



2017 Investor Day

10 November 2017



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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, 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.

Compliance Statement



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 21 February 2017 in a release titled "Updated Mineral Resource and Ore Reserve Statement" and is 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 targets

Production targets 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 further study, investment approval from the Board and is subject to changes in market and operating conditions; political risk; and any significant unplanned operational issues.

Revenue Factors

Commodity price assumptions are established internally based on monitoring supply and demand on an ongoing basis. Price assumptions are benchmarked against commercially available price forecasts by industry observers. Revenue factors are used to establish mine sensitivities and to test for robustness of the Ore Reserve. Detailed price assumptions are deemed to be commercially sensitive and are not disclosed.

Costs

Cataby

Capital assumptions are based on budget pricing for the majority of the work packages, other than site buildings and camp construction and demolition for which a design and construct tender was received. Pricing for the contractors direct and indirect works has been derived from a combination of the following sources: tendered quotations procured from suppliers and contractors; purchase quotation from suppliers and contractors; budget quotations procured from suppliers and contractors; historical data sourced from previously tendered or estimated projects of a similar nature and location. Where necessary items have been factored to allow for different size/capacity, etc; estimated, factored or built-up rates; and provisional or lump sum allowances where the use of the aforementioned methods are not possible.

Pricing for the operating cost estimate has been derived from a combination of the following sources: budget quotations procured from suppliers and contractors; estimated, factored or built-up rates; historical data sourced from other Iluka mine sites; and provisional or lump sum allowances where the use of the aforementioned methods are not possible. Cost and recovery penalties have been applied to deleterious elements.

Transportation charges have been procured from contractors. Processing costs are based on actual Iluka operational costs, including overheads. Actual operating costs are used to benchmark the operating cost estimates.

Allowances have been made for royalties payable to Government and private stakeholders.

Sierra Rutile

Capital assumptions for the Sembahun development were determined during the PFS, which is yet to be completed. Existing infrastructure will be utilised for mineral separation. Other costs were based on previous recent experience of SRL mine developments and industry estimates. Operating costs are based on historical performance and updated for current economic conditions. Cost and recovery penalties have been applied to deleterious elements in the optimisation and subsequent cost estimate.

All costs are calculated in \$US.

Transportation charges are based on recent rates procured from SRL. Treatment costs are based on actual operational costs including deleterious elements. Actual operating costs are used to benchmark the operating cost estimates. Appropriate allowance has been made for Sierra Leone Government and other private stakeholder royalties.

Environment

Studies and approvals for the Sembahun project are currently in progress and there is a reasonable expectation that these will be in place before the project is executed.

Agenda



Time	Topic	Presenter
8.30am	Session 1 – Industry and Markets	
	Introduction and Company Approach	Tom O’Leary
	Industry Settings	Doug Warden
	Zircon and Titanium Markets	Matt Blackwell
	Questions and Answers	Panel discussion
10.15am	Break	
10.30am	Session 2 – Operations and Projects	
	Jacinth-Ambrosia Operations	Hamish Little
	Sierra Rutile Operations	Rob Hattingh
	Cataby and Balranald Projects	Simon Hay
	Mining Area C and Financials	Doug Warden
	Outlook and Closing	Tom O’Leary
	Questions and Answers	Panel discussion

Iluka Executive and Presenters / Panelists



Executive



Tom O'Leary
Managing Director



Doug Warden
CFO, Head of
Strategy & Planning



Matt Blackwell
Head of Marketing



Rob Hattingh
CEO Sierra Rutile



Simon Hay
Head of Resource
Development



Julian Andrews
Head of Business
Development



Sarah Hodgson
GM People



Adele Stratton
GM Finance &
Investor Relations



Steve Wickham
COO



Sue Wilson
General Counsel &
Company Secretary

Other presenters



Hamish Little
Operations Manager
Jacinth-Ambrosia



Christian Barbier
GM Zircon



Dan McGrath
Chief Metallurgist



Robert Gibney
GM Titanium
Dioxide

Overview

Market Conditions



- Supply constraints
- Moderate demand
- Prices increasing

Strong Asset Base



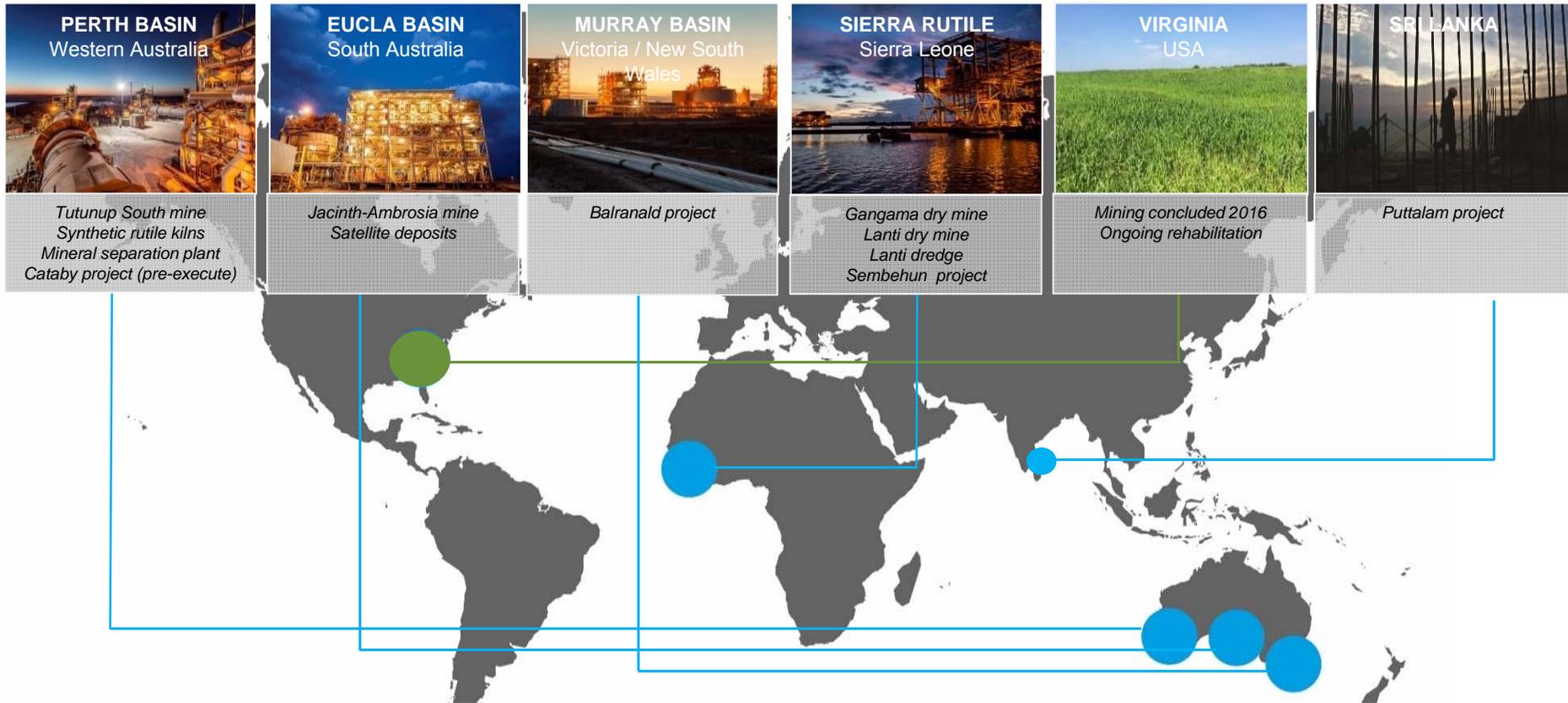
- Sierra Rutile improvements and expansions
- Jacinth-Ambrosia restart and expansion
- Cataby project
- Balranald project
- Mining Area C royalty expanding

Financial Capacity



- Well positioned
- Debt tenure extended

Iluka's Mineral Sands Portfolio



Iluka's Product Suite

Zircon

Used in ceramics, refractories and other specialty applications.

