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Bank of America Merrill
Lynch Conference,
Barcelona

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17 May 2017

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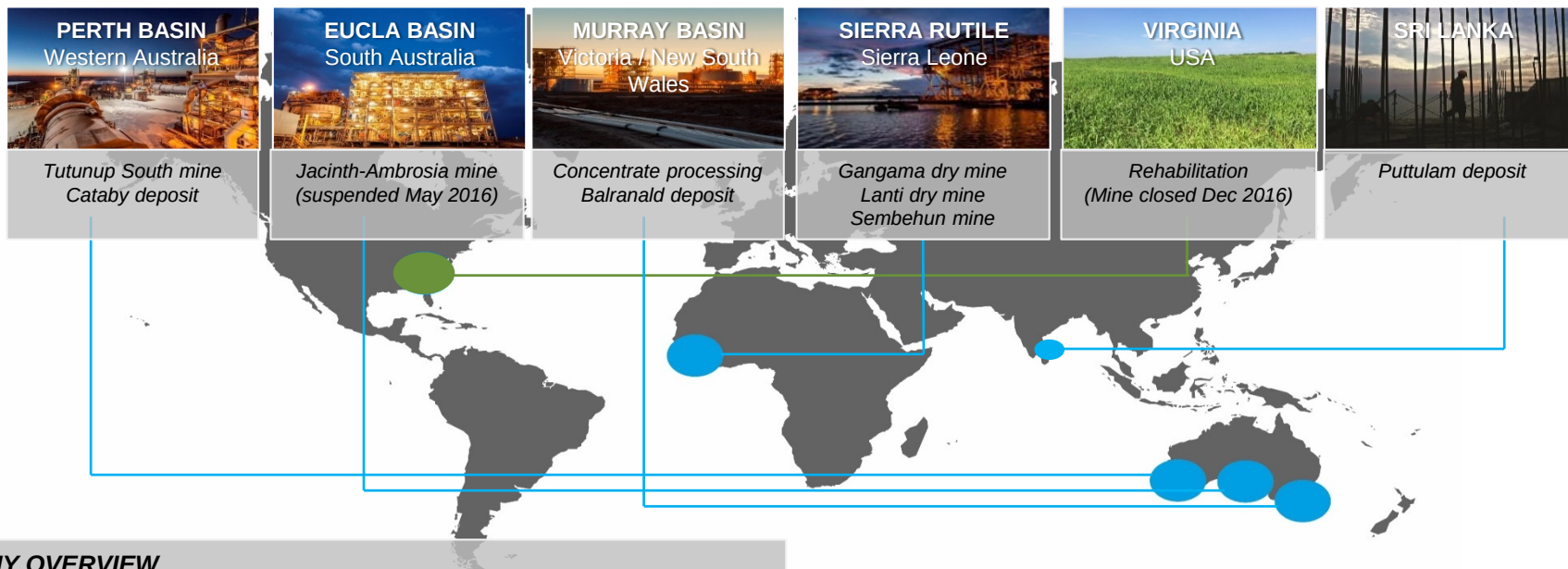
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This presentation constitutes a summary of Iluka’s financial performance and should be read in conjunction with the Iluka Resources Limited Annual Report – 31 December 2016, which contains financial statements and consolidated financial statements of the group.

Iluka's Mineral Sands Portfolio



COMPANY OVERVIEW

Largest producer of zircon

Third largest producer of titanium dioxide feedstocks

Recent acquisition of Sierra Rutile Ltd

Combined Iluka and Sierra Rutile Ltd revenue of ~\$800m in 2016

Average operating margin over 35 per cent over last five years

Returned 66% of free cashflow in dividends since 2010 (A\$727m)

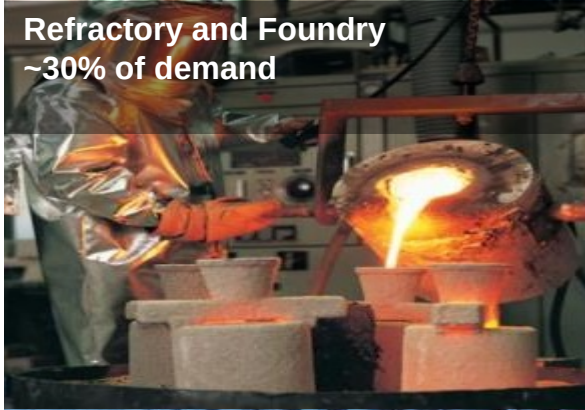
Zircon Applications

Ceramics
~50% of demand



Zircon is opaque, water, chemical and abrasion resistant.

