Disclaimer

This presentation has been prepared by Iluka Resources Limited (Iluka). By accessing this presentation you acknowledge that you have read and understood the following statement.

This presentation contains summary information about Iluka, Deterra Royalties Limited (Deterra Royalties) and each of their activities current as at 10 September 2020. The information in this presentation is of a general background nature and does not purport to be complete. It should be read in conjunction with Iluka’s other periodic and continuous disclosure announcements, including the Demerger Booklet dated 10 September 2020 relating to the proposed demerger of Deterra Royalties from Iluka (Demerger Booklet), which is available at www.iluka.com.

Decisions regarding voting on the demerger should be made on the basis of the Demerger Booklet. Decisions regarding investing in Deterra Royalties shares should be made on the basis of the information memorandum that will be lodged in connection with its listing on the Australian Securities Exchange.

This document provides an indicative outlook for the Iluka business in the 2020 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.

This information is based on Iluka forecasts and as such is subject to variation related to, but not restricted to, economic, market demand/supply and competitive factors. It is Iluka’s approach to modify its production settings based on market demand, and this can have a significant effect on operational parameters and associated physical and financial characteristics of the company.

Forward Looking Statements

This presentation contains certain statements which constitute “forward-looking statements”. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “plan”, “believes”, “estimate”, “anticipate”, “outlook” and “guidance”, or similar expressions, and may include, without limitation, statements regarding plans; strategies and objectives of management; anticipated production and production potential; estimates of future capital expenditure or construction commencement dates; expected costs or production outputs; estimates of future product supply, demand and consumption; statements regarding future product prices; and statements regarding the expectation of future Mineral Resources and Ore Reserves.

Where Iluka expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and on a reasonable basis. No representation or warranty, express or implied, is made by Iluka that the matters stated in this presentation will in fact be achieved or prove to be correct.

Forward-looking statements are only predictions and are subject to known and unknown risks, uncertainties, assumption and other important factors that could cause the actual results, performances or achievements of Iluka to differ materially from future results, performances or achievements expressed, projected or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. Such risks and factors include, but are not limited to: changes in exchange rate assumptions; changes in product pricing assumptions; major changes in mine plans and/or resources; changes in equipment life or capability; emergence of previously underestimated technical challenges; increased costs and demand for production inputs; and environmental or social factors which may affect a licence to operate, including political risk.

Capital estimates include contingency and risk allowances commensurate with international estimating classification systems.

To the extent permitted by law, Iluka, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this presentation and exclude all liability whatsoever (including in negligence) for any loss or damage which may be suffered by a person as a consequence of any information in this presentation or any error or omission therefrom. Iluka does not undertake to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

No independent third party has reviewed the reasonableness of the forward looking statements or any underlying assumptions.

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.
01 Demerger overview
Key Management

Iluka Resources

Tom O’Leary
Chief Executive Officer

Adele Stratton
Chief Financial Officer

Deterra Royalties

Julian Andrews
Chief Executive Officer

Brendan Ryan
Chief Financial Officer
Demerger Overview

Demerger will result in two separate ASX-listed businesses – Iluka will continue to be a global leader in the mineral sands industry while Deterra Royalties will be the largest ASX-listed resources focused royalty company

Overview

• The demerger will result in two independent ASX listed companies – Iluka and Deterra Royalties – each with a management team focused on pursuing its growth strategy

• Iluka shareholders will have the opportunity to vote on the Demerger at the Extraordinary General Meeting on 16 October 2020
  – Iluka Directors unanimously recommend that Iluka shareholders vote in favour of the Demerger Resolution
  – The Independent Expert has also concluded that the Demerger is in the best interests of Iluka shareholders

• Iluka shareholders will be entitled to receive 1 share in Deterra Royalties for each existing share held in Iluka

• Iluka has received a favourable draft class ruling from the Australian Tax Office (ATO) for demerger tax relief. As is usual, any final class ruling will only be issued after implementation of the demerger.

• Iluka will retain a 20% interest in Deterra Royalties as a long-term investment

Post-demergern Structure

Iluka shareholders

100%

20%

80%

Iluka (ex. royalty business)
ASX:ILU

Deterra Royalties
ASX:DRR

Leading international mineral sands company

Australia’s largest resources royalty company
Iluka’s Mineral Sands business and Royalty business are two fundamentally different businesses, consequently a demerger has the potential to unlock shareholder value over time.

Demerger has the potential to unlock shareholder value by:

- empowering Board and management to focus on the **individual business plans** and **distinct growth strategies** for each business;
- allowing **clearer choice** for shareholders;
- allowing **greater flexibility and focus** when pursuing growth opportunities for each business;
- providing the ability to adopt an **appropriate capital structure** for each business; and
- allowing **enhanced management focus and alignment** of incentives to drive business performance.

<table>
<thead>
<tr>
<th></th>
<th>Mineral Sands Business</th>
<th>Royalty Business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business</strong></td>
<td>A leading pure play mineral sands company globally</td>
<td>Australia’s largest ASX-listed resources royalty company</td>
</tr>
<tr>
<td><strong>Current commodity mix</strong></td>
<td>Mineral sands (zircon and titanium feedstocks) Rare earths</td>
<td>Iron ore (primarily)</td>
</tr>
<tr>
<td><strong>Key assets</strong></td>
<td>Cataby, Capel, Narngulu and Eneabba, Western Australia Jacinth-Ambrosia, South Australia Sierra Rutile, Sierra Leone</td>
<td>MAC Royalty, Western Australia Portfolio of five small royalties (two in production)</td>
</tr>
<tr>
<td><strong>Management areas of expertise required</strong></td>
<td>Large-scale mining and processing operations Engineering and project delivery Exploration and geology Occupational health and safety management Customer marketing and offtake Technical and financial analysis of development options</td>
<td>Mining investment Project finance Mergers and acquisitions Business development Capital markets</td>
</tr>
<tr>
<td><strong>Relative cost of capital</strong></td>
<td>Higher</td>
<td>Lower</td>
</tr>
<tr>
<td><strong>Capital intensity</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Operating cost exposure</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Dividend policy</strong></td>
<td>40% of FCF (not required for investment or balance sheet purposes)</td>
<td>Intended policy will be to payout 100 per cent of net profit after tax²</td>
</tr>
<tr>
<td><strong>Growth profile</strong></td>
<td>Investment focused on organic growth profile Project delivery and mine life extension Exploration success</td>
<td>Organic: extension or expansion of Mining Area C, including BHP’s South Flank expansion Investment: acquisition of value accretive complementary royalties</td>
</tr>
</tbody>
</table>

