

Iluka Resources

Macquarie Conference

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4 May 2021



Capel, Western Australia

OUR PURPOSE
DELIVER SUSTAINABLE VALUE



ILUKA

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

This document provides an indicative outlook for the Iluka business in the 2021 financial year. The information is provided to assist sophisticated investors with the modelling of the company, but should not be relied upon as a predictor of future performance. The current outlook parameters supersede all previous key physical and financial parameters.

This information is based on Iluka forecasts and as such is subject to variation related to, but not restricted to, economic, market demand/supply and competitive factors. It is Iluka's approach to modify its production settings based on market demand, and this can have a significant effect on operational parameters and associated physical and financial characteristics of the company.

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Non-IFRS Financial Information

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.

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 announced to ASX on 25 February 2021 in the *2020 Annual Report*, 21 February 2019 in *2018 Annual Report*, on 24 July 2019 in *Eneabba Mineral Sands Recovery Project Updated Mineral Resource Estimate*, and on 20 February 2017 in *Updated Mineral Resource and Ore Reserve Statement*, all 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 outlook

Production outlook 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 changes in market and operating conditions; political risk; and any significant unplanned operational issues.

Disciplined Performance in 2020

- Prioritised safety of people and communities
- Operational settings flexed to market conditions
- Measures implemented to maintain cashflow
- Preservation of margins



Well Placed for 2021

- Net cash position and significant funding headroom
- Positive indicators in mineral sands markets
- Operations returned to full production
- Maturing project pipeline



Promising Future

- Emerging position in rare earths
- Encouraging trial of new technology at Balranald
- Progressing processing solution for Wimmera
- Hydraulic mining trial scheduled for Sembehun



Key Pillars of Iluka's Sustainability Approach

- Health and Safety
- Our People
- Our Communities
- Environmental Stewardship
- Governance and Integrity
- Value Creation



Cataby, Western Australia



Member of
Dow Jones
Sustainability Indices
 In Collaboration with RobecoSAM



2020 TRIFR 2.8
 (2019: 2.9)

TCFD alignment
 Year 2 of 3

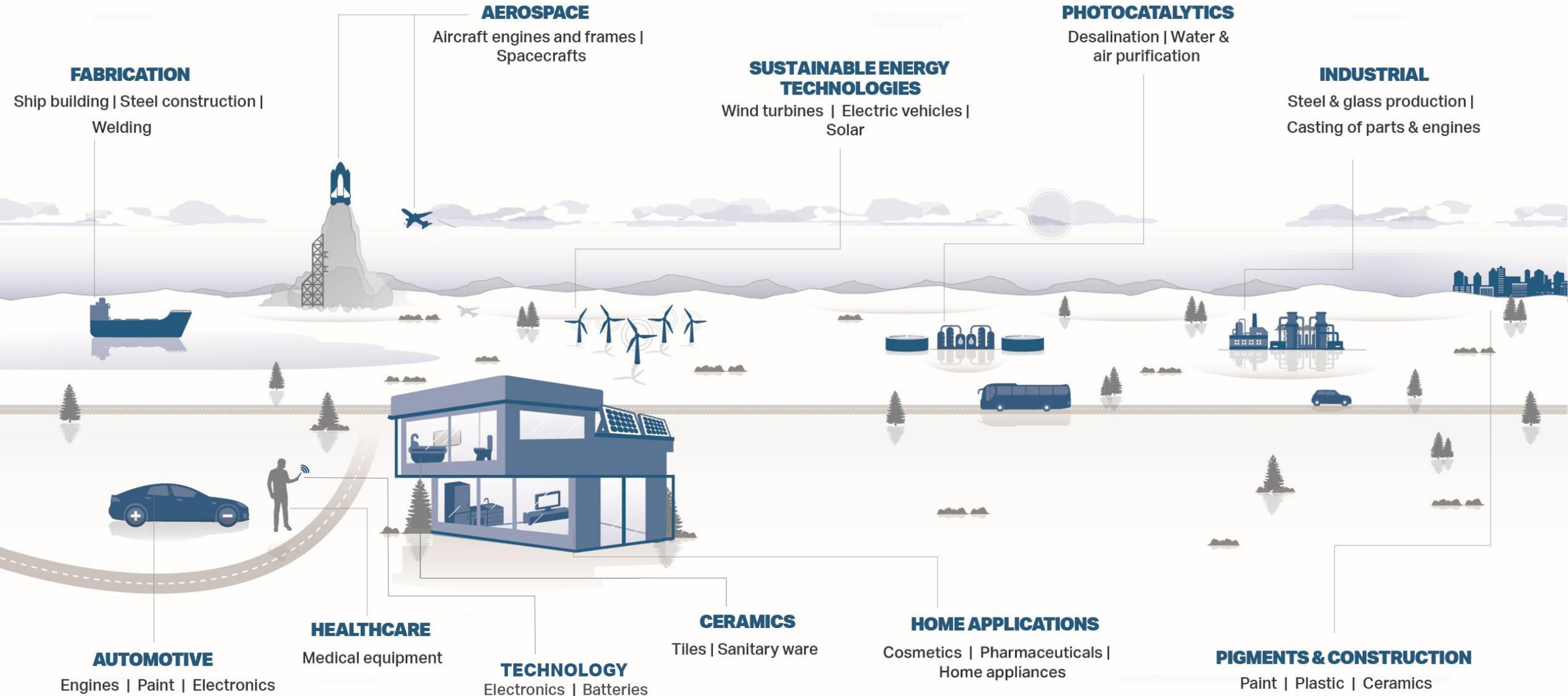
28%
 Indigenous Employment at
 Jacinth-Ambrosia

