



ILUKA

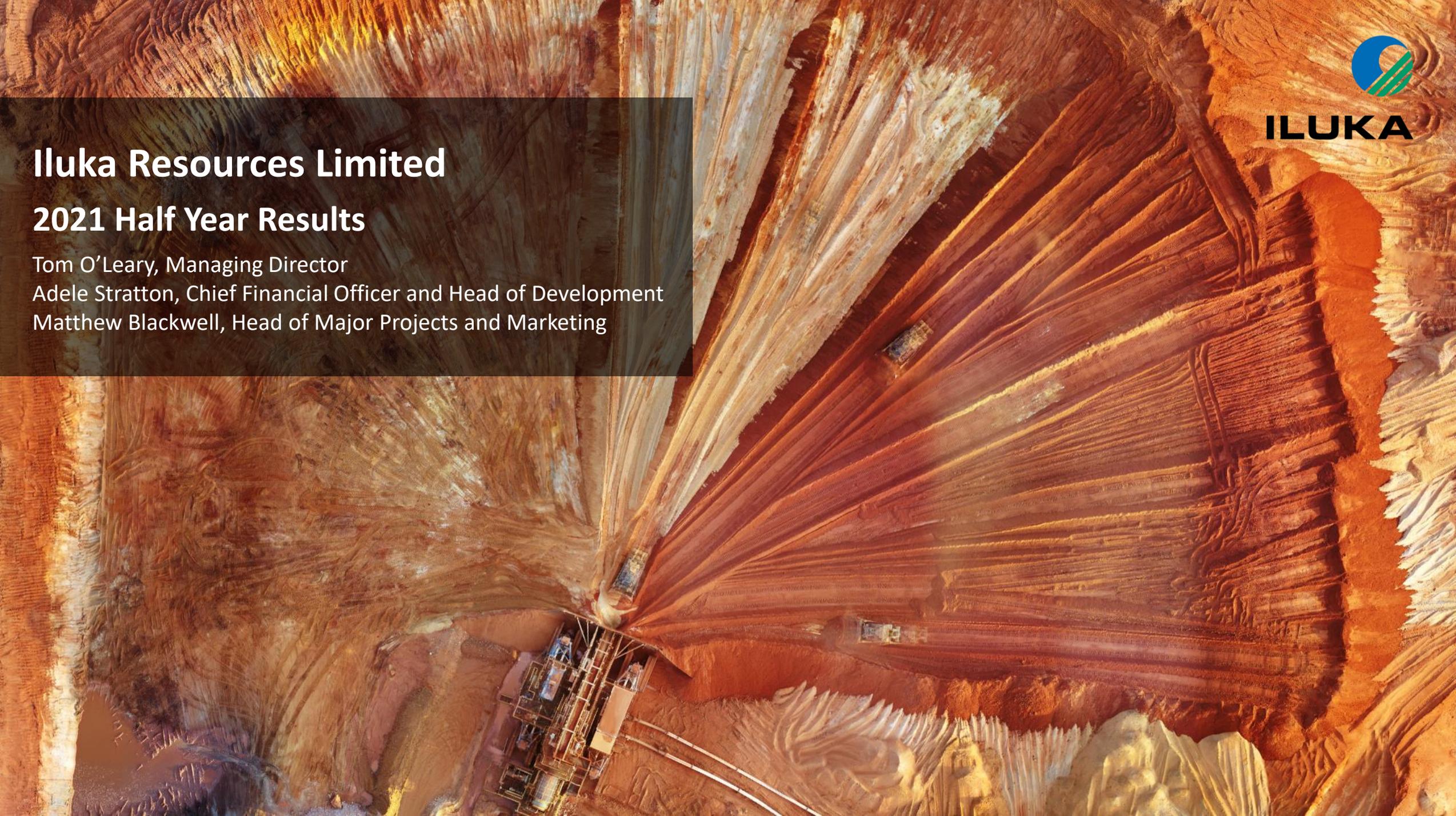
Iluka Resources Limited

2021 Half Year Results

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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.

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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 previously announced to ASX on 25 February 2021 in 2020 Annual Report, on 18 February 2020 in Eneabba Mineral Sands Recovery Project Ore Reserve Estimate, 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.

Key pillars of Iluka's sustainability approach

Health and safety

Our people

Our communities

Environmental stewardship

Governance and integrity

Value creation



Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA



FTSE4Good

1.7 TRIFR
(H1 2020: 3.2)
(Total Recordable Injury Frequency Rate)

43%
female representation
Executive and Board

MSCI
ESG RATINGS **A**

CCC	B	BB	BBB	A	AA	AAA
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26%
Indigenous employment at
Jacinth-Ambrosia

319ha
rehabilitated in H1 2021

BRONZE
2021
ecovadis
Sustainability
Rating

**Inaugural
Modern Slavery
Statement**

Zero
major (level 5)
environmental incidents

<p>Strong earnings in recovering market</p>	<ul style="list-style-type: none"> • Mineral sands EBITDA \$299 million, up 69% from H1 2020 (\$177 million) • NPAT \$129 million, up 14% from H1 2020 (\$113 million) • Reflects robust demand and constrained industry supply • Dividend of 12 cps, fully franked
<p>Improved margins</p>	<ul style="list-style-type: none"> • Mineral sands EBITDA margin 41%, up from 39% in H1 2020 • Margins supported by price increases <ul style="list-style-type: none"> – zircon price increased US\$70/t in Q2 with an additional US\$125/t increase effective 1 July
<p>Deterra Royalties</p>	<ul style="list-style-type: none"> • Earnings of \$9 million from 20% stake (demerged H2 2020) • BHP announced first production at South Flank iron ore mine in May <ul style="list-style-type: none"> – South Flank production included in Deterra’s cornerstone asset – the MAC royalty
<p>Return to maximum operational settings</p>	<ul style="list-style-type: none"> • Synthetic rutile kiln 2 at Capel returned to full production in Q2, following its idling in Q1 to reduce stocks • Narngulu mineral separation plant returned to full capacity in Q1, processing Cataby and Jacinth-Ambrosia material
<p>Development pipeline progress</p>	<p>Mineral sands</p> <ul style="list-style-type: none"> • SR1 (execute decision); Balranald (DFS decision); Wimmera (larger-scale pilot to be commissioned H2 2021) <p>Rare earths</p> <ul style="list-style-type: none"> • Eneabba Phase 2 under construction – site works progressing; completion H1 2022 • Phase 3 (a fully integrated rare earths refinery) <ul style="list-style-type: none"> – most work scheduled for completion end of 2021 – finalisation of feasibility study early 2022 • Letter of support from the Australian Government (disclosed to market); engagement progressing
<p>Strong balance sheet maintained</p>	<ul style="list-style-type: none"> • Net cash of \$220 million at 30 June 2021 (\$50 million at 31 December 2020) • Significant funding headroom with total facilities of \$505 million



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Financial results



\$299m
Mineral Sands EBITDA
 (\$177m H1 2020)

