



ILUKA

Addressing the Deficit

Smithers TiO₂ Conference 2019

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This document contains non-IFRS financial measures including cash production costs, non production costs, Mineral Sands EBITDA, Underlying 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.

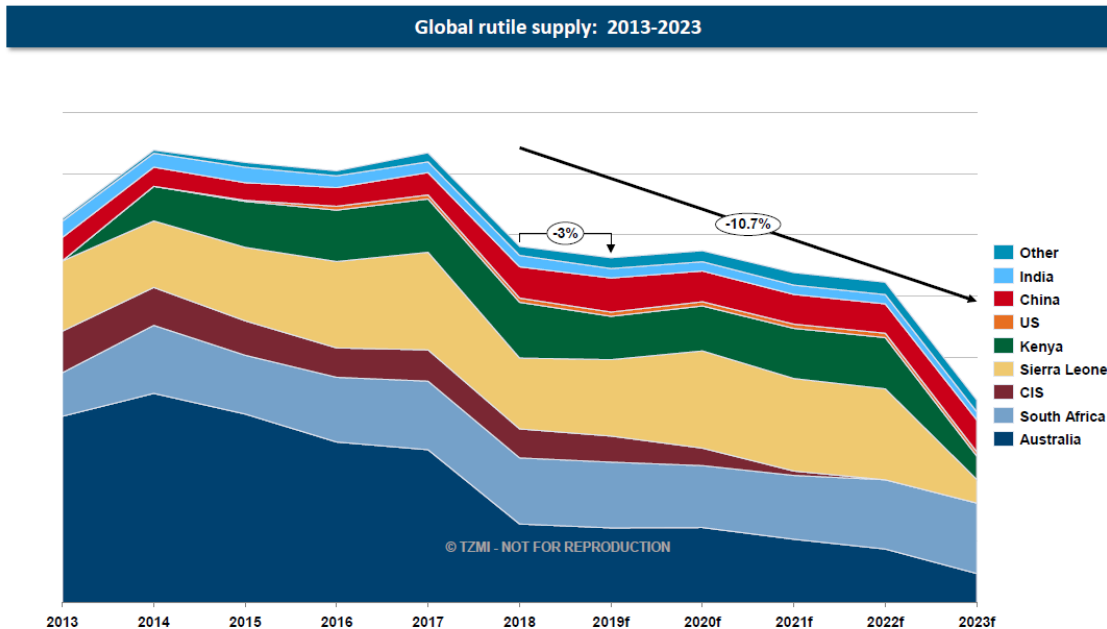
All figures are expressed in Australian dollars unless stated otherwise.



Rutile and Chloride Ilmenite in Decline

- Global supply of rutile and chloride ilmenite in decline
- Mature mines with grade declines
- Mining companies reluctant to invest in recent years
- Lack of new deposits to fill the gap

