



Evolution

TZMI Virtual Congress
November 2020

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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 20 February 2020 in *2019 Annual Report*; on 24 July 2019 in *Eneabba Mineral Sands Recovery Project Updated Mineral Resource Estimate*; on 25 January 2019 in *Inaugural Pejebu 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.

The (Mineral Sands) World is Changing

3



Increasing barriers to global trade



Declining grades at existing mines



Reduced exploration budgets



Increased operating risk –
sovereign, political,
environmental, social, climate



Increased sustainability focus -
carbon emissions, recycling,
waste disposal, respect for
environment and communities



Supply chain disruption and
increased cost of shipping

Not all changes are new but have been accelerated under COVID pandemic

Mineral Sands Markets



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Demand

- Widespread shutdowns of key industries during Feb-May 2020 due to COVID-19
- Tile manufacturers gradually restarted over course of the year
 - China operating rates estimated at ~60% of pre-pandemic levels
 - Europe, India and South American producers ramped up in Q3 to ~80-90% of 2019 operating rates
- Foundry markets continue to be impacted by reduced demand for automotive, consumer goods and industrial parts
- Fused zirconia and zircon chemicals markets remained solid in first half but potential for softness going forward
- Iluka estimates ~950kt of zircon to be consumed in 2020

Supply

- Some inventory build of intermediate product across the industry - finished goods inventory remains steady
- No observable stock build downstream with customer inventories remaining low due to focus on conserving cash

Pricing

- Pricing remains relatively stable reflecting:
 - underlying economic value of zircon
 - market realization that lower prices won't drive demand in current conditions
 - buyers have eye to future
- Current events show industry maturing with less volatility



Demand

- Demand recovery underway and forecast to continue into 2021
- Rate of recovery uncertain

Supply

- Supply side constraints evident in 2017/2018 eased over 2019/20
- No new supply brought on in 2020
 - mines continued to deplete
- Limited projects with meaningful zircon credits
 - many projects suffer from low quality zircon
- Hard to see new projects getting support in current environment





Demand

- Impact of COVID has been mixed across markets
- 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 to reduce inventory build
- Recent reports from paint producers indicates strong recovery underway
- Q3 filings by pigment producers consistent with paint producer commentary and suggests market conditions better than expected
- Welding segment remains resilient, while titanium sponge end-demand affected by downturn in aerospace market

Supply

- No major disruptions to feedstock supply
- Severe weather impacted a number of pigment plants this year

Pricing

- Industry behaving in a rationale manner





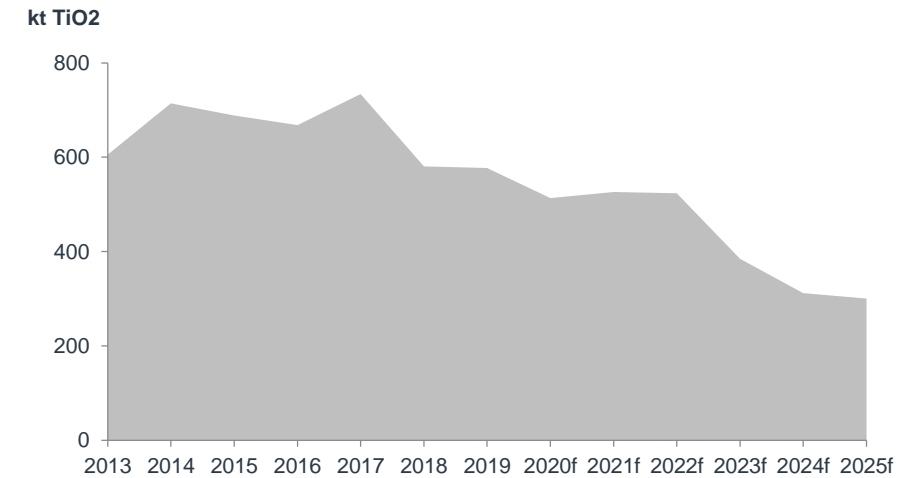
Demand

- Pigment market has historically had large demand and inventory swings, 2021 could be a strong rebound year
- Longer term continued growth in chloride pigment, especially in China, expected to support demand levels
- High grade feedstocks will continue to be needed to increase average feed grade to plants

