



ANNUAL GENERAL MEETING

20
16

A wide-angle landscape photograph of a flat, green field under a bright blue sky with scattered white clouds. A large, gnarled tree with a wide, flat canopy stands on the left side of the frame. A semi-transparent dark grey horizontal band is overlaid across the middle of the image, containing the text.

Iluka Resources Limited 2016 Annual General Meeting

PERTH, WESTERN AUSTRALIA

18 May 2016

Greg Martin

Chairman



Evacuation Points



**PLEASE TURN OFF
YOUR MOBILE PHONE**

Iluka Board of Directors



Greg Martin
Chairman

David Robb
Managing Director

Gavin Rezos

Jenny Seabrook

Wayne Osborn

Hutch Ranck

Marcelo Bastos

Xiaoling Liu

Xiaoling Liu





Marcelo Bastos

James (Hutch) Ranck





Wayne Osborn
People and Performance Committee Chair

Jenny Seabrook

Audit and Risk Committee Chair





Gavin Rezos



David Robb
Managing Director and CEO

Cameron Wilson





ANNUAL GENERAL MEETING

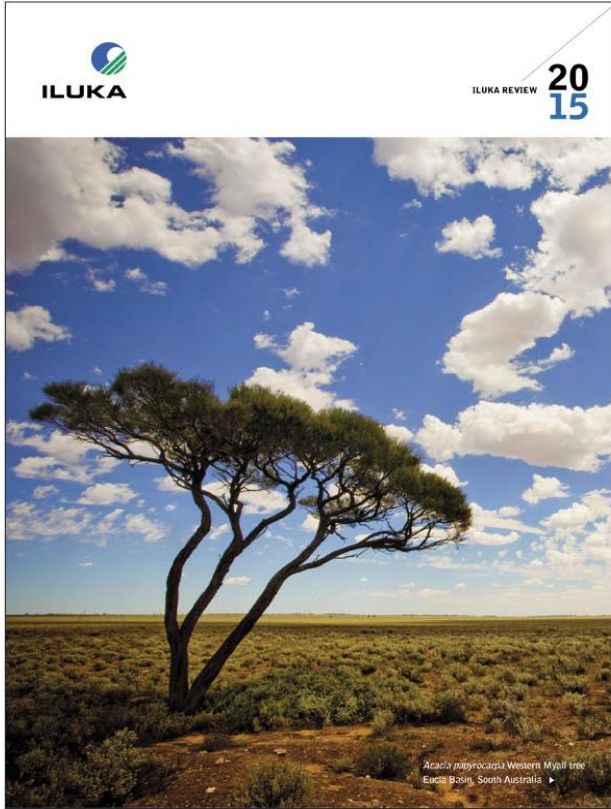
20
16

2016 Annual General Meeting



ANNUAL GENERAL MEETING **20**
16

Chairman's Address

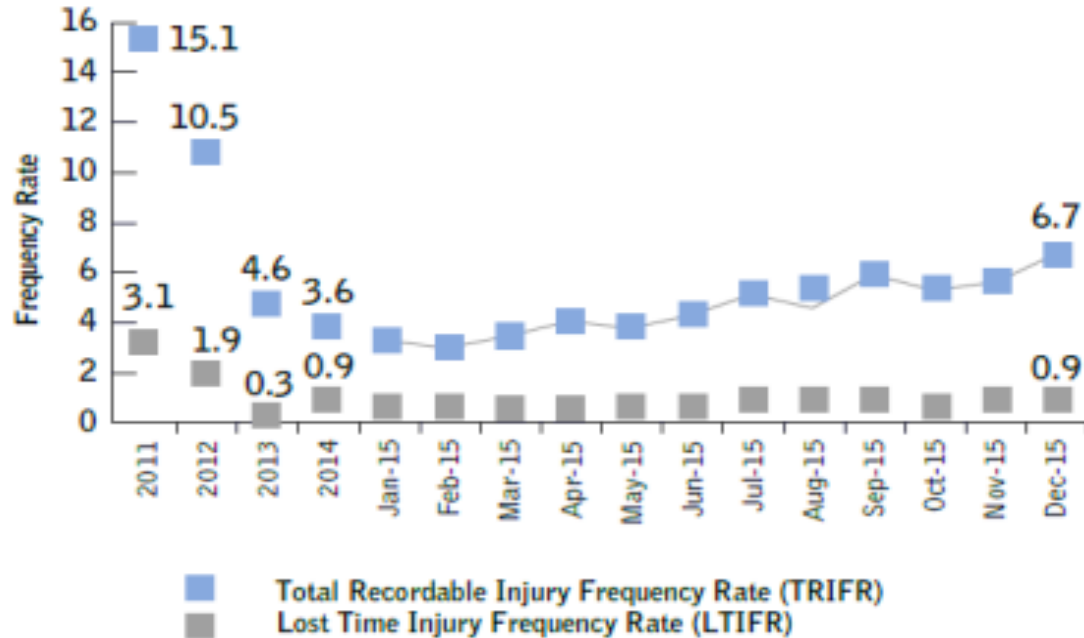


Financial Position

- Financial results
- Managing Director/CEO transition
- Governance and Board matters

