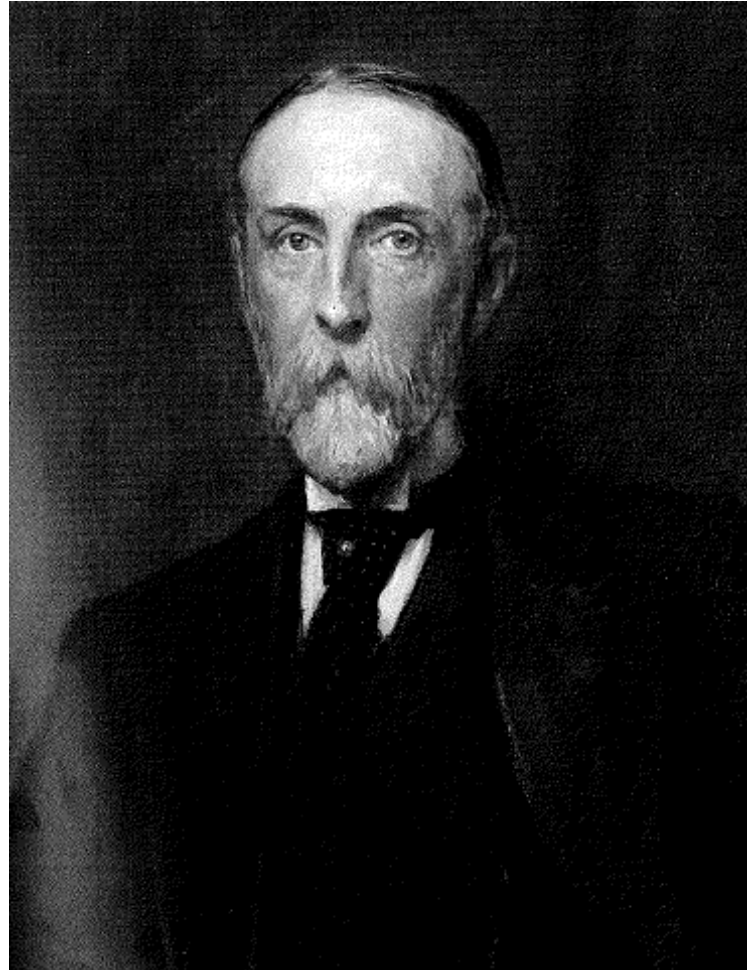
“Shifting Sands”

- A changing mineral sands landscape
- The role of technology – past, present and future
- Iluka’s response

South African Origins



Cecil John Rhodes (1853 - 1902)



Charles Rudd (1844 -1916)

Australian Origins



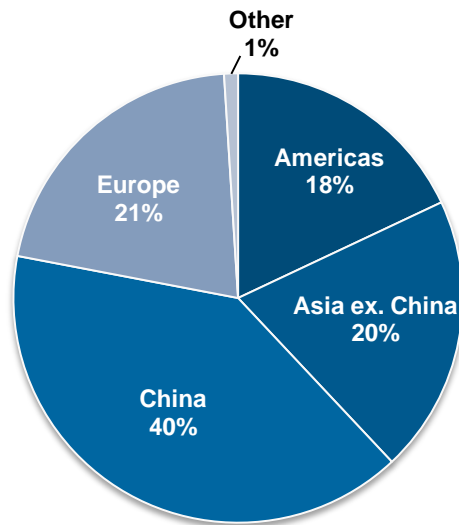
George Renison Bell (1890 - 1958)



Company Overview

- Largest producer of zircon in the world
- Significant high grade titanium dioxide producer (rutile and synthetic rutile)
- ~10 years reserve life; resources¹ ~ 5 times reserves
- Royalty from BHP Billiton's Mining Area C in WA
- Strong balance sheet, 11.8% gearing as at 31 December 2013

2013 Revenue by Region

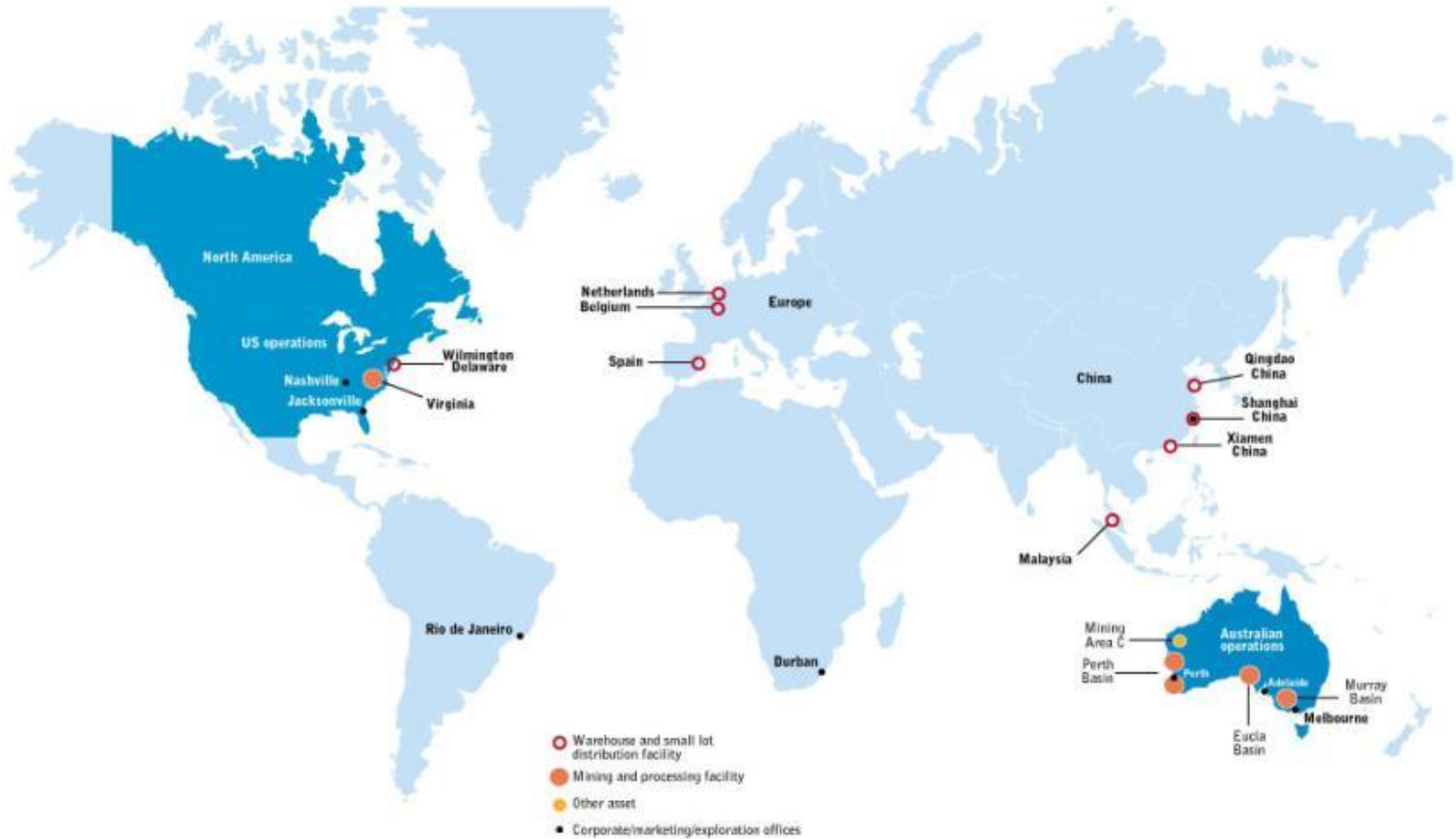


Note: Revenues include MAC royalty
(1) As of December 2013
(2) Reflects FY 2013 Revenue Distribution

Notes:

¹ Net of reserves

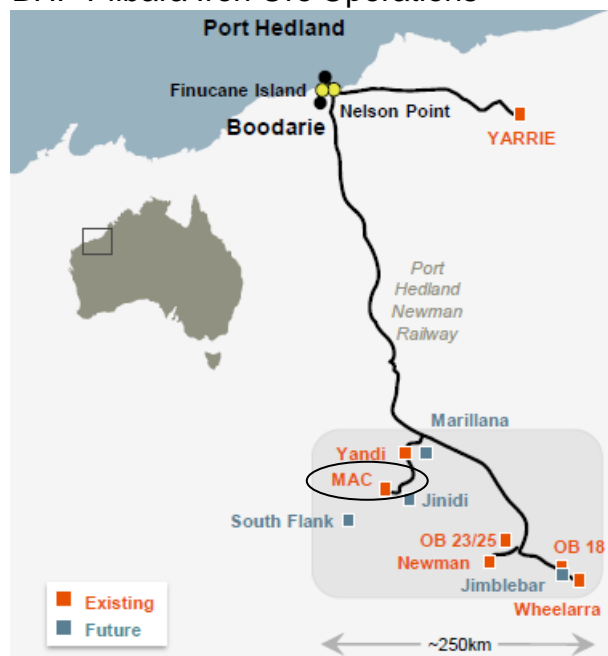
Iluka Operating and Marketing Locations



Mining Area C Iron Ore Royalty

- MAC covers part of BHP Billiton's iron ore mining operations in WA's Pilbara region, operated by BHP (85%) under a JV with Itochu and Mitsui

BHP Pilbara Iron Ore Operations



Source: BHP Billiton (Mar 2013)

Note: all production volumes based on wet metric tonnes.

