Iluka – Company Update

UBS Investor Conference Presentation

Sydney – 30 June 2004

Commitments since mid-2002

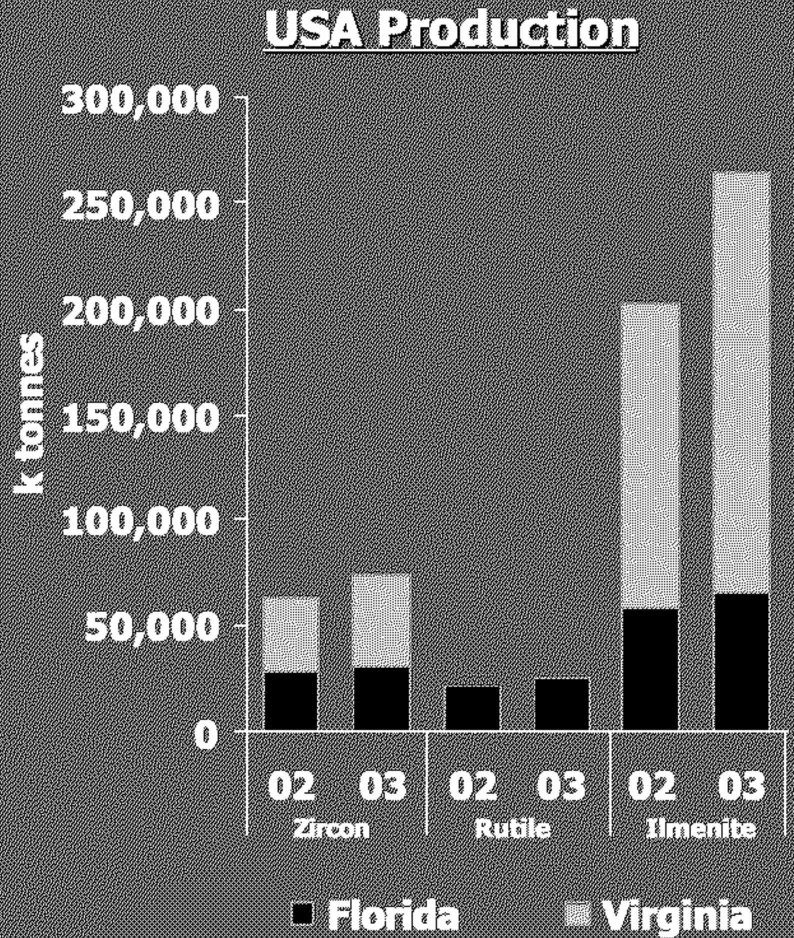
- Maximise returns from the existing business through:
  - cost reductions & operational efficiency improvements
  - USA operations profitability turnaround
  - development of the Lulaton project in Georgia USA and CRL's Enterprise deposit in Australia

- Growing the mineral sands business through:
  - the development of the Murray Basin as a new world-class rutile and zircon province
  - finding more zircon to fill the market opportunity gap
  - pursuing new synthetic rutile production technology

Cost reductions and operational efficiencies achieved

- 2003 achievements
  - A$24 million pre-tax benefits through cost savings
  - operational efficiency improvements - additional 211,000 tonnes of HMC and 84,000 tonnes of finished product
- 2004 targets
  - A$35 million in pre-tax benefits through cost savings
  - operational efficiency improvements - additional 328,000 tonnes of HMC and 100,000 tonnes of finished product

