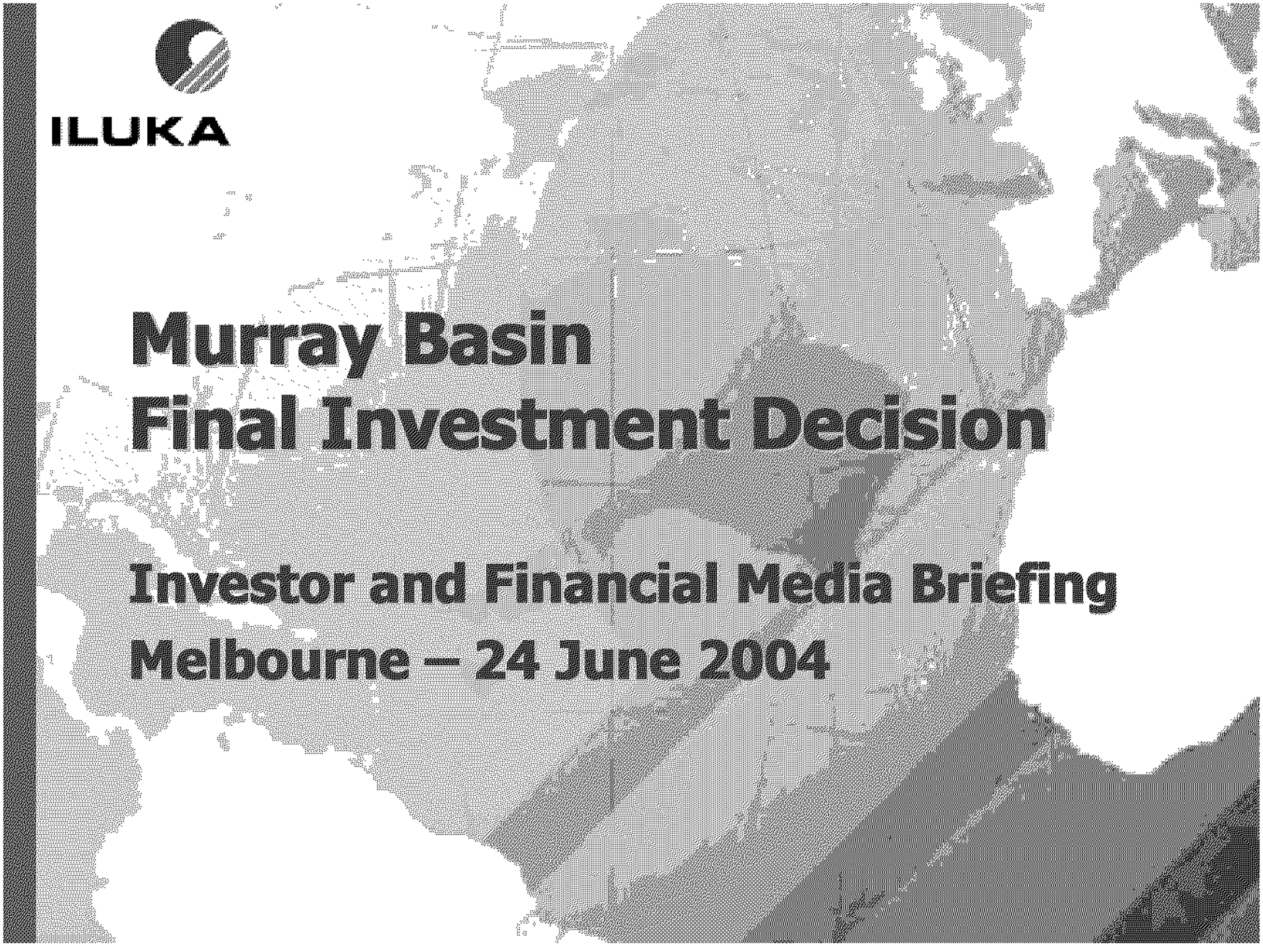


ILUKA

Murray Basin Final Investment Decision

Investor and Financial Media Briefing

Melbourne – 24 June 2004

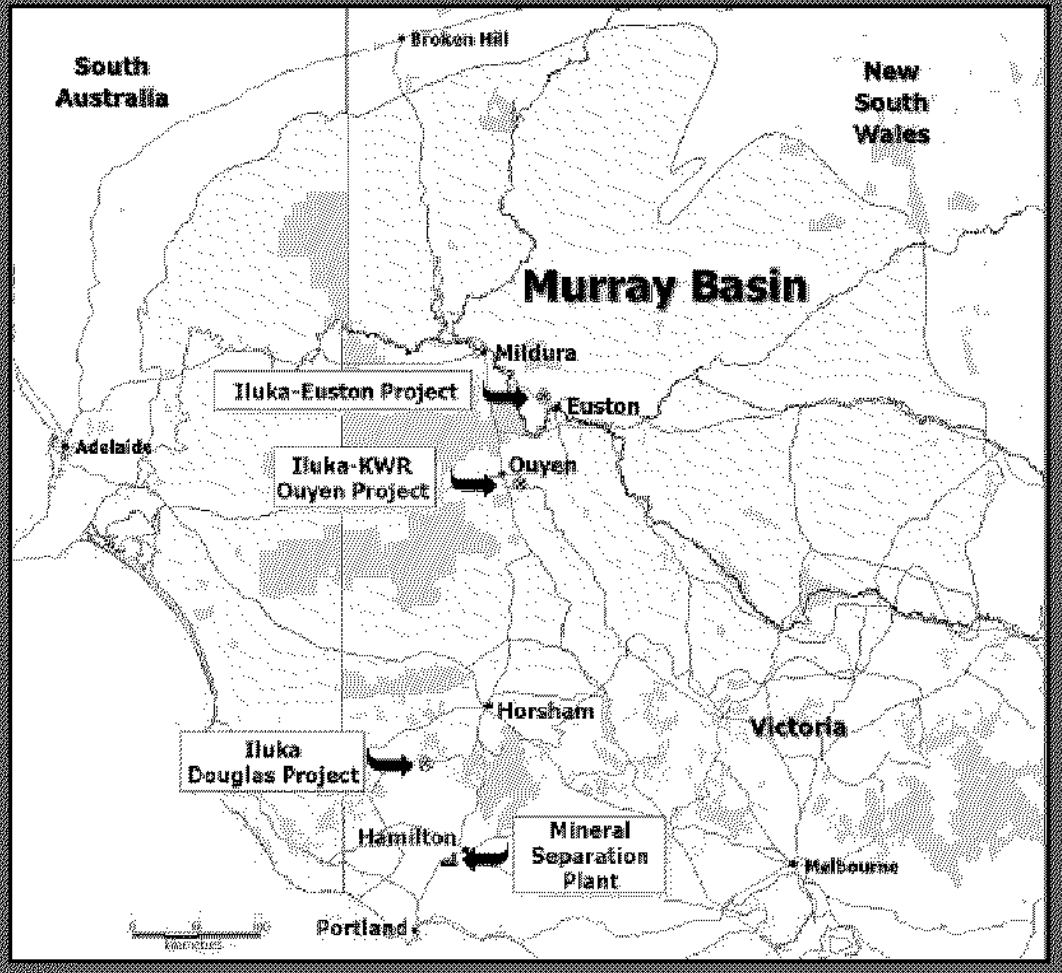
Murray Basin – Strategic Rationale

- Murray Basin underpins Iluka's strategy to
  - grow its high-TiO_2 feed stock market share and maintain or expand its zircon market share
  - capitalise on expected market opportunity gaps/pricing upside
- Source of competitive advantages in the form of
  - minimal country and political risks
  - existing high margin mineral assemblage
  - being the "first committed new R & Z project"
- Potential for additional value creation from
  - upgrading ilmenite
  - further exploration success

Initial Investment

- A larger Douglas project has been approved to
  - provide additional short-to-medium term production
  - expansion opportunities in the longer-term
  - maximise returns from Iluka's suite of R & Z resources
- Initial investment of A$270 million to build and commission
  - the Douglas mine and minerals concentrator
  - expanded MSP (up from 30 to 55 tonnes per hr)
  - project infrastructure e.g. power, water, gas, road, workshops and laboratories

Development Focus Areas



- Up to three R & Z projects planned by 2010
- Douglas committed, first production Q4 2005
- KWR commitment mid-2006, first production Q3 2007