- In perpetuity royalty stream
 - 1.25% of FOB A\$ revenues
- One-off payments: \$1m per 1mdmt production increase
- FY13 production for MAC of 50.5mdmt
- BHP WA Iron Ore capacity +220mtpa by end FY15
 - can cost effectively grow towards 260-270mtpa
- Capacity growth to come from:
 - debottlenecking, mobile crushers (+20mtpa); and
 - low cost option to expand Jumblebar to 55mtpa
- MAC an important part of non-Jumblebar growth

Zircon Attributes and Applications

Ceramics

Opacity (whiteness)

Water, chemical & abrasion resistant



Floor and wall tiles

Sanitary ware

Table ware

Refractory and Foundry

Heat resistant

Non-reactive



Steel & glass manufacturing

Precision metal casting

Zirconium Metal

Low thermal neutron absorption

Corrosion resistant



Nuclear reactor cores & fuel rods

Heat exchangers

Zirconia & Zirconium Chemicals

Many unique properties



Electronics

Catalysts

Fibre optics

Catalytic converters

Titanium Dioxide Attributes and Applications

Pigment

Opacity (whiteness)
UV resistant
Non-toxic and inert



Paints and coatings
Paper
Inks
Packaging

Titanium Metal

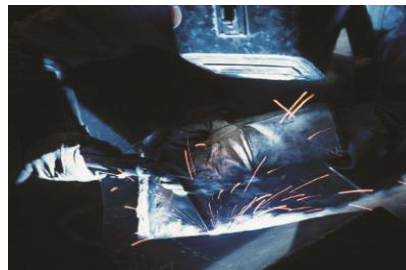
High strength to weight ratio
Corrosion resistant



Aircraft engines and frames
Defence armourments
Chemical & desalination plants
Medical applications
Sporting equipment

Welding Flux Agent

Corrosion resistant



Steel construction
Ship building

Nanomaterials

Many unique properties



Dye-sensitised solar cells
Water purification
Cancer treatments
Noise absorption

Robust Longer Term Demand Growth

Urbanisation



**Consumption based
growth in developing
economies**



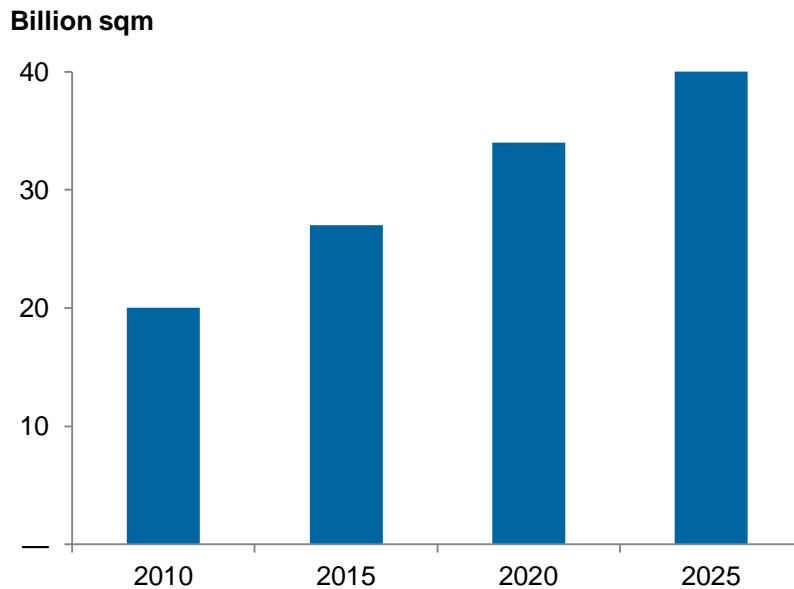
**Increasing array of
applications**



Urbanisation and Tiles

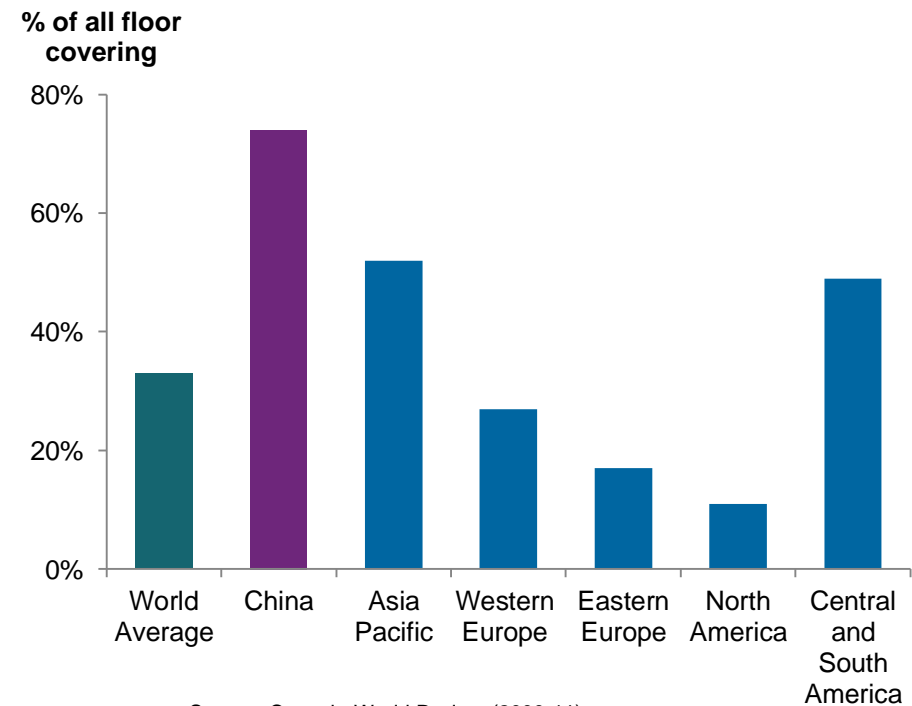
- Large urban population and floor space increases in developing countries
- Growth regions have preference for tiles as floor covering

China Urban Residential Floor Space



Source: Global Insight (2011), BHP (2011), RBS (2012)

Tile Use as Floor Covering

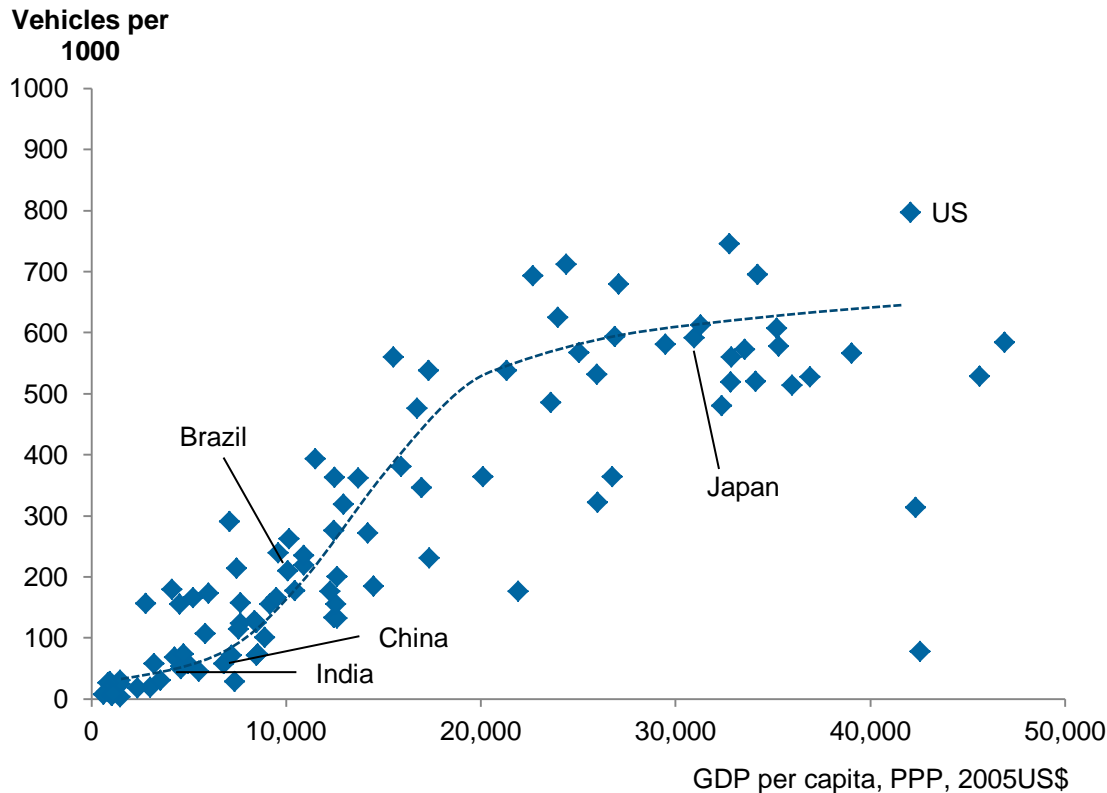


Source: Ceramic World Review (2000-11)

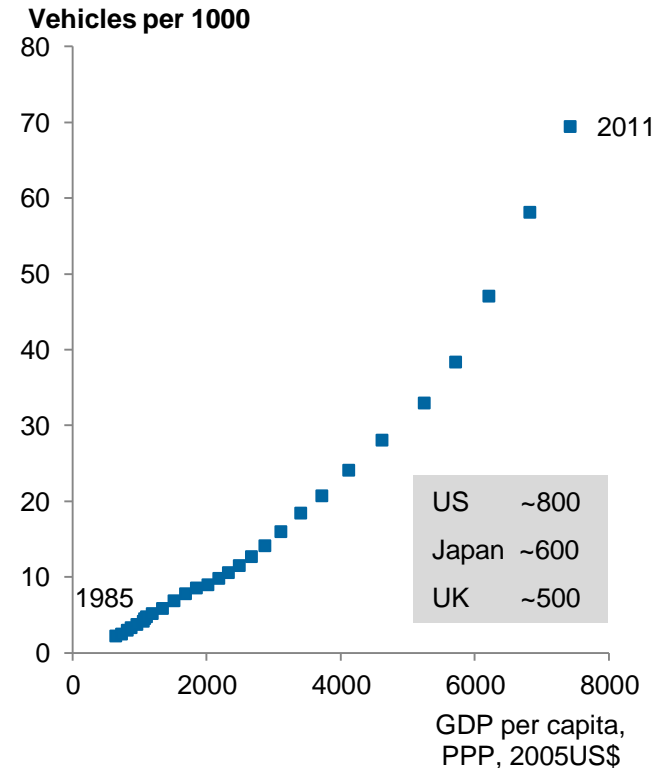
Consumption Based Growth

- Developing economies moving from investment to consumption based economic growth
- Rising incomes and living standards create S-curve demand trend