Refractory and Foundry
~30% of demand



Zircon is heat resistant and non-reactive
Uses include steel and glass manufacturing and metal casting.

Zirconia, Zirconium Chemicals and Metal
~20% of demand



Zircon has many unique properties. Uses include fibre optics, electronics, catalytic converters, nuclear fuel rods, cosmetics

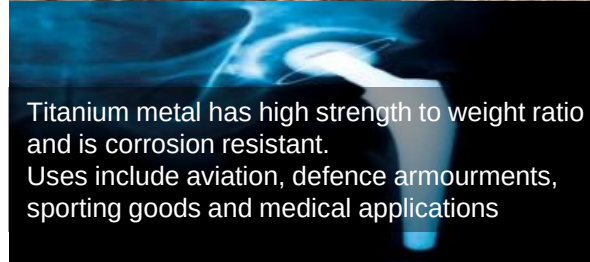
Titanium Applications

Pigment
~90% of demand



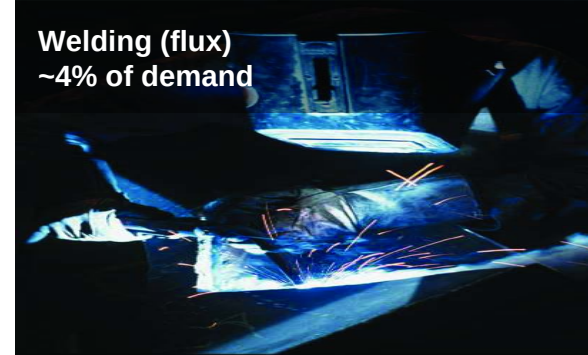
Titanium dioxide pigment is opaque (white), UV resistant and inert.
Uses include paints, plastics, paper and inks

Titanium Metal
~6% of demand

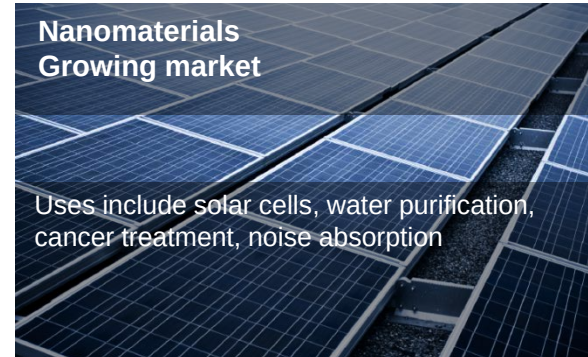


Titanium metal has high strength to weight ratio and is corrosion resistant.
Uses include aviation, defence armourments, sporting goods and medical applications

Welding (flux)
~4% of demand



Nanomaterials
Growing market



Uses include solar cells, water purification, cancer treatment, noise absorption

Iluka's Approach

CREATE AND DELIVER VALUE FOR SHAREHOLDERS



Commenced as Managing Director in September 2016

Key aspects of business approach remain unchanged

- flex asset operation in line with market demand
- preserve and advance growth opportunities
- act counter cyclically where appropriate

Focus on disciplined capital allocation

Mineral Sands Industry Dynamics

Short term

- The most positive market conditions in five years
 - 131% increase in Z/R/SR sales volumes in Q1 2017, period on period.
 - US\$50/t increase in zircon price achieved in Q1 2017
 - Rutile price rise of up to 4 per cent in first half of 2017
- Iluka well positioned to benefit

Medium and longer term

- Robust demand fundamentals
- Titanium and zircon strongly linked to improving living standards in developing economies
- Quality internal project options

2017 Zircon Market

- Iluka estimates supply and demand now broadly balanced
- Strong initial 2017 volumes
- Evidence of downstream restocking from depleted levels
- Minimal inventories held by competitors
- Implemented a US\$50/tonne price increase from 15 February
 - further price appreciation in spot market
- Shift to premium zircon products
- Decision on Jacinth-Ambrosia zircon mine restart by end of year
 - suspended April 2016 to allow drawdown of inventories