1. MAC Royalty has limited operating cost exposure other than to the extent operating costs impacts the economic viability of the underlying mine.
2. Deterra’s approach to dividends and dividend policy will be determined by the Deterra Board at its discretion and may change over time.
### Key dates

*Subject to a shareholder vote on 16 October 2020, Deterra Royalties will commence trading on the ASX as a separately listed entity on 23 October 2020 on a deferred settlement basis*

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last time and date for determining eligibility to vote at the Extraordinary General Meeting</td>
<td>4.00pm (AWST) Wednesday, 14 October 2020</td>
</tr>
<tr>
<td>Extraordinary General Meeting</td>
<td>9.30am (AWST) Friday, 16 October 2020</td>
</tr>
<tr>
<td>Last time and date by which Sale Facility Forms must be received by Iluka Share Registry</td>
<td>2.00pm (AWST) Thursday, 22 October 2020</td>
</tr>
<tr>
<td>Last date Iluka Shares trade on ASX cum-entitlements under the Demerger</td>
<td>Thursday, 22 October 2020</td>
</tr>
<tr>
<td>ASX listing of Deterra Royalties (ASX: DRR)</td>
<td>Friday, 23 October 2020</td>
</tr>
<tr>
<td>Deterra Royalties Shares to be distributed to Iluka Shareholders commence trading on ASX on a deferred settlement basis</td>
<td>Friday, 23 October 2020</td>
</tr>
<tr>
<td>Time and date for determining entitlement to Deterra Royalties Shares under the Demerger (the <strong>Record Date</strong>)</td>
<td>4.00pm (AWST), Monday, 26 October 2020</td>
</tr>
<tr>
<td>Implementation Date and transfer of Deterra Royalties Shares to Eligible Shareholders (other than Selling Shareholders and Sale Agent)</td>
<td>Monday, 2 November 2020</td>
</tr>
<tr>
<td>Normal trading of Deterra Royalties Shares on ASX commences</td>
<td>Tuesday, 3 November 2020</td>
</tr>
<tr>
<td>Completion of sale of Deterra Royalties Shares under Sale Facility</td>
<td>By Monday, 30 November 2020</td>
</tr>
<tr>
<td>Dispatch of payment to Ineligible Overseas Shareholders and Selling Shareholders</td>
<td>Expected to occur on or before Tuesday, 17 December 2020</td>
</tr>
</tbody>
</table>

*All dates in the above timetable are indicative only and are subject to change. A more detailed indicative timetable is included in the Demerger Booklet.*
Iluka Resources post demerger
**Introducing Iluka post Demerger**

Iluka remains a global leading mineral sands company – with major mining operations and processing operations – the business, which is diversified by product and geography, focusses on high-grade products.

**Business**
- A leading pure play mineral sands company globally

**Current commodity mix**
- Mineral sands (zircon and titanium feedstocks)
- Rare earths (monazite)

**Key assets**
- Cataby, Western Australia
- Jacinth-Ambrosia, South Australia
- Sierra Rutile, Sierra Leone
- Eneabba, Western Australia
- Capel synthetic rutile processing, Western Australia
- Narngulu mineral separation pant, Western Australia
- Sierra Rutile mineral separation plant, Sierra Leone

**Other assets**
- 20% stake in Deterra Royalties

**Net cash (30 June 2020)**
- Pro-forma A$89 million (A$523 million available facilities)

**Employees (#)**
- ~3,200

**Management areas of expertise**
- Large-scale mining and processing operations
- Engineering and project delivery
- Exploration and geology
- Occupational health and safety management
- Customer marketing and offtake
- Technical and financial analysis of development options

**Dividend policy**
- 40% of FCF (not required for investment or balance sheet purposes)

**Key growth drivers**
- Greenfield mineral sands project delivery
- Mine expansion and life extension
- Exploration success
- Favourable industry supply and demand outlook

---

**Underlying mineral sands EBITDA (A$m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>CY H1</th>
<th>CY H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY17</td>
<td>301</td>
<td>124</td>
</tr>
<tr>
<td>CY18</td>
<td>545</td>
<td>249</td>
</tr>
<tr>
<td>CY19</td>
<td>531</td>
<td>233</td>
</tr>
<tr>
<td>CY20 H1</td>
<td>177</td>
<td></td>
</tr>
</tbody>
</table>

**Mineral sands production (kt)**

- Zircon 46%
- Synthetic rutile 28%
- Rutile 26%
- Rare earths 39%

- CY17: 177 kt
- CY18: 295 kt
- CY19: 298 kt
- CY20 H1: 329 kt
## Framework to Deliver Sustainable Value