**Motor Vehicles Per Capita
2010/11**



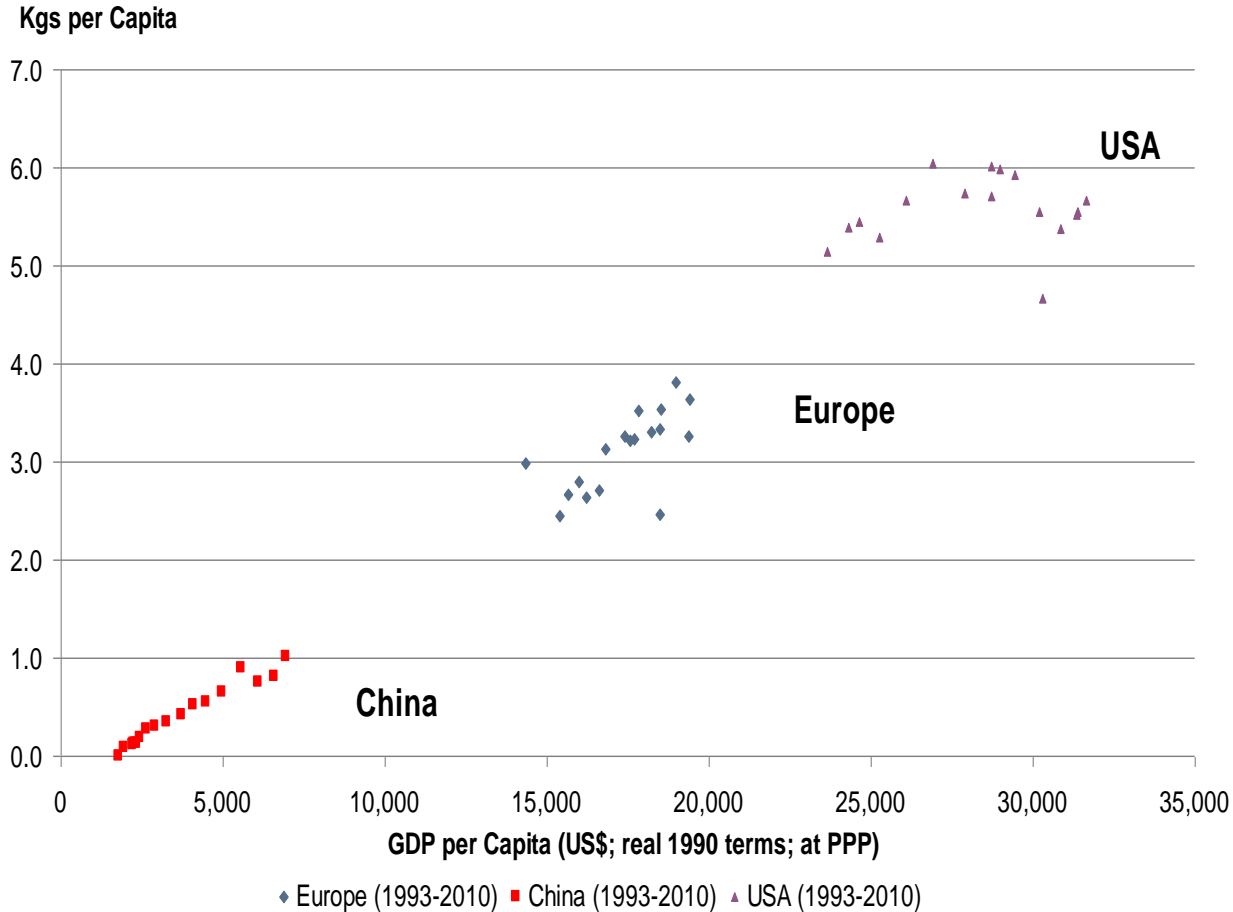
**China Motor Vehicles Per Capita
1985-2011**





Pigment Demand Intensity

TiO₂ Feedstocks: Intensity of Use



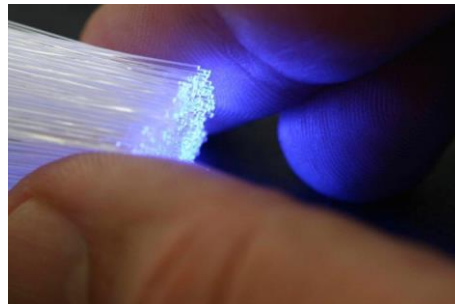
Increasing Array of Applications

Zircon Chemicals Applications

- Catalytic converters
- Nuclear fuel rods
- Oxygen and pressure sensors
- Fibre optics
- Electrical motherboards and capacitors

Titanium Metal Applications

- Desalination plants
- Offshore oil and gas components
- Power plant cooling systems
- Aerospace
- Nanotechnologies
- Defence armaments



A Changing Landscape

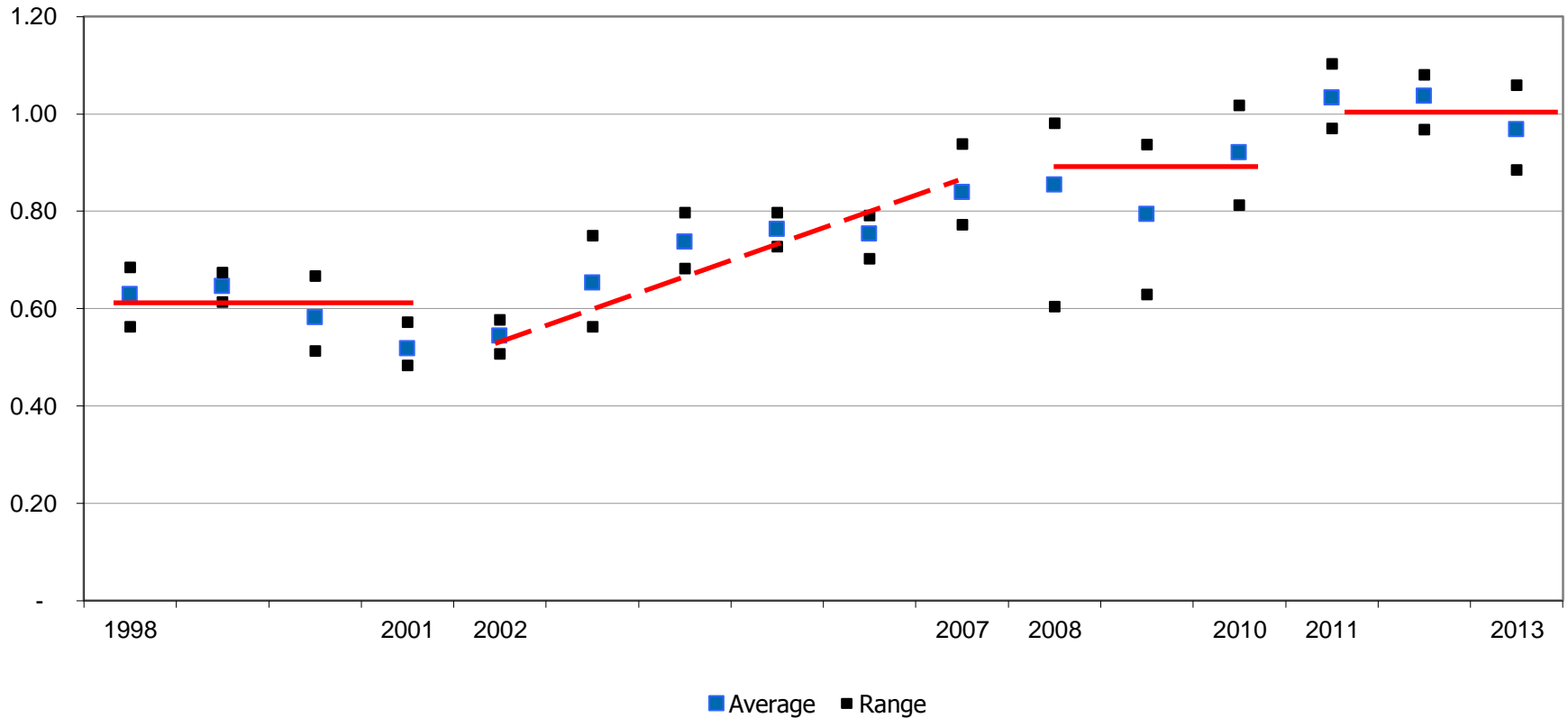
- Recent industry activity
 - Sichuan Lomon MOU with WTR (subsequently rescinded)
 - Huntsman/Rockwood
 - DuPont spinoff
 - Iluka re-acquisition of Puttalam resources in Sri Lanka
- Assets/operations/businesses for sale – all parts of value chain
- DuPont Altamira chloride pigment expansion ~200kt in 2015
- China advancement of chloride pigment capacity
 - Government policy settings encouraging move to chloride
 - multiple projects underway or foreshadowed
 - first chloride producers ramping up
- No “new news” on additional mineral sands ore supply
- No exploration