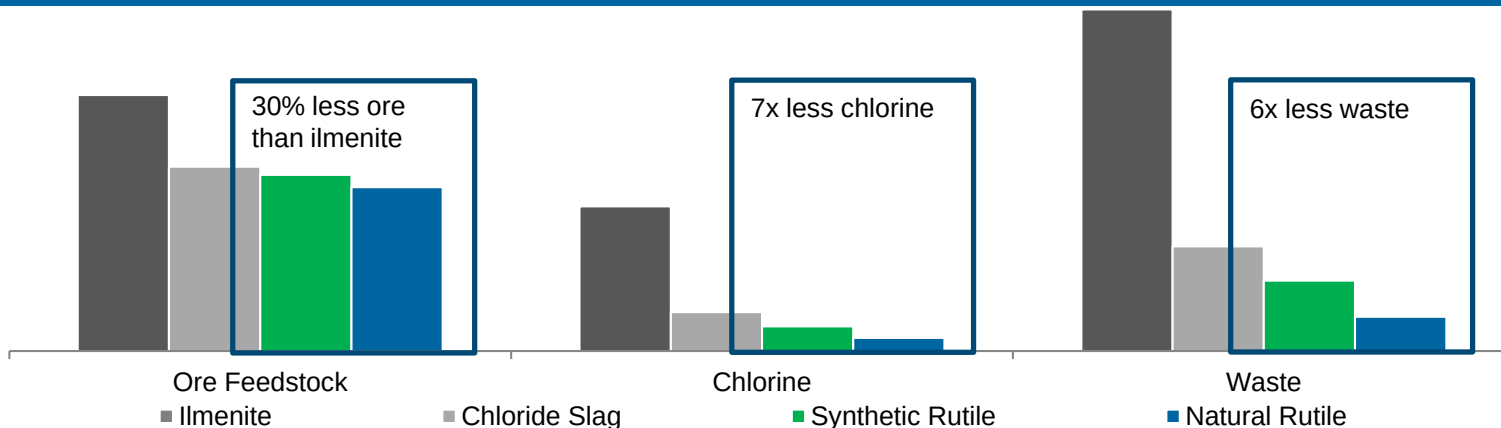
2017 Titanium Feedstock Market

- Pigment market enters 2017 with favourable conditions
 - historically low pigment inventories;
 - industry wide pigment plant utilisation rates increasing; and
 - multiple pigment price increases.
- External events compounding inventory tightness
- Iluka rutile price rise of up to 4 per cent in first half of 2017
- Deliberately contracted first half only (where able)
 - greater exposure to upside

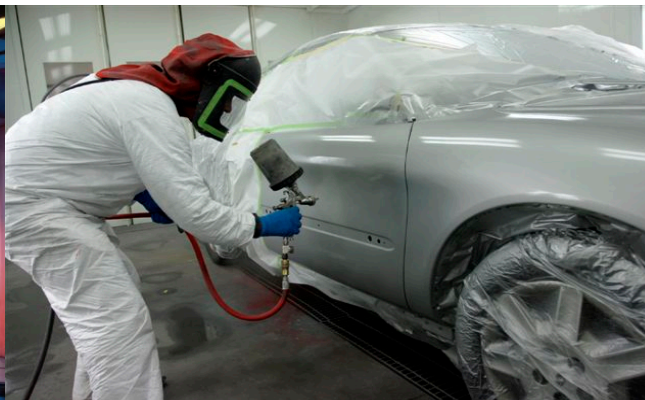
High Grade Titanium Feedstock Advantage

- Natural and synthetic rutile have a higher titanium grade than other feedstocks
- Advantages in pigment production:
 - lower ore tonnes required;
 - lower chlorine input cost; and
 - lower waste generation (environmental and cost benefits)
- High 'value in use' for Iluka's main products

Input and outputs based on feedstock of pigment plant, per tonne of pigment



Robust Demand Fundamentals



Consumption based growth

Rising income and living standards linked to higher per capita demand of zircon and titanium bearing products:

- Household interior fit out
- Cars
- Whitegoods
- Plastics
- Paper

Array of applications

Unique properties used in:

- Solar cells
- Air and water purification
- Noise absorption
- Medical implants
- Nanotechnologies
- Aeronautics and military
- Vehicle exhaust systems
- Sporting equipment