- Euston emerging as 3rd project focus area
  - low clay content
  - attractive R&Z assemblage

Investment Profile

- Key elements of A$270 million commitment
  - 55 tonne per hr MSP - A$130 million
  - Douglas wet concentrator/mining unit - A$37 million
  - infrastructure, project management costs and contingency allowance - A$103 million
- Key elements of planned A$150-200 million KWR investment
  - wet concentrator, dredge and mining unit
  - infrastructure items, land purchases, project management costs and contingency
- KWR estimate remains subject to completion of Pre-feasibility (PFS) and Detailed feasibility (DFS) studies

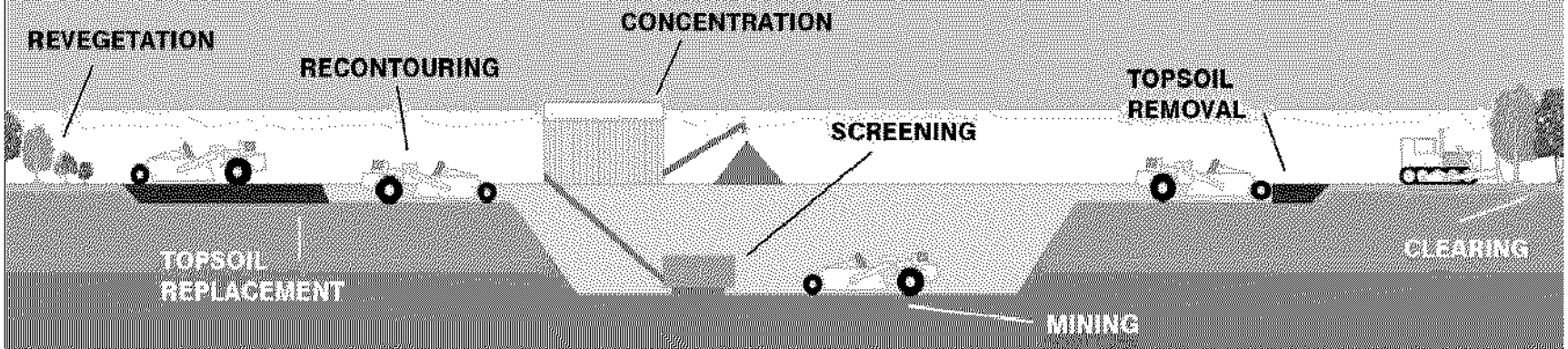
Douglas Development Schedule

- 2004
  - completion of initial road and site earthworks - Q3
  - start construction of mine, concentrator and MSP - Q3
  - complete water pipeline from Rocklands reservoir - Q4
  - start up of mining operations - Q4
- 2005
  - start commissioning wet concentrator - Q1
  - start commissioning expanded MSP - Q3
  - finished product available from MSP - Q4

KWR Development Schedule

- 2004
  - Environment effects statement (EES) - underway
  - test pit construction - Q3
- 2005
  - complete PFS - Q3
- 2006
  - complete DFS - Q2
  - final investment decision - Q2
  - finished product available - Q3
- Euston PFS being carried out in parallel to KWR