Exchange Rate Pressures

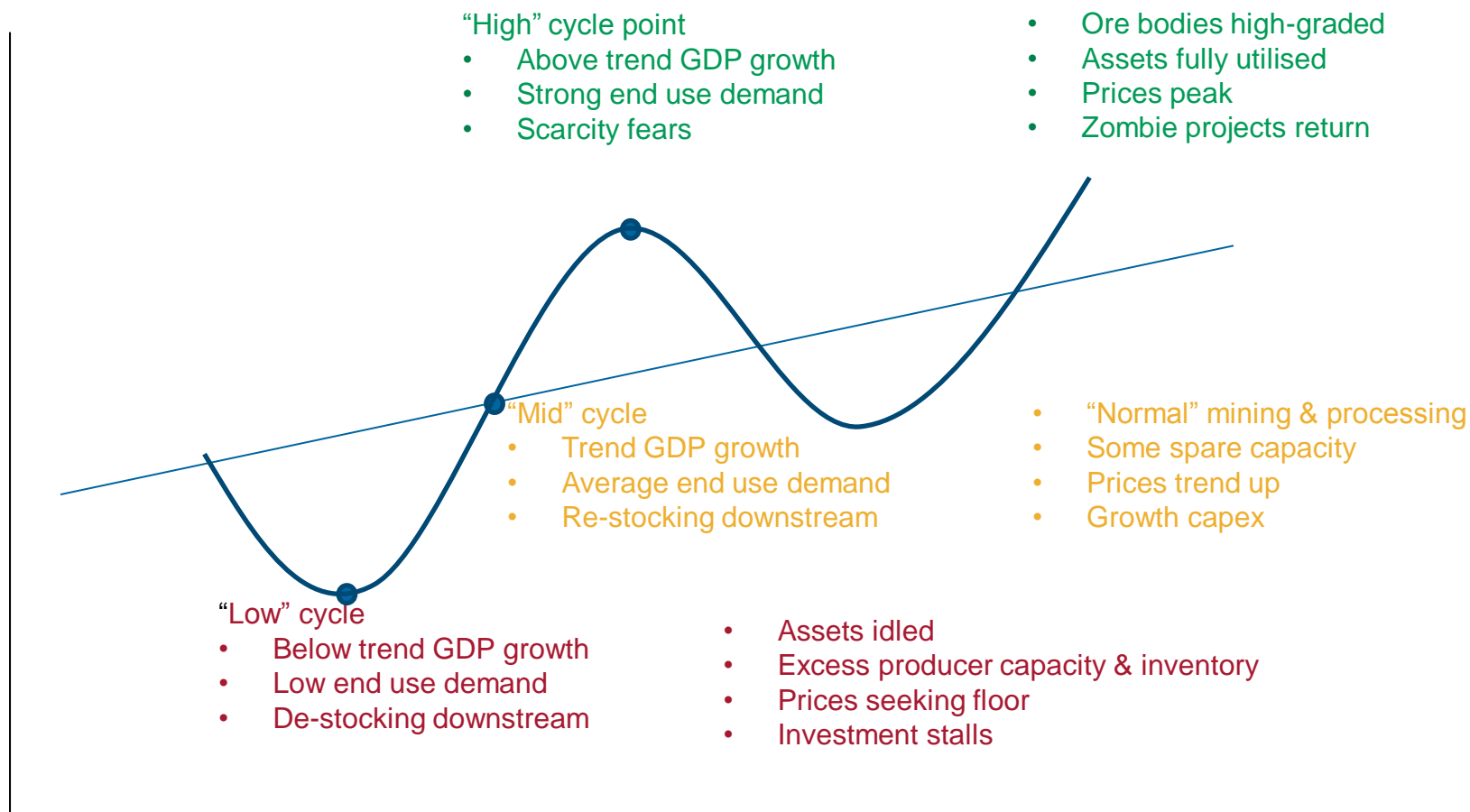
1998 to 2013



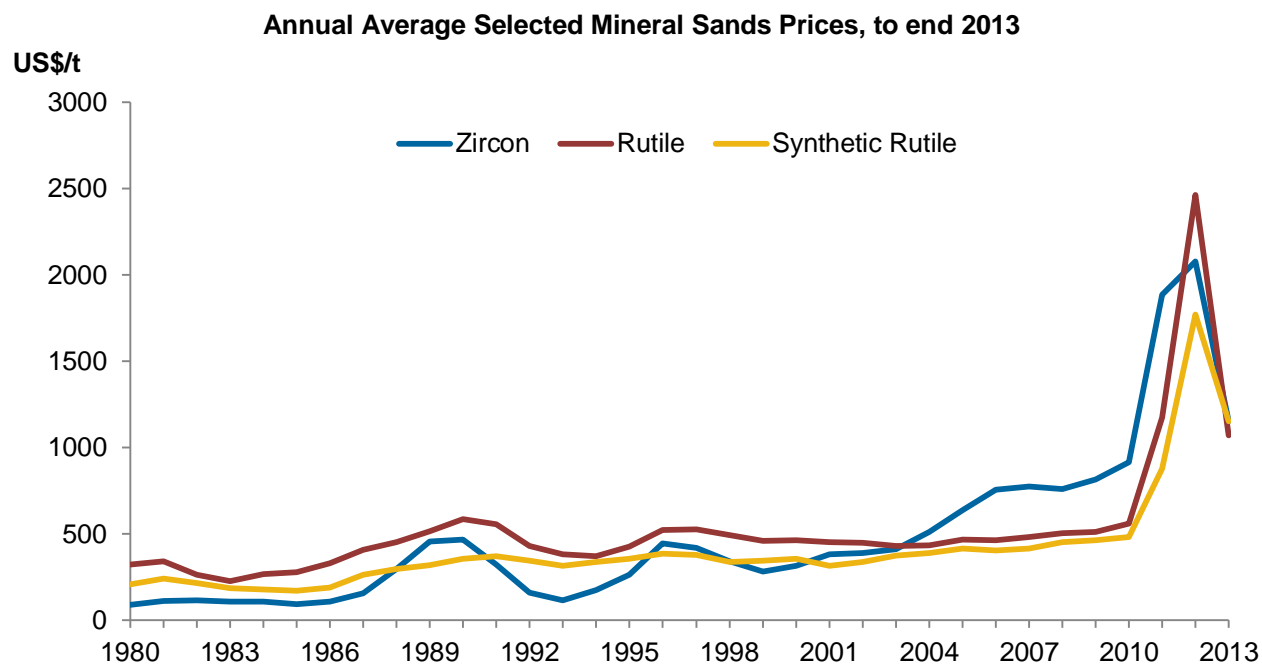
A\$: US\$ FX Rate



Mineral Sands Cycle Characteristics



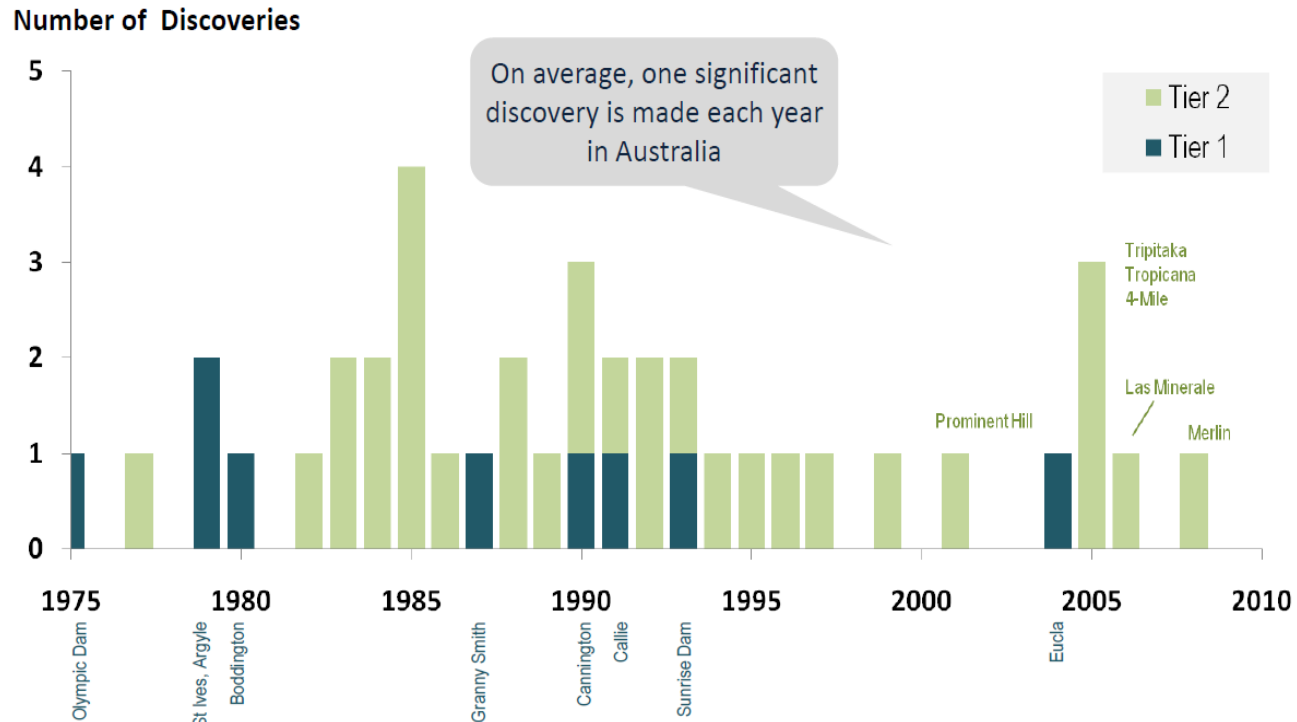
Price Volatility



Source: Iluka and TZMI

Tier 1 & 2 Discoveries: Australia

Tier 1&2 Discoveries : Australia



Tier 1 = "Company Making" Mines. They are large, long life and low cost
 Tier 2 = "Significant" Deposits. Has some, but not all, of the characteristics of a Tier 1