Supply

- Any inventory built in 2020 expected to unwind over 2021
- Declining supply from existing mines and limited new projects with rutile assemblage
- Synthetic rutile will sustain supply of very high-grade feedstocks to Iluka's customers
- Yet to see meaningful increase in slag production from assets under commissioning

Global Rutile Supply Outlook*



*Assumes no new projects.

Source: Iluka

Iluka's Response in 2020



Jacinth-Ambrosia, South Australia



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Iluka's first priority is the safety and wellbeing of its people, their families, and the communities in which the company operates.

Iluka has maintained operations across all sites and marketing and logistics channels have remained open.

Iluka's Approach and Response

Health and Safety Measures



Implemented a number of health and safety measures across all sites to effectively manage the risks and impacts of the virus while maintaining operational continuity:

- Roster changes, increased cleaning and site based physical distancing measures
- Site specific risk-based plans in place
- Employee support programs, including mental health focus

Operational and Project Changes

Changes implemented in response to market conditions:

- Altered production settings at the Narngulu mineral separation plant from Q2 to reduce zircon production
- Return to mining at Jacinth from Ambrosia from August 2020 to reduce costs and defer tailings management capital spend
- Completed field work associated with Balranald trial
- Completed Sembehun scoping study and progressed PFS
- Progressed other key projects without significant delays



Delivered on Commitments

- Maintained continuity of supply to customers
- Met all contractual obligations
- Helped to deliver pricing and volume stability to market in uncertain times

Maintaining Strong Financial Position

- Operational changes aimed at reducing costs and preserving cash to maintain a strong balance sheet
- Focus on costs and capital discipline



Mineral Sands Operational Configuration

11

Portfolio of operations weighted towards premium zircon and high-grade titanium products. 2020 operational configuration based on: optimising production based on market conditions; minimising costs and improving cash flow; and maintaining flexibility in line with market conditions.

Cataby / South West



Large chloride ilmenite rich mine, commissioned in 2019. Ilmenite feeds synthetic rutile kiln with material zircon and rutile production.

Jacinth-Ambrosia / Mid West



Jacinth-Ambrosia is 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.

Sierra Rutile, Sierra Leone



World's largest rutile mine, operating since 1960s. Acquired by Iluka 2016 and expansion projects completed 2019.

Key operational changes in 2020:

- Roster changes to reduce crossover
- Processing of stockpiled ore to reduce costs
- Narngulu mineral separation plant settings changed to reduce zircon production
- Return to mining at Jacinth from Ambrosia August 2020 to reduce costs and mineral production
- Border closure impacted expatriate workforce movements
- Use of on-site clinic facilities to manage local cases effectively