<table>
<thead>
<tr>
<th></th>
<th>High value product suite and quality mineral sands assets</th>
<th>Iluka is a leading global mineral sands company with a portfolio of high-quality assets and the world’s largest producer of zircon and natural rutile</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Positive mineral sands market fundamentals underpinned by Iluka’s value driven marketing model</td>
<td>Mineral sands demand growth linked to urbanisation and rising living standards over the medium and longer term, with supply from Iluka’s projects able to deliver in what is expected to be a supply constrained industry</td>
</tr>
<tr>
<td>3</td>
<td>Pipeline of development projects</td>
<td>Organic pipeline of projects that Iluka develops in a disciplined manner towards execution</td>
</tr>
<tr>
<td>4</td>
<td>Strong balance sheet and focus on capital discipline</td>
<td>Well capitalised business with sufficient liquidity, and well placed to optimise its existing production assets and deploy capital to new opportunities should they meet Iluka’s investment hurdles</td>
</tr>
<tr>
<td>5</td>
<td>Experienced management team to deliver value</td>
<td>Iluka’s executive and management team are committed to the long-term success of the business and reinvesting in its people and assets to deliver sustainable value</td>
</tr>
</tbody>
</table>
Iluka’s products have a range of applications from everyday applications, to industrial uses and new renewable energy technologies.

Global demand

**Zr**
- Ceramics: 50%
- Investment casting, steel industries: 28%
- Chemicals & speciality products: 22%

Source: TZMI, 2015-19 demand average

**TiO₂**
- Paint pigment: 90%
- Aircraft frames, engines, medical items, sporting goods: 4%
- Steel fabrication, ship building: 6%

Source: TZMI, 2015-19 demand average

**Rare Earths**
- Permanent Magnets and Batteries: 34%
- Catalysts: 18%
- Glass: 26%

Source: Argus, 2019 demand

Global supply

**Zr**
- Iluka: 26%
- Tronox: 24%
- Rio Tinto: 13%
- Others: 37%

**TiO₂**
- China: 77%
- Lynas: 9%
- Other: 15%
- Others: 15%

Source: TZMI, 2015

**Rare Earths**
- China: 77%
- LYNAS: 9%
- Other: 15%

Source: Argus, 2019 demand
Positive Market Fundamentals – Supply

Zircon and high-grade titanium feedstocks have attractive long term market fundamentals including demand growth from urbanisation and rising living standards and supply side constraints.

Supply Fundamentals:
- Declining grade of existing major operations
- Limited new projects with meaningful supply
- New project challenges

Supply Fundamentals:
- Reduced supply from recent mine closures and grade decline of existing operations
- Iluka’s Balranald and Sembehun projects have potential to add significant rutile volumes to the market

Zircon and Rutile new project supply challenges:
- Unconventional deposits requiring technical solutions (e.g. fine minerals, depth, product quality)
- Zircon and rutile typically induced as by-products of ilmenite projects
- Limited high zircon and rutile assemblage projects
- Higher unit costs due to grade, distance to infrastructure and other factors
- Higher sovereign risk locations

Iluka’s project pipeline could deliver new supply to the industry
Positive Market Fundamentals – Demand

Zircon and high-grade titanium feedstocks have attractive long term market fundamentals including demand growth from urbanisation and rising living standards and supply side constraints.

Demand Fundamentals:

- Urbanisation and growing middle class in Asian economies
- Preference for tiling as a flooring in growth regions
- Increasing array of advanced technological applications
- Innovation in ceramics form and design is leading expansion in ceramics applications and zircon loading in tiles
- Growth linked to GDP per capita

Demand Fundamentals:

- Urbanisation and rising living standards linked to higher pigment use per capita
- Welding applications driven by industrial activity
- Titanium metal has array of end uses including sporting equipment, defence armaments and medical technologies
- Iluka’s high grade feedstocks have properties which increase pigment plant yields, reduce chlorine consumption and reduce waste footprints

China floor space completion and zircon demand

Global tile consumption, 2018

GDP and pigment per capita

Source: CEIC, Ceramic World Review, TZMI, IMF
Iluka focuses on producing high value mineral sands products including zircon, rutile and synthetic rutile, and, in April 2020, commenced the production of monazite concentrate, marking the first phase of the company’s entry into the rare earth market.
Iluka’s Marketing Model of Value Creation

- **Product innovation and technical support**: Product specifications important to customers and drive value. Products developed to meet evolving industry demands.

- **Direct marketing and customer relationships**: Zircon and titanium products are not exchange traded commodities. Direct channels to market.

- **Reputation for quality, consistency and delivery**: Industry knowledge and analysis creates competitive advantage. Focus on understanding markets and customers.

- **Value in use pricing Sustainable approach**: Prices negotiated with customers based on value in use and other factors. Hub and spoke distribution model. Warehouses positioned close to key markets. Multilingual / multinational salesforce.

- **Global logistics network**: Focus on delivering sustainable prices. Well recognised brand. Highly regarded with quality products and service.
Iluka’s value-driven marketing model supports sustainable prices – helping to maintain strong margins through the cycle

Marketing Model Delivers Sustainable Value

Historical zircon and rutile prices

Pricing model features

- Iluka’s established pricing mechanisms reduces volatility and supports sustainable prices through the cycle
- The company’s two traditional product streams – zircon and high grade titanium feedstocks – have different customers, industry dynamics and require different marketing strategies
- **Zircon**: fragmented downstream industry and large number of customers – pricing model incorporates a customer rewards and rebates program to support pricing stability and transparency
- **High Grade Feedstock** (rutile / synthetic rutile): consolidated market with majority of sales to major western pigment producers under take-or-pay contracts, prices based on relative economic value-in-use of feedstock but subject to pricing floors

1. Iluka weighted average net realised rutile and zircon (premium and standard) prices
Iluka develops and gates projects in a disciplined manner towards execution subject to acceptable progress in the following areas: (i) confidence in satisfactory project risk-return attributes, (ii) high level of strategic alignment, and (iii) sequenced to take advantage of the economic and market outlook.