584
 hectares
 rehabilitated in 2020

20%
 Reduction in Serious
 Potential Incidents
 (2020: 61, 2019: 76)

Female representation
33% Exec. Mgt. **43%** Board

Mineral Sands and Rare Earths – Critical Minerals, Part of Everyday Life



Disciplined Performance in 2020

\$423m
Group EBITDA

\$2,410m
Reported NPAT

Includes profit of Deterra Royalties demerger

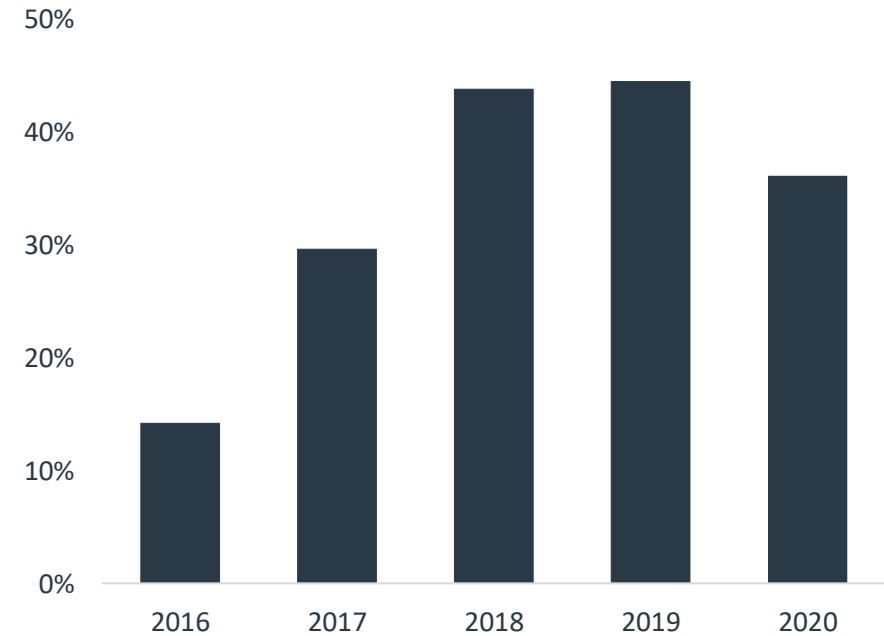
\$151m
Underlying NPAT

\$50m
Net Cash

As at 31 December 2020

Mineral sands business has consistently delivered solid margins

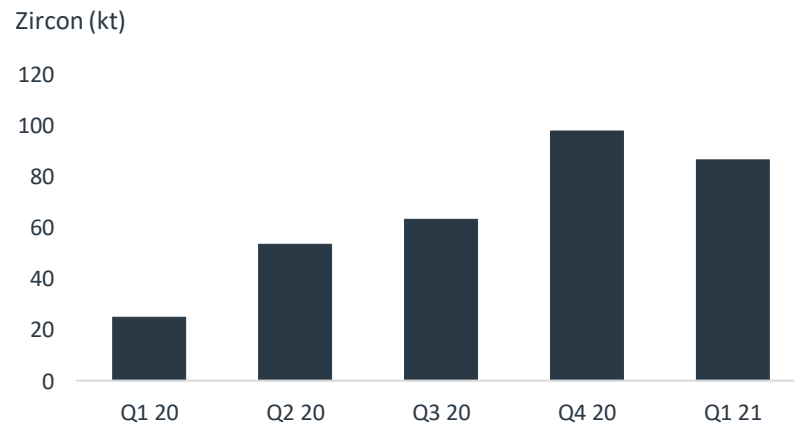
Mineral sands
EBITDA margin (%)