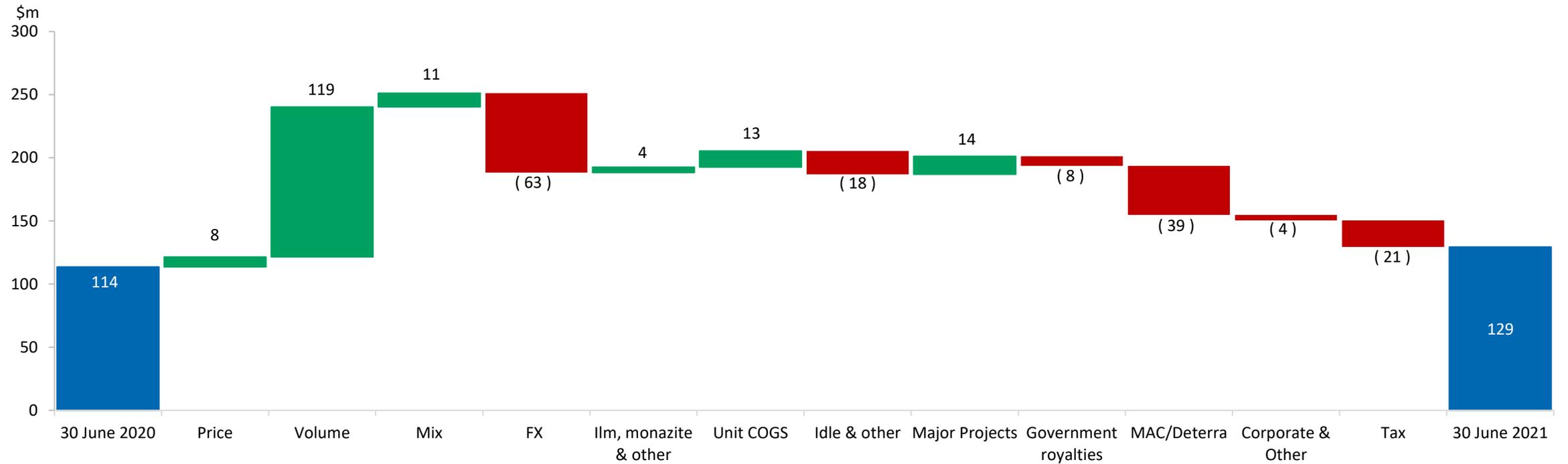
\$129m
NPAT
 (\$113m H1 2020)

12cps
Dividend, fully franked

	Units	H1 2021	H1 2020	% Change	
Z/R/SR Production	kt	300.7	287.8	4	▲
Z/R/SR Sales	kt	457.6	241.6	89	▲
Mineral sands revenue	\$m	735.6	456.6	61	▲
Mineral sands EBITDA	\$m	299.2	177.1	69	▲
Mineral sands EBITDA margin	%	40.7	38.8	5	▲
MAC EBITDA/share of profit in associate	\$m	9.0	48.0	n/a	
Underlying Group EBITDA ¹	\$m	308.2	225.1	37	▲
Profit for the period (NPAT)	\$m	129.0	113.2	14	▲
Operating cash flow	\$m	306.4	96.7	217	▲
Free cash flow ²	\$m	179.3	46.2	288	▲
Dividend – fully franked	cps	12.0	-	n/a	▲
		At 30 Jun 2021	At 31 Dec 2020		
Net (debt) cash	\$m	220.1	50.2	338	▲
Gearing ratio ³	%	n/a	n/a	n/a	

1. Underlying group EBITDA excludes non-recurring adjustments including impairments and changes to rehabilitation provisions for closed sites which are non-cash in nature.
2. Free Cash Flow is determined as cash flow before refinance costs, proceeds/repayment of borrowings and dividends paid in the year. Free cash flow includes the proceeds received from IFC for their stake in Sierra Rutile.
3. Gearing ratio = Net debt / net debt + equity