<table>
<thead>
<tr>
<th>Region</th>
<th>Mineral Resource1</th>
<th>ASSESS Scoping Study</th>
<th>SELECT Preliminary Feasibility Study</th>
<th>DEVELOP Definitive Feasibility Study</th>
<th>EXECUTE Project execution</th>
<th>PRODUCING Operate and maximise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eucla Basin</td>
<td>361Mt @ 4.8% HM for 17.4Mt In Situ HM</td>
<td></td>
<td>Atacama</td>
<td></td>
<td></td>
<td>Jacinth-Ambrosia</td>
</tr>
<tr>
<td>Murray Basin</td>
<td>195Mt @ 17.2% HM for 33.4Mt In Situ HM</td>
<td></td>
<td>Wimmera</td>
<td>Balranald</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid West / South West WA</td>
<td>994Mt @ 5.6% HM for 55.6Mt In Situ HM</td>
<td>South West Deposits</td>
<td>SR1 Kiln Restart</td>
<td>Eneabba (Phase 2)</td>
<td>Eneabba (Phase 1)</td>
<td>Catsby</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>739Mt @ 1.1% Rutile for 8.2Mt In Situ Rutile</td>
<td></td>
<td>Sembehn</td>
<td></td>
<td></td>
<td>Lanti</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>673Mt @ 8.1% HM for 54.6Mt In Situ HM</td>
<td></td>
<td>Puttalam</td>
<td></td>
<td></td>
<td>Gangama</td>
</tr>
</tbody>
</table>

1. Refer to the 2019 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](http://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.
Historically a highly cash generative business

The mineral sands business has generated over >A$2bn in free cash flow over the last 10 years, with consistent cash returns delivered to shareholders via dividends

Historical cash generation

- Mineral sands business has generated "A$2.4bn in free cash flow over the last 10 years" (~80% of operating free cash flows)
- Iluka’s approach is to deploy capital through a disciplined framework to:
  - development capital expenditure;
  - new acquisitions;
  - debt repayment; or
  - shareholder dividends.

Dividends paid

1. Dividend policy target of 40% free cash flow not required for investing or balance sheet activity.
2. No dividends paid in 2013.
3. Free cash flow is determined as cash flow before refinance costs, proceeds/repayment of borrowings and dividends paid in the year.
Conservative Capital Structure to Support Growth

The prudent management of Iluka’s financial position continues to be a key element of the company’s overall resilience, including in the context of the COVID-19 pandemic

Balance sheet position

- Pro-forma net cash position (A$89m) as at 30 June 2020
- Sufficient liquidity to support the business and growth:
  - A$523m MOFA facility (maturity in July 2024)
  - no change to the MOFA as a result of the demerger
  - high quality and supportive bank group
- Retained stake of 20% in Deterra is a long-term investment which will provide an additional source of financial strength

Revised net debt target
Zero net debt on average through the capital investment cycle

Dividend policy (unchanged post Demerger)
40% free cash flow not required for investing or balance sheet activity

Historical net debt and gearing, as reported (A$m; %)

1. Gearing = net debt / net debt + equity
Continued focus on stated objective: to deliver sustainable value

Iluka’s stated focus is to deliver sustainable value and it has a track record of delivering above average returns to shareholders through the cycle compared to alternative resources sector investments in Australia

Total shareholder returns

- Continued focus on stated objective: **to deliver sustainable value**
- Iluka offers several attractive investment characteristics relative to other resource sector alternatives:
  - diversified portfolio of mineral sands assets that focuses on high value mineral sands products;
  - established 60+ year track record of operating experience in the sector;
  - commitment to ESG and proactive rehabilitation; and
  - strong balance sheet to deploy to new investment opportunities
- Current management focus on investment optimising existing portfolio of production assets and advancing/delivering Iluka’s project pipeline

*Source: FactSet (as at 1 September 2020).*
Iluka will continue to focus on delivering sustainable operations

### Mineral sands revenue (A$m)

<table>
<thead>
<tr>
<th>Year</th>
<th>CY17</th>
<th>CY18</th>
<th>CY19</th>
<th>CY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,018</td>
<td>1,244</td>
<td>1,193</td>
<td>457</td>
<td></td>
</tr>
</tbody>
</table>

### Underlying mineral sands EBITDA (A$m)

<table>
<thead>
<tr>
<th>Year</th>
<th>CY17</th>
<th>CY18</th>
<th>CY19</th>
<th>CY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>301</td>
<td>295</td>
<td>298</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Revenue per tonne of Z/R/SR (A$/t)

<table>
<thead>
<tr>
<th>Year</th>
<th>CY17</th>
<th>CY18</th>
<th>CY19</th>
<th>CY20 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,079</td>
<td>1,415</td>
<td>1,654</td>
<td>1,689</td>
<td></td>
</tr>
</tbody>
</table>

### Mineral sands EBITDA margin (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>CY17</th>
<th>CY18</th>
<th>CY19</th>
<th>CY20 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>44%</td>
<td>44%</td>
<td>39%</td>
<td></td>
</tr>
</tbody>
</table>
Sustainability is central to Iluka’s operations

Iluka’s sustainability approach spans six pillars:

**PEOPLE**
We seek to attract and retain the best people while building and maintaining a diverse, inclusive and high-achieving workforce.

**ENVIRONMENT**
We seek to manage our impact on the environment, use resources efficiently and leave positive rehabilitation and closure outcomes.

**HEALTH AND SAFETY**
We strive to protect the health and safety of our people through identifying risk and taking appropriate action to eliminate workplace fatalities and minimise injuries and illnesses.

**ECONOMIC RESPONSIBILITY**
We aim to create sustainable economic outcomes, which allow us to share economic benefits with our host communities and deliver sustainable value.