Health and Safety Focus

Injury frequency rates



Environmental Performance 2014 - 2015

Metric	2014	2015	Trend
Level 1 environmental incidents	1,002	777	↓
Level 2 environmental incidents	154	97	↓
Level 3 environmental incidents	30	11	↓
Level 4 environmental incidents	4	3	↓
Level 5 environmental incidents	0	0	↔
Total environmental incidents	1,190	887	↓

Rehabilitation – Jacinth



Initial rehabilitation of mined areas at Jacinth, Eucla Basin South Australia



ANNUAL GENERAL MEETING

20
16

Chairman's Address



ANNUAL GENERAL MEETING

20
16

Financial Performance

2015 Financial Performance - Overview

Low cycle conditions - prices and sales volumes impacting financials

- Revenue of \$819 million (previous 3 year average \$853 million)
- NPAT of \$53.5 million (previous 3 year average \$106 million)
- Return on shareholders' equity 3.8% (previous 3 year average 6.7%)
- Free cash flow generation of \$155 million (previous 3 year average \$83 million)
- Group EBITDA margin 31.2%
- Net cash of \$6 million (previous 3 year average \$120 million net debt)



ANNUAL GENERAL MEETING **2016**

Chairman's Address



ANNUAL GENERAL MEETING

20
16

Managing Director/CEO Transition



ANNUAL GENERAL MEETING

20
16

Governance and Board Matters

Dr Xiaoling Liu, Non-executive Director



PhD (Extractive Metallurgy)
BEng (Extractive Metallurgy)
GAICD, FAUSIMM

- Former President and CEO Rio Tinto Minerals
- 26 years with Rio Tinto Group
 - smelting operational management roles
- Former Research Fellow, City University London

Board Committees

Board Committees	Members
People and Performance Committee	Wayne Osborn (Chair) Greg Martin Gavin Rezos Jenny Seabrook James (Hutch) Ranck
Nominations Committee	Greg Martin (Chair) Jenny Seabrook Gavin Rezos James (Hutch) Ranck Wayne Osborn Marcelo Bastos Xiaoling Liu
Audit and Risk Committee	Jenny Seabrook (Chair) Greg Martin James (Hutch) Ranck Marcelo Bastos Xiaoling Liu