Opaque, hard wearing, heat resistant



Titanium Dioxide (TiO₂) Feedstock

TiO₂ pigment used in paints, plastics, paper

Opaque, UV resistant,

Strong and light metal, corrosion resistant



Sustainability

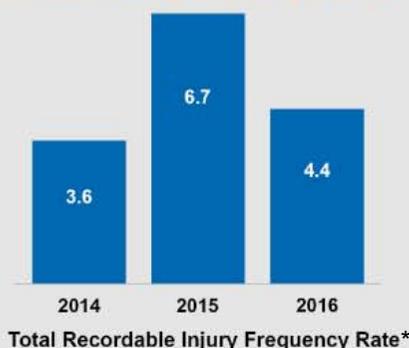


Ongoing integration of Iluka's **safety and risk mitigation framework** to strengthen Sierra Rutile's sustainability performance



Sierra Rutile Limited

Continued focus on **preventing injuries** and remaining **fatality-free**



Awarded the South Australian **Premier's Community Excellence Award** for Social Inclusion



Senior female representation

33%

Executive management

33%

Board

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

Incorporated into 2017 **DJSI Australia index** for leading sustainability performance



Public sustainability targets set and communicated to track and improve performance across material issues

* Excludes Sierra Rutile, acquired in December 2016 8

Iluka's Approach



Create and deliver value for shareholders

Flex assets in line with market conditions

Jacinth-Ambrosia restart and expansion



Preserve and advance growth opportunities

Cataby project

Sierra Rutile expansion projects

Balranald staged development approach

Fine minerals project

Puttalam project



Act counter cyclically where appropriate

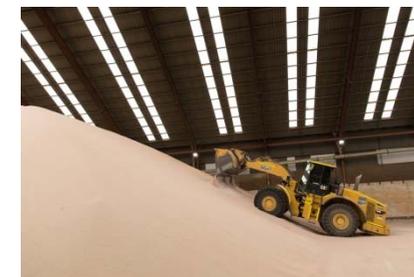
Sierra Rutile acquisition completed December 2016



Disciplined capital allocation

Strict financial criteria applied and strategic rationale must be met

Focused on shareholder returns through the cycle



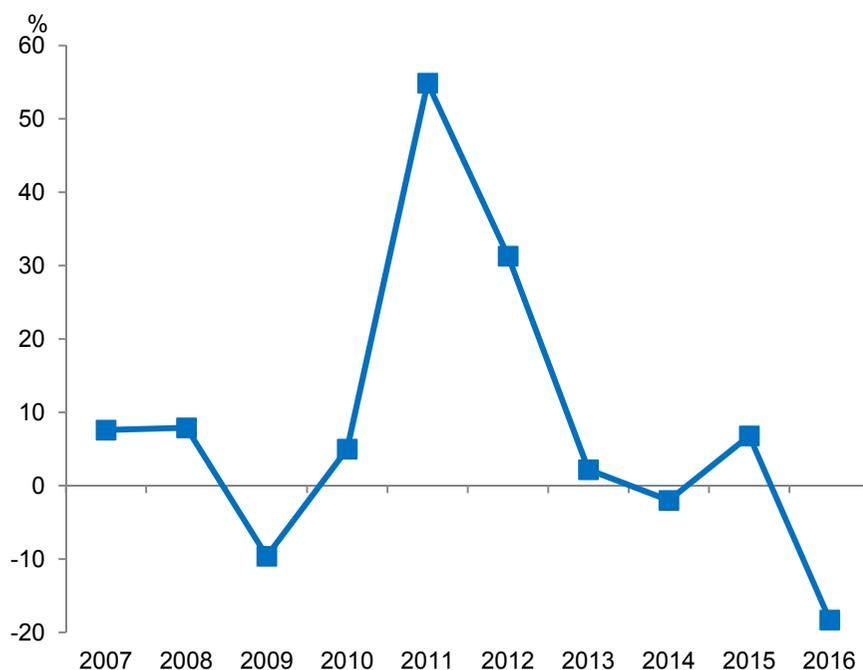
Shareholder Returns and Performance



ROC performance disappointing...

...10 year TSR satisfactory

Iluka's 10 year Return on Capital



Comparables Total Shareholder Return* (Annualised)

	1 year	2 year	5 year	10 year
Anglo American	29%	63%	(3%)	(6%)
Barrick	(17%)	38%	(18%)	(9%)
BHP	20%	11%	0%	(2%)
First Quantum	13%	44%	(8%)	(3%)
FMG	(9%)	57%	7%	2%
Freeport	25%	9%	(16%)	(11%)
Glencore	48%	81%	4%	n/a
Iluka	64%	23%	1%	11%
Lundin	90%	50%	14%	(2%)
Newcrest	0%	36%	(3%)	(3%)
Norilsk	35%	20%	13%	(0%)
RIO	34%	23%	8%	1%
South32	37%	55%	n/a	n/a
Teck	(5%)	89%	(6%)	(7%)
Vale	50%	39%	1%	(3%)
Median (ex Iluka)	30%	39%	1%	(2%)
Average (ex Iluka)	27%	41%	0%	(2%)

* As at 31 October 2017
Source: Bloomberg

Focus on delivery of shareholder returns

1. Disciplined capital allocation
2. Good actor in the industry
3. Sustainable cost base

Sustainable Business Review



Comprehensive review of business and improvements implemented

- 2017 non-production costs down \$70 million from 2016
 - reduced exploration
 - rationalised research and development
 - lower corporate overheads
- Detailed review of existing production portfolio and projects
 - Australian mineral separation plants (MSPs) consolidated
 - staged approach to Balranald

Sustaining and Growing Iluka's Business



1. Delivery of projects

Jacynth-Ambrosia restart, expansion and production options
Sierra Rutile improvements and expansions
Cataby development

Over next 1-3 years

2. Organic growth options

Balranald unconventional mining
Fine minerals processing, to increase resource base
Puttalam, Sri Lanka project
Exploration in Sierra Leone, Kazakhstan, Canada