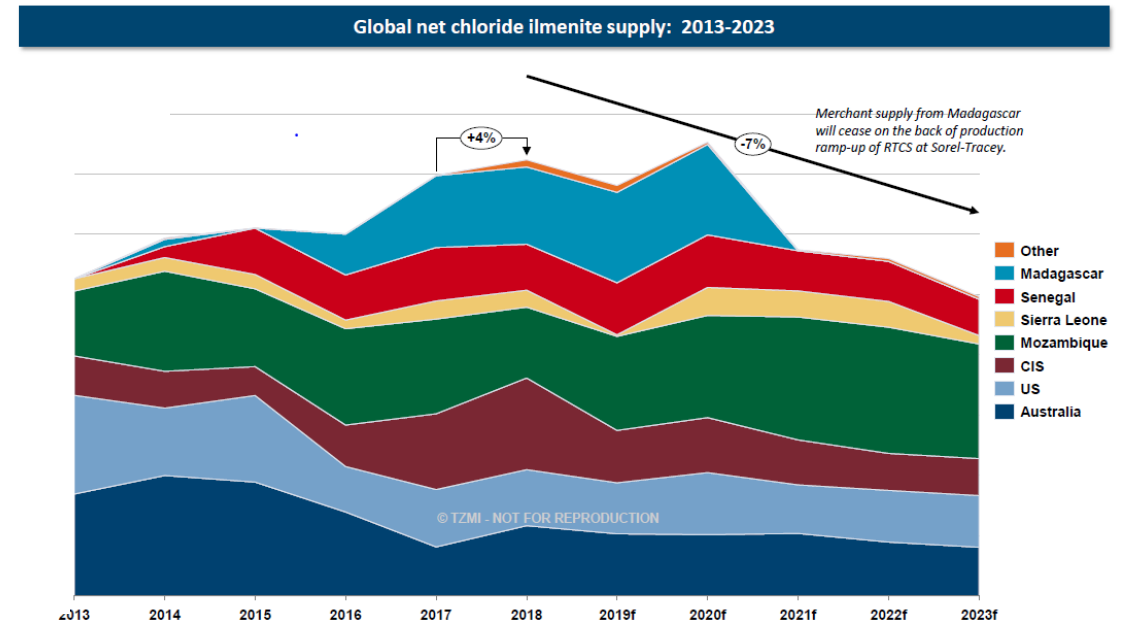
GLOBAL RUTILE SUPPLY OUTLOOK



Note: Supply profile only reflects existing operations

Source: TZMI August 2019 Feedstock Supply Demand

GLOBAL CHLORIDE ILMENITE SUPPLY OUTLOOK

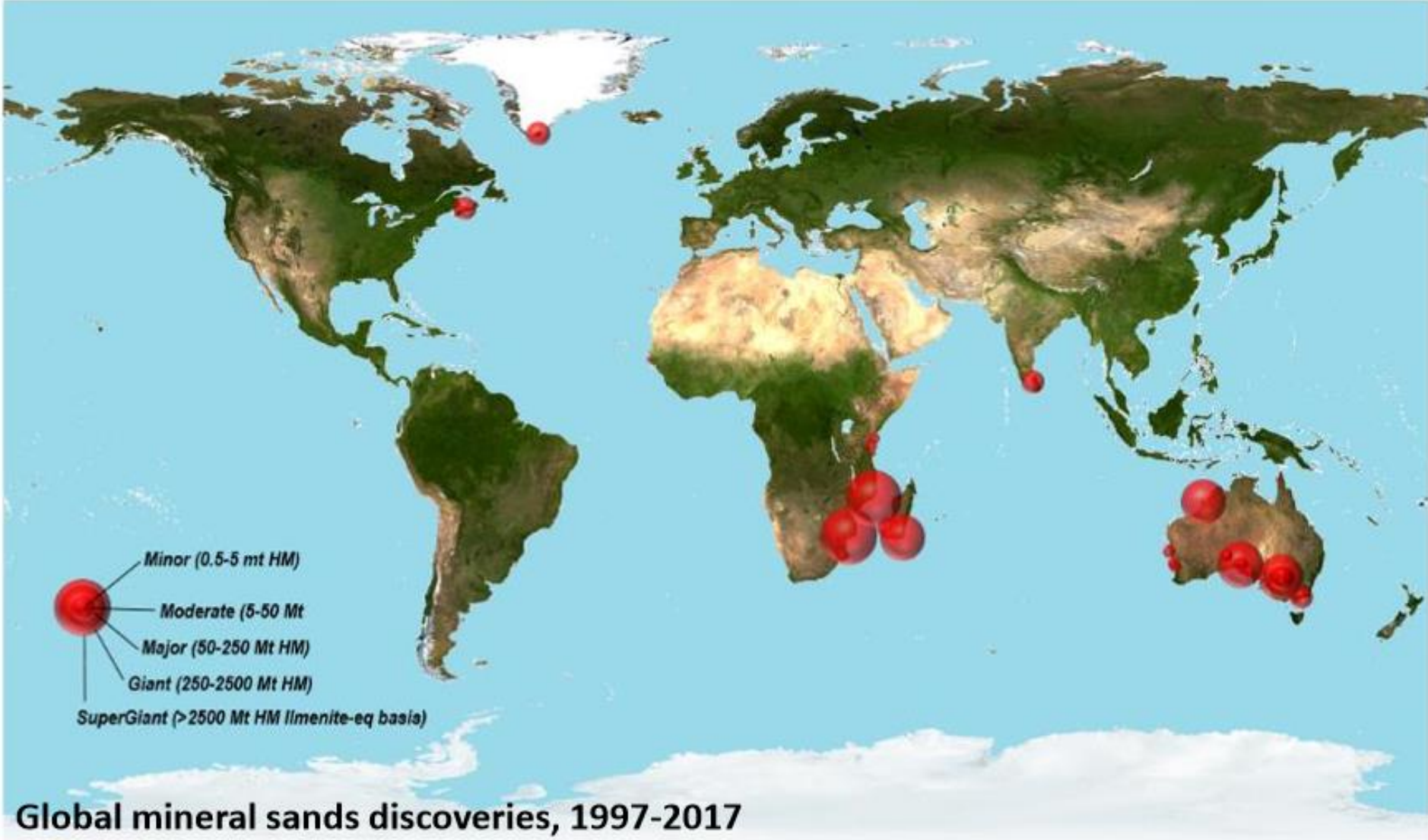


