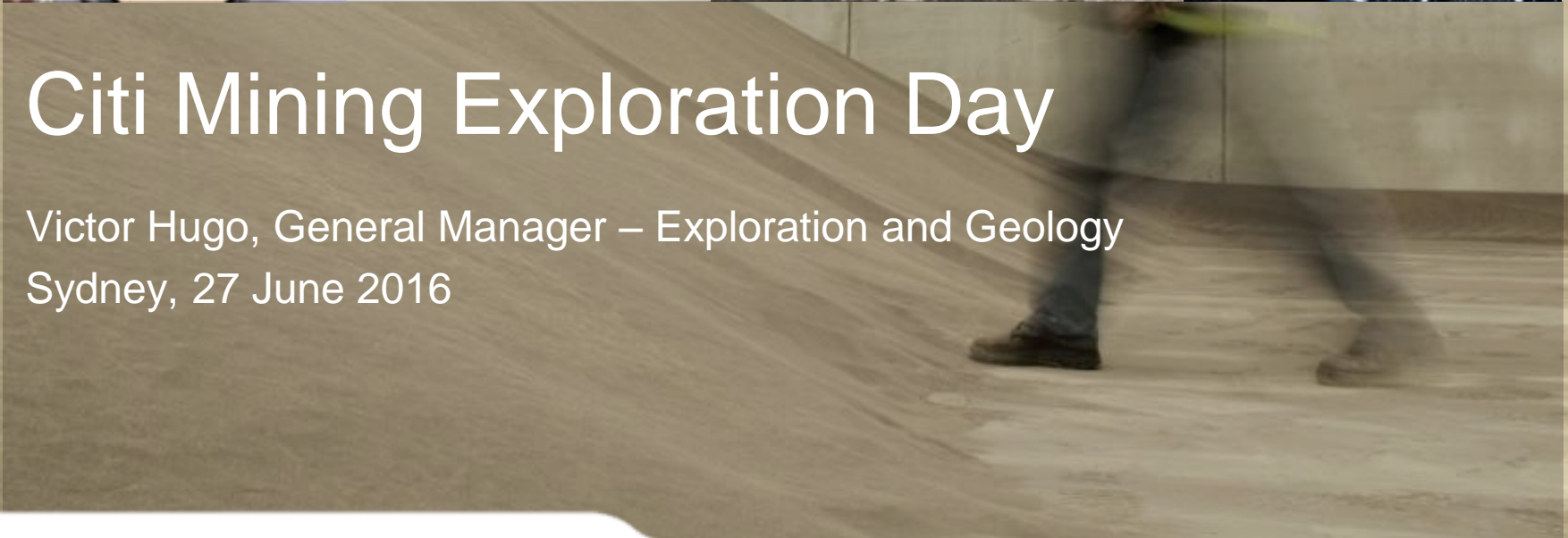


Iluka Resources Limited



Citi Mining Exploration Day

Victor Hugo, General Manager – Exploration and Geology
Sydney, 27 June 2016



Disclaimer – Forward Looking Statements



Forward Looking Statements

This presentation contains certain statements which constitute “forward-looking statements”. These statements include, without limitation, estimates of future production and production potential; estimates of future capital expenditure and cash costs; 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 risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. 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; and
- environmental or social factors which may affect a licence to operate.

Except for statutory liability which cannot be excluded, Iluka, its officers, employees and advisers 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 any person as a consequence of any information in this presentation or any error or omission there from.

Iluka does not undertake any obligation 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.

Non-IFRS Financial Information

This presentation uses non-IFRS financial information including mineral sands EBITDA, mineral sands EBIT, Group EBITDA and Group EBIT which are used to measure both group and operational performance. A reconciliation of non-IFRS financial information to profit before tax is included in the supplementary slides. Non-IFRS measures have not been subject to audit or review.