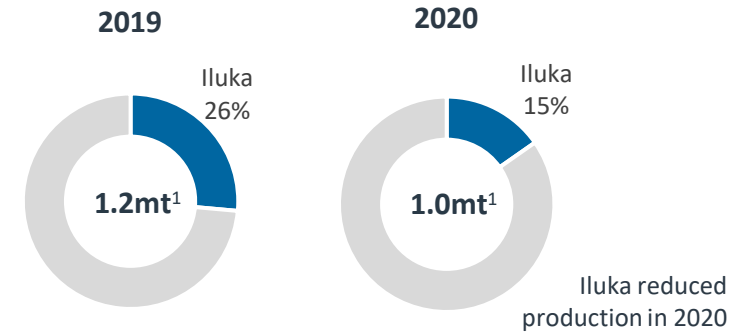
Quick return of Chinese tile manufacturers shortly after Chinese New Year and recovery in other markets contributed to a strong start to 2021

- Iluka’s Q1 zircon sales were strong in what is seasonally a weaker quarter
- Domestic tile demand solid in China with increased construction activity
- Growth in tile exports from Europe servicing increased demand in many end-markets fuelled by renovation activity and supply-side gaps created by Chinese trade restrictions
- Other end use markets remain robust

Iluka Quarterly Zircon Sales



Global Zircon Production

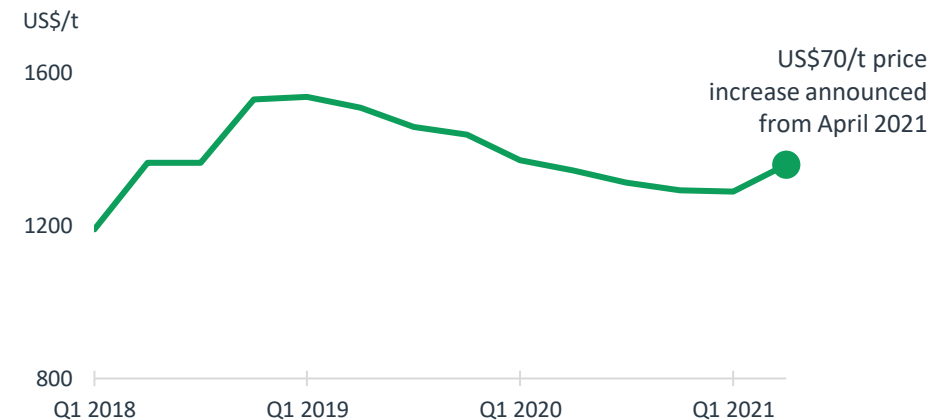


1. Source: TZMI Feb 2021

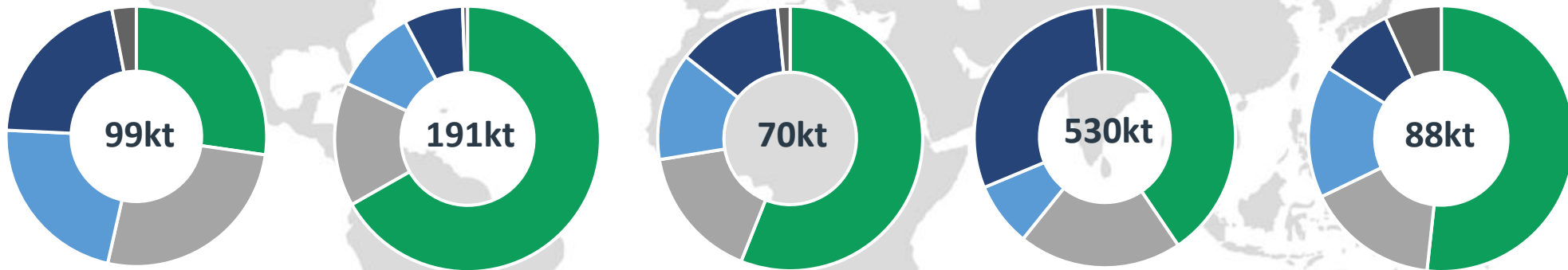
Supply Fundamentals

Limited new supply due to declining grade of existing major operations, few new projects with meaningful supply and technical and geopolitical challenges for new projects.