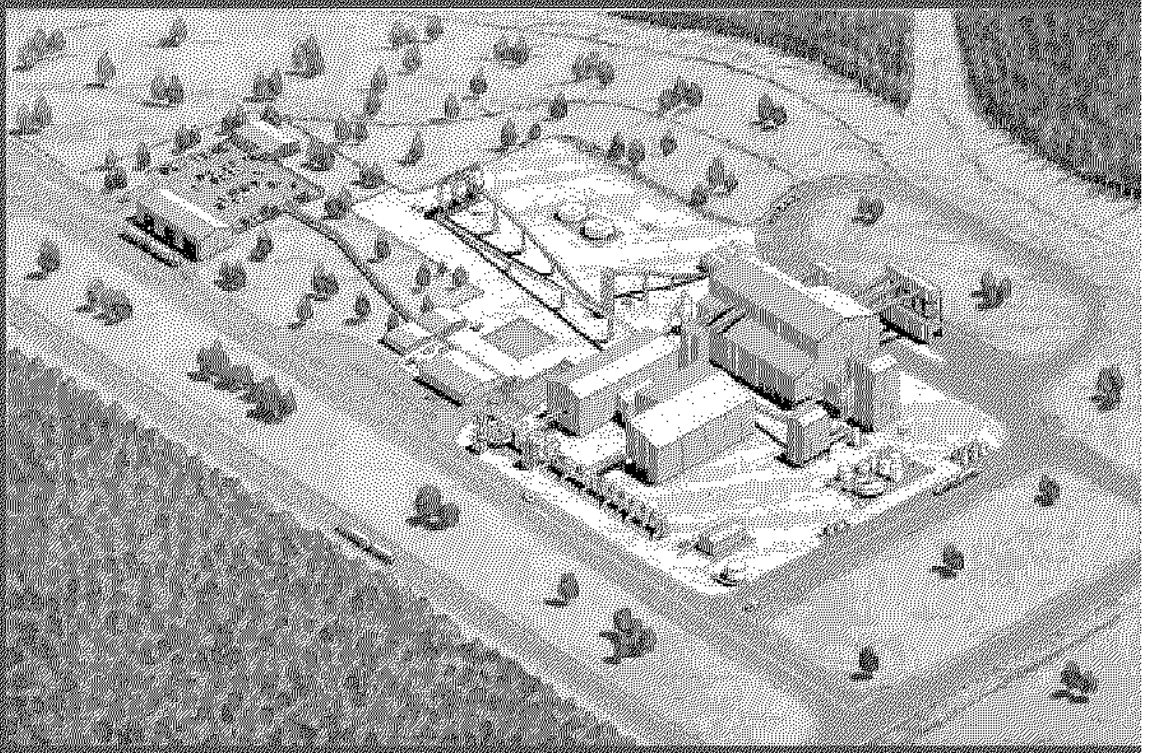
Douglas Mining/Concentrating Process



- Dry mining earthmoving equipment and MUP owned and operated by a contractor. Nominal MUP capacity 580 t/hr of ore
- Iluka WCP uses gravity processes to concentrate the HM and Wet magnetic separation to separate non-magnetic R & Z
- Douglas ilmenite initially mixed with the sand and clay tailings for return to the mine – can be stock piled for SR when required
- WCP designed to treat up to 400 t/hr of spiral feed

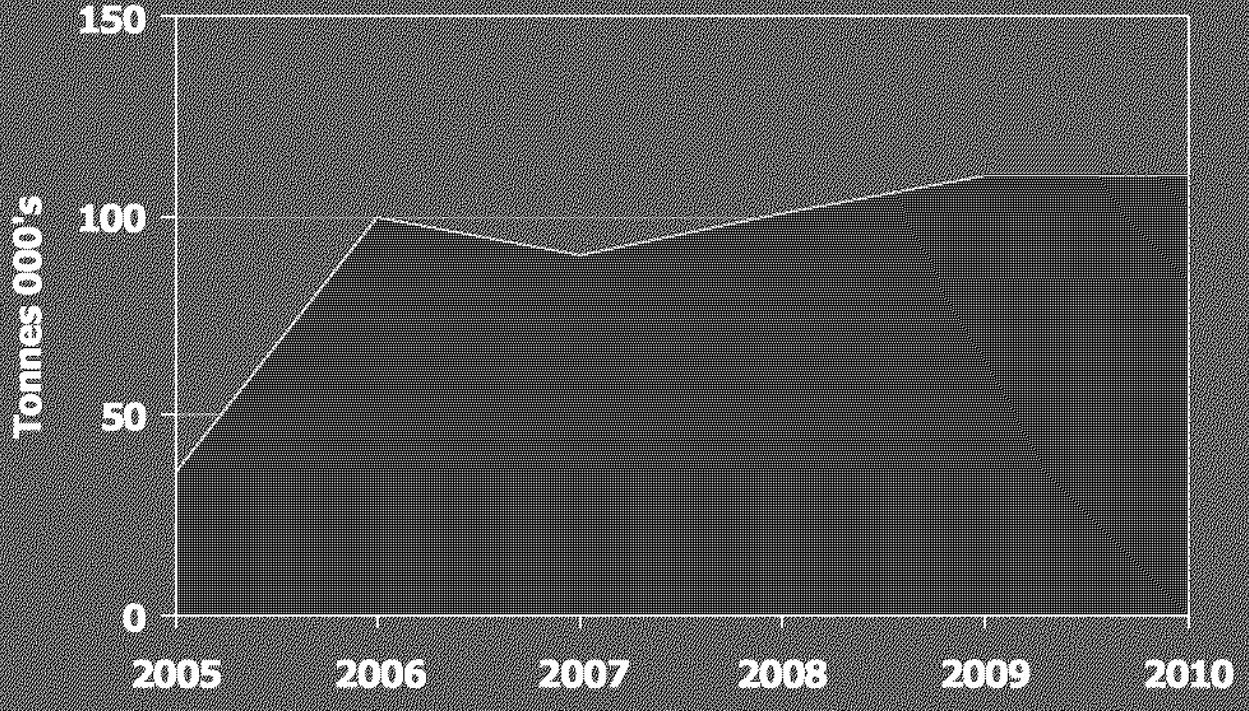
Mineral Separation Plant

- MSP HMC feed capacity 55 t/hr
- Uses wet gravity, dry magnetic and electrostatic processes to separate saleable products
- Waste products and tailings returned for disposal in the mine