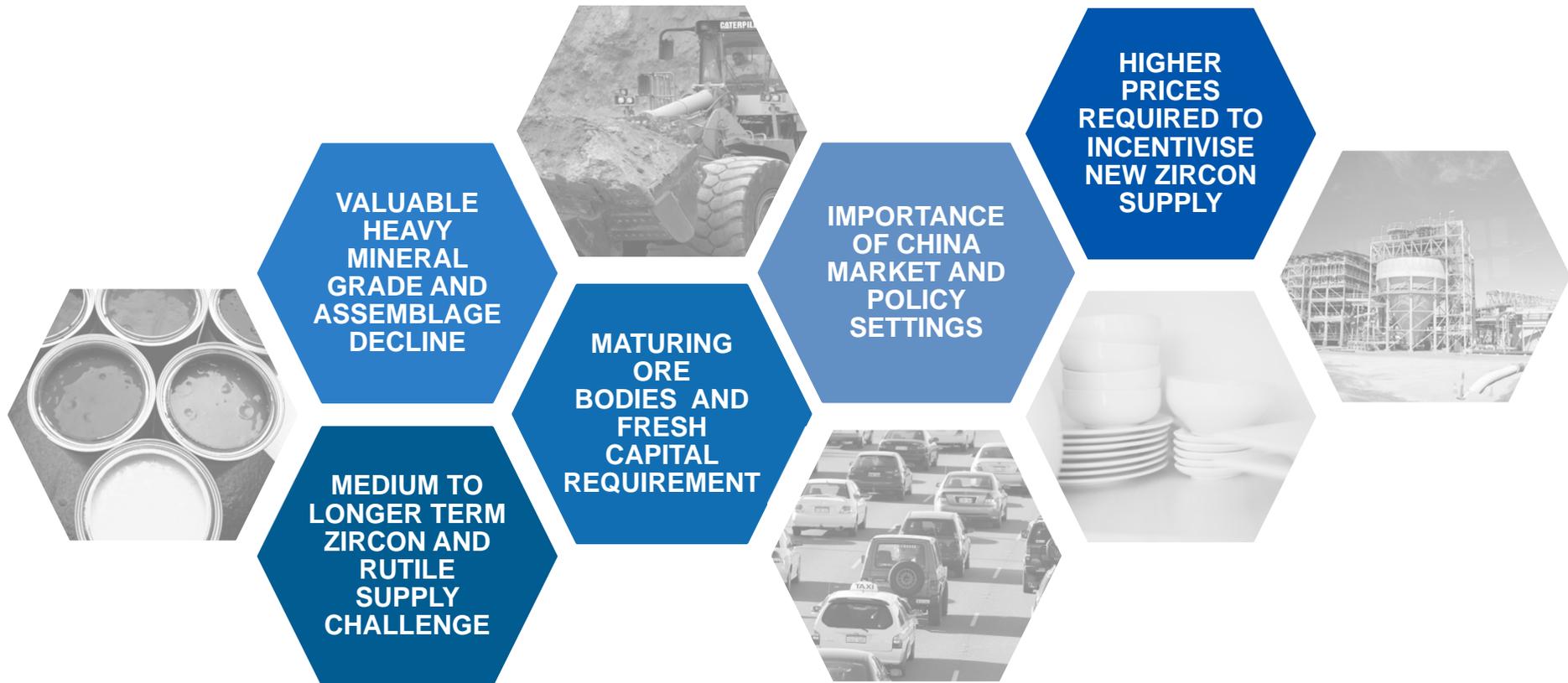
2-5 years

3. M&A

Key criterion: Create and deliver value for shareholders
Counter cyclical or opportunistic investment in mineral sands
Need to demonstrate an advantage
Industrial minerals opportunities potential fit – must bring more than capital