Mineral Resources Estimates

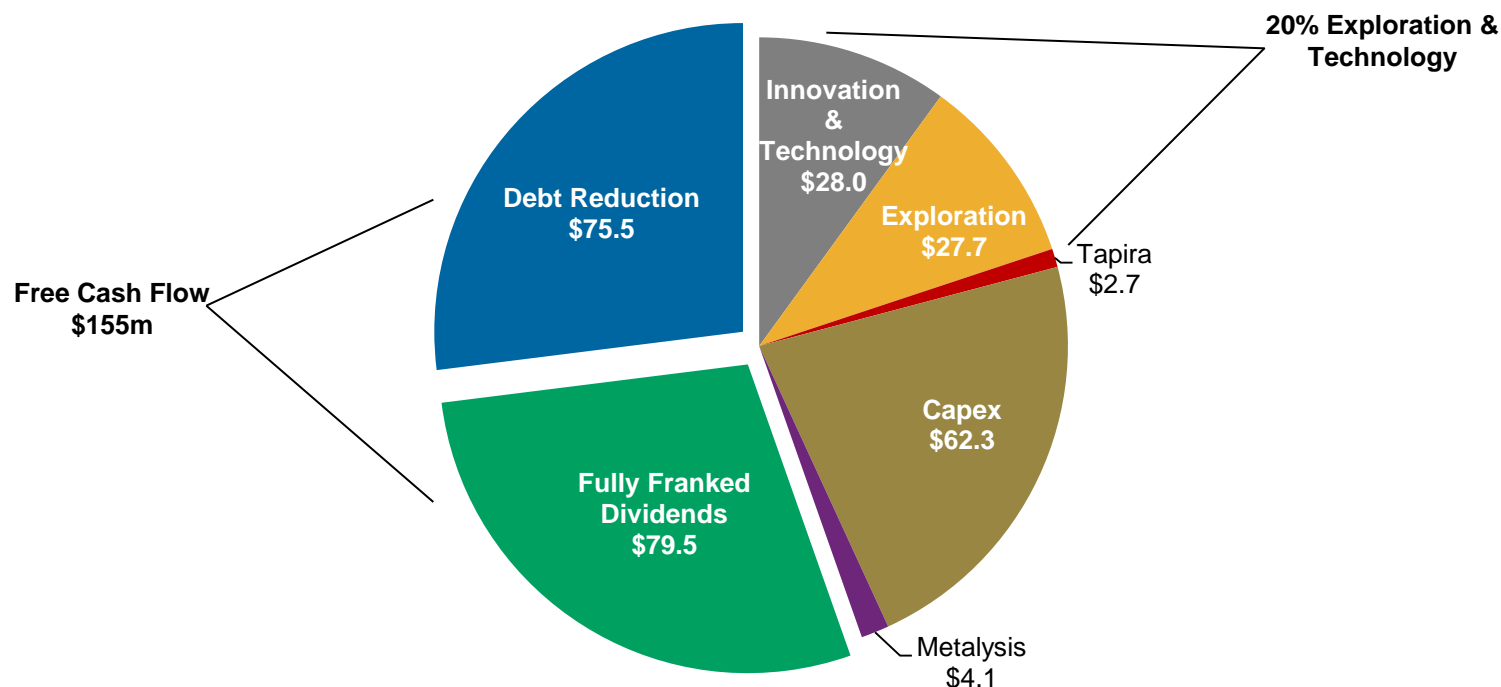
The information in this presentation that relates to Mineral Resources estimates has been previously announced to ASX (see relevant slide for details). Iluka confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in those announcements 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.

Objective – to create and deliver value for shareholders

- ~A\$2.4 bn market capitalisation; 6th ranked Australian resource company
- Leading position in mineral sands industry
 - largest producer of **zircon** – market share ~35%
 - significant high grade **titanium dioxide feedstock** producer
- Production assets in Australia and US (some idled currently)
- Comprehensive marketing presence and capability
- Long life iron ore royalty from BHP Billiton's Mining Area C in WA
- Australian mineral sands projects at advanced stages of evaluation/planning
- Investments in Metalysis (titanium powder UK) and Tapira (Vale JV Brazil) opportunities
- Shareholder focus – asset flex; capital discipline; options; counter-cyclical investing
- Strong balance sheet

Balanced Apportionment of 2015 Cash Flow

2015 Operating Cash Flow Usage (\$m)



Net cash inflow from operating activities in the 2015 Financial Statements of \$229.5m includes expenditure for innovation & technology (\$28.0m), exploration (\$27.7m) and Tapira (\$2.7m). Free cash flow includes a net outflow of \$8.1m comprised of purchase of Treasury Shares (\$9.0m) and asset sales income (\$0.9m).

Net debt decreased \$65.0m compared to the previous corresponding period due to free cash flow for the year of \$155.0m, payments of \$79.5m in respect of the 13c 2014 final dividend in March 2015 and the 6c 2015 interim dividend in October 2015, currency translation impacts of \$8.1m on the USD component of net debt and amortisation of deferred borrowing costs of \$2.4m.

- Pre-investing cash flows of \$279.8 million used to fund \$124.8m of future growth opportunities
- Remaining \$155.0 million of free cash flow used to:
 - pay down debt (\$75.5 million)
 - pay dividends (\$79.5 million)

Iluka Reserves and Resources

Reserves (proven and probable) as at 31 December, 2015

Area	Ilmenite Mt	Rutile Mt	Zircon Mt
Eucla Basin	1.1	0.2	2.0
Perth Basin	9.9	0.8	1.7
Other ¹	1.2	0.4	0.4
Total	12.2	1.4	4.1

Resources (inclusive of reserves) as at 31 December, 2015

Area	Ilmenite Mt	Rutile Mt	Zircon Mt
Eucla Basin	9.8	0.6	5.6
Perth Basin	33.3	2.9	5.8
Murray Basin	18.2	4.7	3.7
Sri Lanka	37.7	2.2	2.2
USA	3.2	0	0.6
Total	102	10.4	17.3