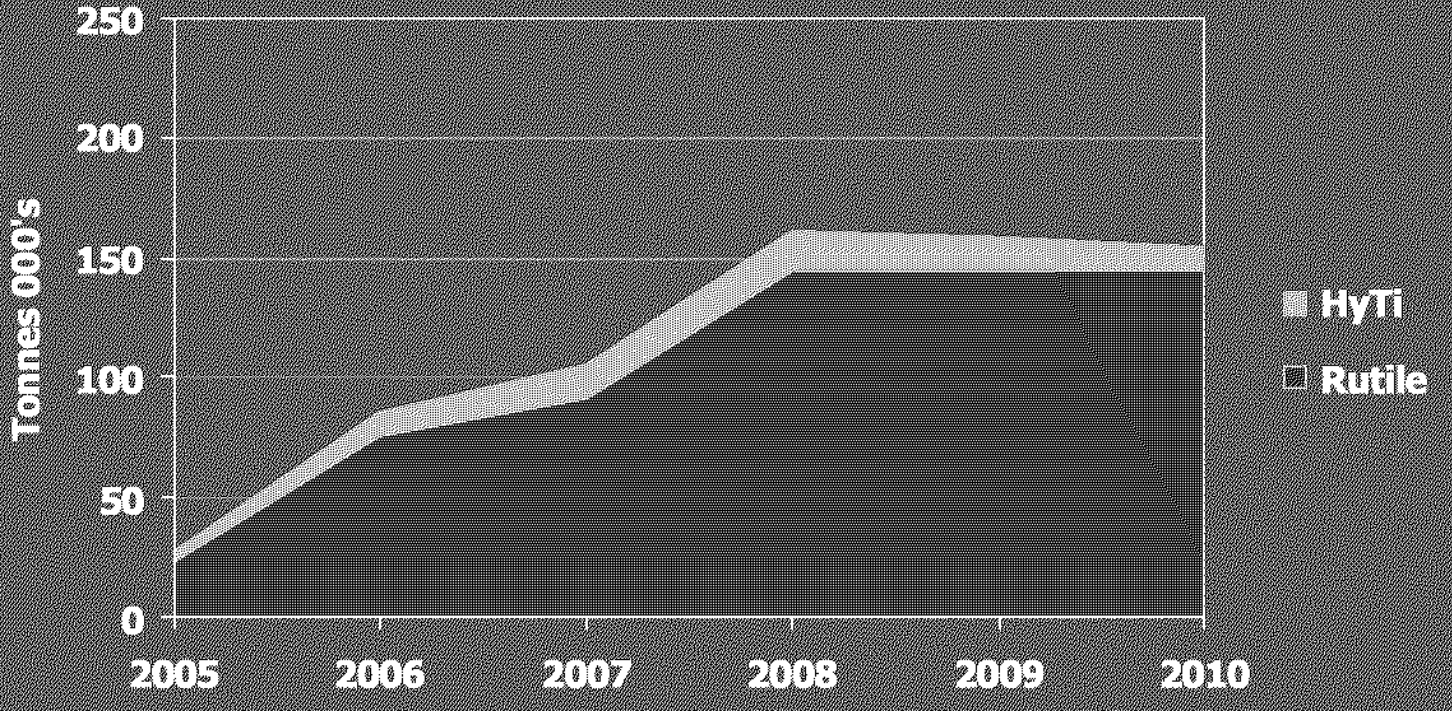
- On site storage of product ready for contract road transport to storage and ship-loading facilities at Portland

Douglas/KWR Zircon Production



- Douglas (2005/06 cumulative) 135,000 tonnes
- Douglas and KWR combined (2007 - 2015) average 102,000 tonnes per year

Douglas/KWR Rutile and HyTi Production



- Douglas (2005/06 cumulative) rutile - 98,000 and HyTi - 11,000 tonnes
- Douglas/KWR combined (2007 - 2015) average rutile 135,000 and HyTi 11,000 tonnes per year

Douglas In-situ HM Reserves

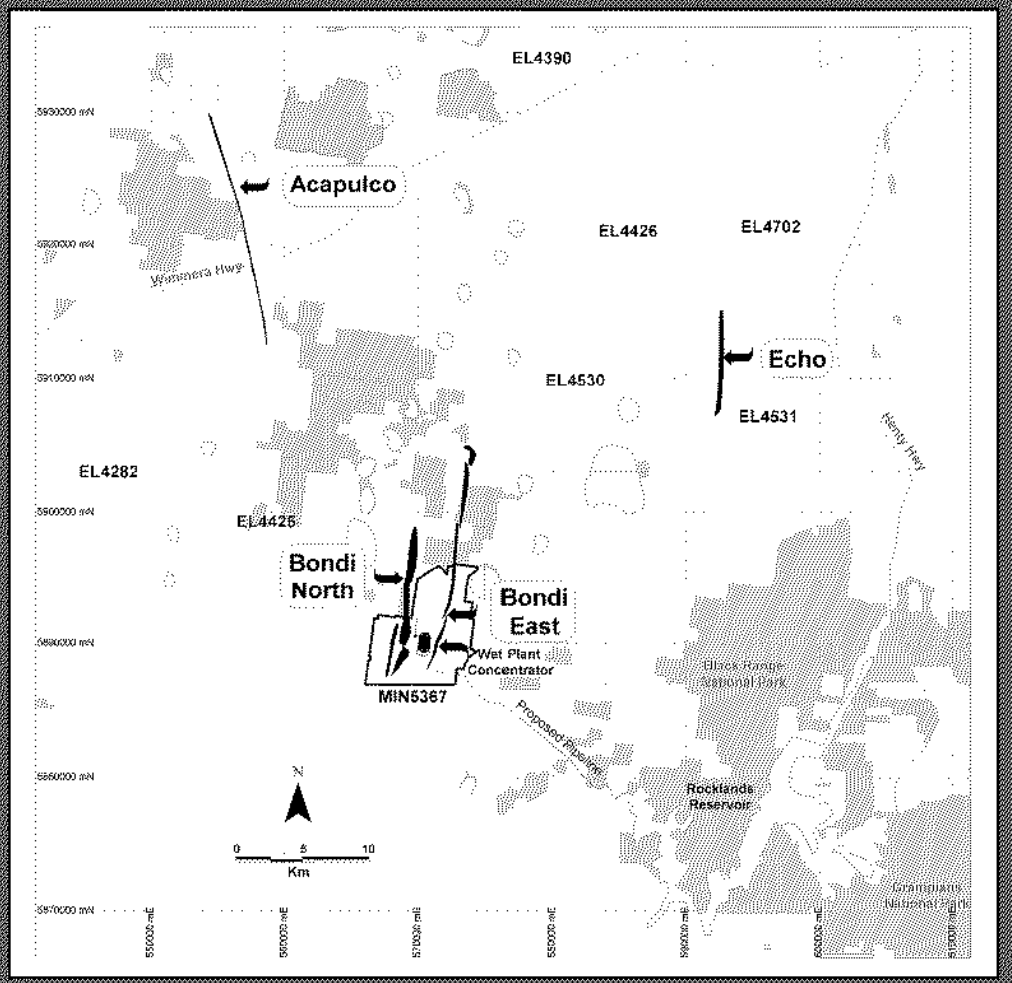
- DFS in-situ HM Douglas reserves revised
  - current reserves 30% lower than published reserves
- Revision due to a combination of
  - updated DFS cost information, mine planning studies
  - reclassification of some rutile to leucoxene reserves

Comparison of Basin Minerals NL and Iluka DFS Reserves

	Ore Reserve Category	Ore (MT)	In-Situ HM (MT)	HM Grade (%)	Ilmenite (%)	Zircon (%)	Rutile (%)
BASIN NL	P+P	47.4	4.65	9.8	37	10	10**
ILUKA	P+P	23.4	3.25	13.9	44	12	8