Urbanisation

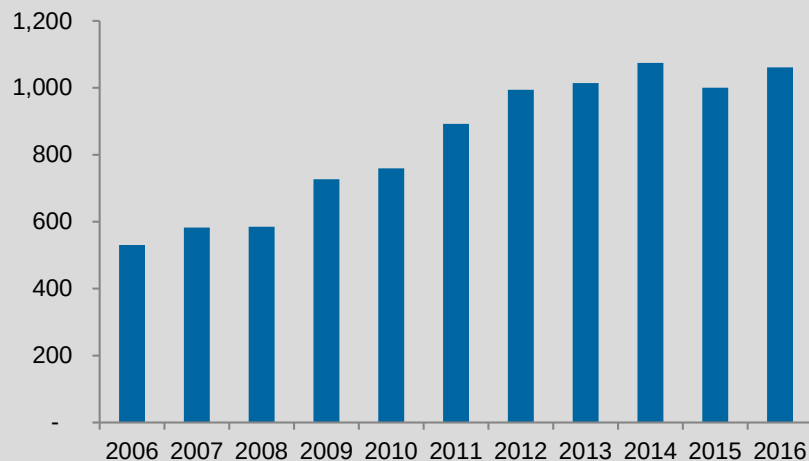
- Mid to late cycle demand characteristics
- Urban floor space growth
- High propensity for tile floor coverings in developing regions

Urbanisation and Tile Use

Increasing floor space in China and other developing regions.

China Floor Space Completed

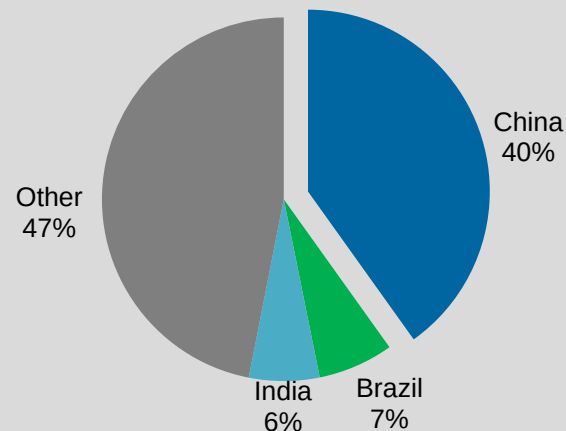
Million sqm



Source: CEIC

Tile use highest in China and other developing regions.

Global Tile Consumption, 2015



Source: Ceramic World Review

Business Review

Comprehensive review of business and improvements implemented

- 2017 non-production costs down \$70 million from 2016:
 - reduced exploration activity and research and development; and
 - lower corporate overheads
- Detailed review of existing production portfolio and projects
- Ore reserves adjustment in line with mine plan
 - assessment of feasibility, attraction, timing of expansion projects



Jacynth Ambrosia mine South Australia

Transaction Summary

- Iluka acquired Sierra Rutile Limited in December 2016
- Transaction cost of \$389 million plus assumed \$80 million of net debt
- Counter cyclical investment - consistent with Iluka approach

Operations

- High quality producer
- Large, long life asset - 20 year mine life modelled
- Operational improvements and expansion options identified prior to acquisition and key value drivers
- Enhances high grade titanium market position
- Increased portfolio flexibility



Sierra Rutile Limited

Sierra Rutile Projects

Operational improvement and expansion projects expected to:

- increase production;
- materially improve unit costs; and
- ensure a robust margin through the cycle.

Operational improvements:

- Revised mining method to increase throughput
- Mineral separation plant capacity expansion

Expansion options:

- Gangama and Lanti dry mine expansions: from 500tph to 1,000tph at each mine, definitive feasibility studies underway 1H 2017
- Sembehun dry mine development: new 1,000tph mine, pre-feasibility study commencing mid-2017



Bucket dredge, Sierra Rutile

Australian Mineral Sands Projects

CATABY, PERTH BASIN, WESTERN AUSTRALIA



- High quality chloride ilmenite deposit
 - material zircon / rutile co-product credits
- Supports ongoing synthetic rutile production
- Utilisation of existing assets
- Capex \$250m - \$275m
- Execute decision subject to contractual underpinning