**SOCIAL PERFORMANCE**
We respect human rights, engage meaningfully with stakeholders and look to make a positive difference to the communities where we operate whilst minimising and managing potential impacts.

**GOVERNANCE AND INTEGRITY**
We conduct our business with the highest standards of corporate governance whilst acting with integrity by being transparent and honouring our commitments.

Land Rehabilitation and Closure and Tailings Management

Iluka has a strong track record over several decades of leading environmental and socially responsible practices.

Land management and rehabilitation are a significant part of operational activities. Focus on progressive rehabilitation during operations to:

- minimise the final closure footprint;
- assist with understanding and evaluating closure risks;
- identify knowledge gaps and inform research and development programs; and
- refine closure provision estimates.

Iluka operates active Tailings Storage Facilities at Jacinth and Cataby (Australia) and Sierra Leone.

Management of facilities is subject to leading practice, including:

- Australian National Committee on Large Dams (ANCOLD) guidelines for design, operational and surveillance guidance;
- independent external geotechnical audits, with recommended actions incorporated into work plans;
- surveillance systems established including monitoring and routine inspections; and
- regular reporting at both site and Board level.

100% Sites have Closure Plans

~$55 million Expenditure on rehabilitation and closure of mined lands in 2019

Contributed to Investor Mining and Tailings Safety Initiative and part of Global Tailings Portal database

Research partnerships with universities in Australia and the US and WA Botanic Gardens and Parks Authority

All tailings facilities final embankment height or use downstream method
Iluka’s management team are committed to delivering sustainable value and disciplined growth from Iluka’s mineral sands assets

Experienced Mineral Sands Management Team

Executive management team

- Globally leading mineral sands management team with extensive experience domestic and international experience in the sector
- Fit-for-purpose executive structure with clear reporting and responsibility alignment to ensure each business hub is accountable
- Business development team to be led up by CFO post-demerger
# Framework to Deliver Sustainable Value

<table>
<thead>
<tr>
<th></th>
<th>High value product suite and quality mineral sands assets</th>
<th>Iluka is a leading global mineral sands company with a portfolio of high-quality assets and the world’s largest producer of zircon and natural rutile</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Positive mineral sands market fundamentals underpinned by Iluka’s value driven marketing model</td>
<td>Mineral sands demand growth linked to urbanisation and rising living standards over the medium and longer term, with supply from Iluka’s projects able to deliver in what is expected to be a supply constrained industry</td>
</tr>
<tr>
<td>3</td>
<td>Pipeline of development projects</td>
<td>Organic pipeline of projects that Iluka develops in a disciplined manner towards execution</td>
</tr>
<tr>
<td>4</td>
<td>Strong balance sheet and focus on capital discipline</td>
<td>Well capitalised business with sufficient liquidity, and well placed to optimise its existing production assets and deploy capital to new opportunities should they meet Iluka’s investment hurdles</td>
</tr>
<tr>
<td>5</td>
<td>Experienced management team to deliver value</td>
<td>Iluka’s executive and management team are committed to the long-term success of the business and reinvesting in its people and assets to deliver sustainable value</td>
</tr>
</tbody>
</table>
APPENDIX
Market update
**Zircon Market Update**

**Result**
- H1 2020 sales 78kt (H1 2019: 133kt)
  - Q2 sales of 53 kt (-21% YoY) after Q1 sales of 25kt (-62% YoY)
- Key markets significantly impacted by COVID-19 shutdowns

**Pricing**
- H1 2020 weighted average received zircon (premium and standard) price US$1,354/t, down 6% from H2 2019
- Pricing remains relatively stable given challenging market conditions

**Supply/Demand**
- Widespread shutdowns of key industries during Feb-May 2020 due to COVID-19
- Tile manufacturers in China and Europe have partially restarted but operating rates remain around 50-60% of pre-pandemic previous levels
- Foundry markets impacted by reduced demand for automotive and other consumer goods and industrial parts
- Fused zirconia and zircon chemicals markets remained solid in first half but potential for softness going forward
- Customer inventories remain low as businesses focus on conserving cash
- Iluka has changed operational settings at Nargulu to reduce zircon output and finished goods inventory
Zircon Market Update

Sales by Region

• Chinese lockdowns of industry significantly impacted Q1 sales
• Sales to China improved in Q2 as restrictions eased and economy reopened
• Q2 sales to other regions (ex China) impacted by COVID-19 related restrictions

Sales by industry

• Significant decline in sales to ceramics industry due to end demand and impact of lockdowns on manufacturers
• Refractory and fused zirconia remained relatively solid

Half yearly zircon sales by region

Half yearly zircon sales by industry
High-Grade Titanium Feedstock Market Update

Result

- H1 2020 sales of 163kt (H1 2019: 169kt)
- Demand slowdown occurred in 2Q in all end markets due to COVID-19 impacts

Pricing

- First half rutile price of US$1,246/t, up 7% from H2 2019

Supply/Demand

- After a solid Q1 pigment demand declined in Q2 by ~20%, despite strong performance of DIY and packaging applications
- Pigment customers reduced capacity utilisation rates and pulled forward planned maintenance in H1
- Pigment producer results show improving trend with gradual demand improvement over May, June and July
- Reports from paint producers indicate possible improvement early Q3
- Welding segment remained fairly resilient, while titanium sponge end-demand affected by downturn in aerospace market

H1 2020 Z/R/SR Sales Revenue

Rutile 30%
Synthetic rutile 34%

Rutile net realised FOB price US$/t

US$/t
1600
1200
800
400
0
H1 16  H2 16  H1 17  H2 17  H1 18  H2 18  H1 19  H2 19  H1 20
High-Grade Titanium Feedstock Market Update