** includes leucoxene

Douglas Region Reserves Potential

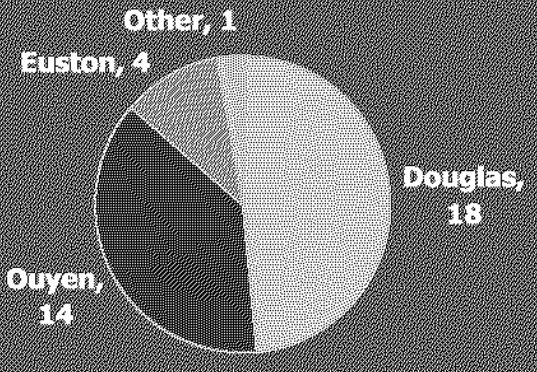


- Reserves based on
  - Bondi main deposit
  - Bondi East and West deposits
- Future reserves opportunities near the Douglas mine
  - Acapulco
  - Echo
  - Bondi North

Murray Basin Resource Potential

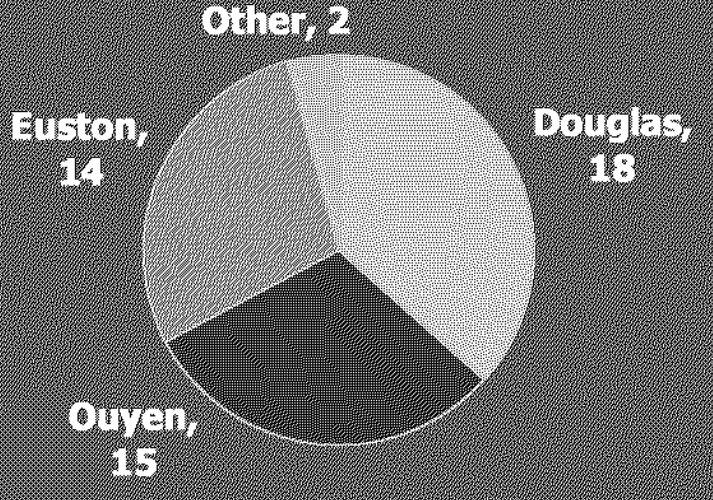
- Region remains highly prospective
- Resource base continuing to expand – up 12 mt in past year

In-situ HM Resource by district 2002



Total in-situ HM 37 mt

In-situ HM Resource by district 2003



Total in-situ HM 49 mt

Key Douglas Project Risks and Mitigation

- Mine water
  - increased dam capacity, offsite water sources
  - technology in place to increase re-use of water
- Clay and tails management
  - large scale trials on Murray Basin material
  - ongoing testing in USA (clay levels > 30%)
- Project Execution Delays
  - early commencement of advance works
- Induration
  - dry mining operation
  - worst zone successfully tested in Douglas test pit

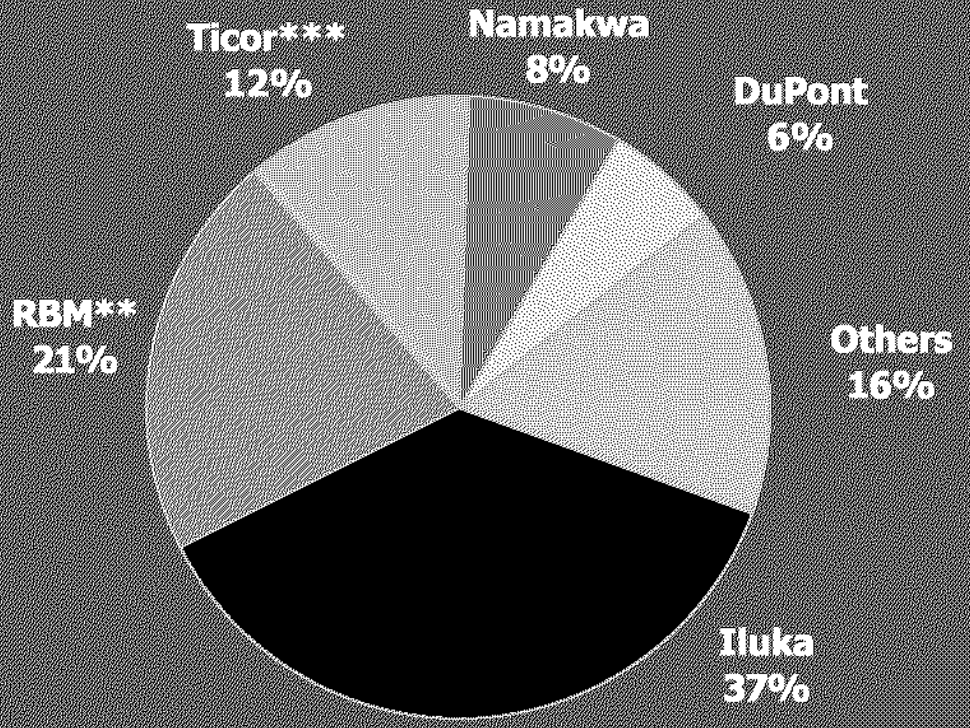
Douglas Project Opportunities

- Exploration Potential
  - brown field and green field opportunities
- Ilmenite
  - identify further saleable product or progress opportunities to upgrade product
- Productivity and Recovery
  - opportunities to increase current inputs
  - potential to exceed name plate capacities
- Toll Processing
  - first starter option to process product from other mines
- Tin / Gypsum
  - project will produce approximately 1,000 tonnes of tin concentrate per year
  - potential for gypsum sales in the medium-term

Marketing Strategy

- Marketing strategy is based around
  - Product differentiation with a focus on
    - profitable growth in high TiO_2 feed stocks and chloride ilmenite for chloride pigment production
    - sulphate ilmenite as an important product
    - maintain or grow zircon production with focus on high quality/high margin sectors
  - Customer service differentiation
    - the supplier of choice
    - reliable, low risk and good relationships
    - easy to deal with