Source: MinEx Consulting May 2010

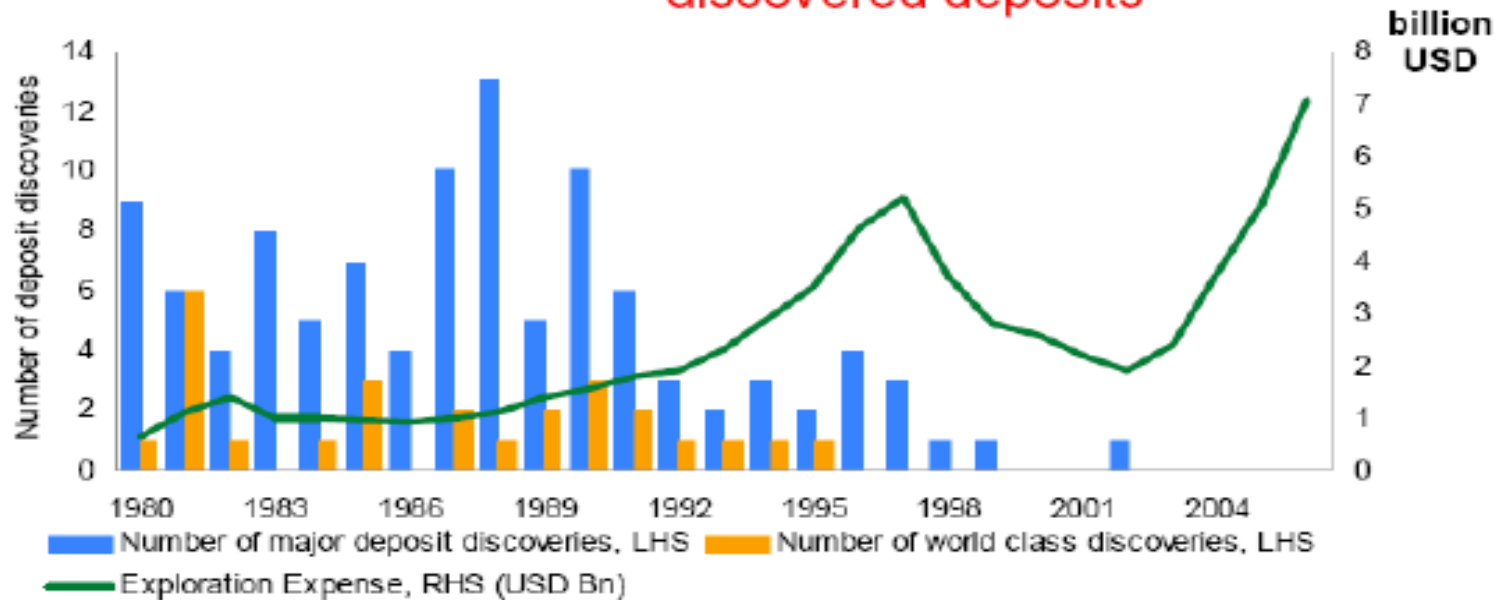


Discovery Rate of Major Mineral Deposits

Metal minerals reserves

Discovery rate of major mineral deposits

low expectations of yet to be discovered deposits

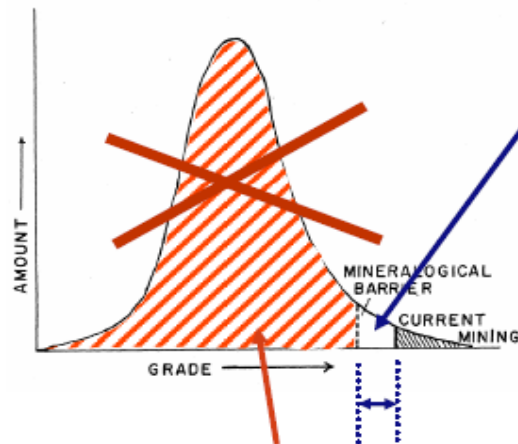


Sources: BHP Billiton, MEG, UBS WMR. , Raw Materials Group

Mineralogical and Energy Intensity Barriers

Energy scarcity means materials scarcity

Mineralogical barrier for elements $\geq 0.1\%$
(mass) earth's crust



Remaining relevant resources of
**aluminum, iron, silicon,
magnesium, titanium,**

Source: "Exploring the resource
base" by Brian J. Skinner, Yale
University, 2001

Extremely energy-intensive to extract

What Prompts Innovation

- Desire to achieve
- Problem Solving
- Desperation / Survival
- Mistakes
- Risk Management
- Economics
- Tyranny of distance

Heavy Minerals Innovation

Innovation Examples

1920's

Zircon Flotation

1930's

- Monazite concentrate (wet tables) → Cerium
- Kroll process → Ti Sponge

1940's

- Air tables → HM Separation
- Electro-magnetic separation → Ilmenite from rutile concentrate
- HT roll electrostatic plate separator
- Dredge mining – pontoon mounted pump, land based spiral plant

Heavy Minerals Innovation

Innovation Examples

1950's

- Chloride pigment
- Australian rutile → Titanium metal for aircraft
- Suction cutter dredge
- Rock ilmenite → Sulphate slag, Canada

1960's

- Improved fibre glass spiral and cone concentrator
- Becher SR, Australia

1970's

- Ilmenite → Chloride slag, South Africa

1980's

- Rare earth roll magnets, hydrosizers, up current classifiers
- "Wallace" air core drill
- Circular slag furnace, Norway

Iluka Synthetic Rutile Evolution

Kiln	Location	Commissioned	Decommissioned
'A'	South Capel	1968	1993
'B'	South Capel	1974	1997
SR1	North Capel	1986	
'C' = SR3	Narngulu	1988	
'D' = SR4	Narngulu	1991	
SR2	North Capel	1997	

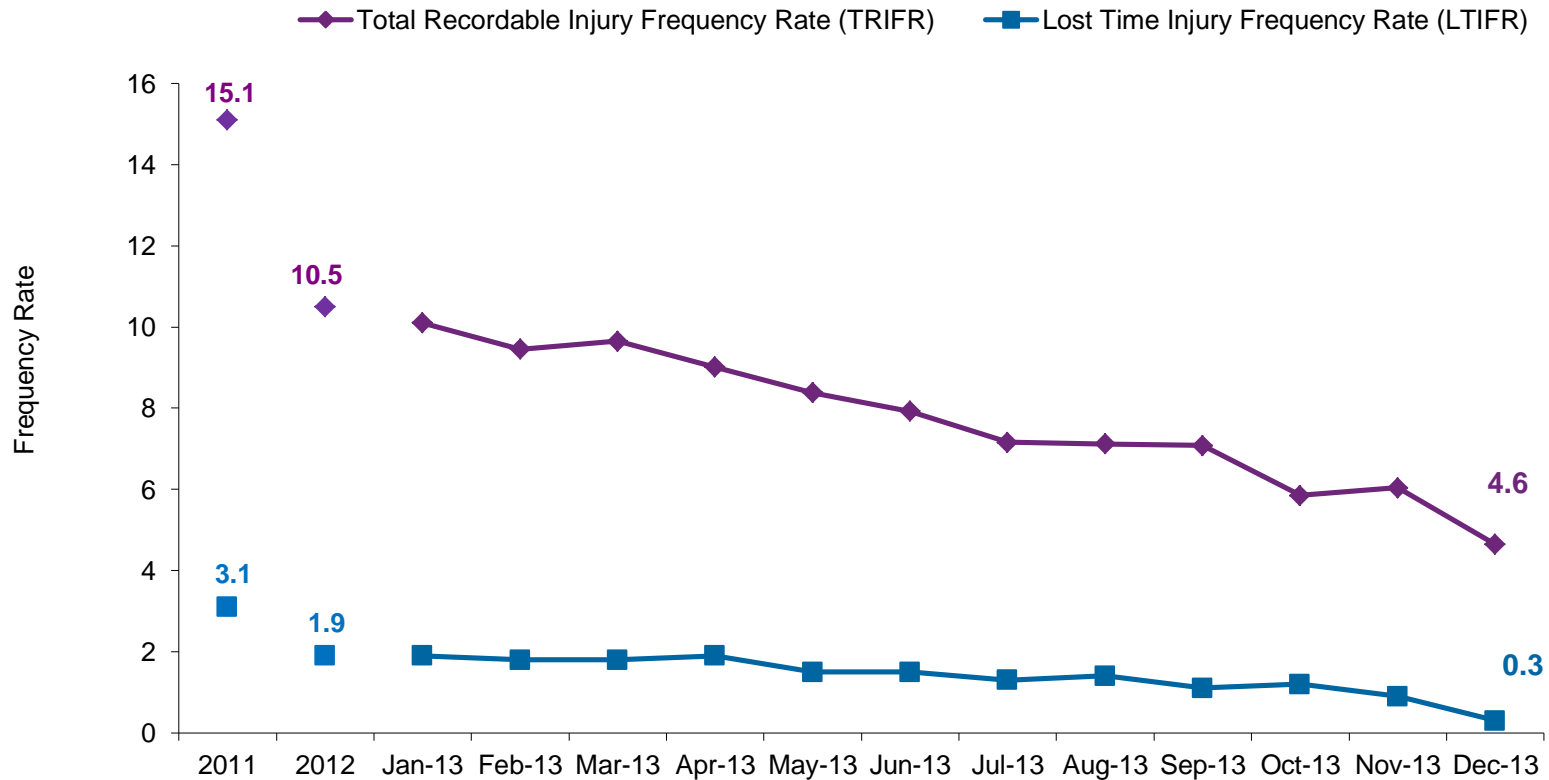
Where To From Here



Iluka Response Game Plan



Continued Improvement in Safety Performance



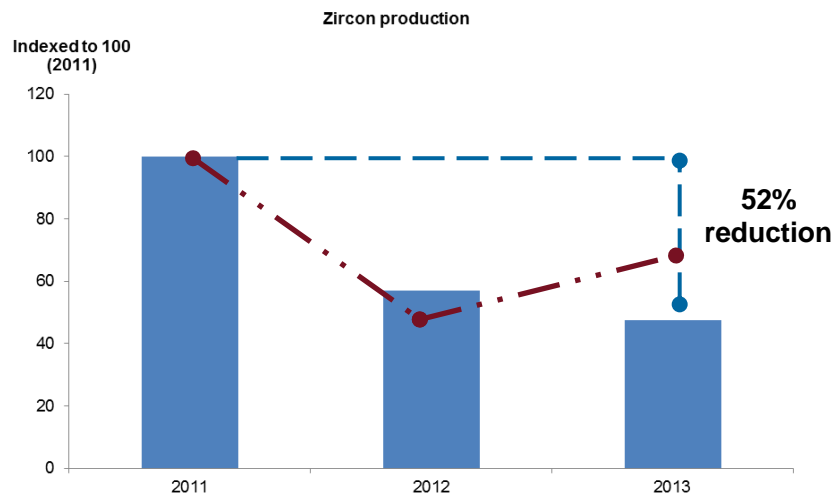
- 63% reduction in TRIFR since 2011 (commencement of Safe Production Leadership)
- 90% reduction in LTIFR since 2011