Sales by Region

- Iluka sales to Europe and Middle East held steady with H1 2019 as pigment plants were running hard in Q1 before moderating in Q2
- Sales to the Americas were slightly higher in H1 20 as compared to H1 19 as demand in Q1 was strong on the back of high operating rates prior to COVID-19 impacts in Q2

Sales by industry

- Sales to pigment were down slightly due to a May shipment of SR not taken as per take-or-pay contract terms
- Sales to welding have held up despite government imposed lockdowns in key markets such as India
- Ti Sponge demand held up well in H1 20 due to take or pay agreements put in place in 2019

Half yearly high grade sales by region

Half yearly high grade sales by industry

EMEI = Europe, Middle East, India
High Grade Feedstock Advantage

Iluka’s Market Position Strongest in Very High Grade Feedstocks

- **Total TiO₂ Feedstock**
  - Chloride & Sulphate (2019 ~7.4 mt)
  - Includes: Rutile, UGS, Synthetic Rutile, Chloride Slag, Chloride ilmenite, Sulfate Slag, Sulfate ilmenite
  - 5% Iluka

- **Chloride Feedstock**
  - (2019 ~3.4 mt)
  - Includes: Rutile, UGS, Synthetic Rutile, Chloride Slag, Chloride ilmenite
  - 11% Iluka

- **High Grade Chloride (80%+ TiO₂) Feedstocks**
  - (2019 ~2.7 mt)
  - Includes: Rutile, UGS, Synthetic Rutile, Chloride Slag
  - 13% Iluka

- **Very High Grade Chloride (90%+ TiO₂) Feedstocks**
  - (2019 ~1.3 mt)
  - Includes: Rutile, UGS, Synthetic Rutile
  - 24% Iluka

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

- **Ore Feedstock**
  - 30% less ore than ilmenite

- **Chlorine**
  - 7x less chlorine

- **Waste**
  - 6x less waste

- Iluka’s high grade feedstocks have high ‘value in use’ for pigment producers
  - lower ore tonnes required
  - lower chlorine input cost
  - lower waste generation (environmental and cost benefits)
  - increases plant utilisation

Source: TZMI, Company reports, Iluka
Highly experienced Board from a range of backgrounds in the mining and finance industries

**Greg Martin**  
Chairman, Independent non-executive Director  
BEC, LLB, FAIM, MAICD  
- Joined Iluka 2013  
- Murchison Metals, The Australian Gas Light Company, Santos, Western Power

**Tom O’Leary**  
Managing Director, Chief Executive Officer  
LLB, BJuris  
- Joined Iluka 2016  
- Wesfarmers Chemicals, Energy & Fertilisers, Wesfarmers, Nikko, Nomura

**Marcelo Bastos**  
Independent non-executive Director  
BEng Mechanical (Hons, UFMG), MBA (FDC-MG), MAICD  
- Joined Iluka 2014  
- Vale, BHP, MMG, Aurizon Holdings, Golder Associates, Golding Contractors, Anglo American PLC

**James (Hutch) Ranck**  
Independent non-executive Director  
BSE (Econ), FAICD  
- Joined Iluka 2013  
- Elders, CSIRO, DuPont

**Rob Cole**  
Independent non-executive Director  
LLB (Hons), BSc  
- Joined Iluka 2018  
- Perenti, Synergy, St Bartholomew’s House, Woodside Petroleum, King & Wood Mallesons, Landgate

**Susie Corlett**  
Independent non-executive Director  
BSc (Geo Hons), GAICD, FAusIMM  
- Joined Iluka 2019  

**Lynne Saint**  
Independent non-executive Director  
BCom, GradDip Ed Studies, Cert Business Administration, FCPA, FAICD  
- Joined Iluka 2019  
- Bechtel Group, Fluor
Full mining rates at Cataby in 1H 2020 and synthetic rutile production at capacity

Operations Overview
- Large chloride ilmenite rich mine 150km from Perth
- Ilmenite to feed synthetic rutile kiln
- Synthetic rutile offtake contracts in place
- Provides material zircon and rutile production (processed at Narngulu)
- Began operations in 2019 with 8.5 year mine life, and potential 4 year extension

H1 2020 Operational Settings and Outlook
- Mining and processing settings as planned in H1 2020
- Reduction in synthetic rutile offtake volumes as announced in June 2020
  - 175kt of synthetic rutile subject to take or pay arrangements in 2020
  - 78kt sold under these contracts in 1H (total sales 88kt)
  - notice of Default issued against Chemours for failure to take scheduled shipments and proceedings commenced for breach of contract
  - another customer has notified of reduction of 12kt shipment in September
- Production settings will be monitored in context of customer offtake levels and Iluka maintains its ability to adjust if appropriate
Altered mining and processing settings in light of market conditions

**Operations Overview**
- World’s largest zircon mine
- Iluka’s major source of zircon production
- Narngulu mineral separation plant processes Jacinth-Ambrosia material (to produce zircon, Hyti and ilmenite) and Cataby non-magnetic stream (to produce zircon and rutile)

**H1 2020 Operational Settings and Outlook**
- Mining successfully returned from Ambrosia to Jacinth, with less than 2 days to safely move to the new location and restart mining on 1 August
  - improved cash flow from lower operating costs mainly due to lower strip ratio
  - lower unit costs (less haulage and pumping distance)
  - expected cash cost savings ~$30m 2020-2022
  - delayed capital spend required for tailings facilities
- Mining to continue at full rate to optimise unit costs
- Altered production settings at Narngulu to reduce zircon production
  - if settings remained in place for 2020, zircon production would be ~170kt (~110kt less than previously guided level)
- Narngulu plant retains full flexibility to return to higher production in 24 hours
Mineral Sands Operations – Sierra Rutile