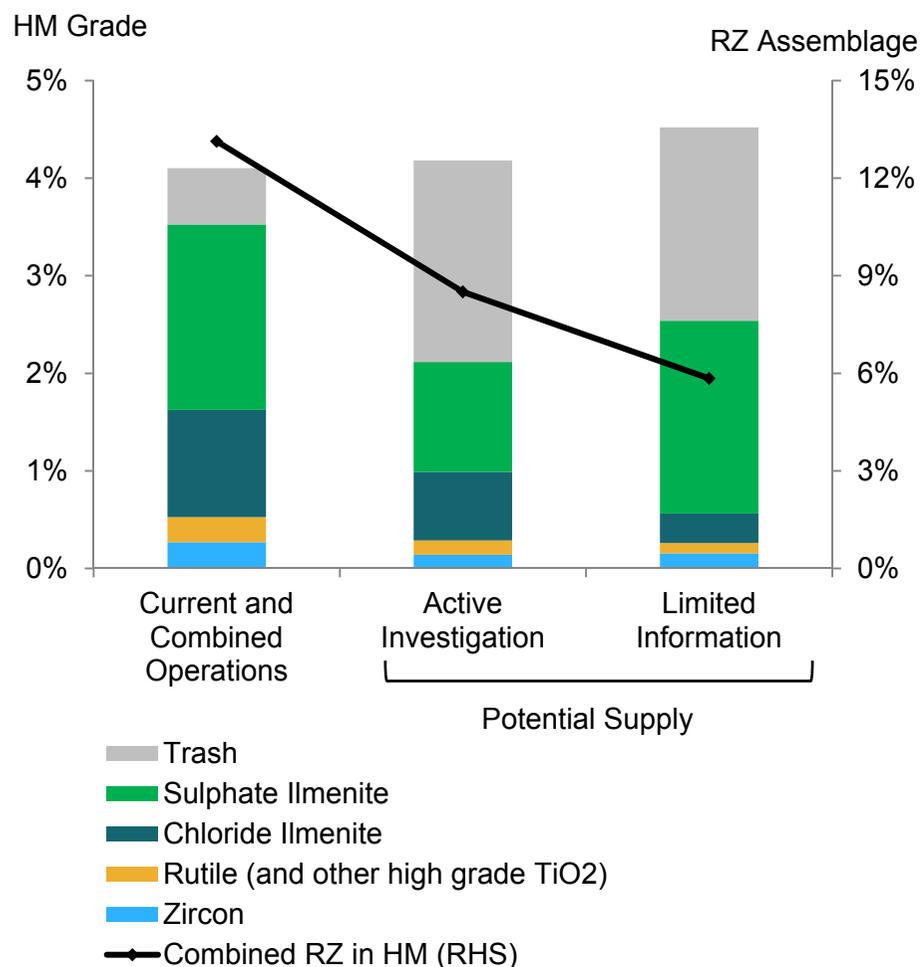
3-6 years

Industry Dynamics and Challenges



Valuable Heavy Mineral Decline

Global Mineral Sands Resources Assemblage



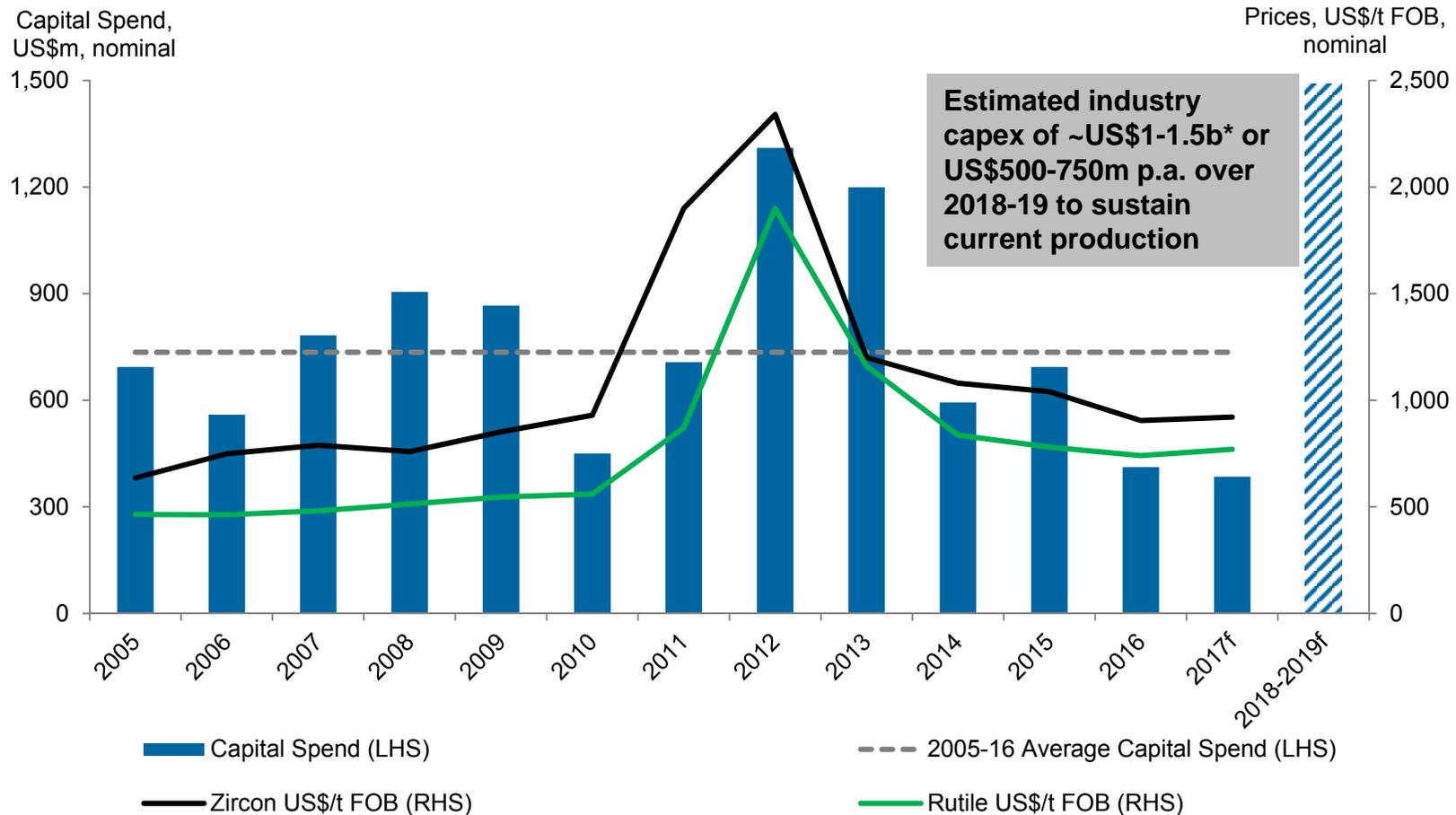
Iluka's assessment of industry ore bodies

- Trash component in heavy mineral suite increasing
- Rutile and zircon assemblage falling

Industry challenge

- Need technical solutions for unconventional ore bodies and product specifications
- Exploration to find better ore bodies
- Achieving prices that generate sufficient return on investment but not so high as to incentivise substitution and thrifting

Capital Required to Sustain Industry Production



Source: Iluka and company reports

* Relates to major existing producers, not potential new projects

Chinese Policy and Pigment Market Setting



Chloride Pigment Plant Growth

Chinese government encourages expansion of chloride route pigment plants in 12th Five Year Plan

New capacity coming on line

- Four new chloride pigment plants built in last two years with aggregate nameplate capacity of 200 ktpa
- Industry analysts expect more capacity to come on line in next five to ten years

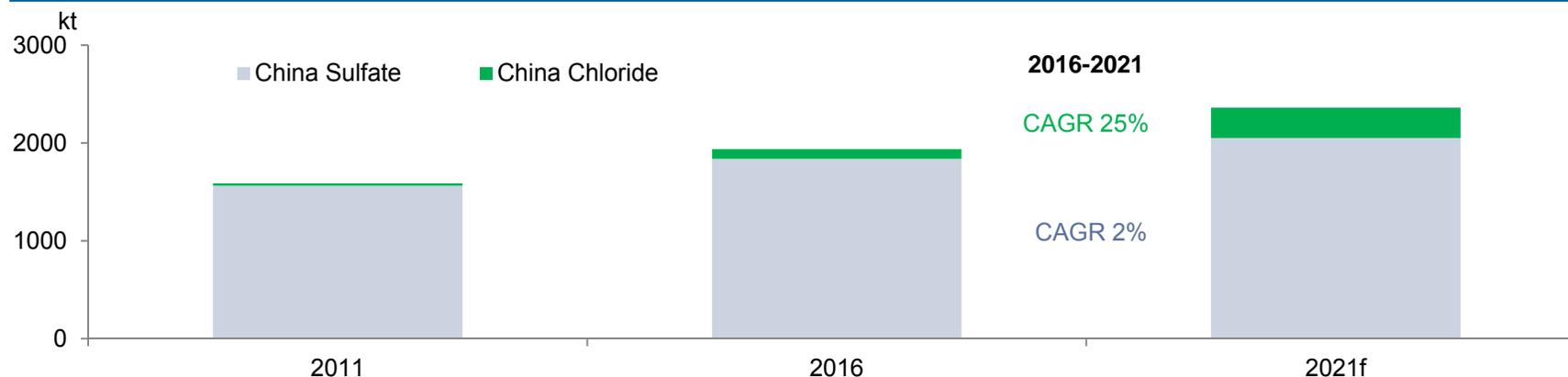
Stricter Environmental Controls

Chinese government introduced tighter emission standards in October 2016 with stricter enforcement

Added controls from February 2017 curbing pollution – regions with significant pigment and ilmenite processing plant capacity affected

Reiteration of focus on environment at recent 19th National Congress of the Communist Party of China, with Xi Jinping stating “we should cherish our environment as much as we cherish our own lives”