Iluka Approach

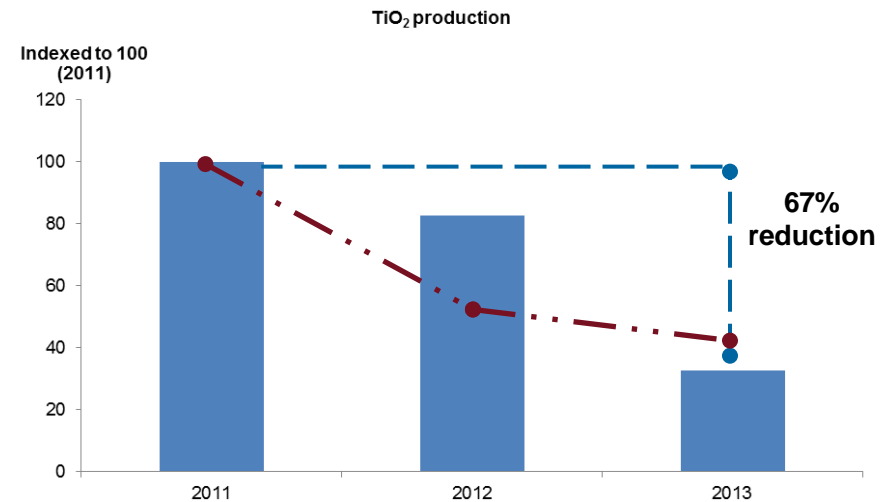


- Focus on shareholder returns through the cycle
- Flex asset operation in line with market demand
- Continue market development through the cycle
- Preserve/advance mineral sands growth opportunities
- Maintain strong balance sheet
- Continue to evaluate/pursue corporate growth opportunities
- Act counter-cyclically where appropriate

Production Flex – Zircon & High Grade TiO₂

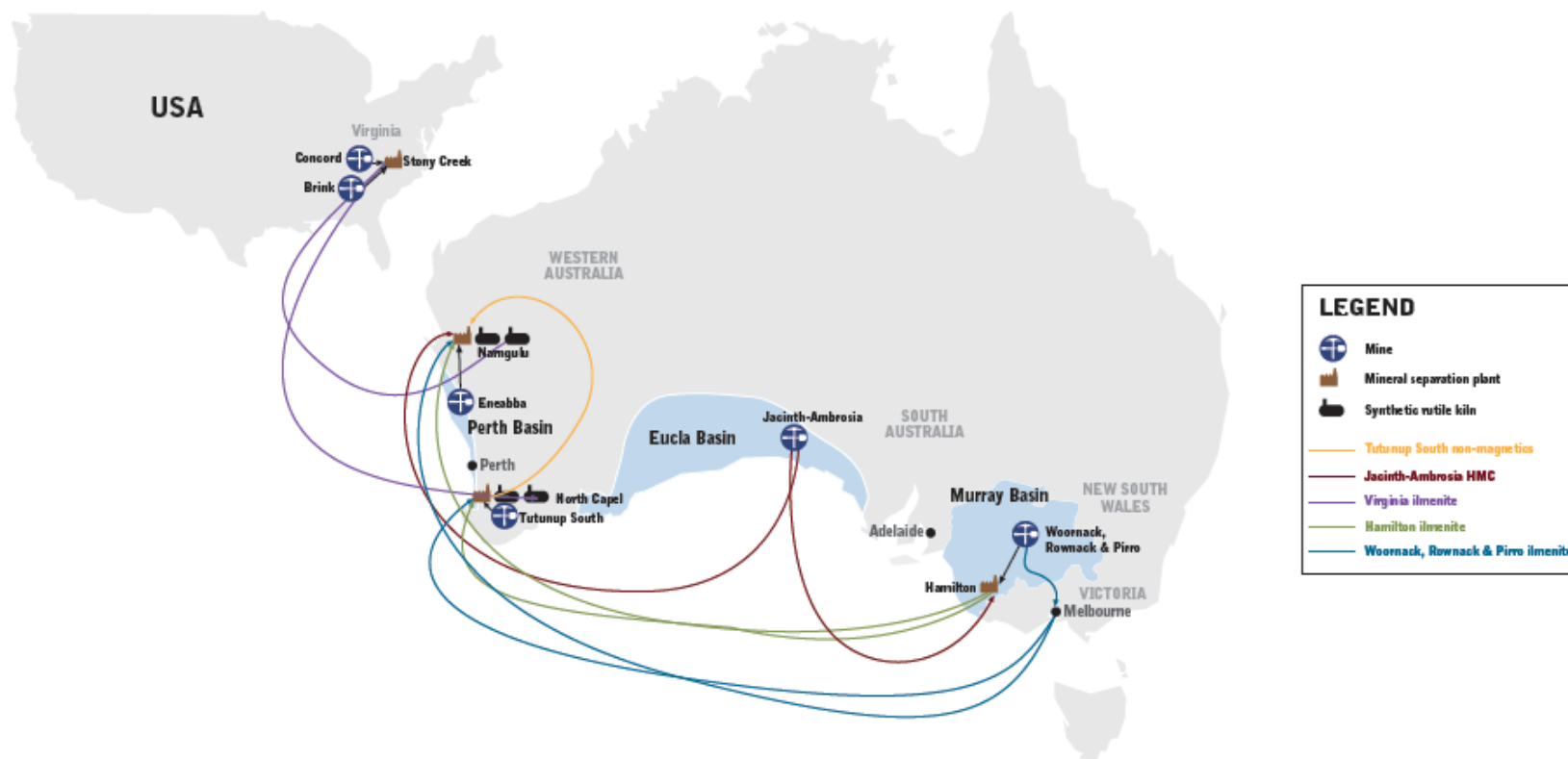


—●— Sales profile - zircon











—●— Sales profile (rutile and synthetic rutile)