USA profitability turnaround achieved

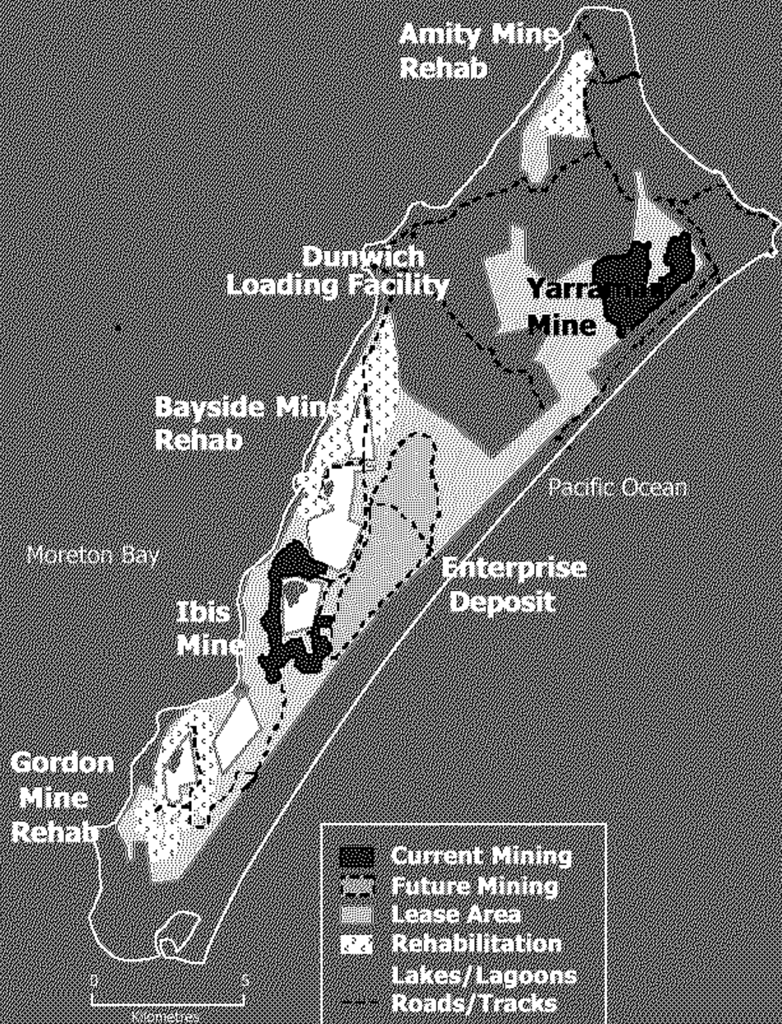


- USA operations recorded a significant loss in 2002
- 2003 activities
  - business improvement projects substantially complete end 2003
  - final commissioning of Old Hickory/relocation of MC1 completed Q1
  - USA production increased
  - EBIT positive in H2 2003
- Profit turnaround completed by end 2003

New developments – Lulaton project completed

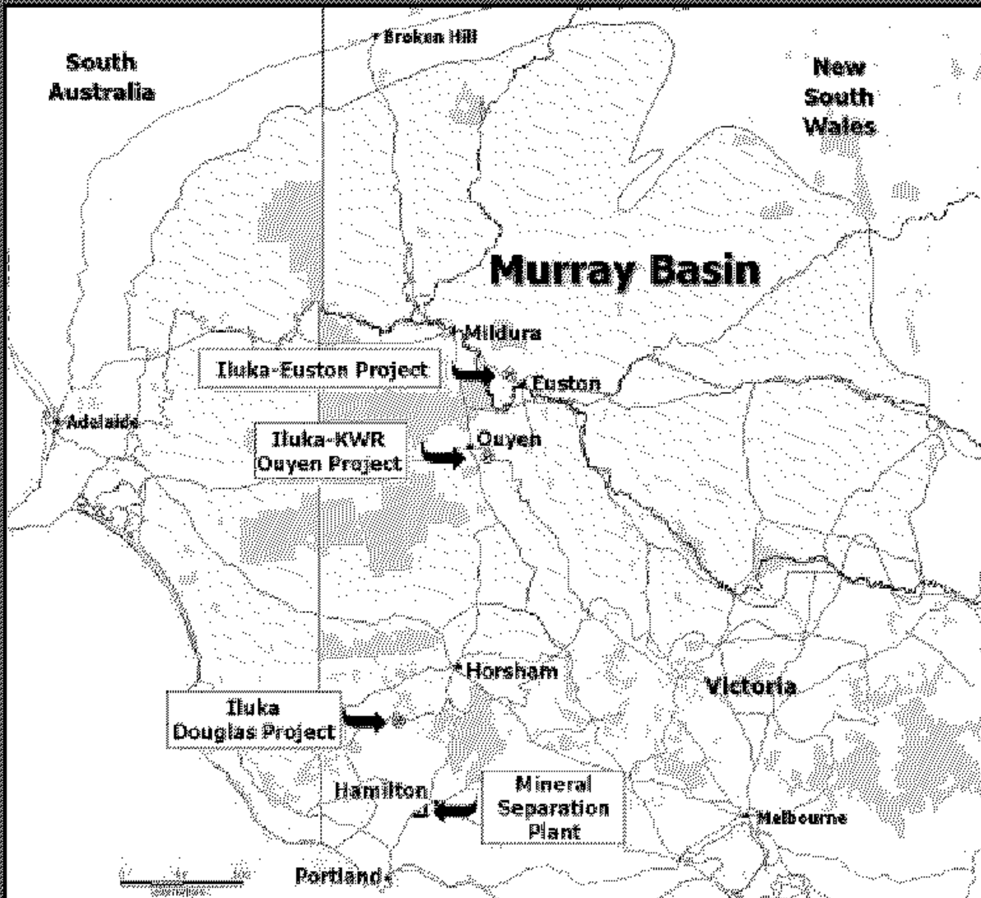
- A$66 million investment in
  - Lulaton mine
  - 1,000 tonne/hr wet concentrator
- Construction Q3 2003 to Q1 2004
- First production achieved in mid February 2004
- Commissioning completed
- More than replaces zircon production from GCS dredge