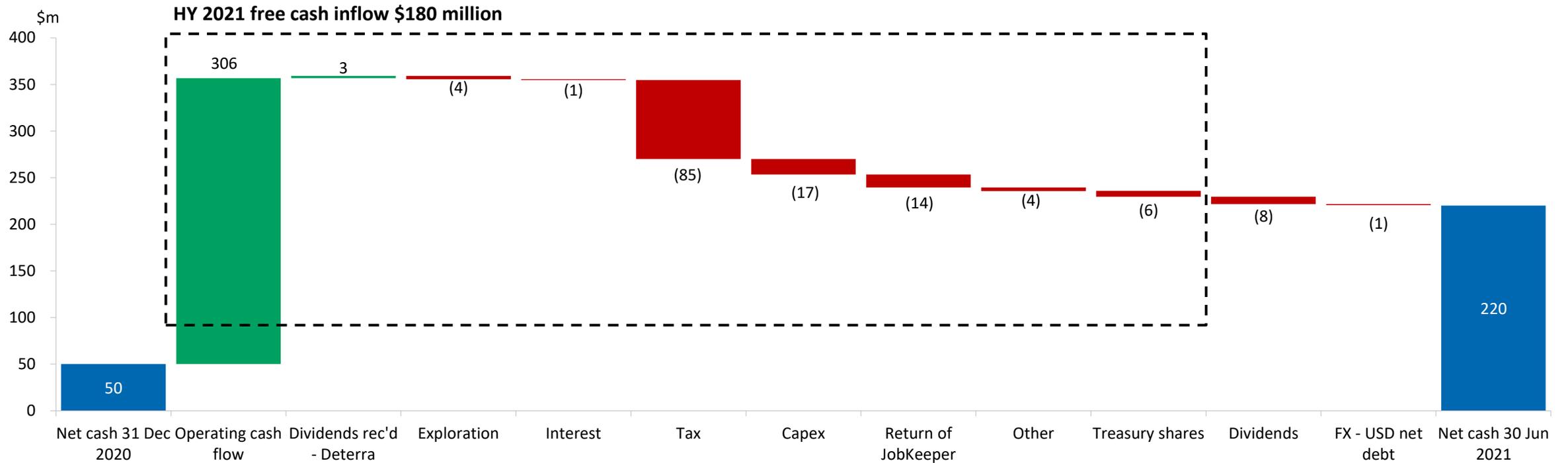
NPAT – H1 2021 versus H1 2020



Features

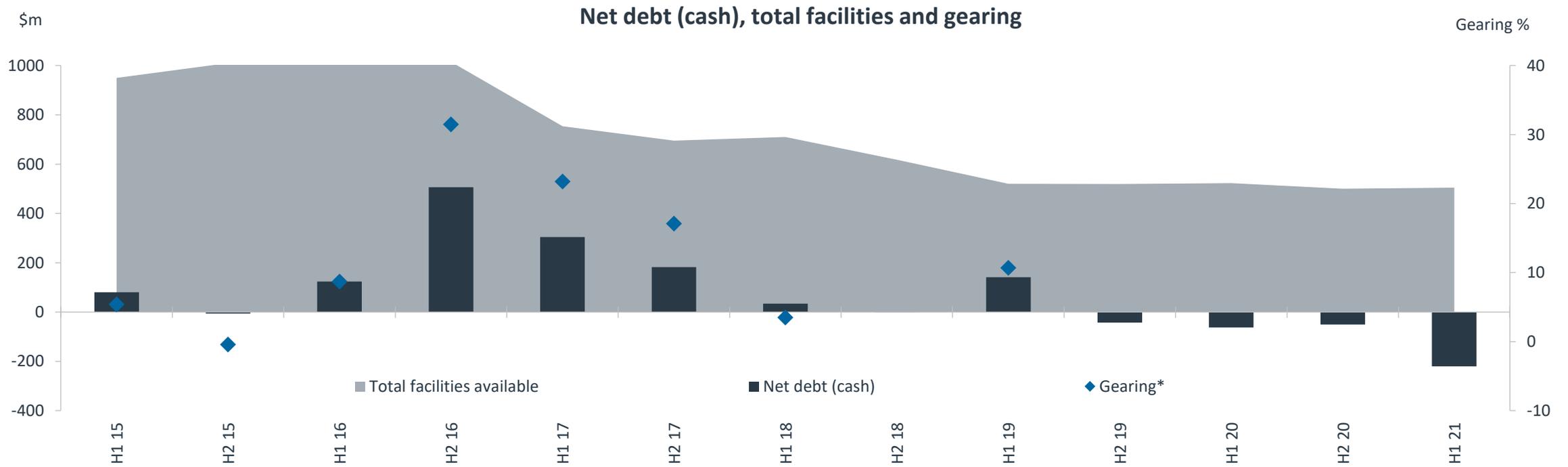
- Increased sales volumes reflect return to pre-pandemic levels of demand
- Higher US\$ exchange rate (77.2 cents versus 65.8 cents in H1 2020) impacted revenue negatively
- Lower unit cost of goods reflecting sales mix to lower cost products
- Lower earnings contribution from MAC royalty following the demerger in H2 2020 – Iluka retains a 20% stake in Deterra Royalties

Net Cash – 31 December 2020 to 30 June 2021



Features

- Increase in net cash driven by strong operating cash flow
- Disciplined capital allocation to progress development studies, including modest capital expenditure of \$17 million
 - \$7 million included in operating cash flow associated with research and development work on early-stage studies
- Received interim dividend from Deterra Royalties with Deterra paying 100% of NPAT for the two months it was demerged in 2020
- Repaid Australian Government JobKeeper subsidy



Net Debt, gearing and funding headroom

- Improved net cash position of \$220 million
- Significant funding headroom with \$451 million of undrawn facilities

Multi Option Facility Agreement (MOFA)

- Total facilities \$505 million
- Maturity July 2024

* Net debt / net debt + equity



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Mineral sands markets





Result

- H1 2021 sales 177kt (H1 2020: 78kt)
 - Q2 sales of 91kt (+70% YoY) after Q1 sales of 87kt (247% YoY)
- Demand in key markets reflecting a return to pre-pandemic production levels

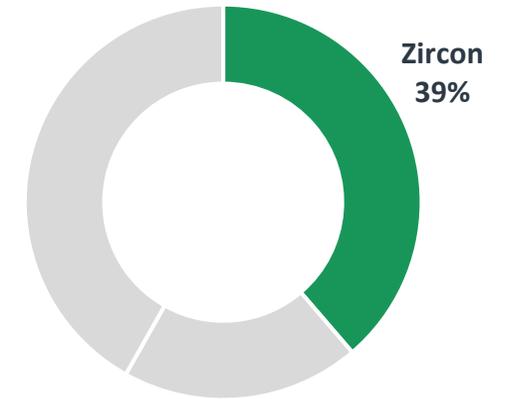
Pricing

- H1 2021 weighted average received zircon (premium and standard) price US\$1,321/t, up 2% from H2 2020
- US\$70/t price increase in Q2 with a further US\$125/t increase effective 1 July
 - continued focus on delivering sustainable pricing

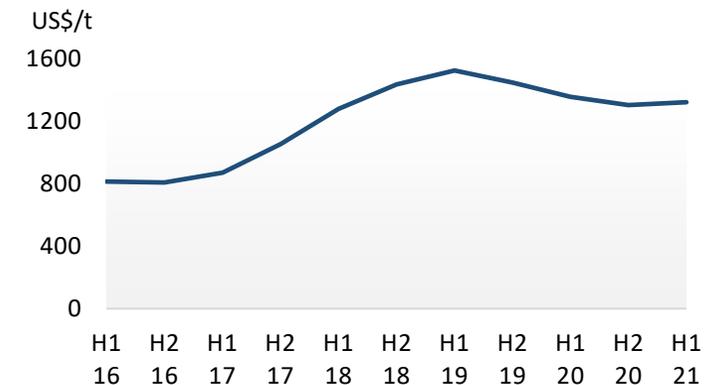
Supply/demand

- Chinese tile production returned to pre-pandemic levels and tile production lines in Spain, Italy, Brazil and Turkey operating at 90% capacity
- Fused zirconia market experiencing favorable conditions, with demand for refractory from domestic glass producers driven by photovoltaic industry
- India's second wave of COVID-19 stalling plans of ceramic tile producers looking to commence production at several newly constructed plants
- Customer inventories remain low, with industry supply constrained

H1 2021 Z/R/SR sales revenue



Zircon (premium and standard) net realised FOB price US\$/t





Result

- H1 2021 sales of 280kt (H1 2020: 163kt)
- Demand robust, with industry supply concerns ongoing

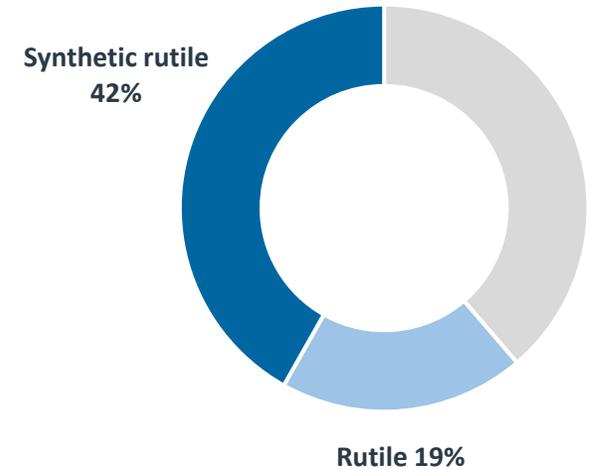
Pricing

- H1 2021 rutile price of US\$1,224/t, up 2% from H2 2020
 - majority of H1 sales under existing contractual pricing arrangements