Zircon (premium and standard) net realised FOB price



AMERICAS	EUROPE	INDIA	CHINA	REST OF ASIA PACIFIC
<p>US has diversified end uses in industrial machinery and advanced manufacturing</p> <p>Brazil and Mexico are major tile manufacturers</p>	<p>Italy and Spain are major ceramic producers</p> <p>Spain also global hub for ceramic frits, pigment and glazes</p> <p>Refractory demand from manufacturing and industrial sectors in Germany and France</p>	<p>Small but rapidly growing ceramics market</p> <p>Foundry and refractory end use in car manufacturing and industrial applications</p>	<p>Highly diverse market - major tile producer, industrial uses of refractories and foundries including for steel and glass production, diverse specialty applications</p>	<p>Vietnam, Indonesia and Malaysia large tile producers</p> <p>Japan demand from industrial applications</p>



- Ceramics
- Refractory
- Foundry
- Zirconia & Zr Chemicals
- Other

GLOBAL DEMAND FUNDAMENTALS

- Urbanisation and growing middle class in Asian economies with preference for tiled flooring
- Increasing array of advanced technological applications
- Innovation in ceramics leading expansion in applications and zircon loading
- Growth linked to GDP per capita

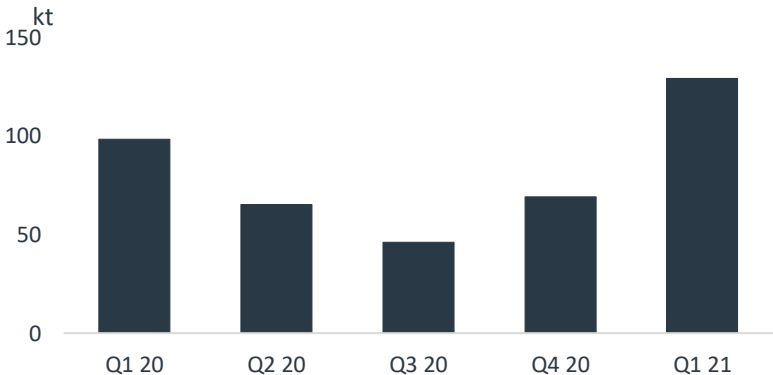
Chart data: 2020 zircon demand (kt), source TZMI Feb 2021



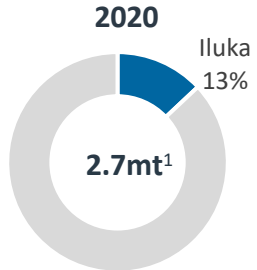
Titanium pigment accounts for around 90% of end use demand and, commencing H2 2020, this market has rebounded strongly

- DIY market has remained strong throughout H2 2020 and in early 2021; traditional peak northern hemisphere painting period still ahead Q2 to Q3
- Pigment producers have announced price increases
- Pigment plant utilisation rates have returned to pre-pandemic levels and inventory levels are below seasonal norms
- Iluka supplies natural rutile to the welding market where very strong demand is outstripping supply
- High grade feedstock supply is tight with limited new projects in the short to medium term

Iluka Quarterly High Grade Titanium Sales



Global High Grade Feedstock Production



1. Source: TZMI Feb 2021: includes chloride slag, rutile, synthetic rutile, UGS

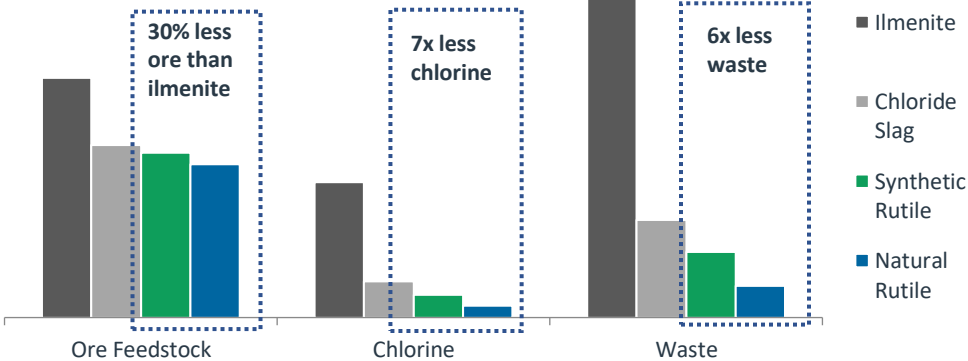
2021 High Grade Feedstock Contracts

Iluka has 295kt of high grade feedstock subject to take or pay contracts in 2021.
Pricing varies between contracts and typically lags broader market movements by approximately six months.