Growth of China's pigment industry



Source: TZMI August 2017

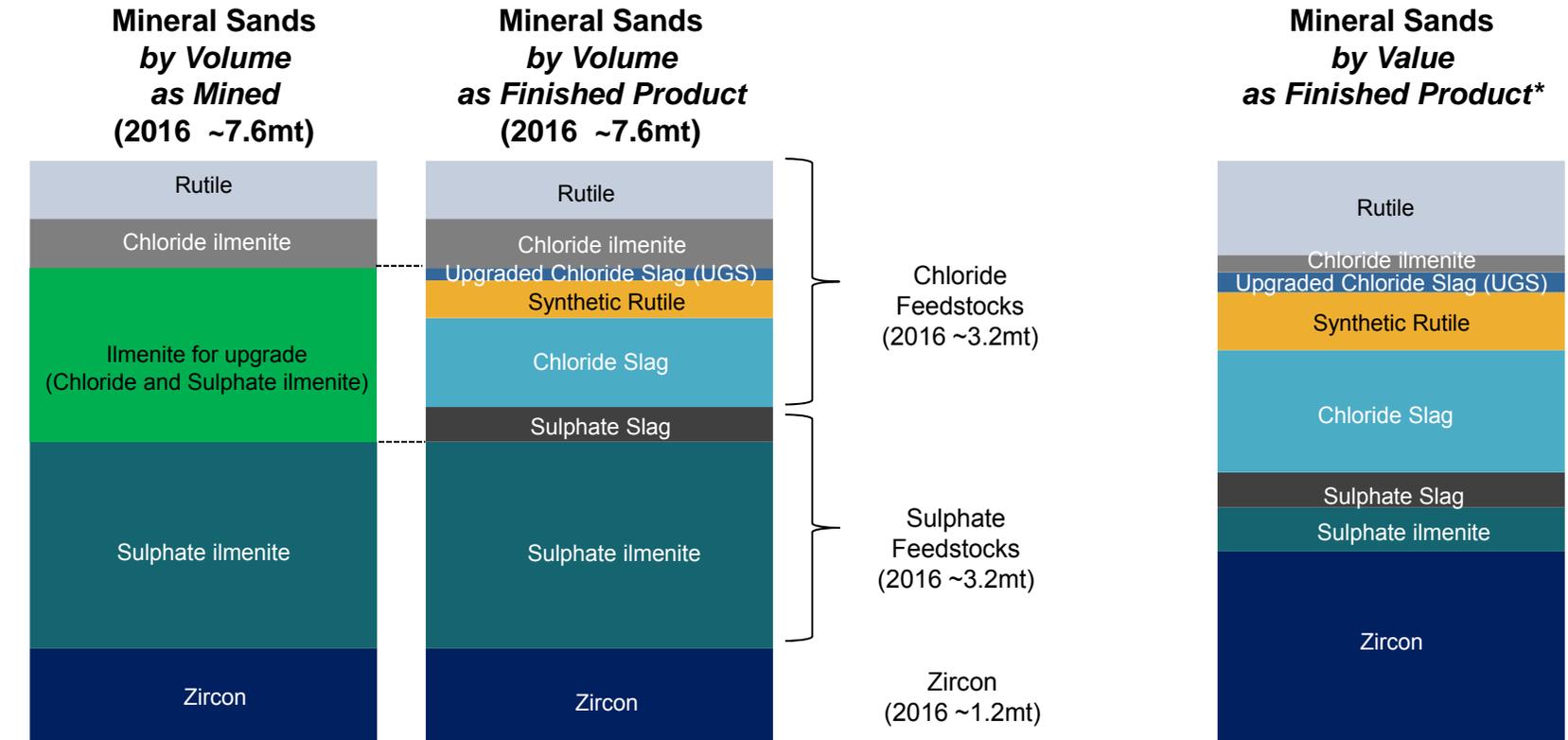


Industry Dynamics

ILUKA



Global Mineral Sands Production



* 2016 product volumes and 2016 industry average prices

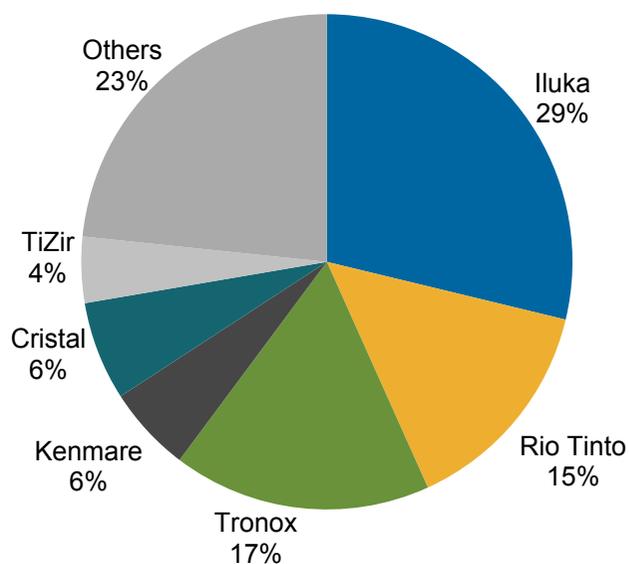
All titanium feedstock volumes in TiO2 units
Source: Company reports, Iluka and TZMI

Global Mineral Sands Producers



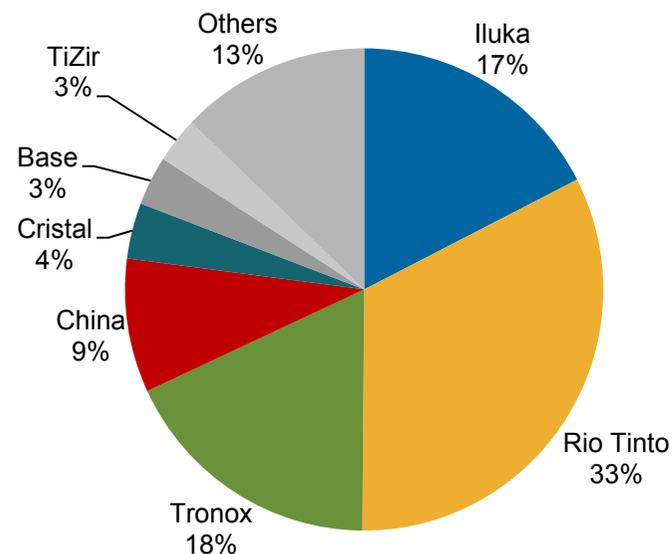
Global Zircon Producers

(2016 Total Production ~1.2mt)



High Grade Chloride Titanium Feedstock¹

(2016 Total Production ~2.5mt TiO₂)



Note Tronox and Cristal feedstock volumes are largely captive to vertically integrated pigment plants, reducing size of merchant market.

Note: Iluka includes Sierra Rutile production (acquired December 2016)
Source: Company reports, Iluka and TZMI

1. Includes rutile, synthetic rutile, chloride slag and upgraded slag

China TiO₂ Industry Overview



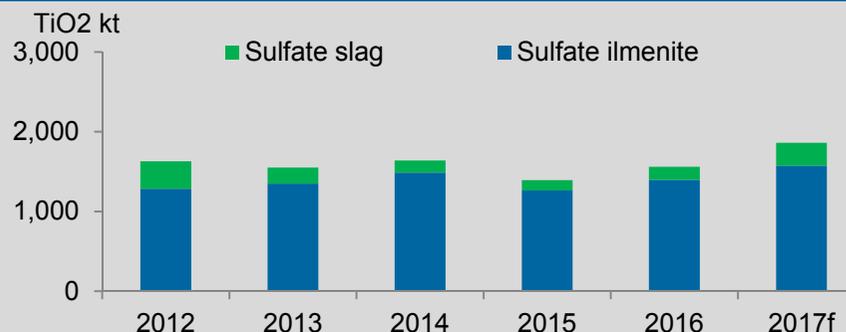
Current China Pigment Industry

- ~30% of global pigment production
 - 100kt chloride, 1,800kt sulfate pigment (2017f)
- ~40% of global pigment capacity
 - 230kt chloride, 2,600kt sulfate pigment (2017f)
- Sulfate pigment capacity utilisation rates typically 60-70%
- ~60-70% self-sufficient in sulfate feedstock supply