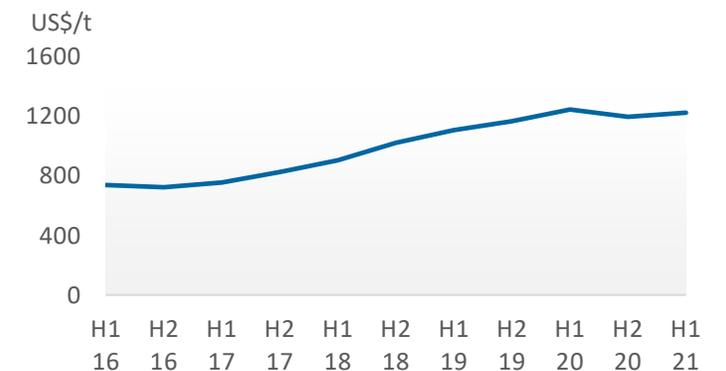
Supply/demand

- Strong demand in H1 increasing with customers seeking additional volumes of high-grade feedstocks and running assets to maximise throughput
- Chlorine supply constrained late in Q2 following outages caused by the US winter storm season
- Pigment inventory levels remain low, with pigment producers seeking additional feedstock volumes ahead of potential supply disruptions
- Announcement of a potential suspension at Sierra Rutile, coupled with violence at a major feedstock producer in South Africa, creating concern around future supply of feedstocks
- Feedstock supplies for H2 fully committed, with requests to pull forward 2022 contracted volume received

H1 2021 Z/R/SR sales revenue



Rutile net realised FOB price US\$/t



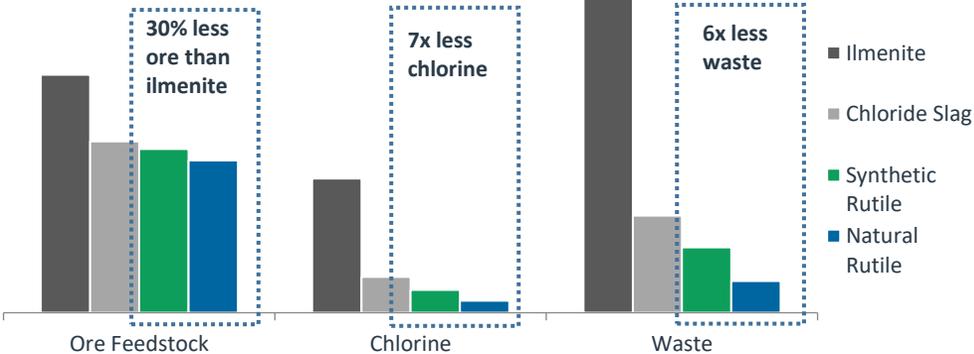
High grade feedstocks essential to pigment and welding industries

- Used to increase capacity utilisation of pigment plants and an essential input to the blend of feedstocks used in the pigment industry
- Less chlorine consumption per unit of pigment output and less waste produced
- Rutile essential for production of electrodes in welding industry
- Long term demand dynamics reflect growing Chinese pigment sector and increasing environmental emphasis

Supply outlook reflects declining existing operations and limited production from new projects

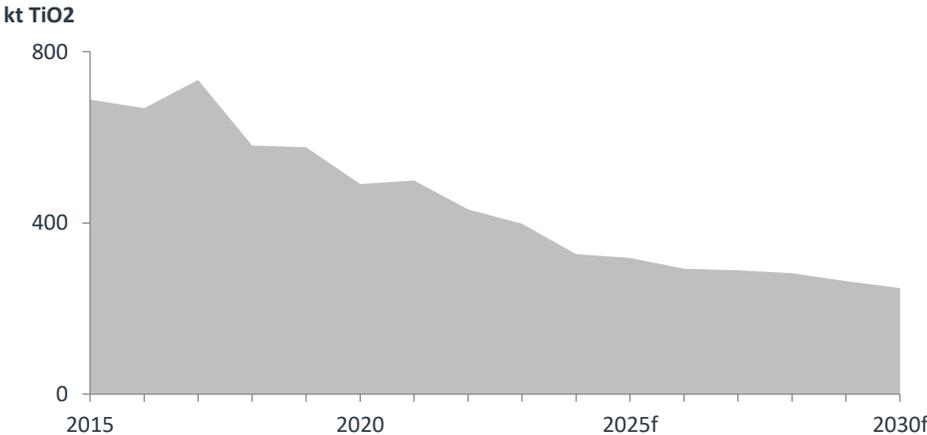
- High grade feedstock from existing producers is declining, largely due to the completion of mining at Sierra Rutile’s Lanti and Gangama operations
- Limited new supply from projects due to
 - high capital cost of building new upgrading facilities
 - low rutile assemblage of new projects
 - increasing jurisdictional risk considerations

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



Source: Iluka

Global rutile supply outlook*



*Current producers only - no new projects.
Source: Iluka



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Operations



J21-013

CONTROL
SYSTEMS TECHNOLOGY
MODEL : M0800-1900
SERIAL NO : 426
EQUIPMENT NO : J21014
CAPACITY : 36 TPH (MAX)

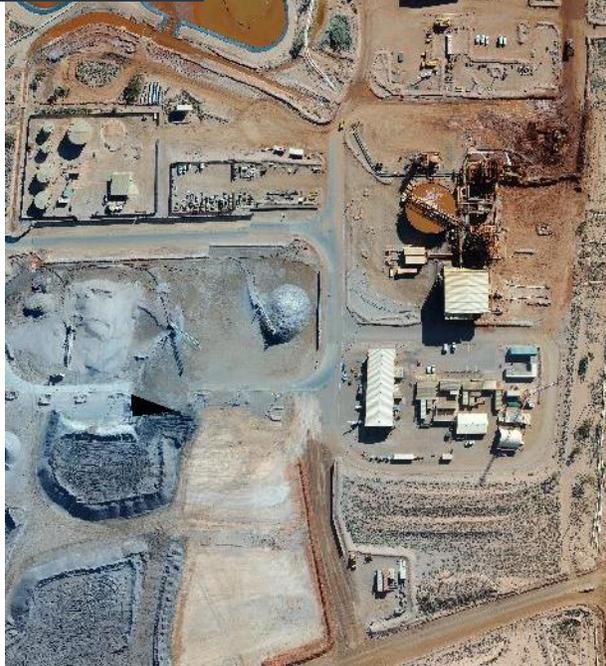
Operations



Cataby / South West



Large chloride ilmenite rich mine, commissioned in 2019. Ilmenite feeds Synthetic Rutile Kiln 2 at Capel, with material zircon and rutile production processed at Narngulu mineral separation plant.



Jacinth-Ambrosia / Mid West



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 (zircon and rutile).



Eneabba



World's highest grade rare earths operation, based on strategic stockpile of monazite. Phase 1 operations began April 2020. Phase 2 under construction (commissioning H1 2022). Feasibility study for Phase 3 – a fully integrated rare earths refinery - scheduled for finalisation early 2022.