High Grade Feedstock Advantage

High grade feedstock increase pigment plant utilisation rates and have natural advantage over lower grade feedstocks.

Inputs required and waste produced per tonne of titanium pigment for various feedstocks



Iluka has a portfolio of operations weighted towards premium zircon and high-grade titanium products. Operational configuration is geared to: optimise production in response to market conditions; minimise costs and improve cash flow; and maintain flexibility in line with market conditions

2020 adjusted settings

- Narngulu plant reduced zircon production in line with market conditions
- Mine move from Ambrosia to Jacinth at lower unit cost, improving cash flow and delaying further capital spend
- Eneabba commenced production of monazite-zircon concentrate

Flexibility in early 2021

- Synthetic rutile kiln idled for two months in early 2021 to reduce inventory levels
- Narngulu plant returned to full operations

Cataby / South West



Large chloride ilmenite rich mine, commissioned in 2019. Ilmenite feeds synthetic rutile kiln with material zircon and rutile production.

Jacinth-Ambrosia / Mid West



Jacinth-Ambrosia is one of the world's largest zircon mines, discovered and developed by Iluka and operating since 2009. Narngulu mineral separation plant processes Jacinth-Ambrosia and Cataby non-magnetic products.

Eneabba



Processing and sale of monazite concentrate from a strategic stockpile. Operations began April 2020 and is now world's highest grade monazite operation. Feasibility study for fully integrated rare earths refinery underway.

Sierra Leone



World's largest rutile mine, operating since 1960s. Acquired by Iluka in 2016. Sembehun deposit provides potential future production option.

Iluka is developing an emerging position in rare earth elements, based on world class assets at Eneabba, Western Australia and Wimmera, Victoria

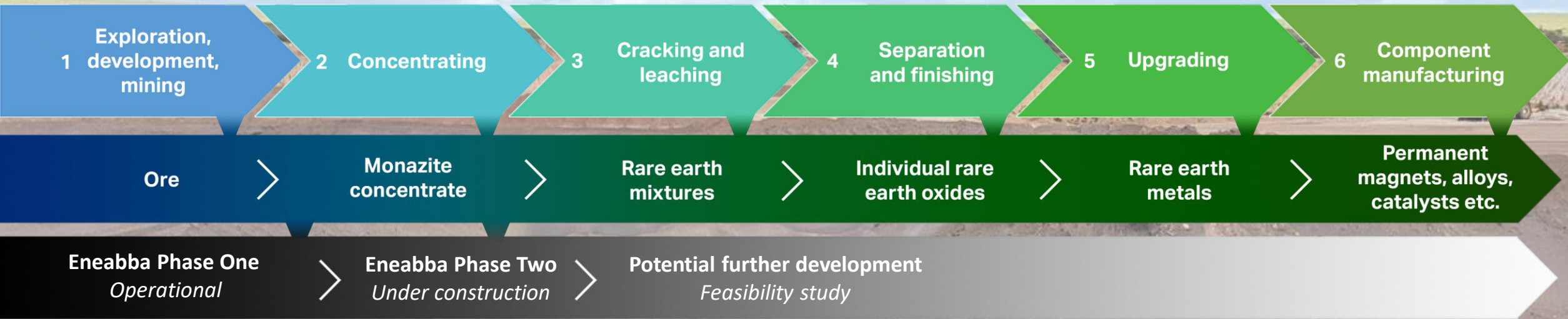
The company has a long history of mining, processing and value addition - rare earths are a logical diversification

Highlights of Iluka's approach

- Phased development to reduce risk and gain market understanding
- Feasibility study for a fully integrated rare earths refinery underway
- Early engagement with range of external stakeholders