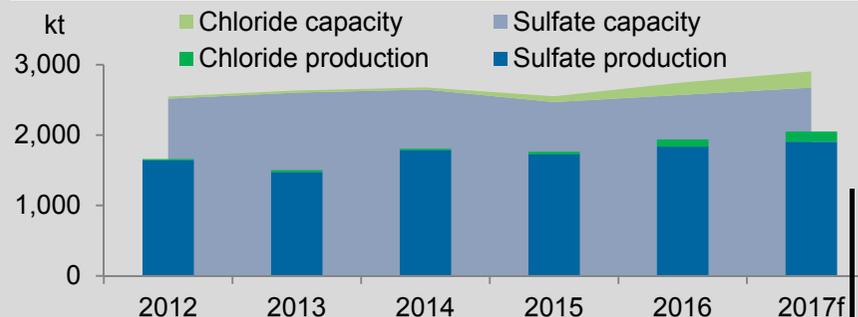
Global Pigment and Feedstock Industry Implications

- Due to quality issues, Chinese sulfate ilmenite primarily used in sulfate pigment
- Deleterious elements in Chinese sulfate ilmenite believed to make it unsuitable for chloride slag production
- China does not produce chloride ilmenite
- China will need to import high grade chloride feedstocks and/or ilmenite (for upgrading to slag or synthetic rutile) to feed nascent chloride pigment industry

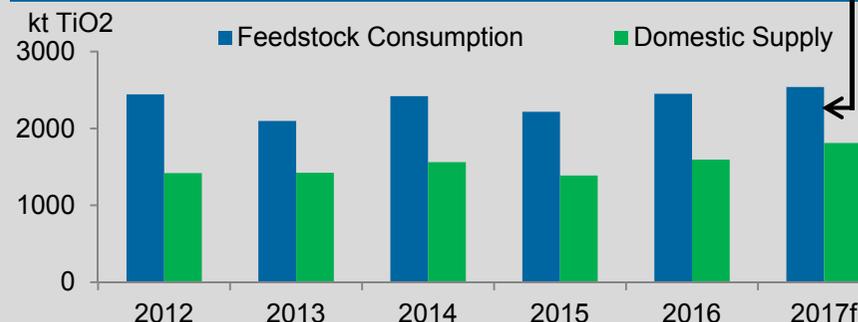
China Sulfate Feedstock Production



China Pigment Capacity



China Titanium Feedstock Requirements

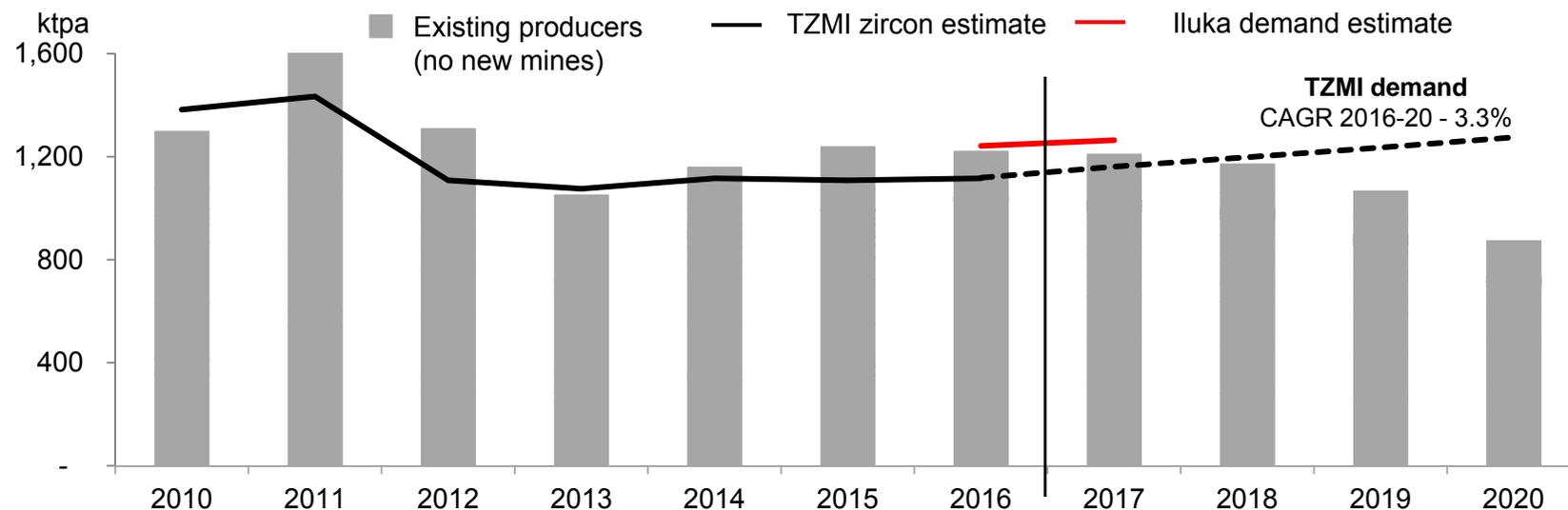


Global Zircon Supply - Demand



- Zircon from existing producers declining due to depletion and grade/assemblage decline
- Inventory largely depleted
- Varying demand estimates
 - Iluka estimates demand based on industry supply and inventory movements
 - TZMI's demand differs from Iluka's view
- From 2011, demand has fallen by 200-250kt due to modernisation, substitution and thrifting, predominantly in the ceramics sector
- Likely supply response from Kalimantan artisanal producers

Zircon Supply and Demand – Existing producers, no new production



Source: Iluka supply and Iluka and TZMI demand August 2017

New Project Supply Challenges



Unconventional deposits requiring technical solutions (eg. 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 evaluates many projects and will remain disciplined in allocating capital.

In a tightening market, new projects may progress despite challenges.

Mineral Sands Industry Potential Projects



	Owner and Project	Location	Stage of Evaluation	Potential Start Date	Production
Major producers	Rio Tinto – Zulti South	South Africa	Advanced	Unknown	320kt TiO ₂ ; 90ktpa zircon
	Cristal – Atlas / Campaspe	Australia	Pre-execute	Unknown	125kt TiO ₂ ; 35ktpa zircon
	Tronox - Dongara	Australia	Pre-execute	2019	70ktpa TiO ₂ ; 20ktpa zircon
Swing production	Kalimantan (zircon)	Indonesia	Swing producer	In operation	Peak production of 100ktpa zircon
	Vietnam (ilmenite)	Vietnam	Swing producer	In operation	Peak production of 500ktpa TiO ₂ (sulfate ilmenite)
Junior developers At various stages of studies, approvals and financing	Group DF - Motronovsk	Ukraine	Under development	Unknown	90ktpa TiO ₂ ; 14ktpa zircon
	Astron – Donald	Australia	Advanced	Unknown	135ktpa TiO ₂ ; 75ktpa zircon
	Astron – Niararang	Senegal	Advanced	2018	Unknown
	AMED (Pvt equity) – Toliara	Madagascar	Advanced	Unknown	212ktpa TiO ₂ ; 31ktpa zircon
	Annui Foreign Economic Construction Group – Chibuto	Mozambique	Pre-execute	Unknown	500ktpa TiO ₂ ; 35ktpa zircon
	Diatreme – Cyclone	Australia	Advanced	Unknown	34ktpa TiO ₂ ; 40ktpa zircon
	Image – Atlas / Boonanarring	Australia	Advanced	2018	65ktpa TiO ₂ ; 32ktpa zircon
	Kalbar – Fingerboard	Australia	Advanced	2019	55ktpa TiO ₂ ; 75ktpa zircon
	Sheffield – Thunderbird	Australia	Advanced	2019	224ktpa TiO ₂ ; 119ktpa zircon
	Strandline – Coburn	Australia	On hold	Unknown	60ktpa TiO ₂ ; 40ktpa zircon
	Trimex – Bhavanapadu	India	Advanced	Unknown	155ktpa TiO ₂ ; 7ktpa zircon