Sierra Leone



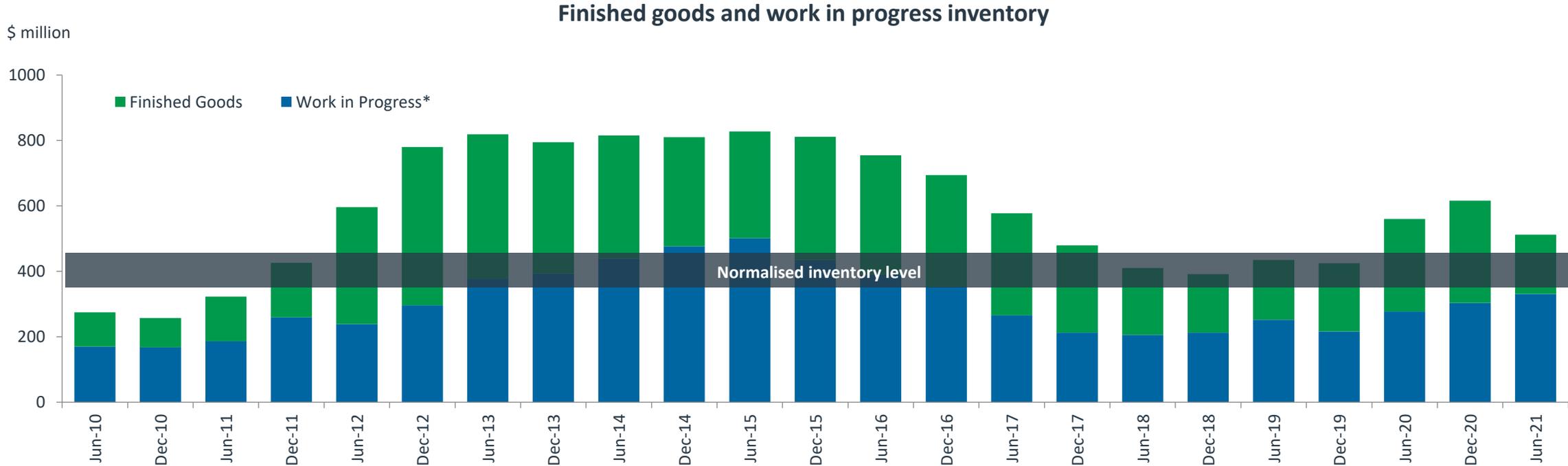
World's largest rutile mine, operating since 1960s. Acquired by Iluka 2016. Notice of intention to suspend operations from end of 2021 issued in May.

Return to maximum settings in H1 2021

- Australian operations returned to maximum settings following decisions in 2020 and early 2021 to manage inventory levels
 - Synthetic Rutile Kiln 2 at Capel returned to full production in Q2 following its idling in Q1
 - Narngulu mineral separation plant returned to full capacity in Q1, processing both Cataby and Jacinth-Ambrosia material

Decrease in inventory reflects strong mineral sands demand conditions and normalisation of synthetic rutile inventory levels

- H1 2021 synthetic rutile production of 79kt vs sales of 191kt
- Strong balance sheet to support inventory position
- Track record of flexing operational settings and inventories in line with market conditions



* Includes ilmenite and consumables



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Projects



The company develops and progressively gates projects towards execution subject to: improving confidence and satisfaction with the risk-return attributes; continued strategic alignment; and 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		Euston	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		Sembahun			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.



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Rare earths





Eneabba Phase 1 operational. Phase 2 under construction. Phase 3 – a fully integrated rare earths refinery – feasibility study progressing



Project overview

The Eneabba development in Western Australia involves the reclaiming, processing and sale of a strategic stockpile high in monazite (a mineral containing rare earth elements) and mineral sands. Eneabba is currently the highest-grade rare earths operation globally

Phase 1 is operational and produces a mixed monazite-zircon concentrate (~20% monazite)

Phase 2 is under construction and will produce two separate concentrates

- ~90% monazite concentrate, suitable as a direct feed to a downstream rare earths refinery
- zircon-ilmenite concentrate to be processed into finished products

Phase 3 – a fully integrated rare earths refinery – is currently the subject of an expedited feasibility study

Recent developments

Phase 2 site works have commenced and upgraded high voltage infrastructure has been commissioned

In May, Iluka received a letter of support from the Australian Government (disclosed to market) setting out the alignment of the company's Phase 3 development plans and the Government's policy objectives regarding critical minerals and modern manufacturing

Engagement with customers, including on quality and volume of Phase 2 product

Outlook for H2 2021

Fabrication of third-party vendor packages for Phase 2 is continuing off-site

Phase 3 engineering, market assessment and studies progressing

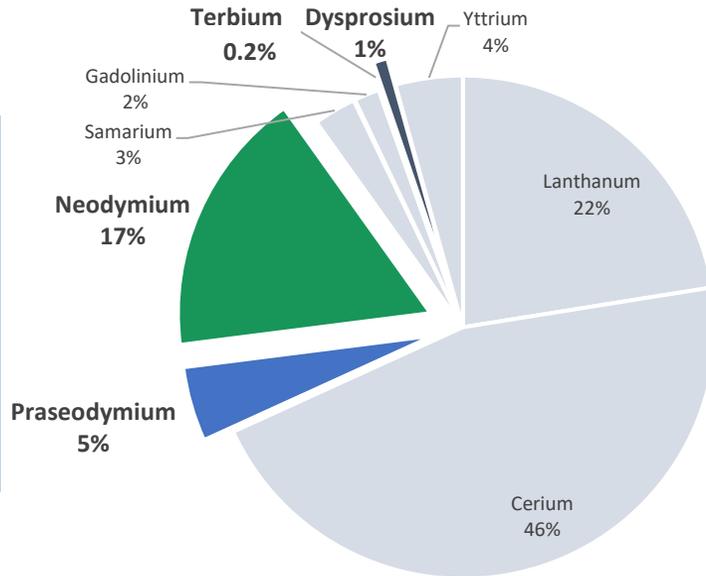
Engagement on risk sharing for Phase 3 ongoing

Eneabba Phase 2 – high value strategic stockpile

Eneabba Phase 2 is a low capital, low operating cost, high return project utilising the Eneabba stockpile, rich in high value rare earths

At August 2021 monazite spot price of US\$7,100/t¹, the NPV of Eneabba Phase 2 cash flows is ~\$770 million²