¹ Includes Murray Basin and US reserves

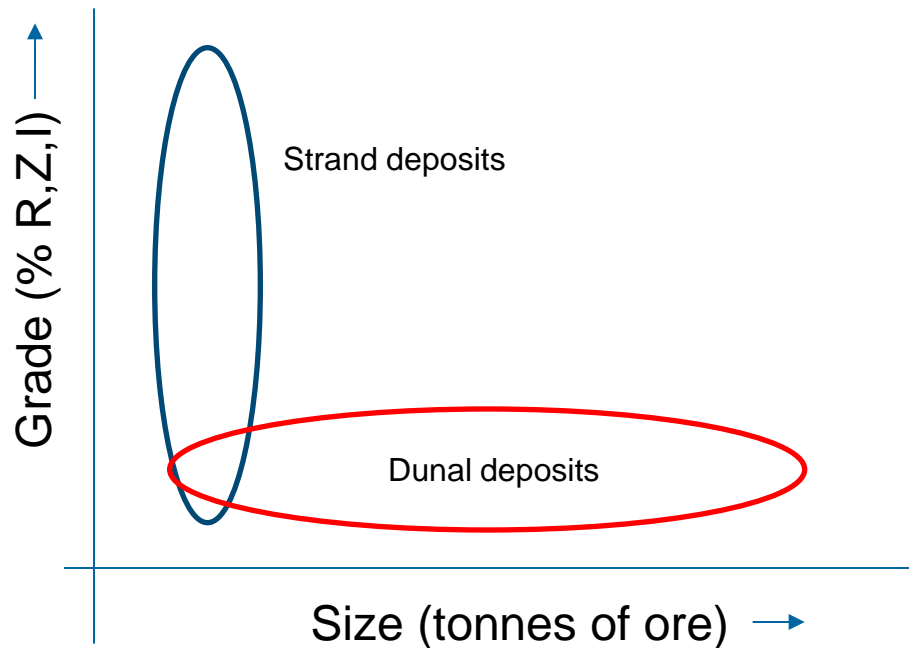
Source: Iluka Ore Reserves and Mineral Resource Statement, as at 31 December, 2015

Rounding may result in differences in total versus individual regions

Reserves and Resources

Single largest reserve is 5 Mt of combined R,Z,I

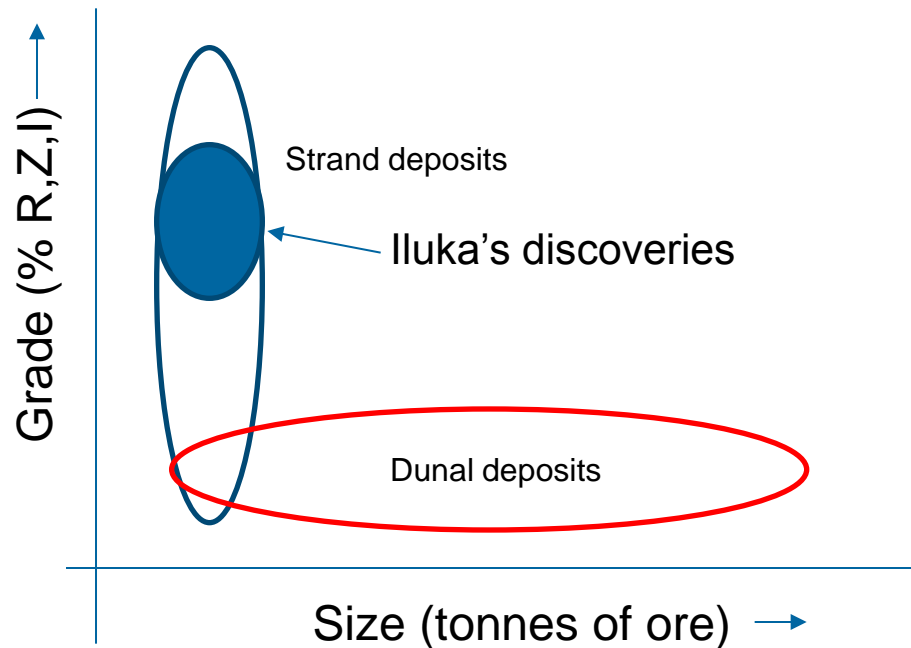
Besides Sri Lanka, single largest resource is 10 Mt of combined R,Z,I



Reserves and Resources

Single largest reserve is 5 Mt of combined R,Z,I

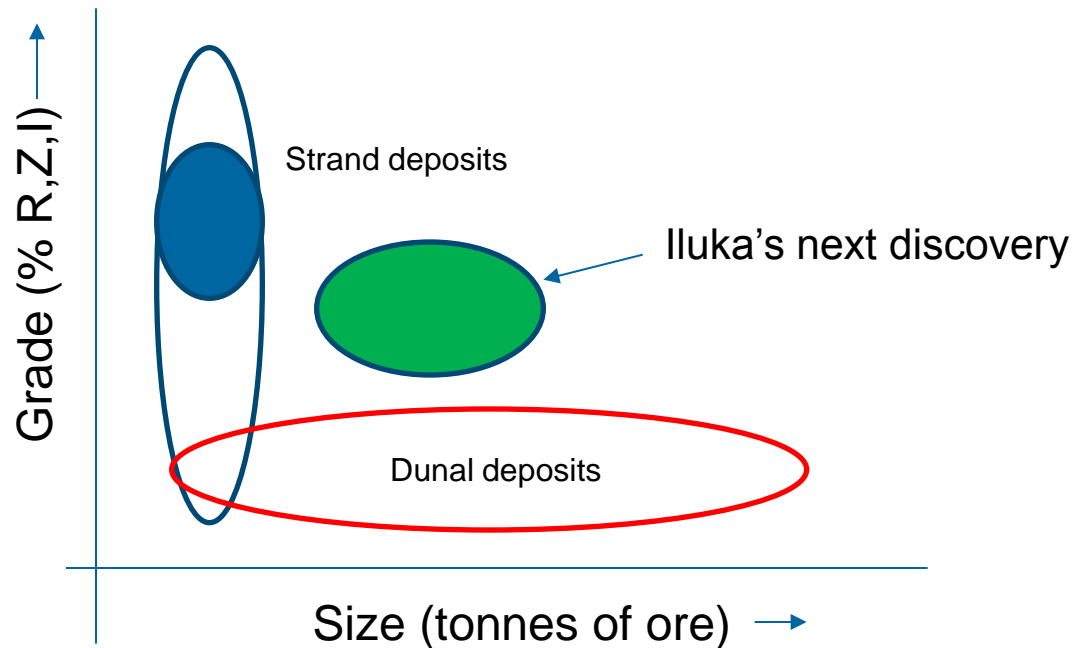
Besides Sri Lanka, single largest resource is 10 Mt of combined R,Z,I