New developments – Enterprise 1st stage completed



- A$25 million investment to
  - modify Ibis concentrator
  - build/install a thickener
  - plus site infrastructure
- Upgrade now complete
- 12 month transition to the Enterprise deposit
- Positive impact on CRL rutile and zircon production from mid-2005

New developments – Murray Basin 1st stage committed

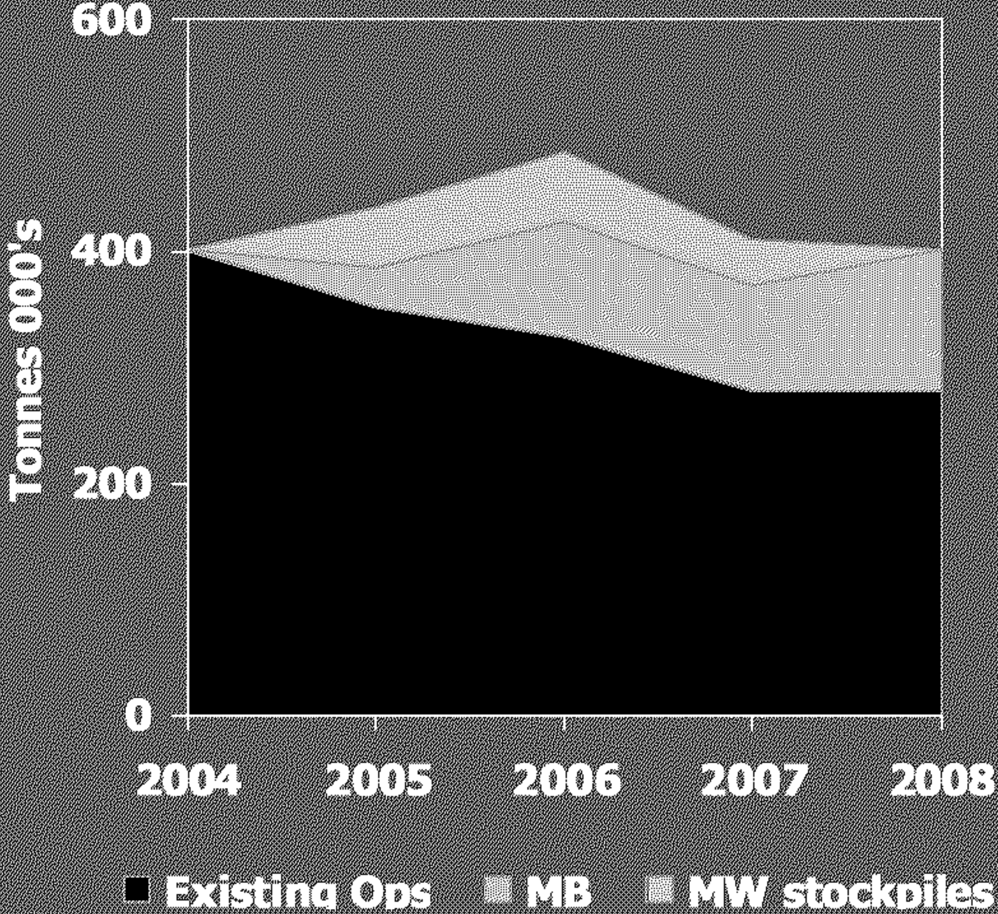


- Up to three R & Z projects planned by 2010
- Douglas committed
  - capex - A$270 m
  - first production Q4 2005
- KWR commitment mid-2006
  - expected capex A$150 -$200m
  - first production Q3 2007
- Euston emerging as 3rd project focus area
  - low clay content
  - attractive R&Z assemblage