ANNUAL GENERAL MEETING

20
16

Chairman's Address

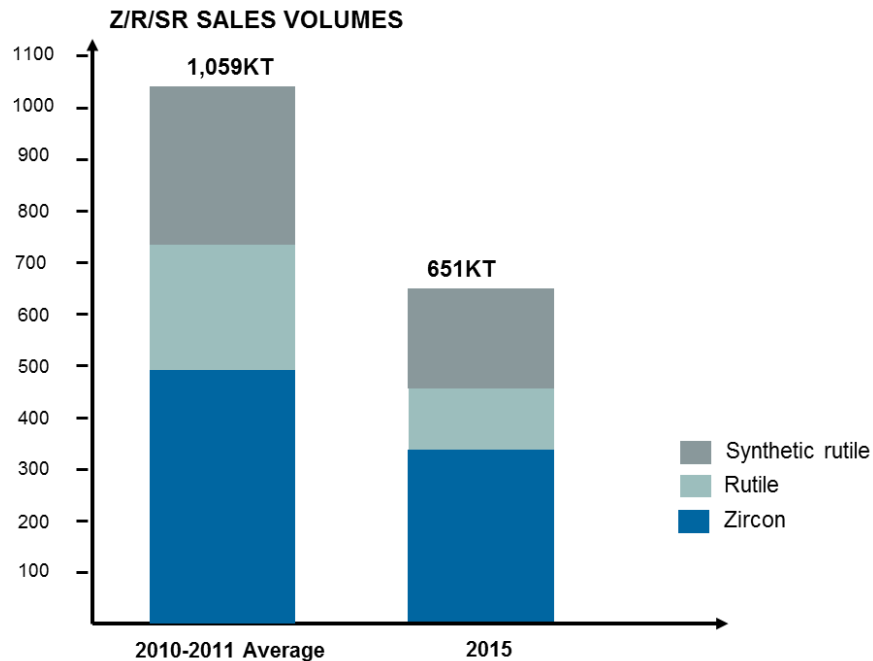


ANNUAL GENERAL MEETING

20
16

Managing Director's Address

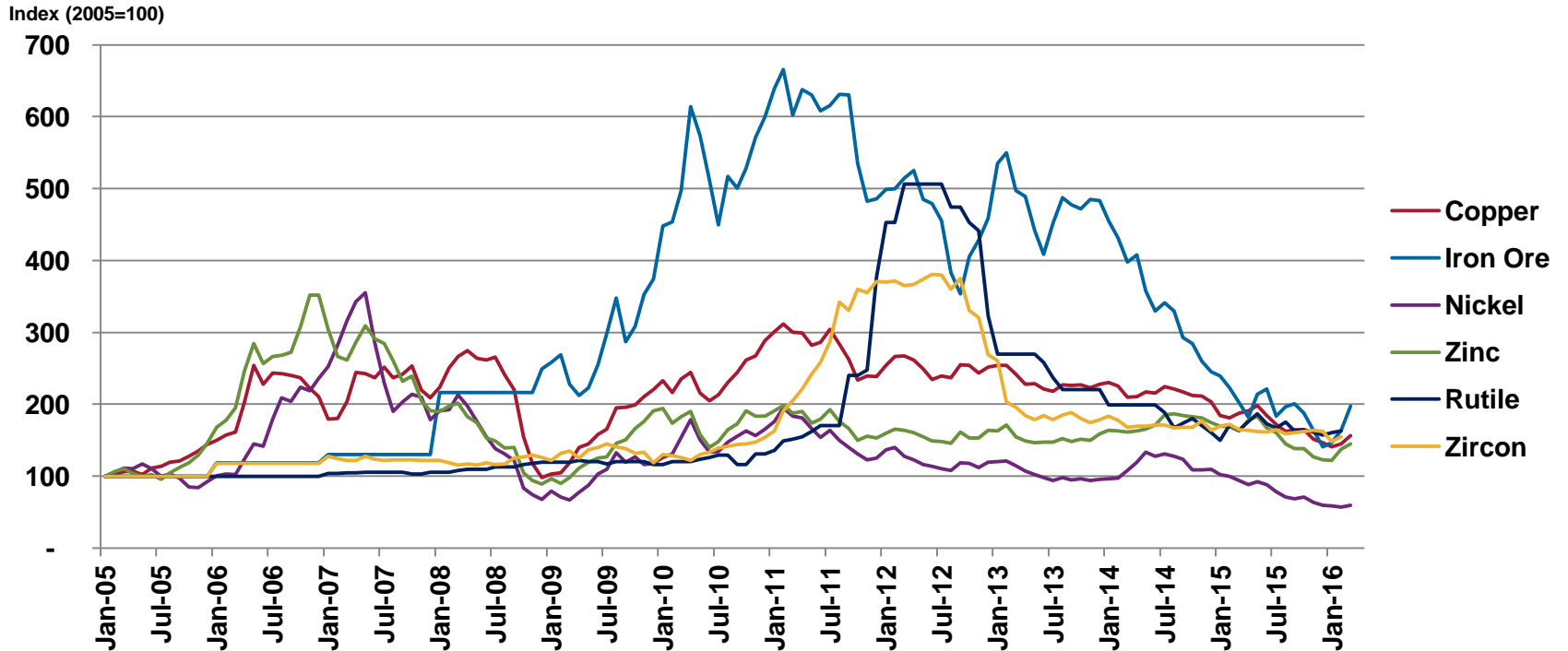
Low Cycle Demand Conditions



US\$/t Weighted Average Price	2010-2011 Average	2015
Zircon Price	1,380	986
Rutile Price	865	721

Commodity Price Relativities

Historical monthly commodity prices and mineral sands prices (indexed)