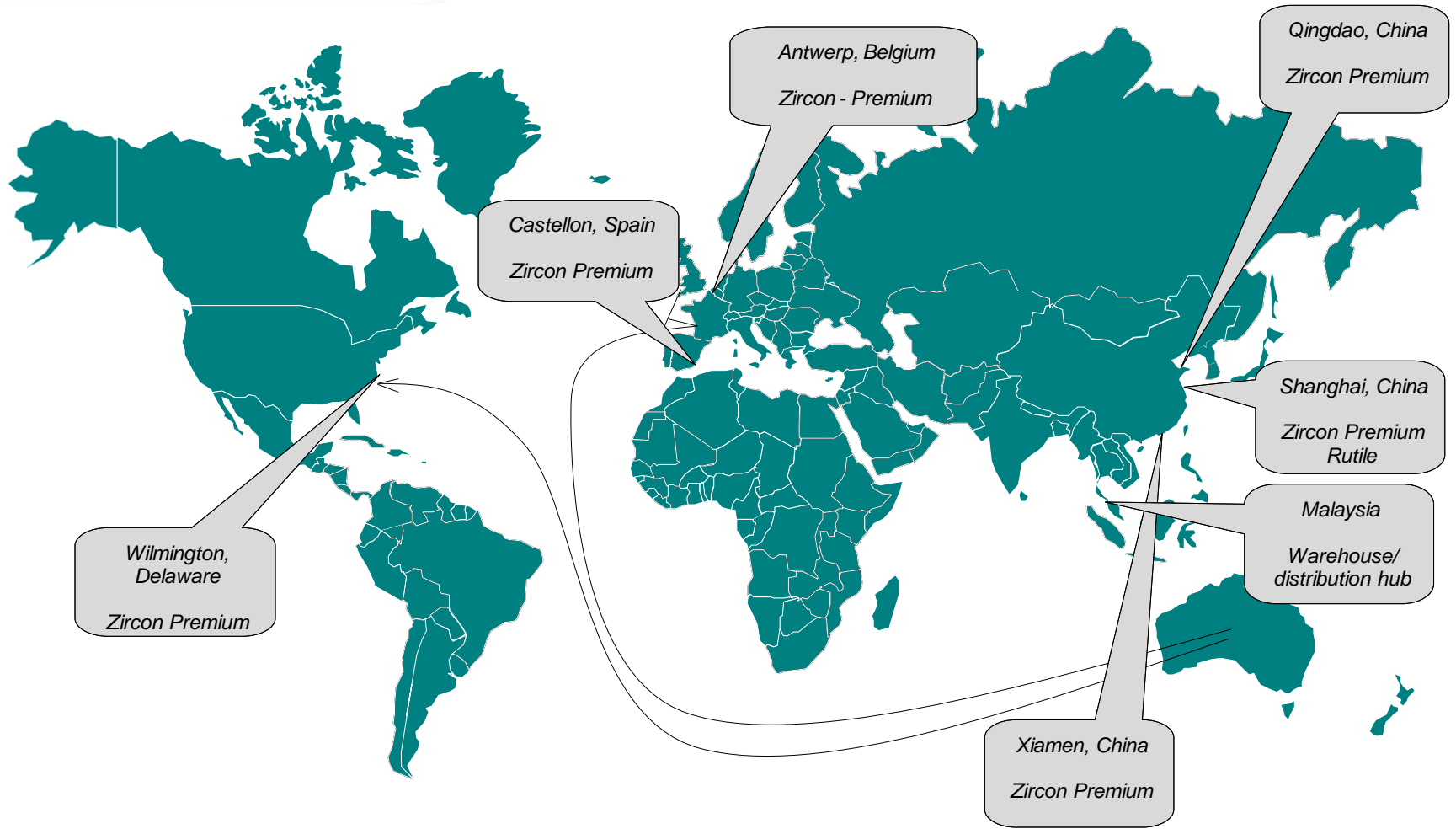
Integrated Operations



LEGEND

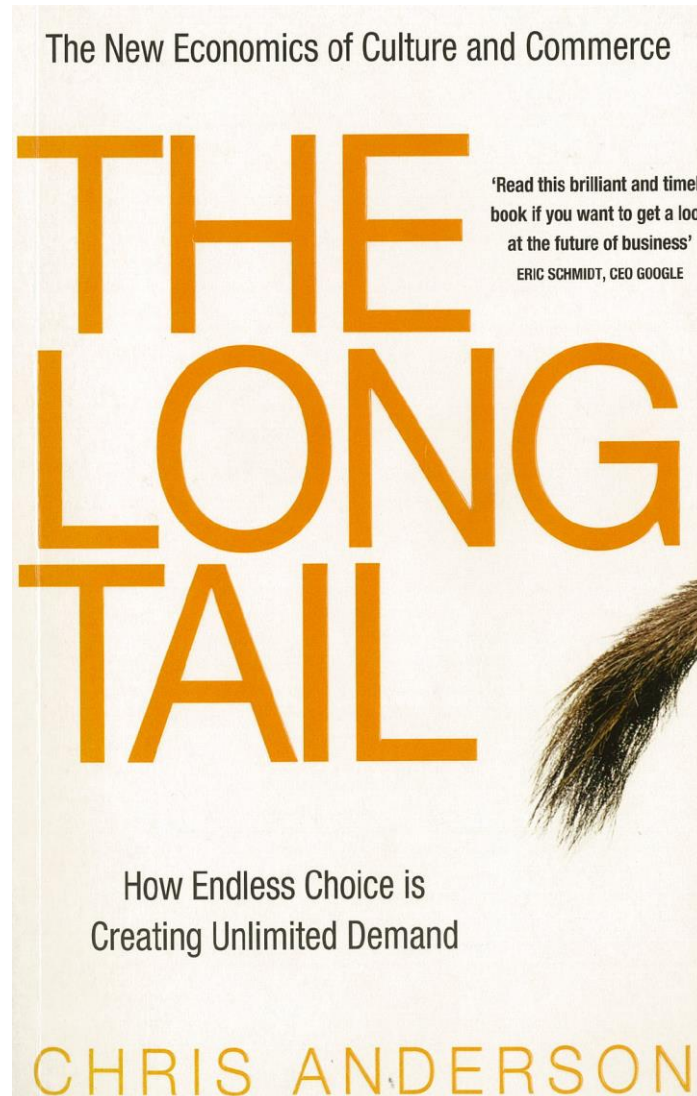
-  Mine
-  Mineral separation plant
-  Synthetic rutile kiln
-  Tutunup South non-magnetics
-  Jacinth-Ambrosia HMC
-  Virginia ilmenite
-  Hamilton ilmenite
-  Woorneck, Rowneck & Pirro ilmenite

Marketing and Supply Evolution



- Iluka has grown its presence in growth markets, especially China
- Iluka's high grade titanium customer base has grown from 20 customers in 2007 to 75 customers as at September 2011
- Iluka's zircon customer base has grown from 45 customers in 2007 to 135 customers as at September 2011

The Long Tail

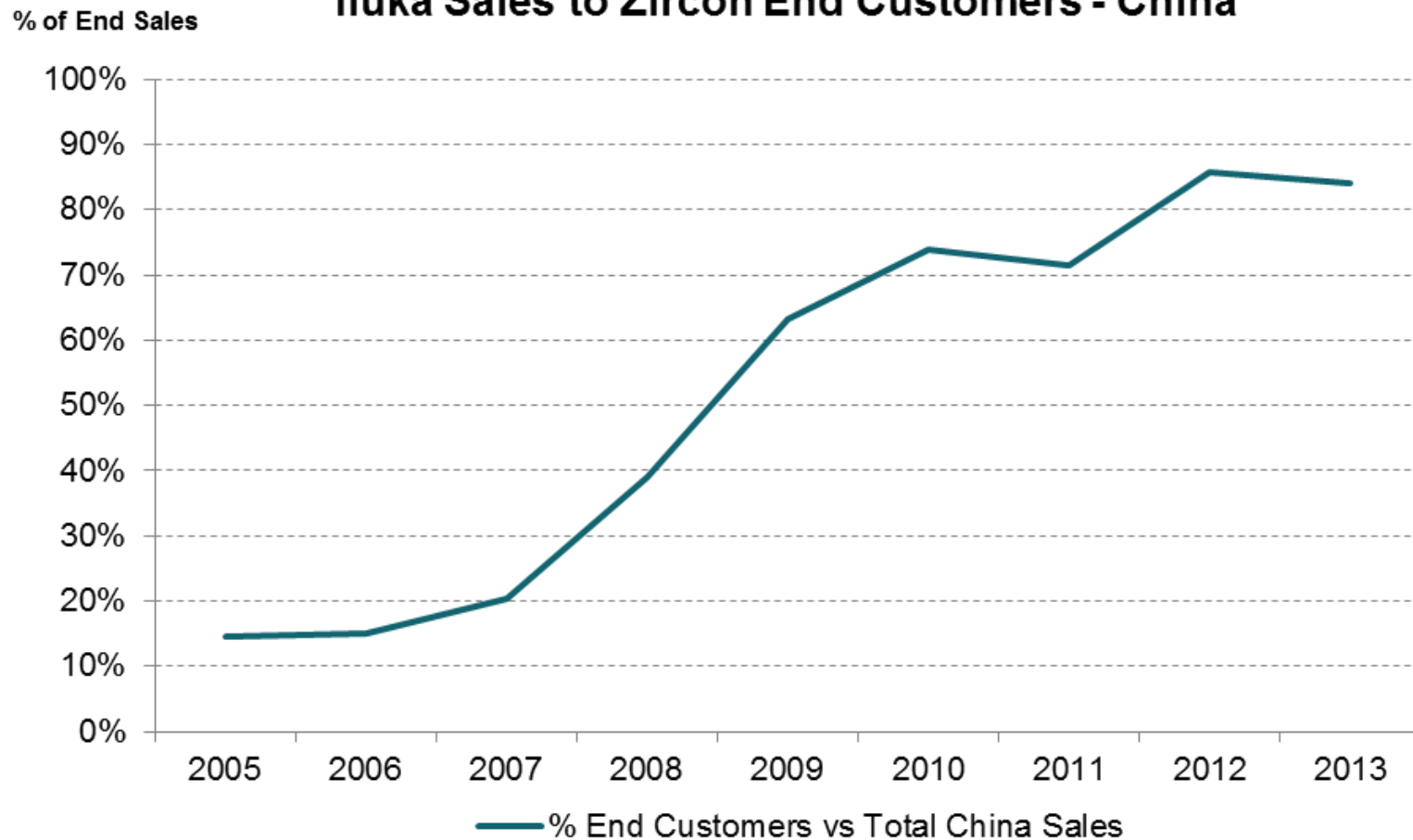


China

Direct Sales to China Customers



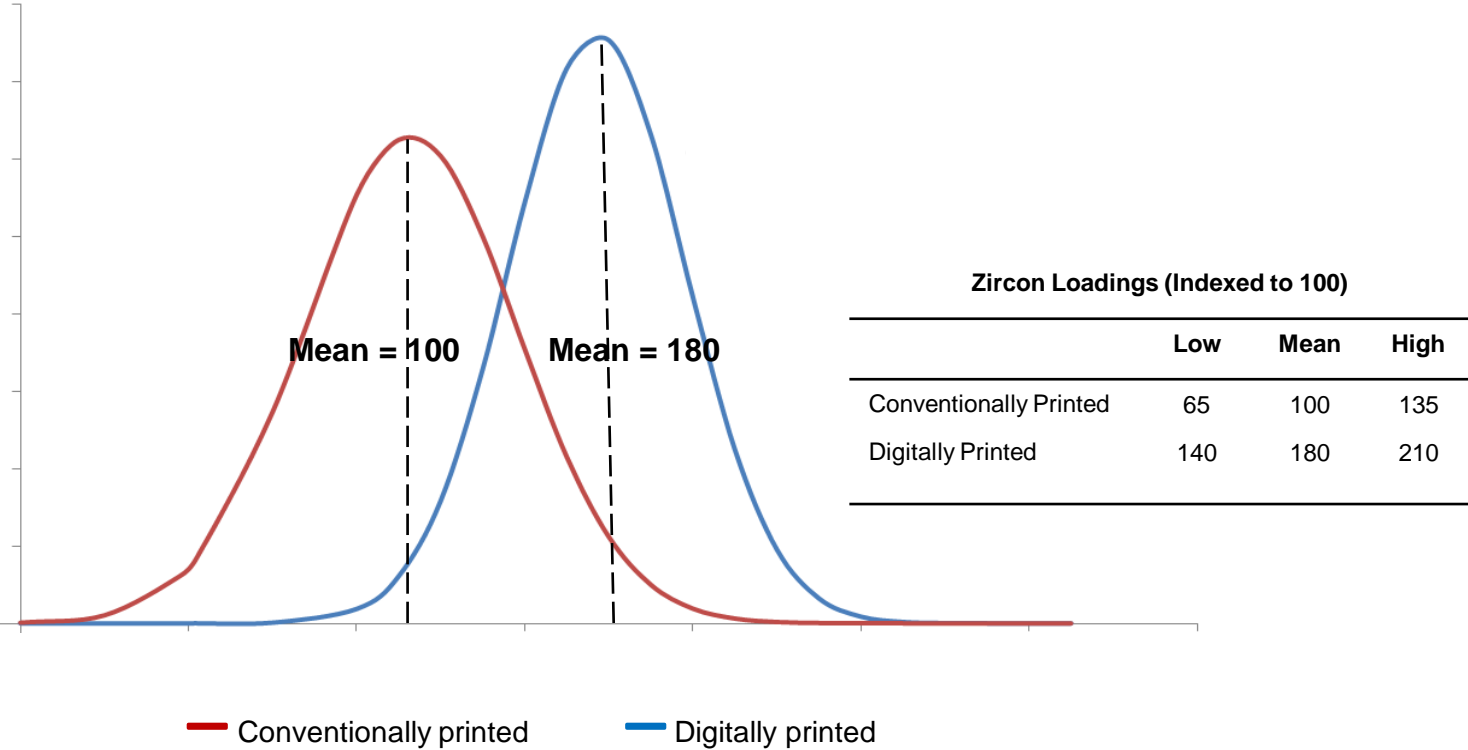
Iluka Sales to Zircon End Customers - China





Zircon Loading - Digital vs Conventionally Printed Tiles

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Notes:

- This slide charts the distribution of zircon loadings for conventionally printed and digitally printed tiles, from Iluka's 2013 ceramics tile survey. The zircon distribution is shown as grams/sqm (data excluded for proprietary reasons).
- The mean of conventionally printed tile zircon loadings is shown as 100. Digitally printed mean zircon loading is shown as 180, hence 80% higher than the mean of conventionally printed tiles. The low and high zircon loadings for both types of tiles are shown in the table at 5% and 95% confidence intervals.