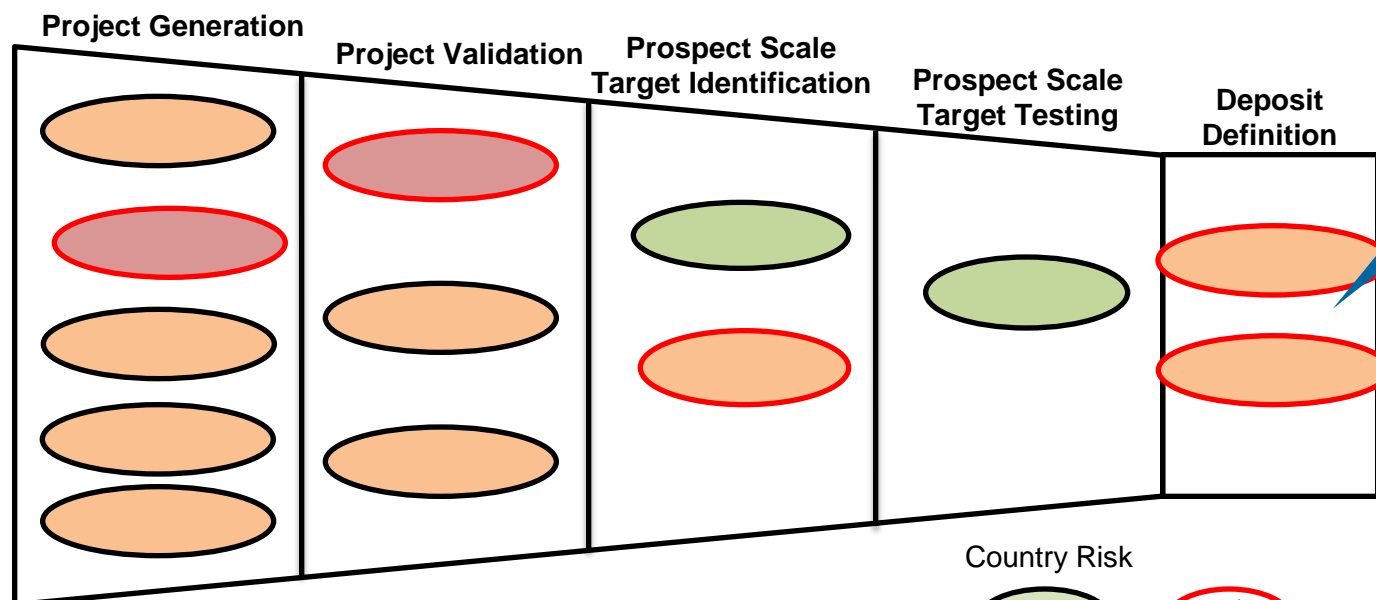
Tier 1 Focus

Strong focus on Tier 1 discovery

- Long life (> 20 years life)
- Valuable – makes a return through the bottom of the cycle