Source: CEIC, S&P Capital IQ, LME, TZMI and Iluka



ANNUAL GENERAL MEETING

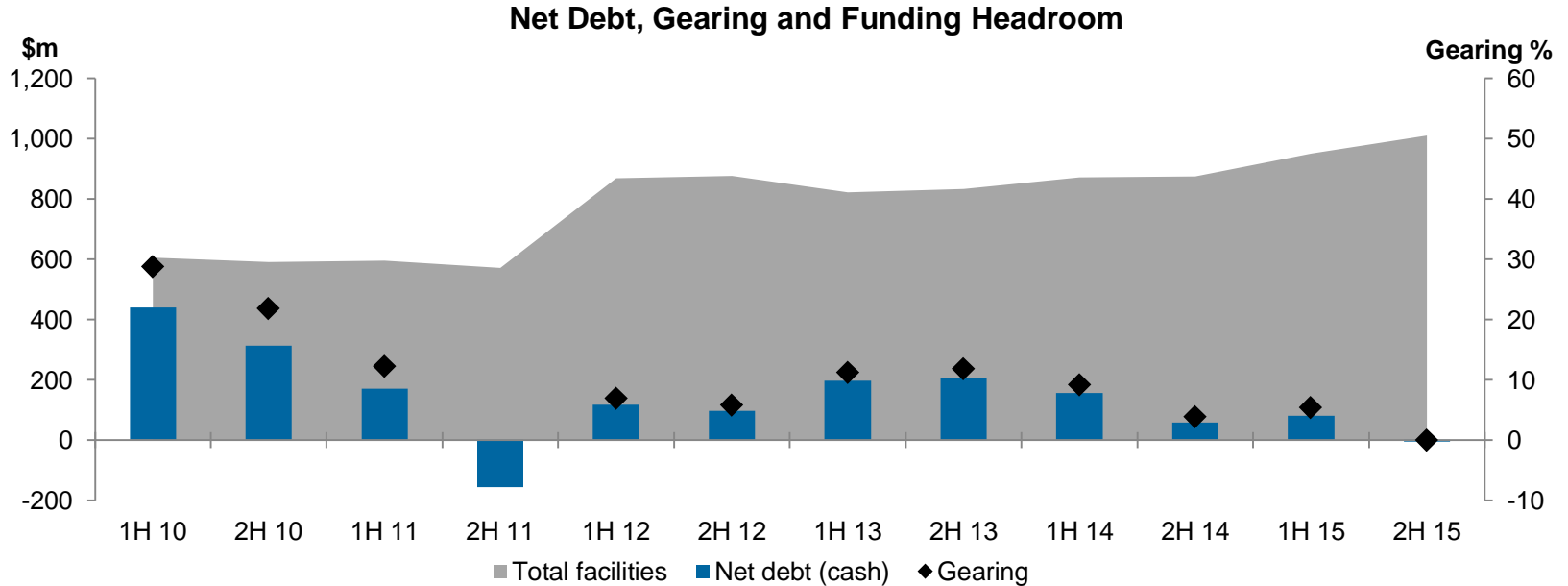
20
16

Managing Director's Address

2014 – 2016 Production Settings

	2014	2015	2016
Jacinth-Ambrosia mining, South Australia	100% utilisation	100% utilisation	Mining and Concentrating suspended from 16 April Concentrate to be processed
Murray Basin mining, Victoria	100% utilisation	WRP mine idled March at end of commercial life	Idled concentrate continues to be processed
Tutunup South mining, Western Australia	Idled	Recommended March 100% utilisation	100% utilisation
Hamilton (MSP), Victoria	80% utilisation	~ 78% utilisation	~60% utilisation
Narngulu MSP, Western Australia	50% utilisation	~60% utilisation	~50% utilisation
SR kiln 2	Idled	Recommended April	100% utilisation
3 other SR kilns	Idled	Idled	Idled
US Mining , Virginia	Brink mining Concord idled February	Brink mining Concord recommenced end December	Idled
Stony Creek MSP, Virginia	~50% utilisation	~70% utilisation	Idled
Cash Cost of Production	\$381 million	\$393 million	~\$300 million

Financial Characteristics



- No debt
 - net cash of \$6 million (debt of \$55 million less borrowing costs \$6 million, cash of \$55 million)
 - undrawn facilities of \$955 million with total facilities of \$1,010 million
- Free cash flow of \$155 million
- 25 cents fully franked dividend ~4% yield on year-end share price