Adapting to a Changing Marketplace

Capel, Western Australia



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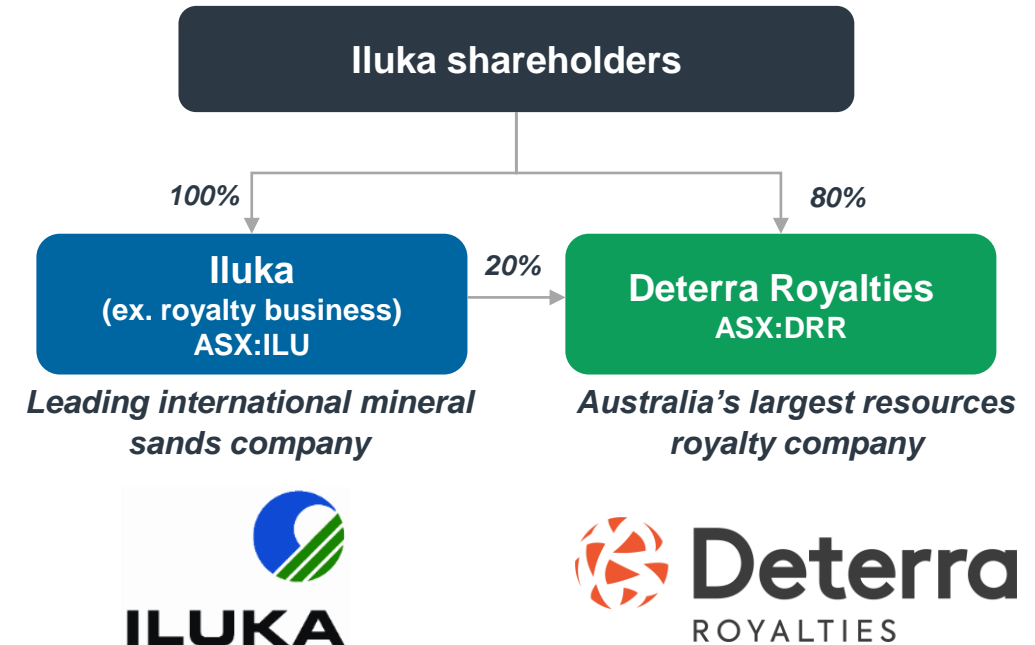
The demerger of Deterra Royalties has created two separate ASX-listed businesses – Iluka will continue to be a global leader in the mineral sands industry while Deterra Royalties will be the largest ASX-listed resources focused royalty company

Demerger overview

- Iluka has demerged its royalty business, Deterra Royalties
- Deterra Royalties listed on the ASX on 23 October
- The cornerstone asset of the new company is the Mining Area C iron ore royalty
- Iluka retains a 20% stake in the new company

Iluka's focus post demerger

- Iluka is a leading international mineral sands company
- Focussed on delivering sustainable value from exploration / mining / beneficiation / marketing / rehabilitation of quality mineral sands assets
- High value-in-use products for specific customer applications with customer-centric marketing approach
- Maintain high sustainability standards, including by supplying high grade products with low waste for customers and zircon <500ppm U+Th
- Developing a presence in rare earths - a logical and important diversification
- Project pipeline to meet future needs of our customers



Quality Project Pipeline to Meet Customer Future Needs

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 lookout

Region	Mineral Resource ¹	ASSESS Scoping Study	SELECT Preliminary Feasibility Study	DEVELOP Definitive Feasibility Study	EXECUTE Project execution	PRODUCING Operate and maximise
Eucla Basin	361Mt @ 4.8% HM for 17.4Mt In Situ HM		Atacama			Jacinth-Ambrosia
Murray Basin	195Mt @ 17.2% HM for 33.4Mt In Situ HM		Wimmera	Balranald		
Mid West / South West WA	994Mt @ 5.6% HM for 55.6Mt In Situ HM		South West Deposits	SR1 Kiln Restart	Eneabba (Phase 2)	Eneabba (Phase 1) Cataby
Sierra Leone	739Mt @ 1.1% Rutile for 8.2Mt In Situ Rutile		Sembehun			Lanti Gangama
Stage description:		Determine what it could be	Determine what it should be	Determine what it will be	Deliver the project	Grow and improve
Estimate Accuracy Range (at end of phase):		-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 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 . 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.