Note: Supply profile only reflects existing operations. Net chloride ilmenite supply exclude captive sources and chloride ilmenite consumed for titanium slag and SR manufacture.



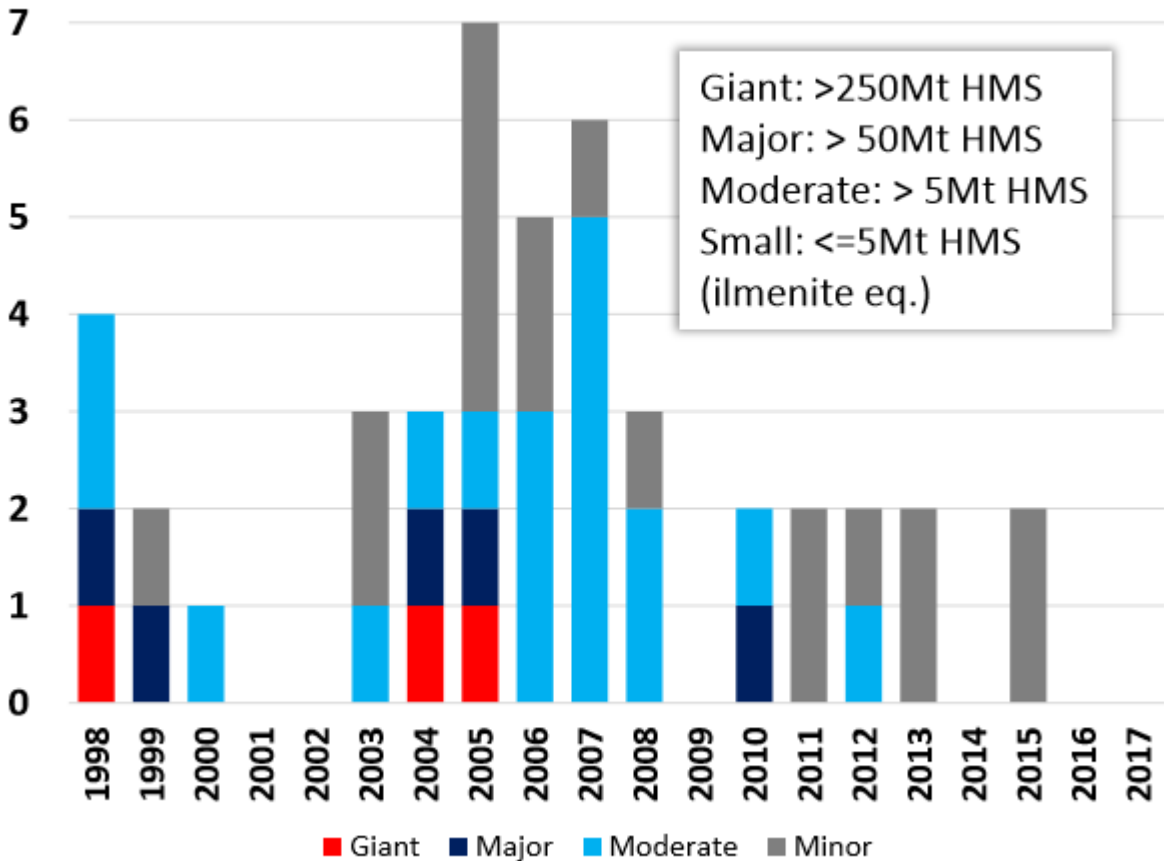
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Resources Becoming More Rare