Iluka Discovery System



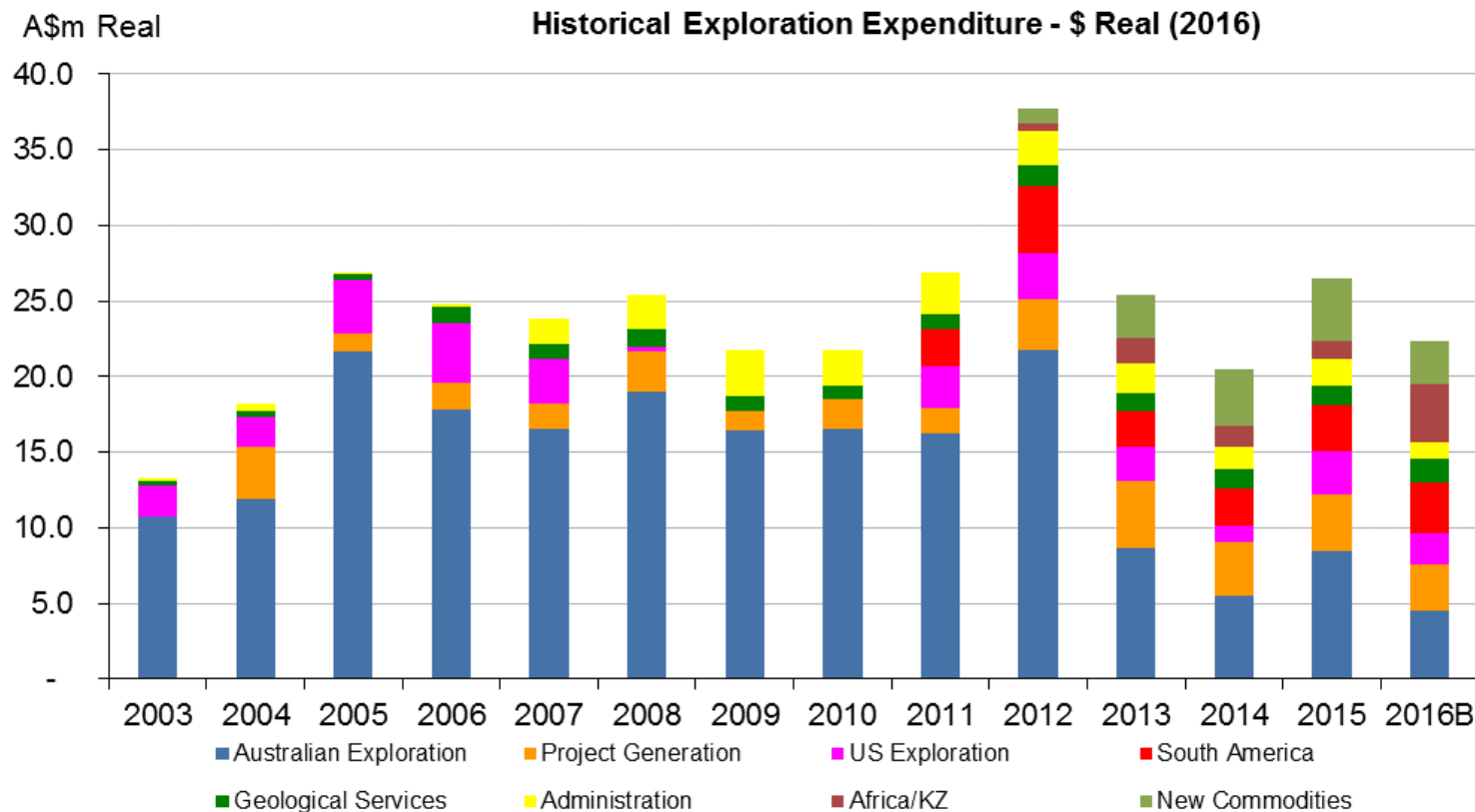
Country Risk



Supporting tools and systems