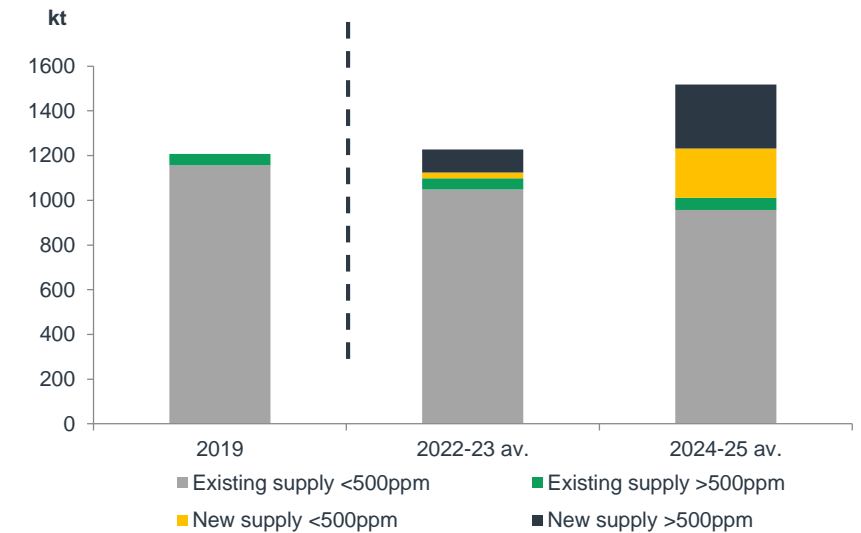
Impact of Increasing Environmental Regulations

- China's strict enforcement of radiation limits limiting some supply
- Industry responding with new standardised levels
 - Zircon Industry Association role to develop industry benchmarks and engage in industry debate
- Supply of low U+Th zircon declining
 - currently >95% of zircon supply is <500ppm U+Th
 - <45% of potential new projects with zircon <500ppm U+Th
- Potential industry evolution includes:
 - further supply constraints
 - customers adapt
 - innovation

What Iluka is doing:

- developing technology to unlock deposits
- engaging with customers on product development
- working with industry bodies and regulators to build understanding of issues
- maintaining a high level of environmental stewardship

Global Zircon Supply Outlook by U+Th level



Source: Iluka



Lowering Environmental Impact Across Value Chain

- Feedstock producers and customers facing higher environmental standards
- Industry will need to work together to address:
 - lowering carbon footprint
 - reducing energy consumption
 - where appropriate, minimising and using appropriate waste disposal

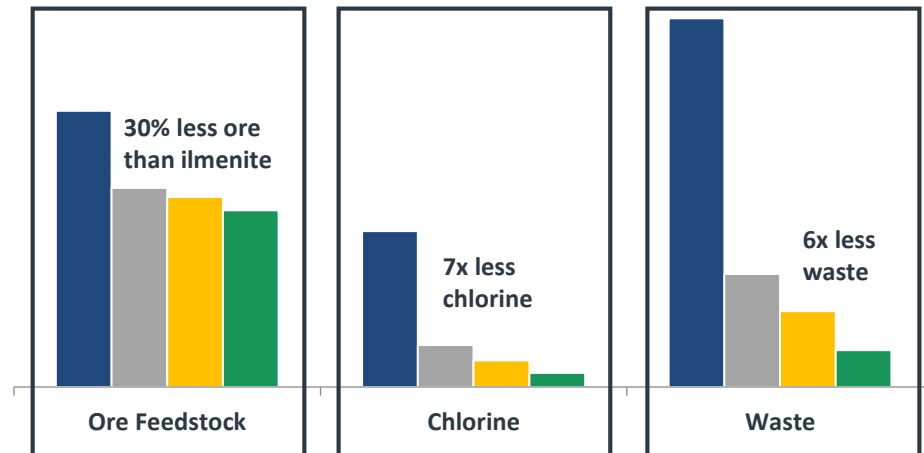
What Iluka is doing:

- SR2 kiln in Western Australia utilises waste heat recovery system to generate power
- Produce predominantly high grade products with lower waste streams
- Developing potential new products to lower customers' environmental footprint
- Marketing of previously unused by-products



Feedstock and Chlorine Input and Waste Output for various feedstocks, per tonne of pigment

■ Ilmenite ■ Chloride Slag ■ Synthetic Rutile ■ Natural Rutile



Lower tonnes of ore required to produce a tonne of pigment

Less chlorine (input cost) required to digest feedstock

Lower waste generation (environment and cost benefits)

Source: Iluka



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