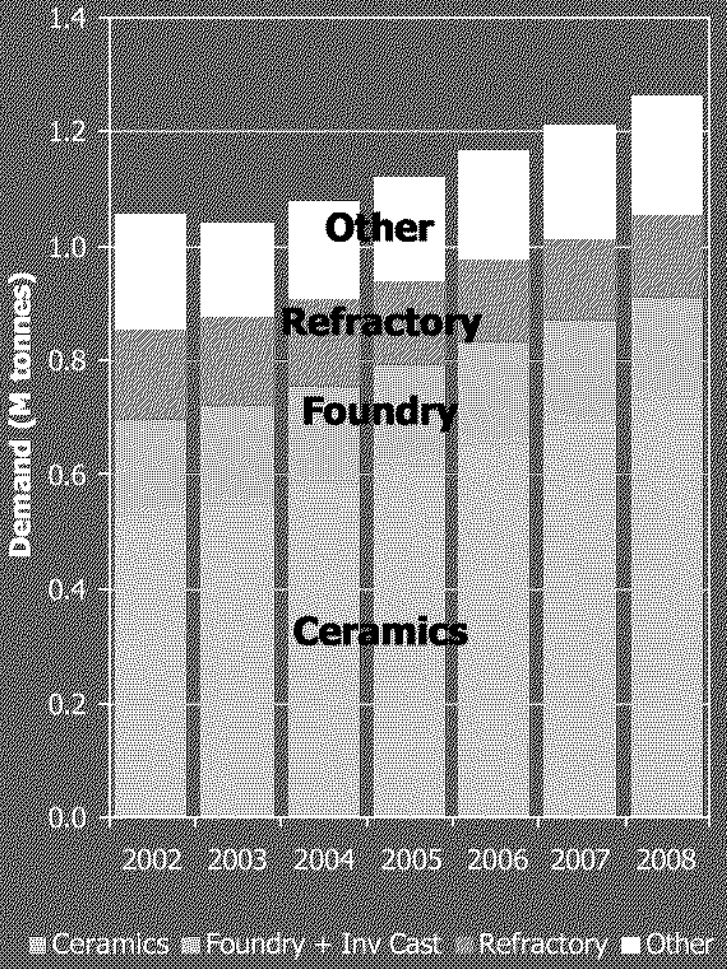
2003 Global Market Share – Zircon



* Iluka's market share includes 100% CRL
** RBM - 50% Rio Tinto and 50% BHPB
*** Ticor - Tiwest and Ticor SA

Zircon Supply and Demand Outlook

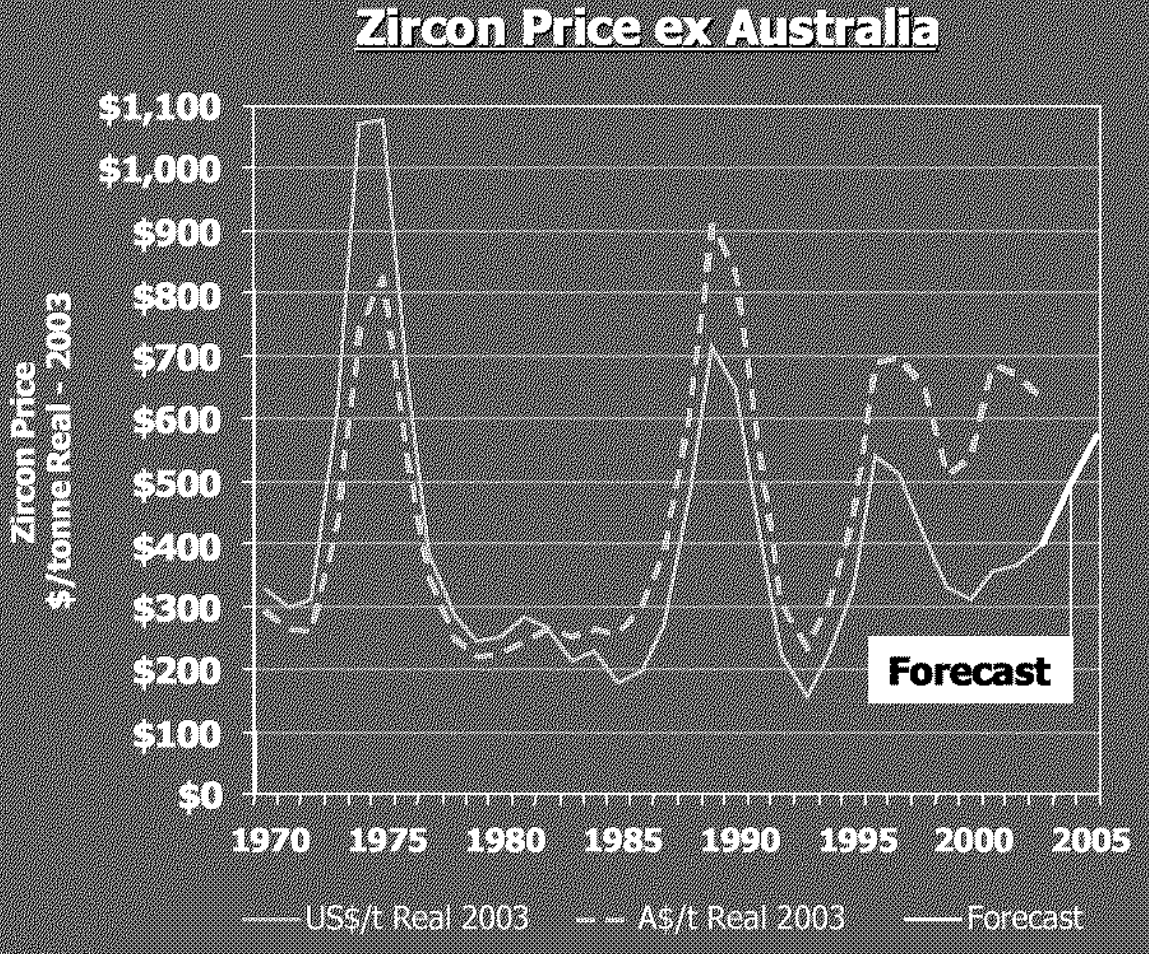
Global Demand



Zircon outlook

- Large potential supply deficit developing
- Decreasing production from existing suppliers
- Strong global demand growth in ceramic and zirconium chemicals
- Moderate growth in TV glass and foundry
- Emerging opportunity gap

