

ILUKA BRIEFING PAPER SRL HISTORICAL PHYSICAL & FINANCIAL DATA

November 2016

Provided below is a link to a spreadsheet containing historical physical and financial data on Sierra Rutile Limited (SRL) for the purpose of financial modelling. This data is provided in the context of the merger of SRL and Iluka, which received approval from German regulatory authorities on 22 November.

The data provided is based on publicly available information. It does not reflect the likely nature or extent of Iluka's reporting of the operation going forward, but is provided as it was considered it may be useful for analysis of SRL's historical performance. Iluka has made every effort to ensure the accuracy of this data but takes no responsibility for errors that may exist.

Previously disclosed physical and financial parameters, as issued on 25 August, to assist with modelling of Sierra Rutile is provided below. The numbers contained in this table are indicative and may change given Iluka is expected to assume operational control of SRL in late November/early December.

Refer to [Iluka's website](#) for previous disclosures on the merger with SRL.



Disclaimer

This briefing paper contains information that is based on projected and/or estimated expectations, assumptions and outcomes. These forward-looking statements are subject to a range of risk factors associated, but not exclusive, with potential changes in:

- exchange rate assumptions
- product pricing assumptions
- mine plans and/or resources
- equipment life or capability
- current or new technical challenges
- market conditions
- management decisions

Iluka makes no representation that any or all of the production options referred to in this briefing paper will occur nor that the indicative cash and capital costs will apply, being subject as indicated to further evaluation and ultimate investment decision making. While Iluka has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause results to differ from projections. Iluka shall not be liable for the correctness and/or accuracy of the information nor any differences between the information provided and actual outcomes, and furthermore reserves the right to change its projections from time to time. Except for statutory liability which cannot be excluded, Iluka, its officers, employees and advisers 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 any person as a consequence of any information in this presentation or any error or omission there from.

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All currency referred to is Australian denominated unless otherwise indicated.

Sierra Rutile Physical and Financial Parameters¹

All forecasts are in 2016 real dollars.

	2014	2015	2016 (SRL Guidance)	Iluka Commentary 2017-2020
Production Cash Costs (total) ² (US\$m)	73	77	68-76	Total production costs in 2017-2019 expected to average ~US\$80 – 90m p.a. Post Sembuhun, cash costs expected to be ~US\$115-125m.
Unit Production Cash Costs ³ (US\$/t rutile)	643	614	540-590	Unit production costs (before any co-product credits) expected to decline by ~10-20% from 2016 mid-point guidance and by ~15-25% from 2015 actual levels.
Rutile Production (kt)	114	126	135-145	Rutile production 2017-2019 is expected to average ~160 -175 kt pa with production in 2020 potentially >240 ktpa with Sembuhun production.
Synergies (net of integration costs) (US\$m)	Not disclosed	Not disclosed	Not guided	Net synergy savings after integration costs. Annual net synergies modest (~US\$2m p.a.) and relate mainly to duplicated “overhead” costs.
Capital expenditure (US\$m)	17	31		Average capex is estimated at ~US\$70m per annum and includes: operational efficiency measures ~US\$60m, production expansion capital ~US\$160m, sustaining and other capital expenditure. The phasing of capital will be subject to feasibility studies, market demand and wider Iluka portfolio considerations. Capital is likely to be weighted to 2018 associated with operational efficiency measures and production expansions to offset the expected closure of Lanti Dredge. This rise is reflected in Iluka’s comment regarding expected peak debt in 2018.

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¹ Previously issued as part of Iluka’s 2016 Half Year Results, 25 August 2016. Refer Slide Pack, slides 26-28.

² Production cash cost calculated as total direct costs of sales less depreciation, amortisation, freight costs and change in value of finished goods inventory. Total cash costs for rutile (and small tonnages of zircon-in-concentrate and ilmenite) are divided by rutile tonnes produced to calculate unit production cash cost. Does not include royalties, selling & distribution expenses, G&A/overheads, sustaining capital expenditure or co-product credits.

³ Assumes mid-point of Sierra Rutile’s unit production cash cost guidance (i.e. US\$565/t rutile) multiplied by SRL’s rutile production guidance range (i.e. 120-135kt rutile).