Source: MinEx Consulting March 21 2018

Global mineral sands discoveries by year



Data: [Australian Bureau of Statistics](#); MinEx Consulting © 21 March 2018



Addressing the Deficit

First HMC was produced at Cataby in Q2 2019

OUR PURPOSE
DELIVER SUSTAINABLE VALUE



Strong Market Fundamentals

Mineral sands demand linked to urbanisation, rising living standards, increasing array of applications

Quality Mineral Sands Assets

Australia and Sierra Leone operations
Product mix weighted to premium zircon and high grade titanium dioxide

Project Pipeline

Sustaining and growth projects in Australia and Sierra Leone

Value Driven Marketing Model

Direct customer relationships
Price driven by value in use
Focussed on sustainable pricing

Capital Discipline Framework

Strong balance sheet, disciplined capital allocation
Focus on shareholder returns via dividend framework

World-class Iron Ore Royalty

Royalty stream from BHP's Mining Area C hub in Western Australia
Growth from BHP's South Flank development



Cataby, Western Australia



\$270m Capex

Completed within budget
and on schedule

Major works

- 2 in-pit mining units
- Wet concentrator
- Power, water, roads, camp
- Highway upgrade
- Processing plant upgrades

Utilising existing assets

- Concentrator relocation to mine
- Mineral processing plant
- SR2 kiln

Kiln Major Maintenance Outage, Western Australia



~\$35m Capex

Completed on budget, ahead
of schedule

Major works

- SR2 kiln reline
- New rotary cooler shell
- New quench tower

Gangama Expansion, Sierra Leone



Delivered on schedule

Commissioning and ramp up on schedule
Reached design rates end H1

Major works

- Second mining unit
- Concentrator doubling capacity



Jacinth-Ambrosia / Mid West



- Strong production in 1H19 - good grades and recoveries
- Mining moving from Jacinth North deposit in August
- Mine move to Ambrosia deposit completed
 - move accelerated to smooth production
 - commissioning completed, now ramping up

Sierra Leone



- Planned closure of Lanti dredge completed Q1 2019
- Lanti dry operations still facing operational issues
- Gangama expansion completed and commissioned
- Lanti expansion commissioning commenced
- IFC partnership established



Ambrosia, South Australia

Mine move to Ambrosia accelerated to 2019 to smooth zircon production
Construction and mine move complete, ramping up

Wimmera, Victoria

Zircon and rare earth project
Feasibility study commenced
Test pit completed and customer samples prepared

Atacama, South Australia

Satellite deposit to existing J-A operation
Feasibility study progressing
Potential to add material zircon production

Other

Eneabba Mineral Sands Recovery, Western Australia

Monazite-rich stockpile from historic mining
Offtake secured, execute phase
Simple process proposed with low capital expenditure



Lanti expansion, Sierra Leone

Doubling of mining capacity at Lanti operations
Commissioning underway

Sembehun, Sierra Leone

Expansion to new deposits
Value optimisation studies extended to broaden and revisit development options