Source: Iluka and TZMI August 2017

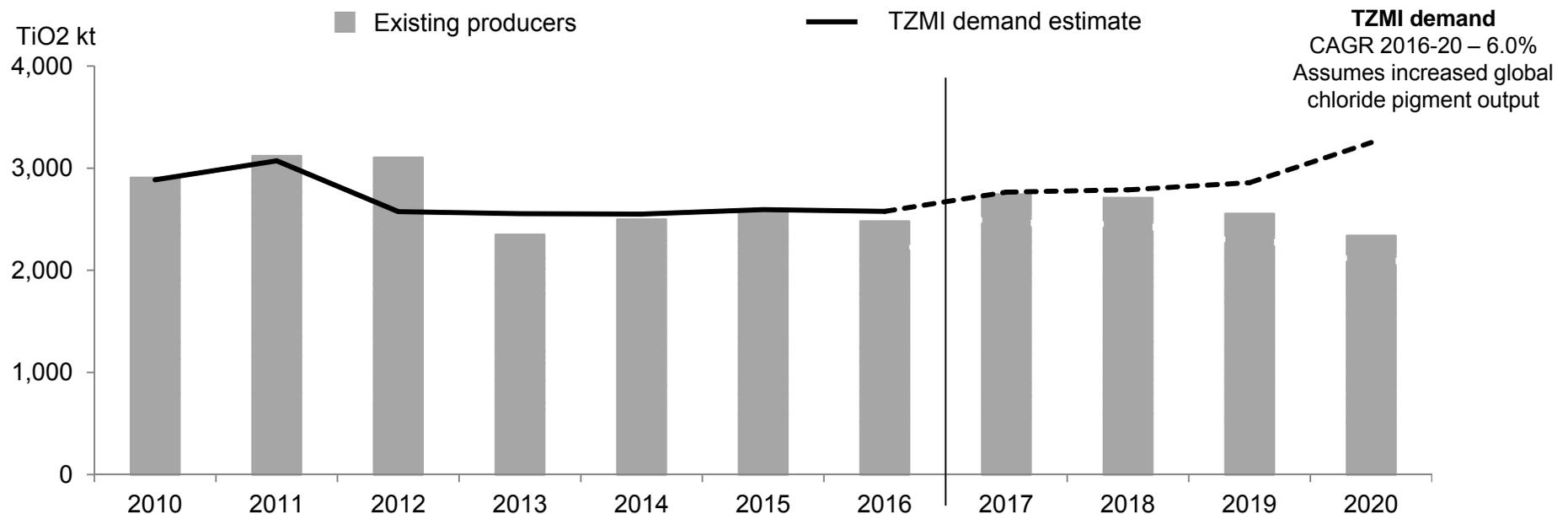
Note: TiO₂ units predominantly reflect ilmenite production

High Grade Titanium Dioxide Supply/Demand



- Market broadly balanced in 2017/18 based on Iluka estimates
- Very high grade market considerably tighter as pigment producers maximise production
- Other major industry producers have demonstrated supply discipline in recent years

High Grade Titanium Supply and Demand - Existing producers, no new production



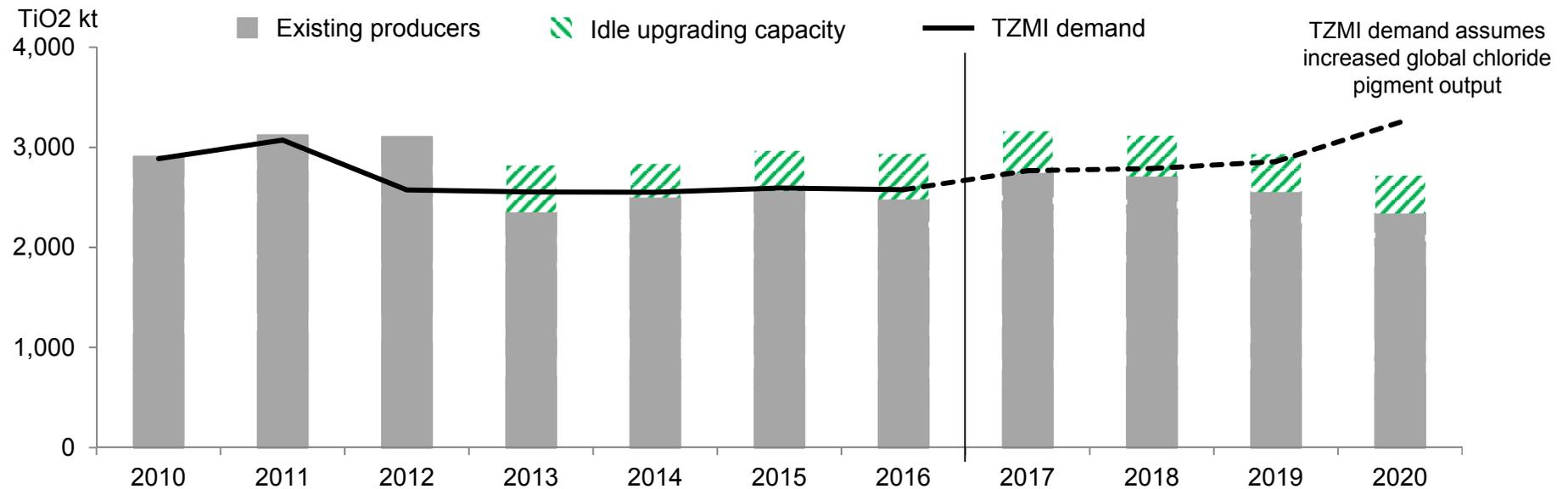
This slide should be read in conjunction with the disclosure in respect of forward looking statements on slide 2
Source: Iluka supply and TZMI demand August 2017

High Grade Titanium Dioxide Supply/Demand



- Supply-demand overlaid with upgrading capacity not requiring additional mine investment
- This capacity has remained idle for some time
- Additional idle upgrading capacity (not shown) requires investment in ilmenite mines
- Highlights importance of Iluka's strategy to secure offtake for Cataby

High Grade Titanium Supply and Demand – Existing producers and swing capacity



This slide should be read in conjunction with the disclosure in respect of forward looking statements on slide 2
 Source: Iluka supply and TZMI demand August 2017