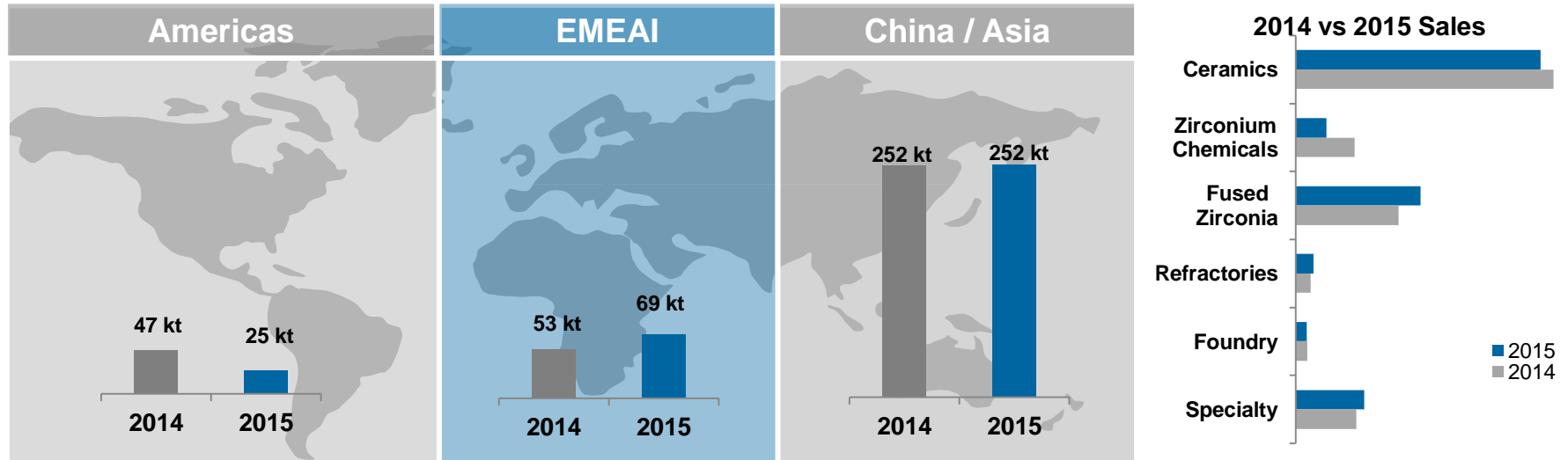
ANNUAL GENERAL MEETING

20
16

Mineral Sands Market Conditions

Zircon Market

- Total zircon sales flat
- 2015: 346 thousand tonnes (2014: 352 thousand tonnes)
- 2015: Weighted average price US\$961/t (2014: US\$1,024/t)



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

Suspension of Mining and Concentrating



Mining and processing area
Jacinth-Ambrosia, Eucla Basin, South Australia

2016 year-to-date

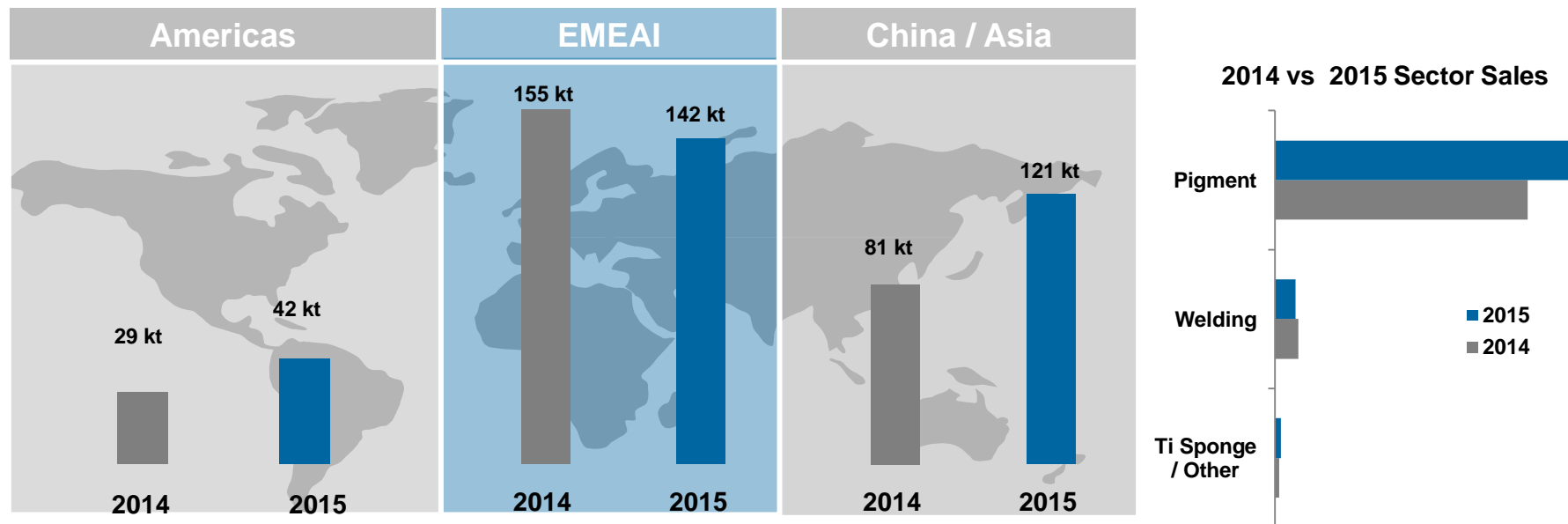
- Zircon demand lower in March for price-related reasons
- Rumoured price reduction by a major Iluka competitor
- Iluka ASX Release 7 April
 - Zircon Reference Price reduced by ~10% to ~US\$950/tonne¹
- European zircon demand firmer
- Americas demand stable
- Recovery in zircon volumes in second quarter



¹ Note – Zircon prices reflect the weighted average price for zircon premium and zircon standard, also with a weighted average price for all zircon materials, including zircon in concentrate and zircon tailings. The prices for each product vary considerably, as does the mix of such products sold period to period. For example, Iluka sold more zircon standard and zircon in concentrate in the second half of 2015 compared with the first half of 2015 and more in 2015 than 2014. In the case of rutile, Iluka sells a lower titanium dioxide product, HyTi.

High Grade Feedstock Markets

- Rutile / synthetic rutile sales up
- 2015: 305 thousand tonnes (2014: 264 thousand tonnes)
- SR kiln 2 reactivated



Note: HGO (high grade ore) refers to titanium feedstocks with greater than 80 per cent TiO₂ 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).