BALRANALD, MURRAY BASIN, VICTORIA

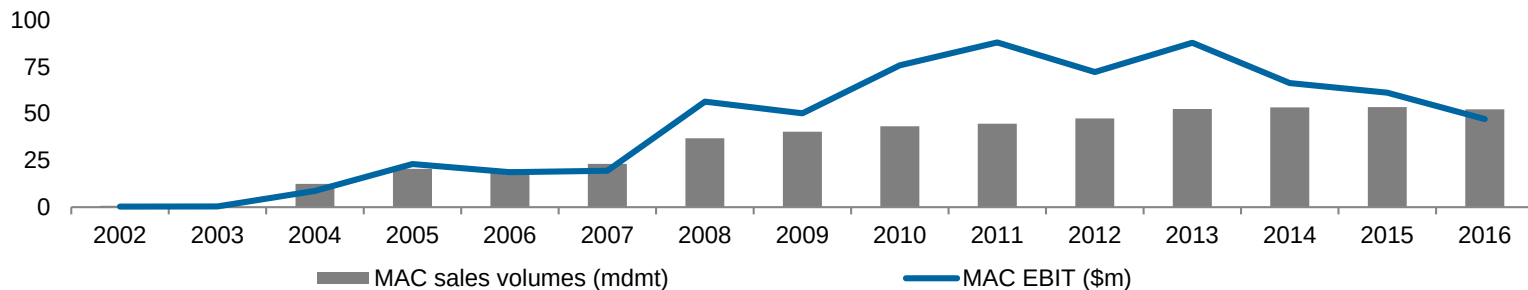


- High grade deposit / rich assemblage
- Material source of global rutile and zircon supply
 - large ilmenite co-product stream
- Evaluating new underground mining technology

Mining Area C Royalty Asset

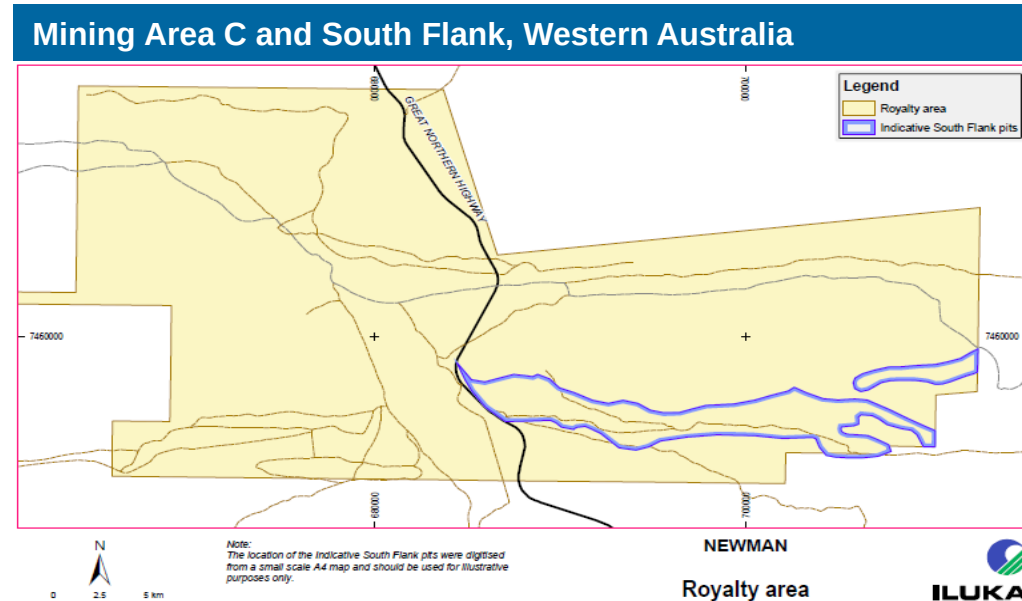
- Mining Area C is a large iron ore mining area in Pilbara region, Western Australia
- High quality, low risk asset, operated by BHP Billiton
- Iluka royalty stream paid as:
 - 1.232% of Australian denominated revenue from royalty area; and
 - one-off payment of A\$1 million per million tonne increase in annual capacity
- Total contribution of over \$680 million since mining began

Mining Area C Sales Volumes and Iluka EBIT Contribution



Mining Area C – South Flank

- Preliminary assessment indicates BHP South Flank contained in Mining Area C royalty area
- BHP expects Yandi deposits to be depleted in 5 to 10 years
- South Flank is BHP's preferred replacement for Yandi production
- Yandi currently produces 80 Mtpa



2017 Areas of Focus

- Operate safely and in a sustainable manner
- Sierra Rutile integration & expansion projects
- Sustainable Business Review – focus on cost reduction and productivity
- Strong free cash flows applied to debt reduction post Sierra Rutile acquisition
- Marketing contracts to underpin Cataby development

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