Zircon Pricing Outlook



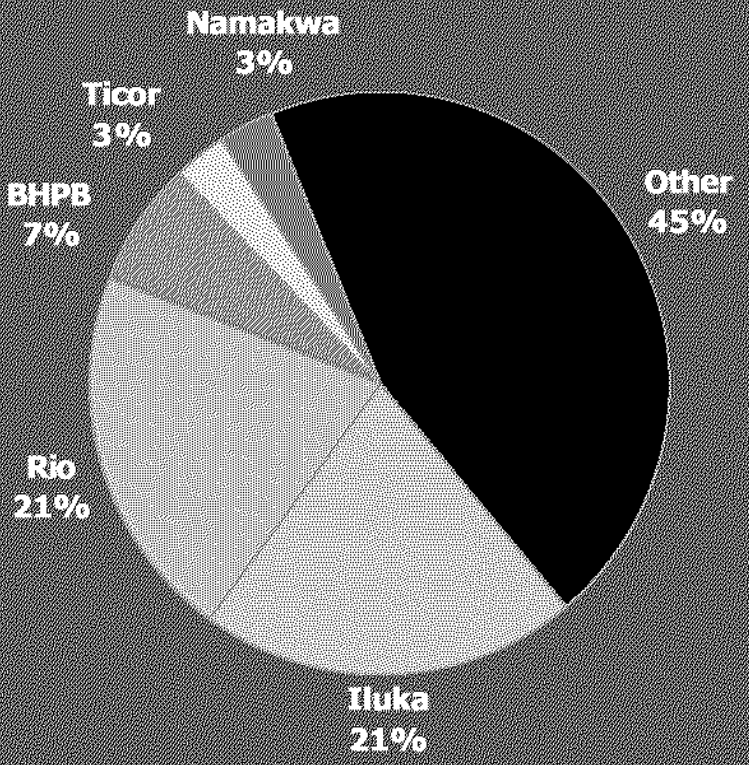
- Continuing tight market dynamics forecast
- Modest demand growth > supply
- Chinese market is major growth area
- Iluka increasing prices in a responsible manner

Murray Basin Zircon Strategic Fit

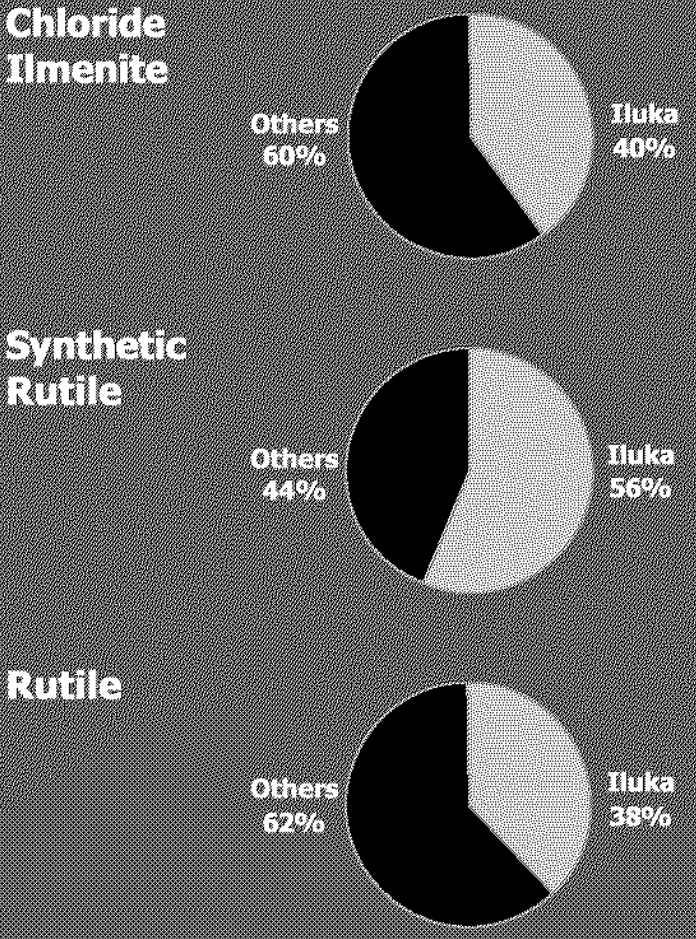
- Murray Basin zircon is of premium quality
  - suitable for most market sectors
- 35% of the zircon production is currently contracted
  - balance will be sold to existing customers
- No other major zircon rich deposits in development pipeline
- Murray Basin production will enable Iluka to
  - maintain and/or grow market share whilst targeting high-margin premium sectors
  - target the opportunity gap in future as suppliers struggle to meet predicted demand

2003 Global Market Share – Titanium Feedstock

Total TiO_2 Feedstock



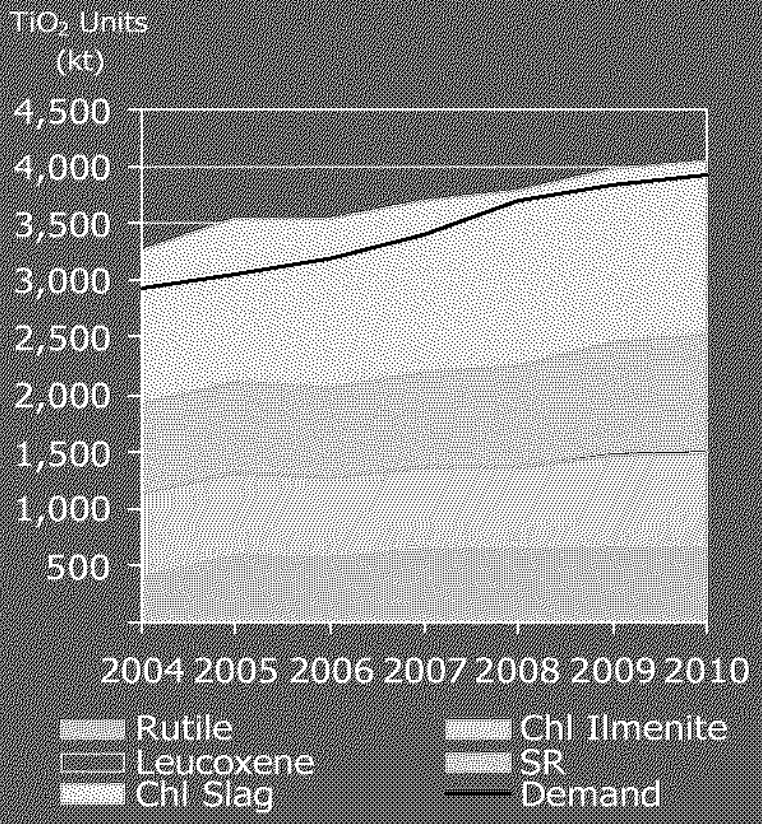
Chloride TiO_2 Feedstock



Iluka's market share includes 100% CRL
Rio Tinto includes their 50% ownership in RBM
Ticor includes Tiwest and Ticor SA