Additional mid-west zircon production

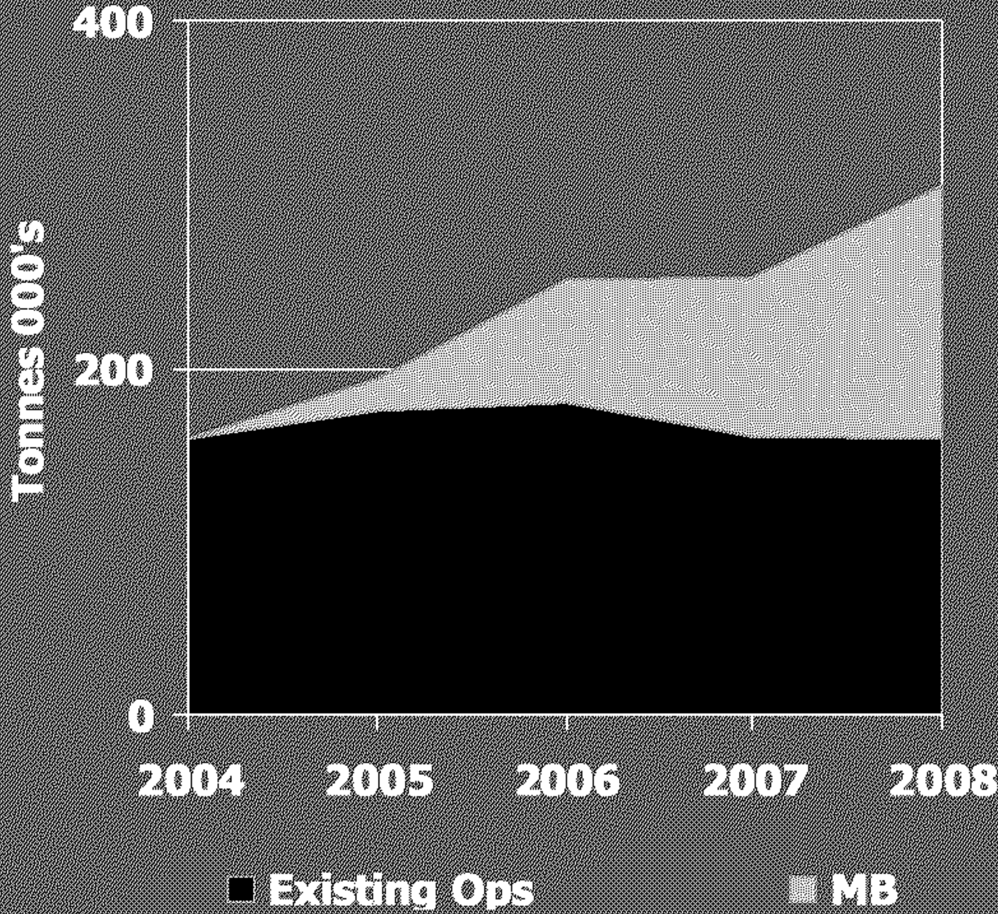
- A$8.5 million investment in mobile equipment to process intermediate zircon stockpiles/tailings in the mid-west
- Processing of 323,000 tonnes of stockpile material over 32 months (starting in 2005) delivers
  - 104,000 tonnes of accelerated zircon production
  - 40,000 tonnes of extra zircon from improved recoveries