2016 year-to-date

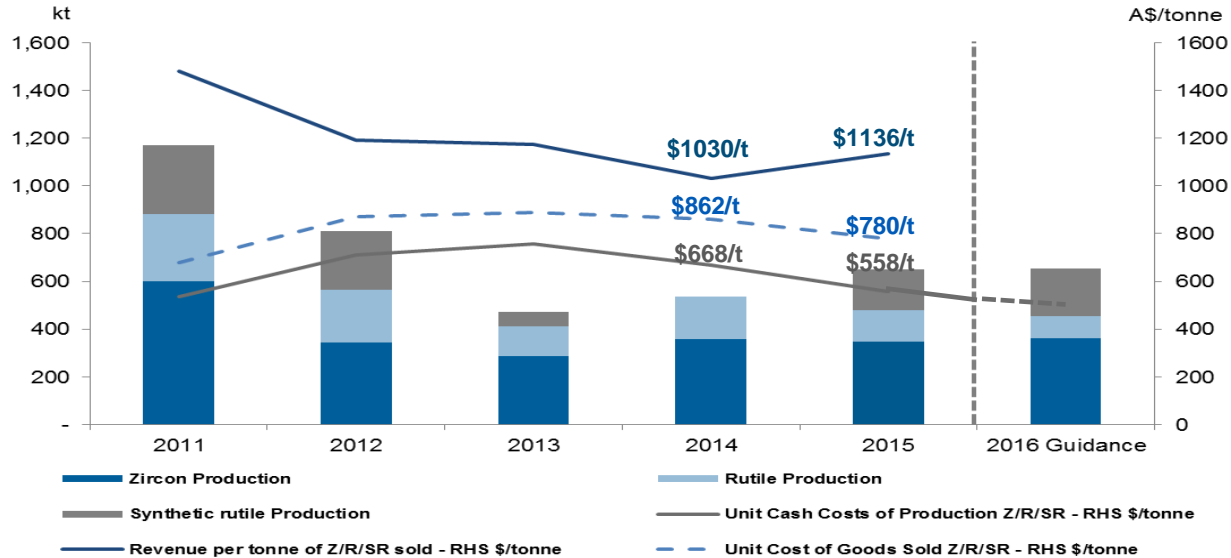
- Higher rutile/SR production forecast for 2016
- Majority of Iluka rutile and synthetic rutile contracted for 2016
- Demand for pigment (largest feedstock market) improved since end of 2015
- Increased pigment demand and low inventories – series of price increases for pigment
- Increasing evidence that a market demand recovery may be occurring
- Demand improvement in smaller, niche markets, e.g. welding, titanium



Unit Costs and Unit Revenue – 2016 Trend



Production, Revenue per tonne Sold and Unit Cash Costs / COGS



- 2016 trend - lower cash costs of production; lower unit cash costs
- COGS should inform modeling - refer Iluka's Key Physical and Financial Parameters document for explanation