TiO_2 Feedstock Supply/Demand

Chloride TiO_2 Supply Demand



Chloride Feedstock

- Market forecast to remain in oversupply due to slag production
- Demand increasing in line with GDP growth (pigment demand)
- Welding market growth ~ 2% pa
- Titanium metal growth ~ 5% pa in short term

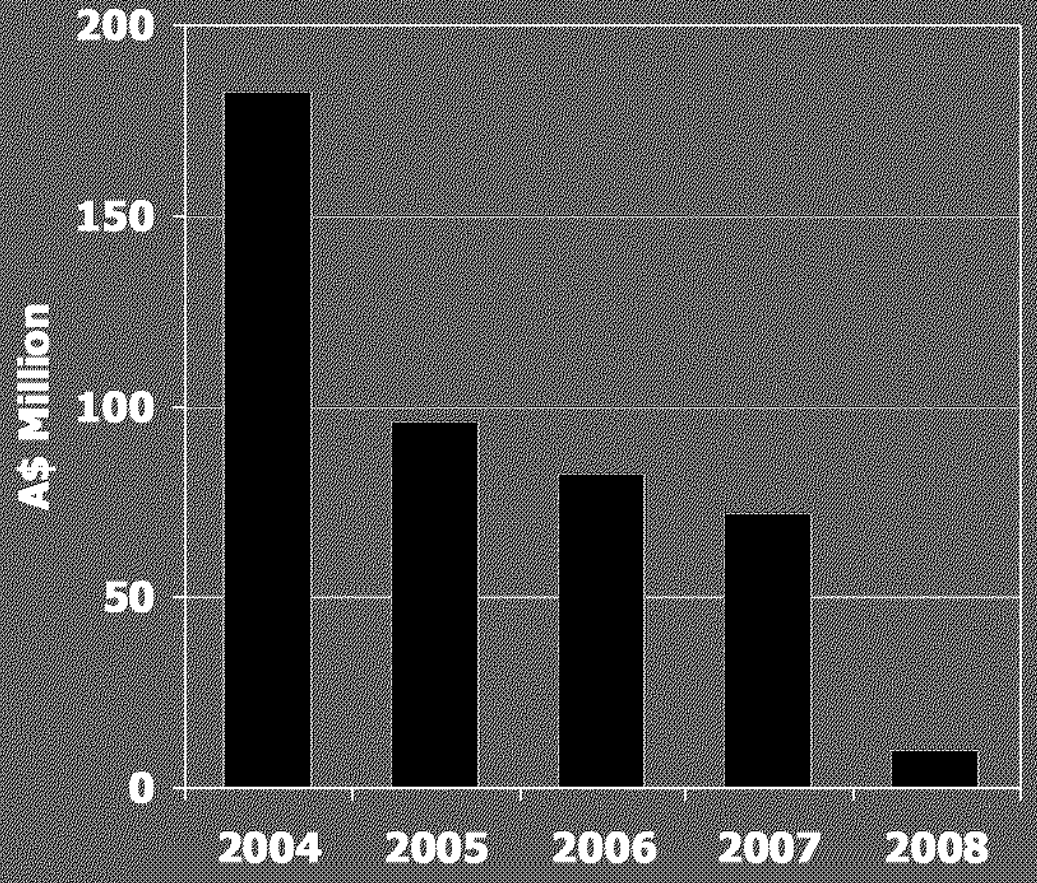
Murray Basin Rutile/HyTi Strategic Fit

- MSP technology produces
  - a premium quality rutile for sale into the pigment market
  - HyTi 91 for sale into the welding and pigment markets
- Approval gives 'first confirmed project' market advantage
  - major competitors are not planning any major rutile expansions in the medium term
  - no new rutile projects from new entrants approved – some currently being promoted
  - negotiating sales agreements – will be finalised well before Q4, 2005

Douglas Project Assumptions

- Rutile and zircon are fully sold
- No economic contribution from Ilmenite
- Price forecasts are consistent with TZMI
- Exchange rate assumptions consistent with external long-term forecasts
- Conservative approach on resources modelled
- Land access will be as expected
- Current environmental and operating license conditions prevail

Douglas/KWR Capital Expenditure Profile



- Major expenditure for Douglas in 2004-05
- Major expenditure for KWR 2006-07
- Post-KWR commissioning 10 year average cash flows pre- tax ~ $100 M pa

Funding Position

- Murray Basin capital requirements are well within Iluka's capacity
- Iluka has strong cash flows and is modestly geared
- Murray Basin will be financed by a combination of cash flows and available debt facilities
- Existing debt maturity profile is long-dated (>5yrs)
- Capacity for future expansion projects and opportunities as and when required

Douglas/KWR Project Revenues, Costs and Earnings

- Expected sales revenues
  - more than A$100 million in 2006 expanding to around A$200 million per year by 2009
- Operating costs
  - between A$70 to A$80 million per year from 2006
- EBIT
  - approaches A$100 million within 5 years
  - MSP utilisation is key EBIT determinant
    - processing HMC stockpile enhances throughput in 2006
    - MSP mostly runs on Douglas HMC in 2007
  - commissioning of KWR concentrator provides additional feedstock for MSP from late 2007 onwards
  - opportunities exist to accelerate availability of additional HMC in 2007

Contribution to the Victorian Economy

- Major new capital investment commitment
- Upgraded regional infrastructure in south-west Victoria
- Direct employment (Douglas mine and MSP)
  - 250 new construction jobs, 150 new operations jobs
- Annual operating expenditure of A$70-A$80 million per year
- Export sales of more than A$1.5 billion over 20 years
- Payroll and land tax payments of more than A$800,000 per year from 2007
- Royalties of more than A$100 million from Douglas and KWR

Concluding Comments

- Commitment to Douglas builds on other achievements to date
- Iluka now in a unique position with
  - new fit-for-purpose facilities and dedicated infrastructure
  - extensive resources in a highly prospective region and up to three high-value rutile and zircon projects
  - established global sales capacity/market share and a new globally significant production stream
- Murray Basin production provides a significant value capture opportunity for Iluka from late 2005
- Potential also exists for further value creation