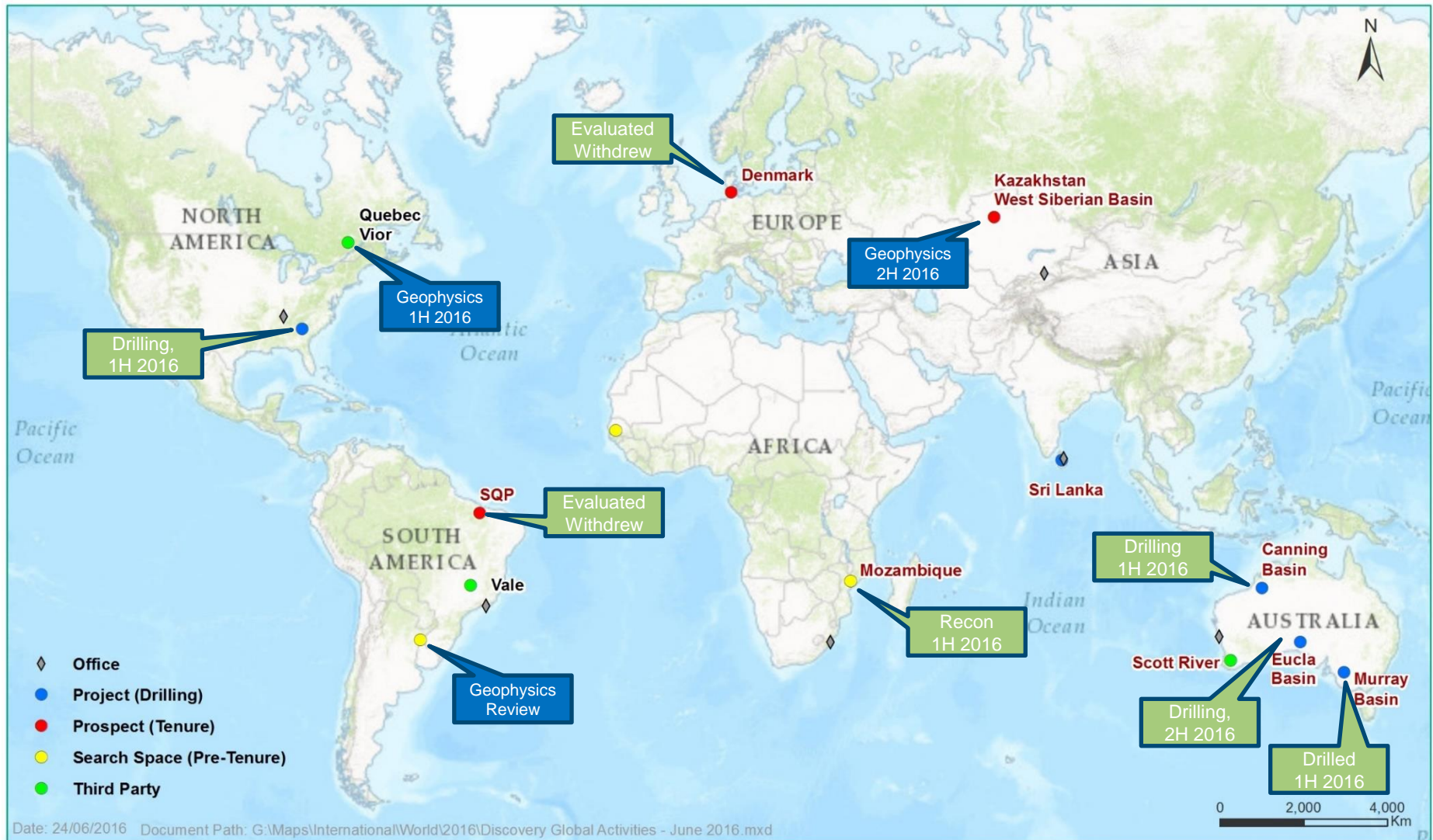
Geological Framework, Target Ranking, Metrics System