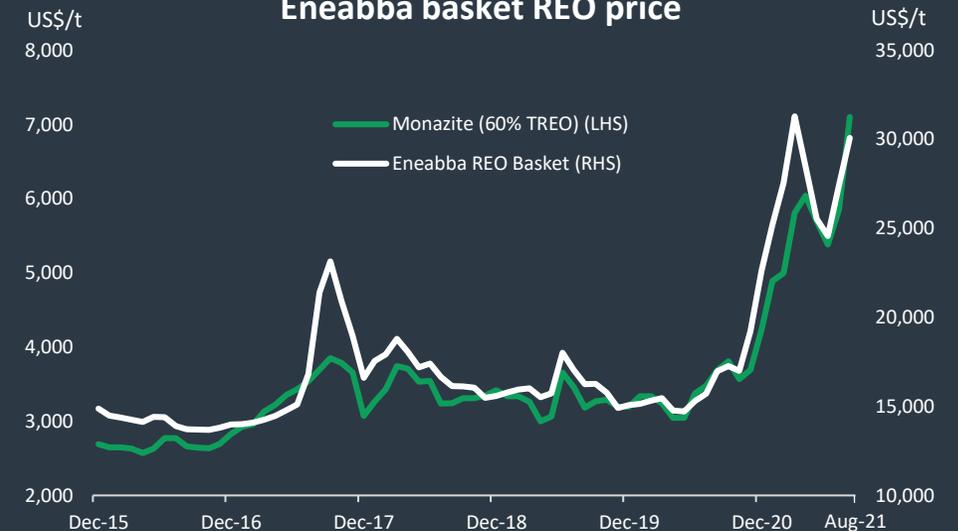
Eneabba stockpile rare earth assemblage



Stockpile has a rich assemblage of high value rare earth elements essential to renewable energy technologies – **neodymium, praseodymium, terbium, dysprosium**

Key project parameters	Eneabba Phase 2
Capex	~\$35 million
Average cash costs ³	~\$35-40 million p.a.
Payback period	<1 year
Average production ³	~22ktpa 90% monazite concentrate
Construction completion	H1 2022
Phase 2 Eneabba Stockpile Reserve life	~8 years ⁴
Pricing	Under negotiation with customers, product may be retained for Eneabba Rare Earths Refinery

Monazite price (60% TREO) and Eneabba basket REO price



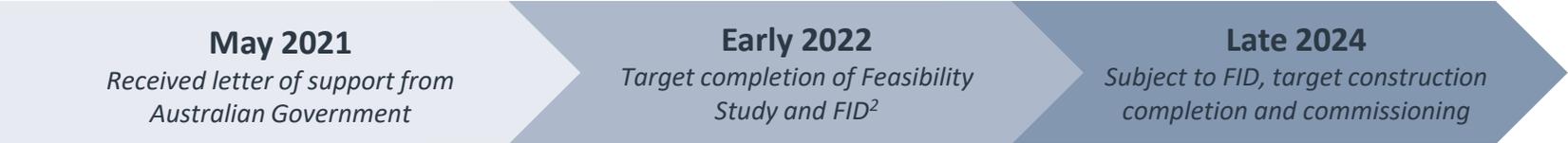
Source: Ferro Alloy Net, Argus, SMM

1. Spot monazite price converted from CNY to USD at spot FX rate of 0.154.
2. NPV of nominal, after tax cashflows at 10% discount rate and AUD:USD FX rate of 0.75. Includes revenues and costs from mineral sands products recovered (at TZMI prices).
3. Average production rates and costs exclude first and last production year. Eneabba Phase 2 capable of producing at higher rates.
4. Based on Ore Reserves set out in ASX release "Eneabba Mineral Sands Recovery Project Ore Reserve Estimate" 18 Feb 2020, available at www.iluka.com, less depletion from Eneabba Phase 1. 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. Excludes replenishment from Jacinth-Ambrosia and Cataby Ore Reserves, which would contribute a further ~2 years of life, and other Iluka mineral resources, which represent further upsides.

Eneabba Phase 3 – a fully integrated rare earths refinery

Iluka is progressing a ~\$20 million feasibility study¹ on Eneabba Phase 3, a fully integrated rare earths refinery. Most work is scheduled for completion by the end of 2021, in advance of finalisation of the feasibility study in early 2022

Delivery timeline



Australian Government letter of support notes

- alignment of the Eneabba Phase 3 development with the Government's critical minerals and modern manufacturing policy objectives
- potential for Export Finance Australia (EFA) to provide financial support to the project, including Iluka seeking a non-recourse loan facility
- capability to process third party rare earth concentrate feedstocks

Current workstreams include

- dedicated project team supported by carefully selected experts/ practitioners within owners team
- technical engineering studies, market assessment and regulatory/ environmental approvals processes being advanced through reputable project partners
- active engagement with EFA to progress the terms of the proposed loan facility

Eneabba rare earths refinery

- ✓ Domestic production of rare earth oxides
- ✓ Advantaged position utilising Iluka's existing Eneabba monazite stockpile
- ✓ If developed, Wimmera would serve as long life rare earth concentrate feed source³

Feasibility study key partners

CARESTER
Your partner for Rare Earths

wood.

Australian Government

ANSTO
Science. Ingenuity. Sustainability.

MBS ENVIRONMENTAL

1. Expenditure from early 2021 to early 2022. Excludes other study expenditure on Wimmera PFS and Eneabba Phases 1 and 2 and early stage technical work with ANSTO (from 2016 to 2020).
2. FID remains subject to feasibility study, the terms of any EFA loan facility and Iluka Board approvals. Any EP3 investment will also be assessed against the advantaged position Iluka currently has in the high value existing monazite stockpile at Eneabba and the potential value of EP2.
3. See slide 26 regarding Wimmera development status.



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Mineral sands



Cataby, Western Australia



A capital efficient, incremental synthetic rutile production response, to deliver increased high grade titanium dioxide feedstock in supply constrained market



Project overview

SR1 kiln is located at Capel, Western Australia, the same site as SR2

SR1 has been on care and maintenance since 2009

Restarting SR1 represents a low capital expenditure, low risk opportunity to produce an additional 110ktpa of synthetic rutile, with speed to market in light of industry supply constraints

Initial SR1 campaign ilmenite feedstock secured from internal and external sources

Parameters

Production rates	~110ktpa synthetic rutile
Capital expenditure	~\$38 million Payback period of < 1 year
Timing	Upgrading feedstock in Q4 2022

Recent developments

Board approval to execute project in August

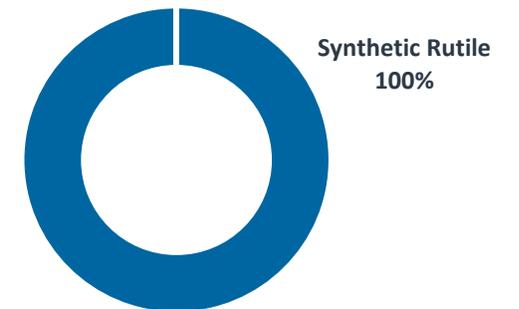
Equipment ordered for refurbishment, engineering for restart complete

Outlook for H2 2021

Verify detailed planning and design of refurbishment scope and commence works

Advance engagement with customers

Indicative annual production mix



SR1 and SR2 kilns and SR2 stack, Capel, Western Australia



Third technology trial completed and confirmed effectiveness of the underground mining method; definitive feasibility study (DFS) approved