Mineral Sands Project Development



Project	Location	Characteristics
Pre-execute		
Hickory	Virginia, USA	<ul style="list-style-type: none"> • Chloride ilmenite with associated zircon • Utilisation of existing mineral separation plant (MSP) • ~ 10 year mine life
Definitive Feasibility Study		
West Balranald	Murray Basin, NSW	<ul style="list-style-type: none"> • High grade rutile, zircon, ilmenite • Next planned mine development in Murray Basin • ~ 8 year mine life
Cataby	Perth Basin, WA	<ul style="list-style-type: none"> • Chloride ilmenite with associated zircon • Next planned mine development in WA • ~ 6 year initial mine life
Eucla Basin Satellite Deposits	Eucla Basin, SA	<ul style="list-style-type: none"> • 3 chloride ilmenite with associated zircon deposits • Close proximity to Jacinth-Ambrosia infrastructure • Mine life extension to ~2027+
Aurelian Springs	North Carolina, USA	<ul style="list-style-type: none"> • Chloride & sulphate ilmenite with associated zircon • Utilisation of Virginia MSP • ~ 11 year mine life
Scoping / Pre PFS		
Puttalam	Sri Lanka	<ul style="list-style-type: none"> • Large, long life mainly sulphate resource, re- acquired by Iluka in 2013

Notes:

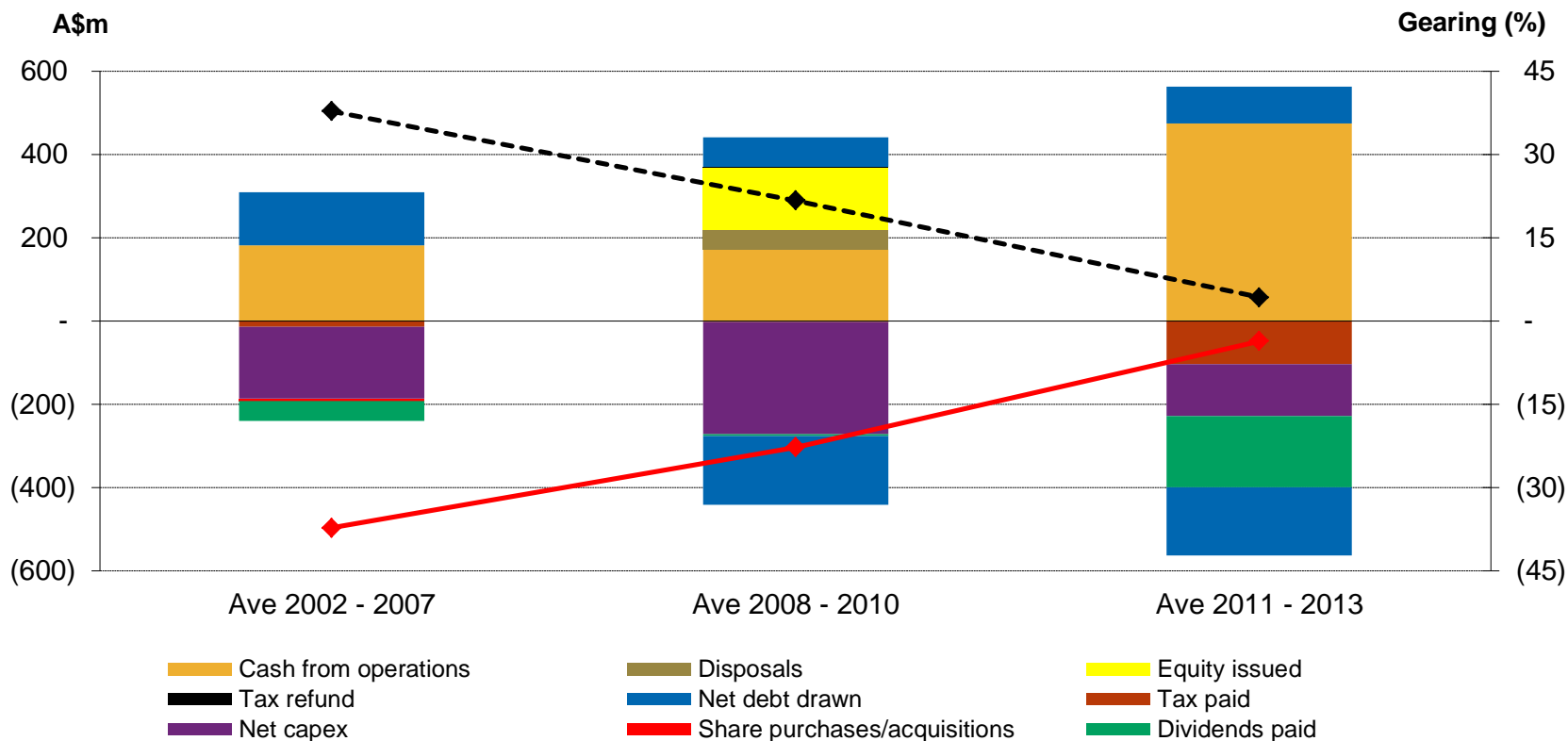
In some cases, particularly the US, projects may be a significant component of the carrying value of the associated assets.

WRP Mine Move



Iluka Response

Sources and Uses of Funds



Metalysis – Strategic Fit

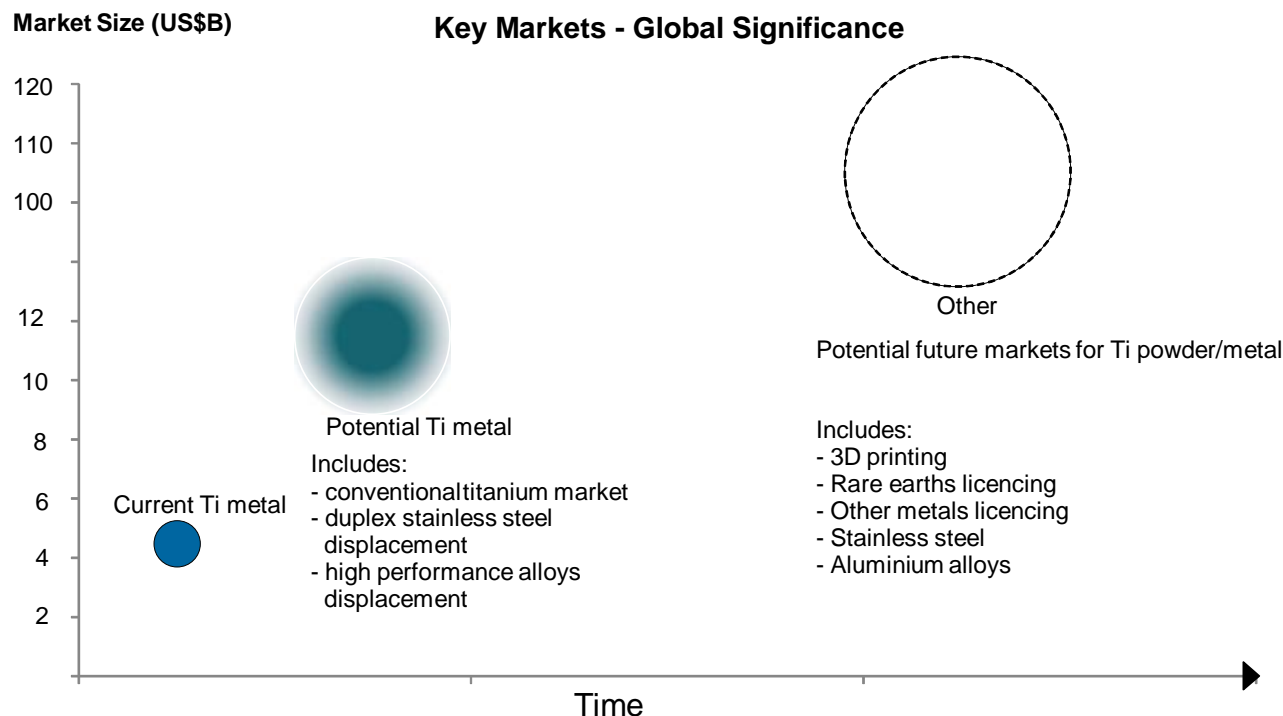
- Adjacencies with mineral sands business
 - could transform demand for titanium metal
- “Right” stage of technical/commercial development
- Ability for Iluka to contribute more than cash
 - supply of high grade titanium feedstocks
 - process engineering
 - project management
 - product development
 - global marketing
- Significant investment returns possible

New Investment - Metalysis

- 18.3% equity interest in Metalysis (UK VC Company) for \$22.5 million
- Metalysis can produce titanium powder directly from rutile
 - process has the potential to materially reduce the cost of titanium powder
- Metalysis process
 - developed patented production process for high value metals at lower cost
 - initial application tantalum metal powder
 - close to commercialisation
 - plan to construct processing plant
 - titanium (Ti) metal viewed as key market application for technology
- Potentially disruptive technology. If successfully commercialised:
 - new growth pathway for high value metals and alloys
 - major impact on Ti metal demand
 - application to new manufacturing technologies – including 3D printing

Ti Metal Industry – Potential

- Lower cost Ti metal compete with High Performance Alloys (US\$4.5b market) & Duplex stainless steel (US\$2.3bn market)
 - access to a small percentage of these markets would significantly increase the size of the Ti metal industry
- 3D printing: potential market size of \$230-\$550 billion per year by 2025*
- Flow through increase in demand for titanium feedstocks (~2.5t of rutile required for 1t of Metalysis Ti powder)



Iluka Approach

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