Historical Exploration Expenditure



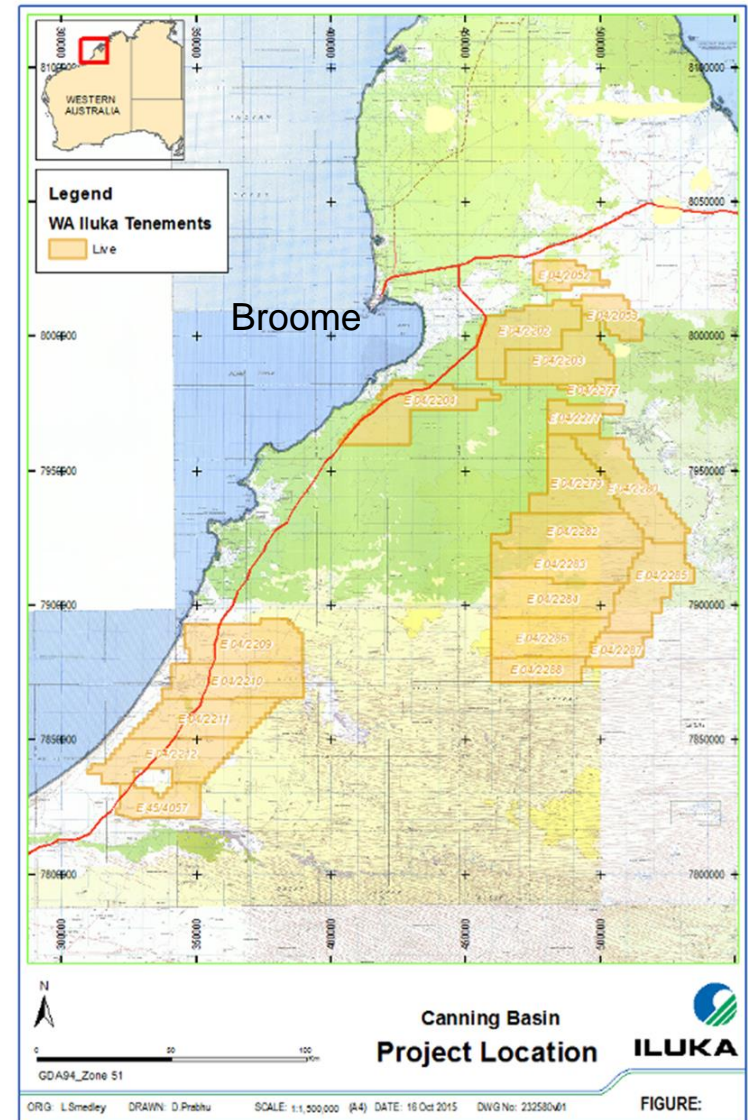
Iluka Exploration

Global Activities

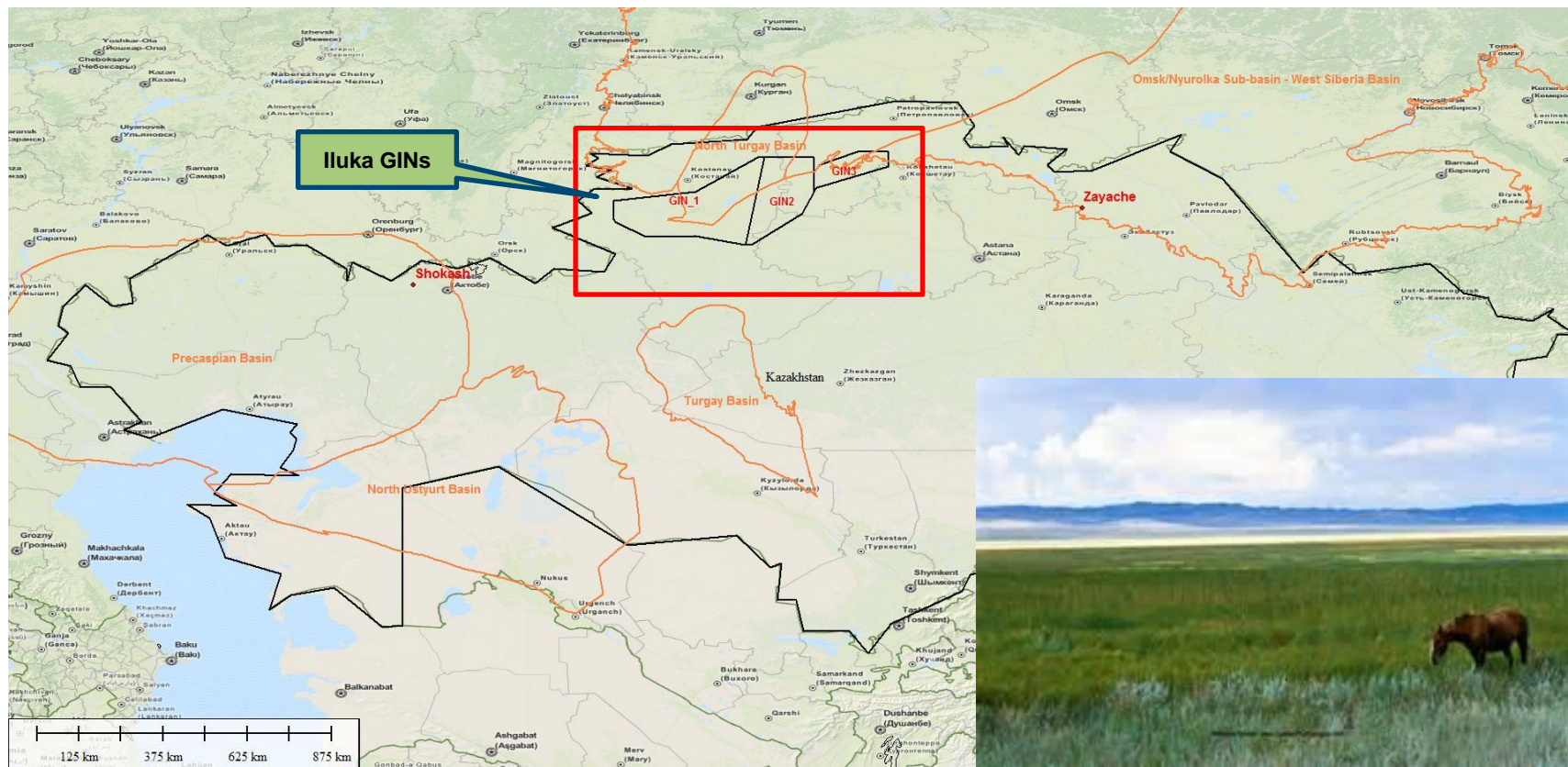


Canning Basin, WA, Australia

- Targeting coarse-grained, zircon-rich deposits
- Searching along the palaeo-coastline
- Second stage of drilling from June 2016