**Operations Overview**
- Began operations 1960s
- Acquired by Iluka in December 2016
- World’s largest rutile mine
- Transition to dry mining following successful decommissioning of dredge and delivery of Gangama and Lanti expansion projects in 2019

**H1 2020 Operational Settings and Outlook**
- H1 production impacted by infrastructure moves, mining of lower grade areas and lower throughputs due to several downtime events
- COVID-19 disruptions included closed borders which impacted operations at site – some specialised skillsets typically provided by expatriate resources were not available
- Iluka providing additional assistance to manage local impacts of COVID-19

**Dry mining at Lanti and Gangama operations with processing at the operation’s mineral separation plant**

**H1 2020 Production**
- Rutile 62kt
Mineral Sands Operations – Inventory Position

*Inventory increase reflects operational setting changes and market uncertainty due to COVID-19*

- Increase in total inventory to $560 million ($425 million at December 2019)
- Increase reflects higher work in progress (heavy mineral concentrate), zircon and synthetic rutile finished products
- Retain strong balance sheet to support inventory position
- Continue to manage operational settings and inventories in response to market conditions

**Total Inventory**

<table>
<thead>
<tr>
<th>Month</th>
<th>$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-10</td>
<td>200</td>
</tr>
<tr>
<td>Dec-10</td>
<td>250</td>
</tr>
<tr>
<td>Jun-11</td>
<td>300</td>
</tr>
<tr>
<td>Dec-11</td>
<td>350</td>
</tr>
<tr>
<td>Jun-12</td>
<td>400</td>
</tr>
<tr>
<td>Dec-12</td>
<td>450</td>
</tr>
<tr>
<td>Jun-13</td>
<td>500</td>
</tr>
<tr>
<td>Dec-13</td>
<td>550</td>
</tr>
<tr>
<td>Jun-14</td>
<td>600</td>
</tr>
<tr>
<td>Dec-14</td>
<td>650</td>
</tr>
<tr>
<td>Jun-15</td>
<td>700</td>
</tr>
<tr>
<td>Dec-15</td>
<td>750</td>
</tr>
<tr>
<td>Jun-16</td>
<td>800</td>
</tr>
<tr>
<td>Dec-16</td>
<td>850</td>
</tr>
<tr>
<td>Jun-17</td>
<td>900</td>
</tr>
<tr>
<td>Dec-17</td>
<td>950</td>
</tr>
<tr>
<td>Jun-18</td>
<td>1000</td>
</tr>
<tr>
<td>Dec-18</td>
<td>1050</td>
</tr>
<tr>
<td>Jun-19</td>
<td>1100</td>
</tr>
<tr>
<td>Dec-19</td>
<td>1150</td>
</tr>
<tr>
<td>Jun-20</td>
<td>1200</td>
</tr>
</tbody>
</table>

*Includes ilmenite and consumables*
APPENDIX

Growth pipeline
**Eneabba progresses to Phase 2**

**Eneabba Rare Earths Project**

Eneabba involves the extraction, processing and marketing of a high grade monazite-rich strategic stockpile. Phase 1 is operational and involves sale of monazite-zircon concentrate requiring minimal capital and processing.

Further development is being fast tracked that will see additional processing to produce a higher-value monazite product.

Iluka is actively exploring the potential for downstream processing.

The phased approach to development allows Iluka to gain an increased understanding of the market and industry and proceed in a low risk manner.

**Eneabba Phase 1 Delivered**

- First production in April 2020 and first shipment of 9kt monazite-zircon concentrate in June 2020
- Offtake agreement for 50ktpa for 2 years
- Pricing commercial in confidence - recognises monazite and zircon value
- Low capex ~$10 million, low opex ~6 FTE, utilise existing water and power infrastructure, transport to Geraldton for export
- ~98% recoveries expected due to minimal processing

**Eneabba Phase 2 Execute approved by Board**

- Iluka Board has approved ~$35 million to progress execution of Eneabba Phase 2
- Project will involve upgrading and separating mineral sands concentrate (from Phase 1) to a ~90% monazite concentrate product
- Upgraded concentrate suitable as direct feedstock for rare earth cracking and leaching plant, with additional streams of zircon, ilmenite and HyTi products

**Rare Earth Elements**

Eneabba monazite contains high value elements, including neodymium and praseodymium.

Key end use applications of these elements is in permanent magnets, as used in electric cars, wind turbines and advanced metal alloys.
## Eneabba Key Project Parameters

<table>
<thead>
<tr>
<th>Metric (average over project life)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life of Mine (Phase 1 and Phase 2)</td>
<td>~10 years Based on reserve and production rates assumed below</td>
</tr>
<tr>
<td>Ore mined (Phase 1 and Phase 2)</td>
<td>~100ktpa</td>
</tr>
<tr>
<td>Average annual production (Phase 1 only)</td>
<td></td>
</tr>
<tr>
<td>Monazite-zircon concentrate</td>
<td>~50ktpa Offtake contract for 50ktpa for 2 years</td>
</tr>
<tr>
<td>Average annual production (from Phase 2)</td>
<td></td>
</tr>
<tr>
<td>90% monazite concentrate</td>
<td>16-20kptpa No offtake contracts in place at present</td>
</tr>
<tr>
<td>Zircon</td>
<td>7-9ktpa Re-based recovery to produce Premium grade</td>
</tr>
<tr>
<td>Ilmenite</td>
<td>~20kpta Saleable or suitable synthetic rutile feed</td>
</tr>
<tr>
<td>HyTi90</td>
<td>~1ktpa</td>
</tr>
<tr>
<td>Cash costs (from Phase 2)</td>
<td>$35-40 million p.a.</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td></td>
</tr>
<tr>
<td>Phase 1 (execute 2019)</td>
<td>&lt;$10 million</td>
</tr>
<tr>
<td>Phase 2 (execute August 2020)</td>
<td>~$35 million</td>
</tr>
<tr>
<td>Payback period (Phase 2 capex)</td>
<td>&lt;1 year Payback from first production of Phase 2</td>
</tr>
</tbody>
</table>

Notes: All values approximate. Production figures stated as estimated recovered mineral in the concentrate. Payback period based on externally sourced long term monazite price forecast and internal mineral sands prices.