RARE EARTH VALUE CHAIN



Eneabba Production and Financial Parameters

	Phase 1 ¹	Phase 2 ¹
Capex	<\$10 million	~\$35 million
Average annual production cash costs	~\$4 million	\$35-40 million
Payback period	~6 months	<1 year
Average annual production	~50ktpa 20% monazite-zircon concentrate	16-20ktpa 90% monazite concentrate 7-9ktpa zircon, ~20ktpa ilmenite, ~1ktpa HYTI90
First production	April 2020	H1 2022
Project life	2 years before transitioning to Phase 2 ²	~10 years ²
Pricing	Fixed price offtake contract for 50ktpa for 2 years Price received reflects contained monazite, less processing cost and margin for processor. Zircon component sold by Iluka	Under negotiation with customers

1. All values approximate. Production figures stated as estimated recovered mineral in the concentrate. Payback period based on externally sourced long term monazite price forecast and internal mineral sands prices
2. Based on Ore Reserve and production rates given. ASX release “Eneabba Mineral Sands Recovery Project Ore Reserve Estimate” 18 Feb 2020, available at www.iluka.com Iluka confirms that it is not aware of any new information or data that materially affects the information in the original market announcement and that all the material assumptions and technical parameters underpinning the Ore Reserve estimate have not materially changed.



Port of Geraldton, Western Australia

Project Pipeline

The company develops and progressively gates projects towards execution subject to:

- i. improving confidence and satisfaction with the risk-return attributes;
- ii. continued strategic alignment; and
- iii. sequencing to take advantage of economic and market outlook.

Region	Mineral Resource ¹	ASSESS Scoping Study	SELECT Preliminary Feasibility Study	DEVELOP Definitive Feasibility Study	EXECUTE Project execution	PRODUCING Operate and maximise
Eucla Basin	345Mt @ 4.8% HM for 16.6Mt In Situ HM		Atacama			Jacinth-Ambrosia
Murray Basin	195Mt @ 17.2% HM for 33.4Mt In Situ HM		Wimmera	Balranald		
Mid West / South West WA	986Mt @ 5.6% HM for 54.9Mt In Situ HM		South West Deposits	Eneabba (Phase 3) SR1 Kiln Restart	Eneabba (Phase 2)	Eneabba (Phase 1) Cataby
Sierra Leone	715Mt @ 1.1% Rutile for 7.9Mt In Situ Rutile		Sembehun			Lanti Gangama
<i>Stage description:</i>		<i>Determine what it could be</i>	<i>Determine what it should be</i>	<i>Determine what it will be</i>	<i>Deliver the project</i>	<i>Grow and improve</i>
<i>Estimate Accuracy Range (at end of phase):</i>		-30% to +60%	-15% to +30%	-10% to +15%	n/a	n/a

No Resource estimate
 Resource estimate
 Reserve estimate
 Other

1. Refer to the 2020 Annual Report for additional information. The Mineral Resource (MR) information on this indicative growth pipeline summary is extracted from the company's previously published MR statements and are available at: www.iluka.com.au. Iluka confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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 announcement. All Mineral Resource figures are estimates. This slide should be read in conjunction with disclaimers and compliance statement on slide 2.



Eneabba, Western Australia

The Eneabba project involves the extraction, processing and sale of a strategic stockpile rich in monazite (a mineral containing rare earth elements) and zircon.

Eneabba Phase 1 delivered and operating. Phase 2 in execute and due for completion H1 2022. Feasibility study for fully integrated rare earths refinery underway – key elements to be completed in late 2021.

Balranald, New South Wales

Balranald and Nepean are two rutile-rich deposits. Owing to their depth, Iluka is progressing a novel, internally developed, underground mining and backfilling technology.

Third technology trial completed and confirmed effectiveness of the underground mining method. Work has commenced to scope the Definitive Feasibility Study (DFS).

Wimmera, Victoria

Wimmera is a large-scale deposit with the potential to produce ceramic-grade zircon and rare earth products.

Project work is focussed on finding a processing solution to remove impurities from the zircon in the deposit. Iluka is sufficiently encouraged with results of its test work and is now refining its flow sheet to focus on value and efficiency.

If this technology proves successful it is likely applicable to other types of challenging zircon beyond Wimmera / Western Victoria (including, for example, in converting Iluka's stocks of chemical zircon to premium grade).

Sembehun, Sierra Leone

The Sembehun group of deposits are situated 20 to 30 kilometres north-west of the existing Sierra Rutile operations. Sembehun is one of the largest and highest quality known rutile deposits in the world.

A hydraulic mining trial is commencing in May. The results of this will help to determine the development pathway for the deposit.



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