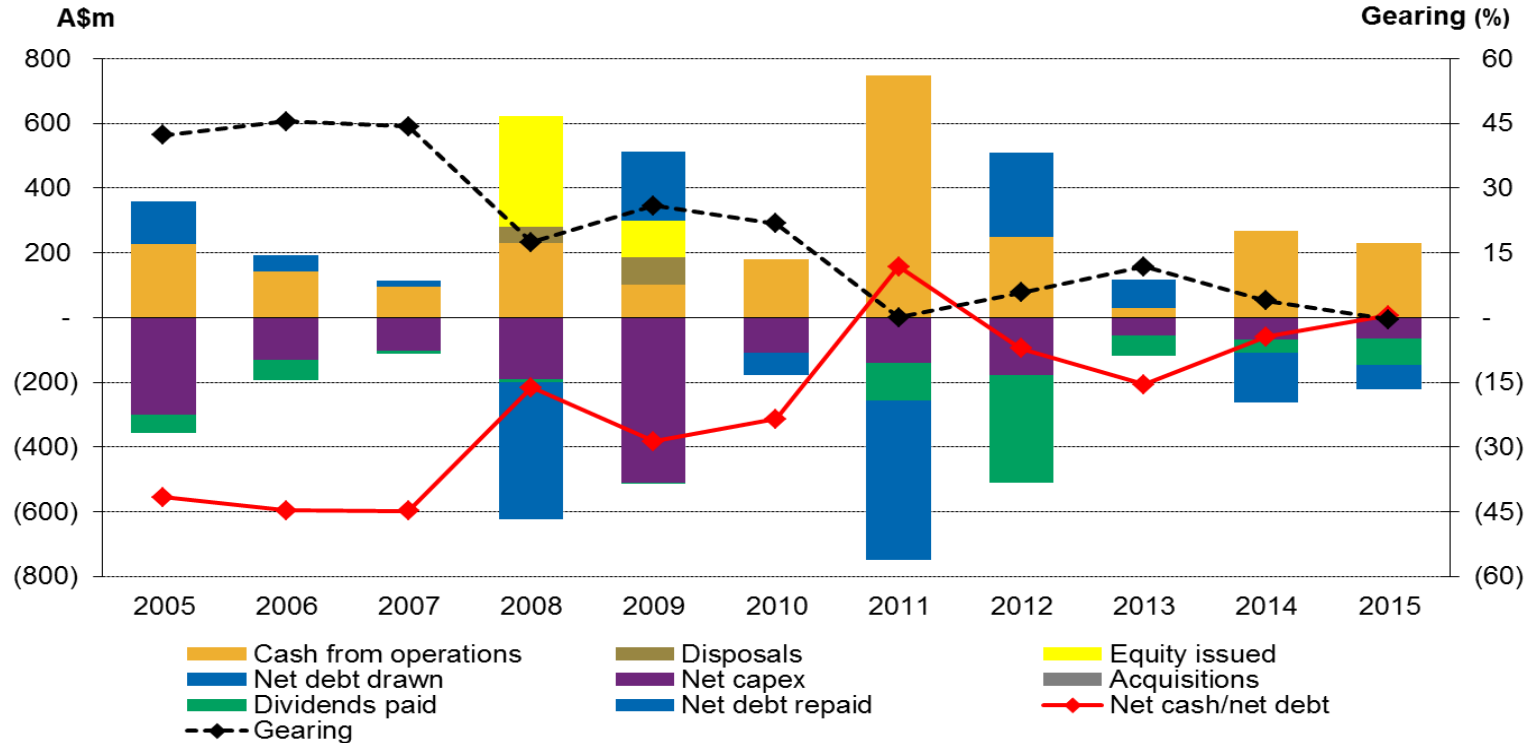


ANNUAL GENERAL MEETING

20
16

Managing Director's Address

Capital Management Trend





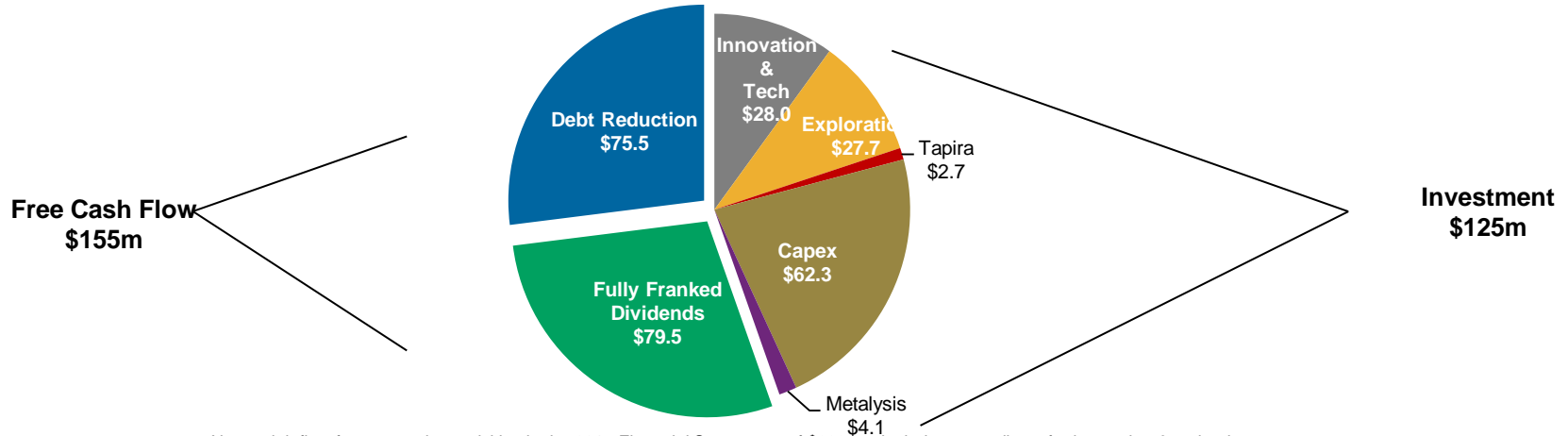
ANNUAL GENERAL MEETING

20
16

Managing Director's Address

Balanced Apportionment of 2015 Cash Flow

2015 Operating Cash Flow Usage (\$m)



Net cash inflow from operating activities in the 2015 Financial Statements of \$229.5m includes expenditure for innovation & technology (\$28.0m), exploration (\$27.7m) and Tapira (\$2.7m). Free cash flow includes a net outflow of \$8.1m comprised of purchase of Treasury Shares (\$9.0m) and asset sales income (\$0.9m).