## Eneabba Mineral Resources and Ore Reserves

### Eneabba Mineral Resources

<table>
<thead>
<tr>
<th>Mineral Resource Category</th>
<th>Resource Tonnes</th>
<th>In situ HM Tonnes</th>
<th>HM</th>
<th>Mineral Assemblage in HM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Mt)</td>
<td>(Mt)</td>
<td>(%)</td>
<td>(%)</td>
</tr>
<tr>
<td>Proved</td>
<td>0.84</td>
<td>0.70</td>
<td>83.7</td>
<td>25.7</td>
</tr>
<tr>
<td>Probable</td>
<td>0.16</td>
<td>0.12</td>
<td>77.5</td>
<td>7.6</td>
</tr>
<tr>
<td>Total</td>
<td>1.0</td>
<td>0.83</td>
<td>82.7</td>
<td>26.0</td>
</tr>
</tbody>
</table>

### Eneabba Ore Reserves

<table>
<thead>
<tr>
<th>Ore Reserve Category</th>
<th>Reserve Tonnes</th>
<th>In situ HM Tonnes</th>
<th>HM</th>
<th>Mineral Assemblage in HM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Mt)</td>
<td>(Mt)</td>
<td>(%)</td>
<td>(%)</td>
</tr>
<tr>
<td>Proved</td>
<td>0.81</td>
<td>0.68</td>
<td>84.4</td>
<td>26</td>
</tr>
<tr>
<td>Probable</td>
<td>0.15</td>
<td>0.12</td>
<td>78.3</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>0.96</td>
<td>0.80</td>
<td>83.5</td>
<td>26</td>
</tr>
</tbody>
</table>

Notes:
1. In situ (dry) metric tonnage is reported.
2. Ore Reserves are a sub-set of Mineral Resources.
3. Mineral assemblage is reported as a percentage of HM.
4. Rounding may generate differences in the last decimal place.
Balranald Project

The Balranald project comprises the West Balranald and Nepean deposits, two large, deep, high grade rutile, zircon and ilmenite rich deposits. The depth of the deposits makes conventional open-pit development challenging.

An Iluka developed directional drilling Underground Mining Technology (UMT) provides an opportunity to develop the deposit.

If able to be applied, UMT would be a significant milestone in mining technology and potentially unlock other assets within Iluka’s portfolio not feasible to access with conventional mining. There is also potential to commercialise the UMT for other assets globally.

UMT is also scaleable, providing the ability to utilise infrastructure at nearby deposits at Balranald

Balranald Mineral Resources

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Mineral Resource Category</th>
<th>Resource Tonnes 1 (Mt)</th>
<th>In situ HM Tonnes 2 (%)</th>
<th>HM Ilmenite (%)</th>
<th>Zircon (%)</th>
<th>Rutile (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nepean</td>
<td>Indicated</td>
<td>8.4</td>
<td>2.3</td>
<td>27.5</td>
<td>59.8</td>
<td>14.4</td>
</tr>
<tr>
<td></td>
<td>Inferred</td>
<td>0.8</td>
<td>0.1</td>
<td>11.2</td>
<td>57.3</td>
<td>14.6</td>
</tr>
<tr>
<td>West Balranald</td>
<td>Measured</td>
<td>11.9</td>
<td>3.8</td>
<td>31.9</td>
<td>64.1</td>
<td>10.8</td>
</tr>
<tr>
<td></td>
<td>Indicated</td>
<td>19.9</td>
<td>7.0</td>
<td>35.1</td>
<td>64.3</td>
<td>11.3</td>
</tr>
<tr>
<td></td>
<td>Inferred</td>
<td>4.5</td>
<td>1.2</td>
<td>26.5</td>
<td>62.4</td>
<td>8.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>45.5</td>
<td>14.4</td>
<td>31.6</td>
<td>63.1</td>
<td>11.5</td>
</tr>
</tbody>
</table>

Notes:
1. In situ (dry) metric tonnage is reported.
2. Mineral assemblage is reported as a percentage of HM.
3. Rounding may generate differences in the last decimal place.

Third Technology Trial (T3)

- A third technology trial (T3) to determine whether the technology is economically viable in a continuous mining and processing environment
- Approved by Board in August 2019, trial costs of ~$40m
- Trial timing had been delayed due to travel restrictions associated with the COVID-19 pandemic. However, in close collaboration with contractors and technology partners, personnel and resources have now been mobilised to site and trial activities commenced.
- Absent any further COVID-19 related delays, preliminary results of the trial are expected in Q4 2020.
Exploration is a key component of Iluka's growth strategy

1. Continued commitment to identification and assessment of global mineral sands opportunities
2. Targeting new mine (greenfields) opportunities of sufficient scale to support project development
3. Robust assessment of exploration targets:
   • 126 potential targets reviewed in Q1 2020
   • 8 targets progressing to on-ground testing
   • 2 targets progressing for additional desktop assessment
4. Numerous field programs planned for H2 2020
5. Positive early base metal results returned from West Gawler Farm-out JV (Western Areas)*

* Refer to Western Areas Ltd ASX releases from 23/06/20 and 24/07/20
For more information contact:

Melissa Roberts, General Manager Investor Relations
investor.relations@iluka.com
+61 (0) 450 398 431