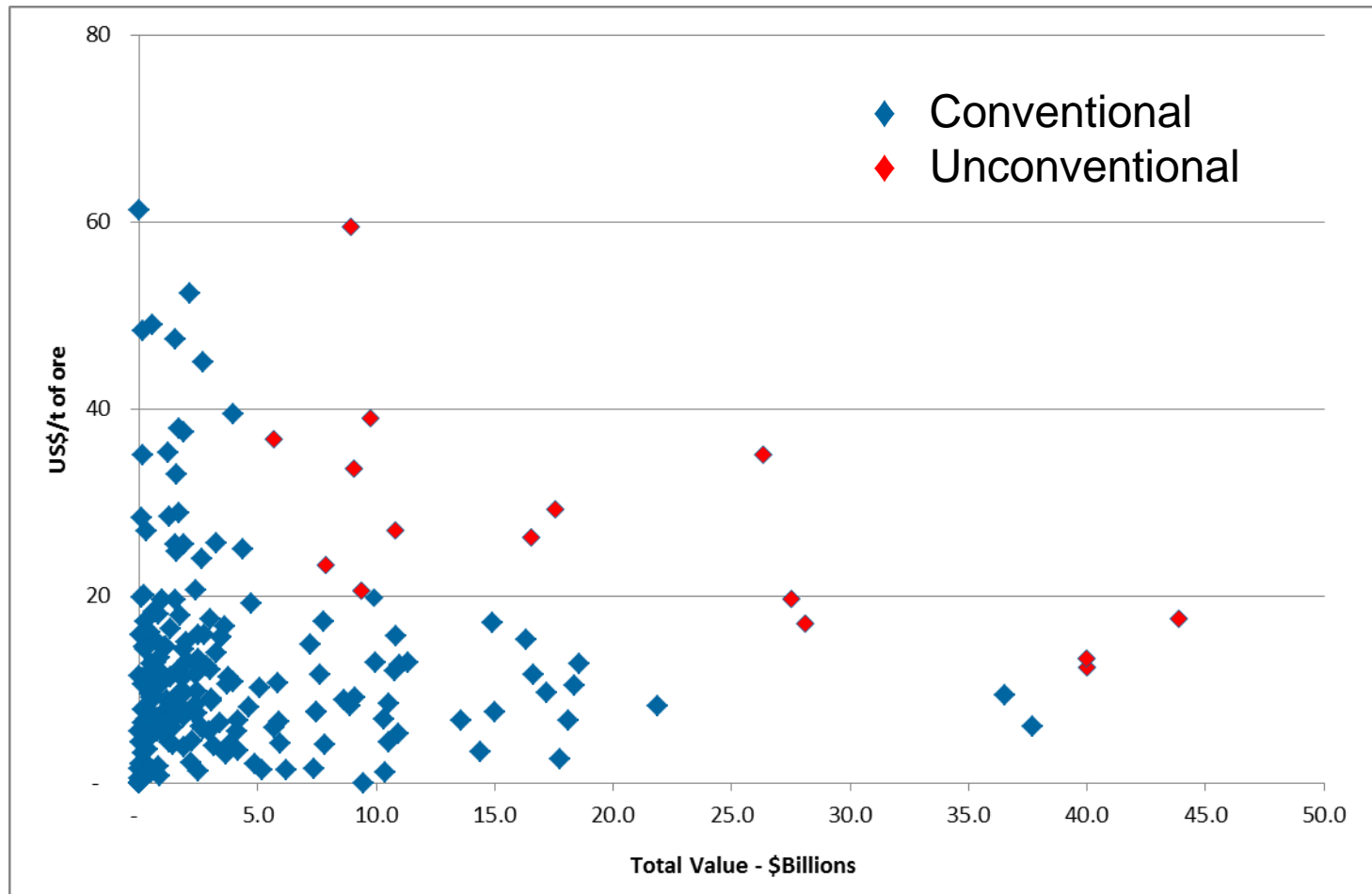


Kazakhstan



- 66,000 km² of exploration search space granted
- Targeting rutile and zircon rich deposits, similar in style to Murray Basin
- Second stage of aero-geophysics to start in July, 2016
- Drilling to follow in H2, 2016

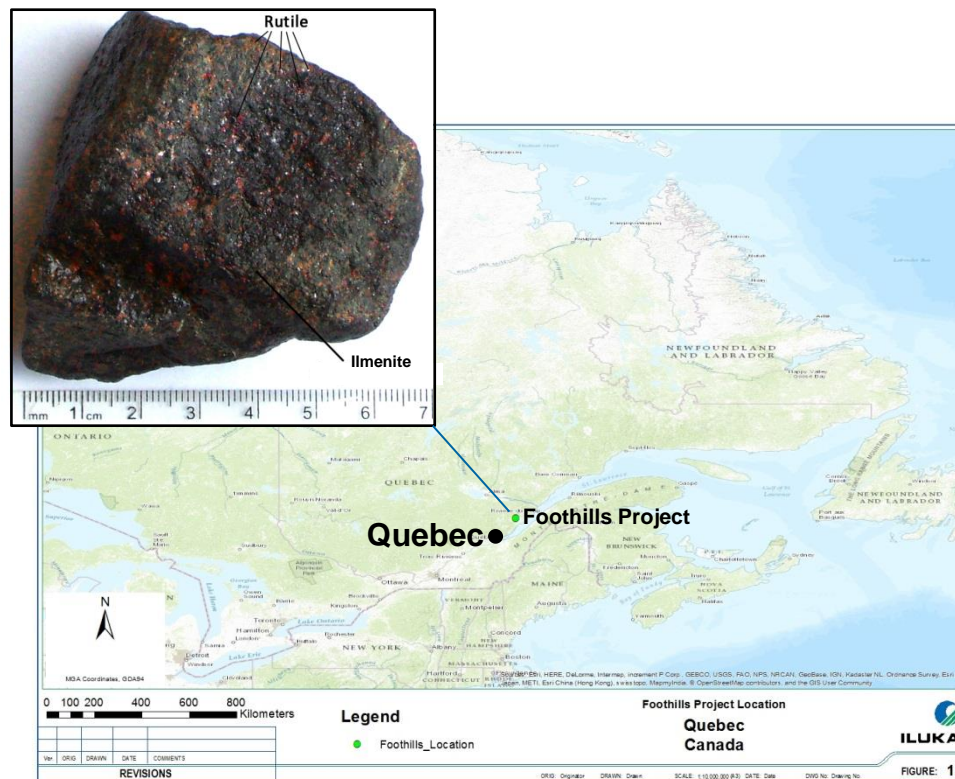
The need to consider unconventional targets



Project Generation – New Search Space

Foothills Prospect – ilmenite / rutile

- Farm-in with Vior Inc.
- New search space, hard rock
- Massive ilmenite-rutile accumulations
- Rutile focus, up to 45% in samples
- First pass geophysics - H1, 2016
- Field mapping over summer



Conclusions

- Iluka has large resource inventory
- Inventory currently lacks a true Tier 1 HM resource
- Our purpose in Iluka Exploration is to find that Tier 1 resource
- We have changed where and how we explore to achieve this goal
 - Largely greenfields exploration weighted
 - Shift from Australia to international targets
 - Use of technology to unlock new search spaces or conversion to resources
 - Farm-ins, joint ventures or acquisition of exploration ground
 - Systematic and rigorous approach to discovery
 - Comprehensive geological models, depth of geological experience
 - Consistent project based expenditure

Iluka Resources Limited



For more information contact:

Dr Robert Porter, General Manager Investor Relations

robert.porter@iluka.com

+61 (0)3 9225 5008 / +61 (0) 407 391 829

www.iluka.com