Net debt decreased \$65.0m compared to the previous corresponding period due to free cash flow for the year of \$155.0m, payments of

- Pre-investing cash flows of \$279.8 million used to fund \$124.8m of future growth opportunities
- Remaining \$155.0 million of free cash flow used to:
 - pay down debt (\$75.5 million)
 - pay dividends (\$79.5 million)



ANNUAL GENERAL MEETING

20
16

Managing Director's Address



ANNUAL GENERAL MEETING

20
16

Formal Business of the Meeting

Proxies Received for the Meeting

- Proxies received:
 - 330.8 million shares
 - 79% of issued shares



ANNUAL GENERAL MEETING

20
16

Formal Business of the Meeting



ANNUAL GENERAL MEETING

20
16

Annual Financial Report




ANNUAL GENERAL MEETING

20
16

Shareholder Questions

Ordinary Resolutions

Green Voting Card



ILUKA
Iluka Resources Limited
ABN 34 008 675 018

ANNUAL GENERAL MEETING
18 MAY 2016

**SHAREHOLDER/PROXYHOLDER
ADMISSION & VOTING CARD**

THE DIRECTORS OF ILUKA RESOURCES LIMITED
THANK YOU FOR YOUR ATTENDANCE


PLEASE RETAIN THIS CARD UNTIL THE CLOSE OF THE MEETING


1

Please read the instructions on the reverse before voting

SHAREHOLDER VOTING INSTRUCTIONS

If you wish to cast all your votes for or against a motion, place a mark in the appropriate FOR box or AGAINST box for that motion.


1

If you wish to cast some of your votes for a motion and some of your votes against the motion write in the FOR box the actual number or percentage of votes you are casting for the motion and write in the AGAINST box the actual number or percentage of votes you are casting against the motion. The sum of the votes cast or the percentages FOR and AGAINST a motion must not exceed your voting entitlement or 100%.

PROXYHOLDER VOTING INSTRUCTIONS

Please refer to Summary of Proxy Votes Form attached to this card for instructions.

	For	Against	Abstain
Resolution 1 Election of Director – Xiaoling Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Gregory Martin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Director – James (Hutch) Rank	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Name of Shareholder/Proxyholder

Signature

Resolution 1

Election of Director

- Xiaoling Liu

Xiaoling Liu



Resolution 1

Election of Director

- Xiaoling Liu

Proxies Received	
For	329,185,389
Against	735,355
Proxy's discretion	889,973
Abstain	79,514

Resolution 2

Re-election of Director

- Gregory Martin

Gregory Martin



Resolution 2

Re-election of Director

- Gregory Martin

Proxies Received	
For	329,353,605
Against	588,807
Proxy's discretion	896,473
Abstain	51,346

Resolution 3

Re-election of Director

- James (Hutch) Ranck

James (Hutch) Ranck



Resolution 3

Re-election of Director

- James (Hutch) Ranck

Proxies Received	
For	329,325,385
Against	596,371
Proxy's discretion	908,753
Abstain	59,722

Resolution 4

Adoption of Remuneration Report



Wayne Osborn
People and Performance Committee Chair

Resolution 4


Adoption of Remuneration Report

Resolution 4

Adoption of Remuneration Report

Proxies Received	
For	327,788,037
Against	1,787,124
Proxy's discretion	895,682
Abstain	418,387

Green Voting Card



ILUKA
Iluka Resources Limited
ABN 34 008 675 018

ANNUAL GENERAL MEETING
18 MAY 2016

**SHAREHOLDER/PROXYHOLDER
ADMISSION & VOTING CARD**

THE DIRECTORS OF ILUKA RESOURCES LIMITED
THANK YOU FOR YOUR ATTENDANCE


PLEASE RETAIN THIS CARD UNTIL THE CLOSE OF THE MEETING


1

Please read the instructions on the reverse before voting

SHAREHOLDER VOTING INSTRUCTIONS

If you wish to cast all your votes for or against a motion, place a mark in the appropriate FOR box or AGAINST box for that motion.


1

If you wish to cast some of your votes for a motion and some of your votes against the motion write in the FOR box the actual number or percentage of votes you are casting for the motion and write in the AGAINST box the actual number or percentage of votes you are casting against the motion. The sum of the votes cast or the percentages FOR and AGAINST a motion must not exceed your voting entitlement or 100%.

PROXYHOLDER VOTING INSTRUCTIONS

Please refer to Summary of Proxy Votes Form attached to this card for instructions.

	For	Against	Abstain
Resolution 1 Election of Director – Xiaoling Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Gregory Martin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Director – James (Hutch) Rank	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Name of Shareholder/Proxyholder

Signature



ANNUAL GENERAL MEETING

20
16

Iluka Resources Limited

2016 Annual General Meeting

PERTH, WESTERN AUSTRALIA

18 May 2016