Indicative zircon production profile



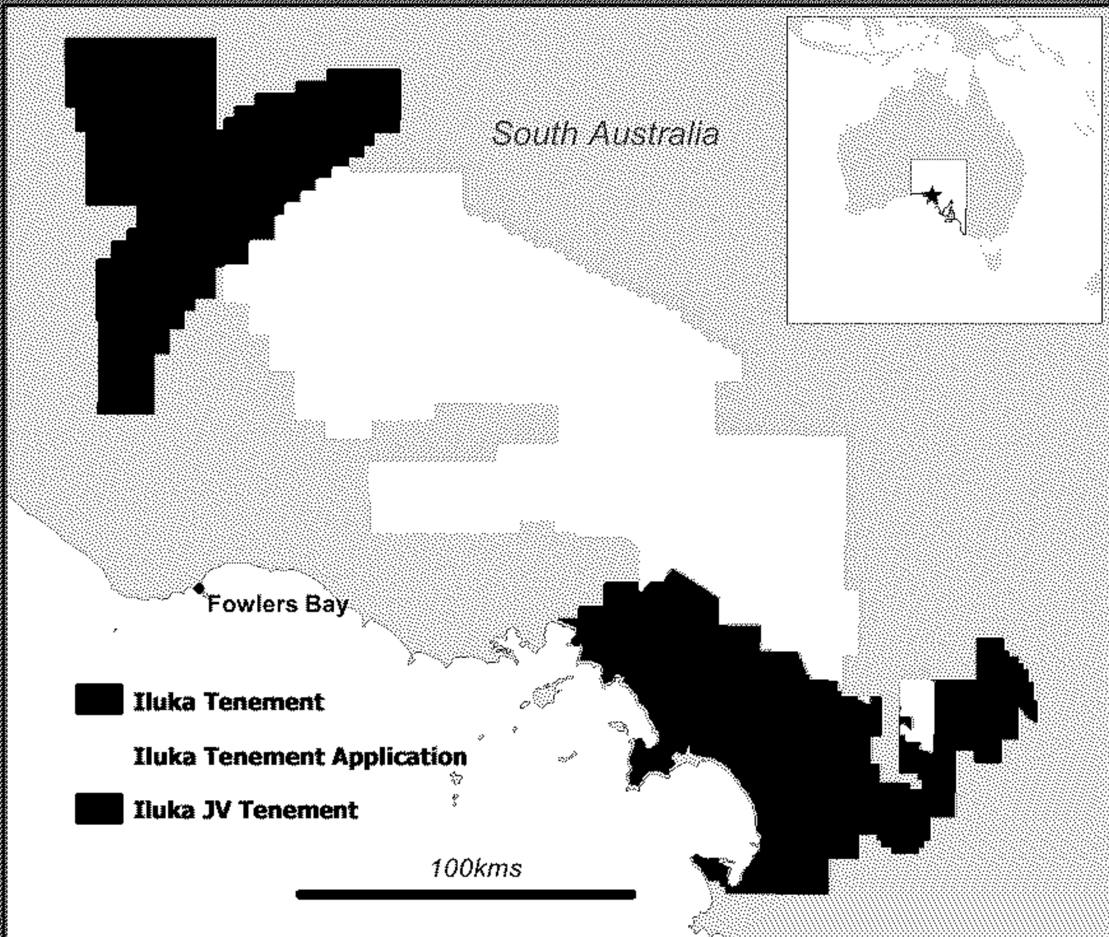
- MW stockpiles includes
  - additional production
  - improved recoveries
- Murray Basin and MW stockpiles provide short-term growth
- Potential for expansion of Murray Basin (e.g. Euston) post 2007 not yet included

Indicative rutile production profile



- Rutile production enhanced from 2005
- Murray Basin more than offsets forecast decline in MW rutile grades
- Potential for expansion of Murray Basin (e.g. Euston) post 2007 not yet included

Iluka's position in the Eucla Basin



- Current exploration activities include
  - Drilling at granted tenements on Eyre Peninsula (pink)
  - Tenement applications in progress (green)
  - Joint venture with Adelaide Resources (blue)
- All tenements identified as prospective for HM deposits

Development of High-grade SR Technology

- New high-grade SR technology defined
  - no showstoppers identified by independent technical review
- Feed guaranteed by Murray Basin development
  - test work completed on Murray Basin ilmenite
- Potential sales profile aligned with production ~ 2008
- Site selection
  - narrowed down to 3 possible sites
  - all commercially feasible
- Next steps
  - select site/ finalise commercial issues
  - conduct site specific DFS

Concluding comments

- Iluka has delivered or made substantial progress on its commitments to date
- Performance of the existing business has been improved through
  - cost reductions
  - additional market share from development projects and incremental production gains, and
  - operational profitability improvements
- Initial Murray Basin development will provide growth in the short-medium term through increased R & Z production
- Longer-term growth options being firmed up - includes potential developments such as Euston, USA expansions, the Eucla Basin and high-grade SR technology