Project overview

West Balranald is a rutile-rich deposit in the northern Murray Basin, New South Wales. Owing to their relative depth, Iluka is assessing the potential to develop these deposits via a novel, internally developed, underground mining technology

Recent developments

\$23 million DFS funding approved by Board in August

Iluka completed the third trial (T3) of the underground mining method in late 2020. The trial confirmed the effectiveness of the underground mining method and validated key elements of the mining unit design. Growing confidence in the application of the underground technology was a key factor in DFS decision

Outlook for H2 2021

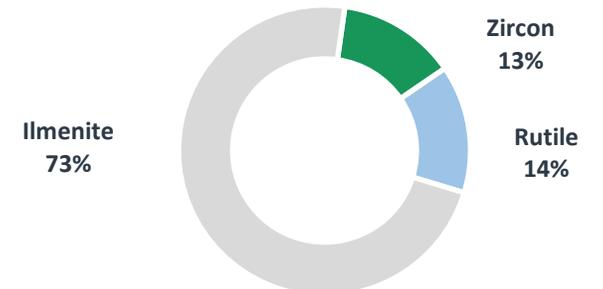
Awarding of DFS engineering contracts

Engagement with local stakeholders

DFS parameters and basis of design

Production rate	Iluka aims for each mining unit to produce ~180-200ktpa HMC per unit ^{1,2}
Mine life	Anticipated to be 8-14 years (pending production scale-up time) ^{1,2}
Capex	DFS to determine capex requirements in advance of any execute decision
Timing	FID H2 2022 Potential commissioning 2024

Resource assemblage (VHM)



- HMC production subject to study outcomes, mine plan and HM grade.
- The Mineral Resource for West Balranald has been previously announced to the ASX on 20 February 2017 in the announcement "Updated Mineral Resource and Ore Reserve Statement". 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 has not materially changed.



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



Project overview

The Wimmera project involves the mining and beneficiation of a fine grained heavy mineral sands ore body in the Victorian Murray Basin for the potential long-term supply of zircon and rare earths

One characteristic shared by the fine-grained mineral sands deposits located in Western Victoria (those held by Iluka and other project proponents) is higher levels of impurities in their zircon. Absent a processing solution to remove these impurities, the zircon is ineligible for sale into the ceramics market

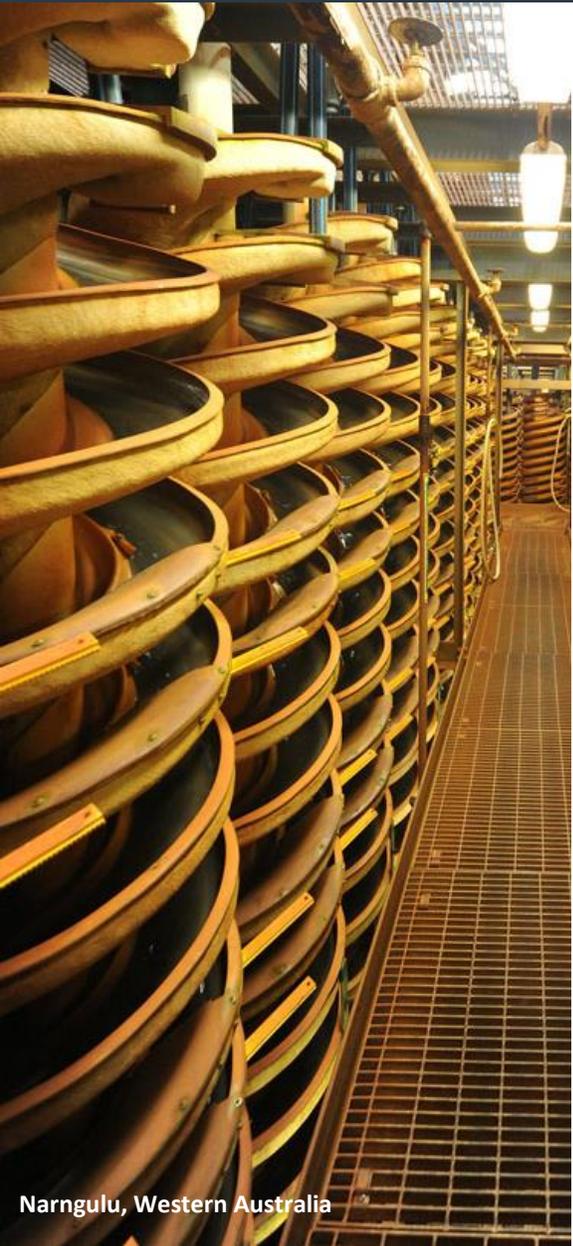
The rare-earth bearing minerals within the Wimmera deposit are very similar to Iluka's stockpiled minerals at Eneabba (though slightly higher in the heavier rare earths dysprosium and terbium); and would supplement feed to the company's potential downstream refining activities at Eneabba in future years

Recent developments

Iluka's study work for Wimmera is focussed on testing and validating the novel zircon processing solution, the results of which continue to be pleasing. The company is also progressing baseline environmental studies

Outlook for H2 2021

Equipment to pilot the zircon processing solution on a larger scale is expected to be commissioned in Q4 2021. The processing of Wimmera's rare earth minerals through a potential Eneabba refinery would simplify the Wimmera development



Iluka is positioned to lead in the response to market and industry conditions by deploying its operations, product suite and development pipeline

H1 key features

- End markets returned to pre-pandemic levels of consumption; increased prices drove growth in earnings and NPAT
- Strong earnings and improved net cash position, with significant funding headroom
- Important progress throughout development pipeline – mineral sands and rare earths
- Dividend of 12 cps, fully franked, declared

H2 areas of focus

- Zircon – security of supply to key accounts and balancing sustainable pricing outcomes with reinvestment
- High grade feedstocks – Iluka positioned to respond to industry supply challenges over nearer and longer term
- Rare earths – feasibility study for Eneabba Phase 3 – a fully integrated rare earths refinery – to be finalised in early 2022



ILUKA

Supplementary information



Narngulu, Western Australia

Production and Sales Volumes, Revenue and Cash Costs

	H1 21	H1 20	% change
Production			
Zircon kt	141.9	92.2	53.9
Rutile kt	79.9	84.0	(4.9)
Synthetic rutile kt	78.9	111.6	(29.3)
Total Z/R/SR production kt	300.7	287.8	4.5
Ilmenite – saleable and upgradeable kt	235.3	215.4	9.2
Monazite concentrate	26.2	9.7	170.1
Total production volume kt	562.2	512.9	9.6
Heavy mineral concentrate produced kt	501	601	(16.7)
Heavy mineral concentrate processed kt	562	520	8.2
Sales			
Zircon kt	177.2	78.4	126.0
Rutile kt	89.0	74.7	19.1
Synthetic rutile kt	191.4	88.5	116.3
Total Z/R/SR kt	457.6	241.6	89.4
Ilmenite kt	130.4	107.1	21.8
Monazite concentrate	20.7	10.0	107.0
Total sales volumes kt	608.7	358.7	69.7
Revenue and Cash Costs			
Mineral sands revenue ¹ \$m	735.6	456.6	61.1
Total cash cost of production \$m	253.4	293.2	13.6
Unit cash production cost per tonne of Z/R/SR produced ² \$/t	805	983	18.1
Unit cost of goods sold per tonne of Z/R/SR sold \$/t	915	961	4.8
Revenue per tonne of Z/R/SR sold \$/t	1,486	1,689	(12.0)

1. Includes revenues derived from other materials not included in production volumes, including activated carbon products and iron concentrate. Iluka receives a royalty payment from its Mining Area C iron ore royalty. This is not reported as part of quarterly reports but is disclosed in the financial statements.