SR1 restart, Western Australia

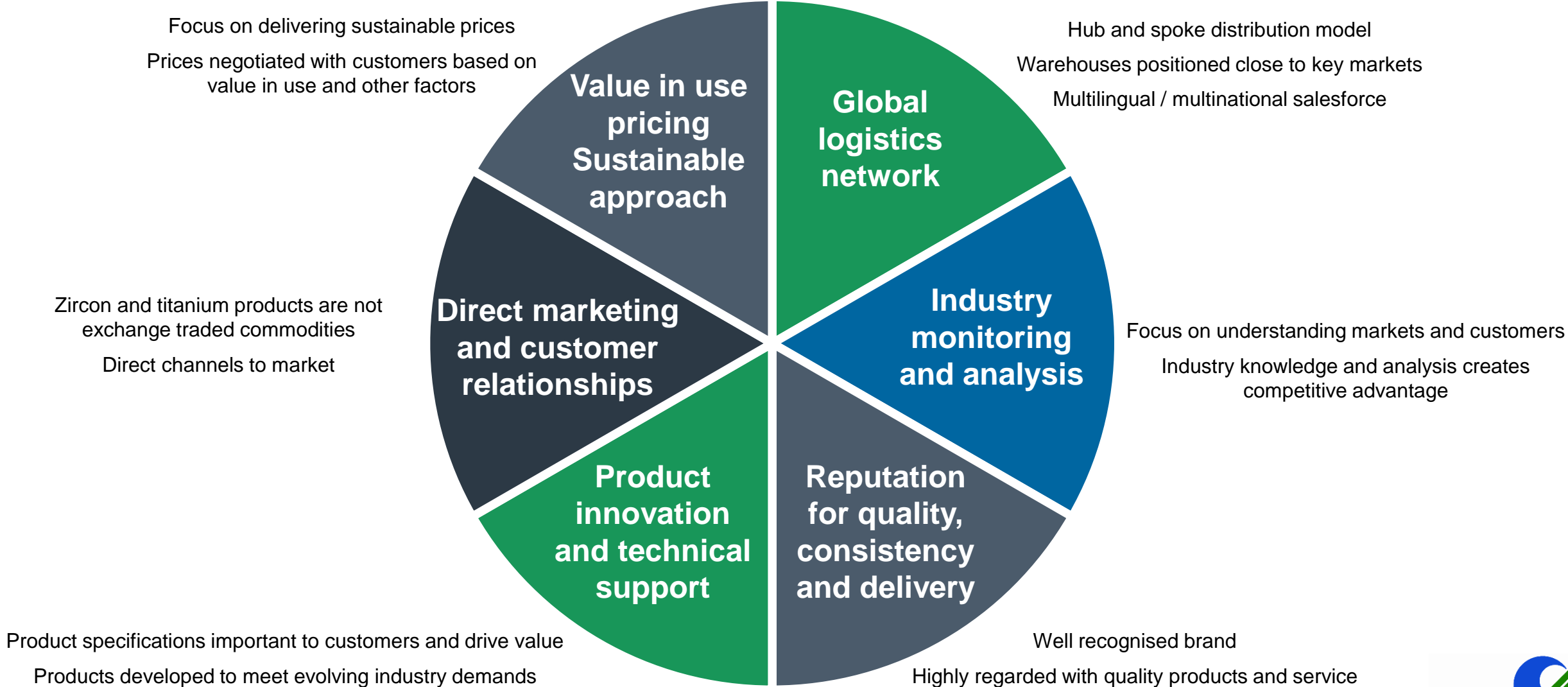
Scoping study progressing
Potential for ~120ktpa of synthetic rutile
Subject to appropriate commercial arrangements

Balranald, New South Wales

Rutile and zircon rich deposits
Development of innovative underground mining method via directional drilling
Final field trial planning underway



Iluka's Marketing Model of Value Creation



- Pigment demand stable in 1H 2019
 - Pigment producers commentary suggests margin stability initiatives taking hold
 - Pricing in North America improved modestly in 3Q19
- All but one chloride pigment producer continue to use high grade feedstocks to increase plant throughput
- Economic uncertainty makes 2020 demand hard to predict
- Iluka continues to be supply constrained heading into 2020
 - Majority of product contracted or committed
- Medium to long-term outlook remains robust
- *Iluka will continue to keep both feet firmly on the ground while keeping a keen eye over the horizon*





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