2. Excludes ilmenite and by-products.

Weighted average received prices			
	H1 20	H2 20	H1 21
<i>US\$/tonne FOB</i>			
Zircon Premium and Standard	1,354	1,301	1,321
Zircon (all products, including zircon in concentrate) ¹	1,265	1,194	1,254
Rutile (excluding HYTI) ²	1,246	1,197	1,224
Synthetic rutile	Refer Note 3	Refer Note 3	Refer Note 3

1. 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. The prices for each product vary, as does the mix of such products sold period to period. In the first half of 2020 the split of zircon sand and concentrate by zircon sand-equivalent was approximately: 85%:15% (2020 full year: 78%:22%).
2. Excluded from rutile sales prices is a lower value titanium dioxide product, HYTI that typically has a titanium dioxide content of 70 to 90%. This product sells at a lower price than rutile, which typically has a titanium dioxide content of 95%.
3. Iluka's synthetic rutile sales are, in large part, underpinned by commercial offtake arrangements. The terms of these arrangements, including the pricing arrangements are commercial in confidence and as such not disclosed by Iluka. Synthetic rutile, due to its lower titanium dioxide content than rutile, is priced lower than natural rutile.

Summary Group results

\$m	H1 21	H1 20	% change
Mineral sands revenue	735.6	456.6	61.1
Mineral sands EBITDA	299.2	177.1	68.9
<i>Mineral sands EBITDA margin %</i>	40.7	38.8	4.8
Mining Area C royalty EBITDA/share of profit in associate	9.0	48.0	n/a
Underlying group EBITDA*	308.2	225.1	36.9
Depreciation and amortization	(76.7)	(74.7)	(2.7)
Group EBIT	207.9	174.5	19.1
Profit (loss) before tax	200.0	163.2	22.5
Tax expense	(71.0)	(50.0)	(42.0)
Profit (loss) after tax	129.0	113.2	14.0
<i>EPS (cents per share)</i>	30.5	26.8	13.8
Free cash inflow (outflow)	179.3	46.2	n/a
Free cash inflow (outflow) (cents per share)	42.4	10.9	n/a
Dividend – fully franked (cents per share)	12.0	-	n/a
Net (debt) cash	220.1	62.1	n/a
Gearing (net debt / net debt + equity) %	n/a	n/a	n/a
Average AUD/USD exchange rate	77.2	65.8	17.3

* Underlying Group EBITDA excludes non-recurring adjustments including impairments and changes to rehabilitation provisions for closed sites which are non-cash in nature.

Income statement			
\$ million	H1 21	H1 20	% change
Z/R/SR revenue	680.0	408.1	66.6
Ilmenite and other revenue	55.6	48.5	14.6
Mineral Sands Revenue	735.6	456.6	61.1
Cash costs of production	(253.4)	(293.2)	13.6
Inventory movement – cash	(89.5)	98.1	n/a
Restructure and idle capacity charges	(17.4)	(8.2)	(112.2)
Government royalties	(17.0)	(9.5)	(78.9)
Marketing and selling costs	(14.9)	(15.7)	5.1
Asset sales and other income	0.3	6.5	(95.4)
Major Projects, exploration and innovation	(17.0)	(31.2)	45.5
Corporate and other costs	(30.8)	(29.3)	(5.5)
Foreign exchange	3.3	3.0	10.0
Mineral sands EBITDA	299.2	177.1	68.9
Mining Area C EBITDA/share of profit in associate	9.0	48.0	n/a
Underlying Group EBITDA	308.2	225.1	36.9
Depreciation and amortisation	(76.7)	(74.7)	(2.7)
Inventory movement – non-cash	(17.0)	24.5	n/a
Rehabilitation for closed sites	(0.4)	(0.4)	-
Impairment	(6.2)	-	n/a
Group EBIT	207.9	174.5	19.1
Net interest costs and bank charges	(2.6)	(4.0)	35.0
Rehabilitation unwind and other finance costs	(5.3)	(7.3)	27.4
Profit (loss) before tax	200.0	163.2	22.5
Tax expense	(71.0)	(50.0)	(42.0)
Profit (loss) for the period (NPAT)	129.0	113.2	14.0
Average AUD/USD (cents)	77.2	65.8	17.3

1. Freight revenue and expenses are included as a net number in marketing and selling costs.

2. Underlying Group EBITDA excludes non-recurring adjustments including impairments and changes to rehabilitation provisions for closed sites which are non-cash in nature.

Reconciliation of non-IFRS financial information to profit before tax

	JA/MW	C/SW	Idle (US/MB)	SRL	Expl & Other	Mineral Sands	Corp	Group
Mineral sands revenue	287.8	347.8	11.7	88.3	-	735.6	-	735.6
AASB 15 freight revenue	15.8	7.5	2.5	3.4	-	29.2	-	29.2
Expenses	(128.1)	(180.0)	(11.6)	(96.2)	(22.2)	(438.1)	-	(438.1)
Mining Area C						-	9.0	9.0
FX						-	3.3	3.3
Corporate costs						-	(30.8)	(30.8)
EBITDA	175.5	175.3	2.6	(4.5)	(22.2)	326.7	(18.5)	308.2
Depn & Amort	(22.1)	(39.4)	(0.2)	(13.4)	(0.1)	(75.2)	(1.5)	(76.7)
Inventory movement - non-cash	2.5	(19.4)	(0.4)	0.3	-	(17.0)	-	(17.0)
Rehabilitation for closed sites	-	(0.3)	(0.1)	-	-	(0.4)	-	(0.4)
Impairment	-	-	-	-	(6.2)	(6.2)	-	(6.2)
EBIT	155.9	116.2	1.9	(17.6)	(28.5)	227.9	(20.0)	207.9
Net interest costs	(0.1)	(0.2)	-	(0.1)	-	(0.4)	(2.2)	(2.6)
Rehab unwind and other finance costs	(1.5)	(1.6)	(0.8)	(1.4)	-	(5.3)	-	(5.3)
Profit before tax	154.3	114.4	1.1	(19.1)	(28.5)	222.2	(22.2)	200.0
Segment Result	154.3	114.4	1.1	(19.1)	n/a	250.7	n/a	250.7



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