Zircon Market

ILUKA



Zircon Applications



Ceramics ~50% of demand

Zircon is opaque, water, chemical and abrasion resistant
Increases pre and post fired strength of tiles



Refractory and Foundry ~30% of demand

Zircon is heat/abrasion/chemical resistant and non-reactive
Uses include steel and glass manufacturing and metal casting

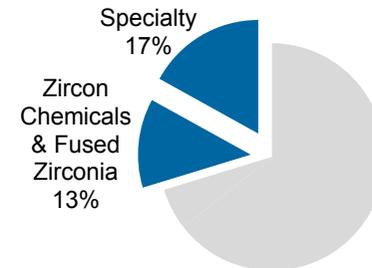
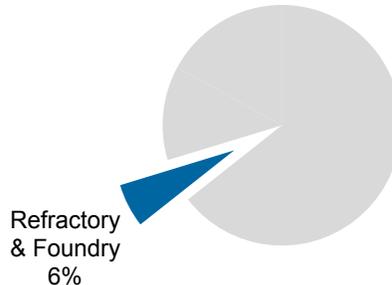
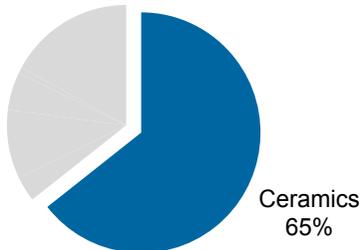


Zirconia, Zirconium Chemicals and Metal ~20% of demand

Zircon does not absorb neutrons; and is non-conductive, with many other unique properties
Uses include fibre optics, electronics, catalytic converters, nuclear fuel rods, cosmetics



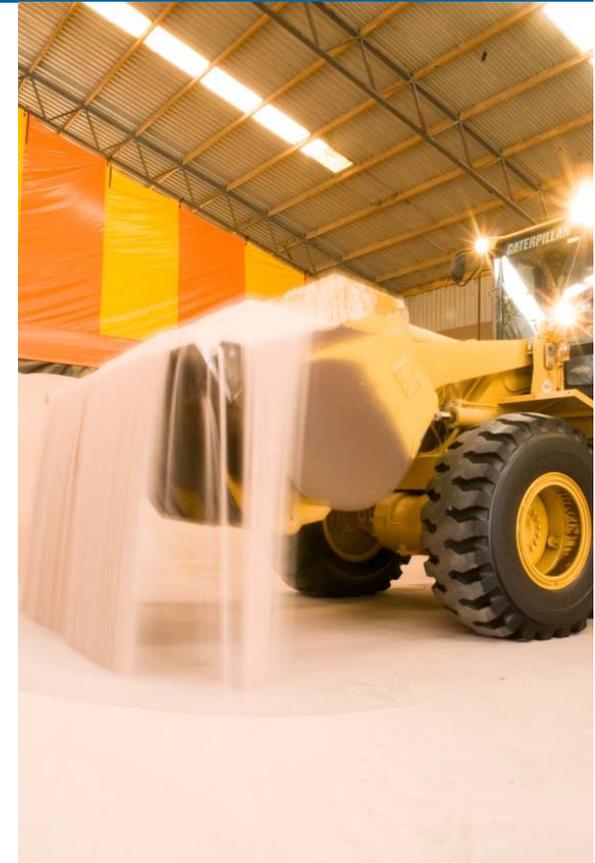
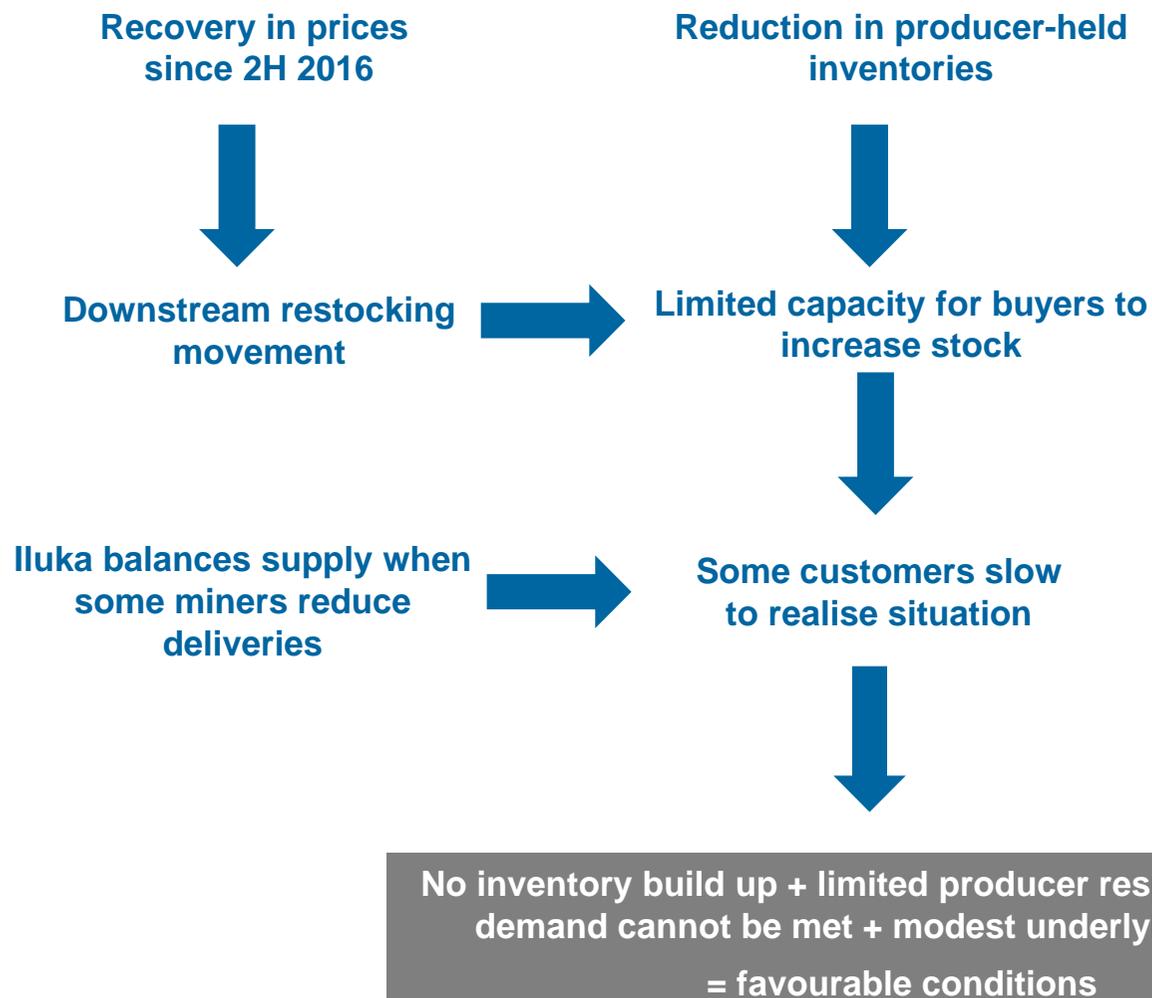
Iluka's 2016 zircon sales



Current Supply Demand Fundamentals Positive



Zircon market tightness has arrived



Zircon Market 2017



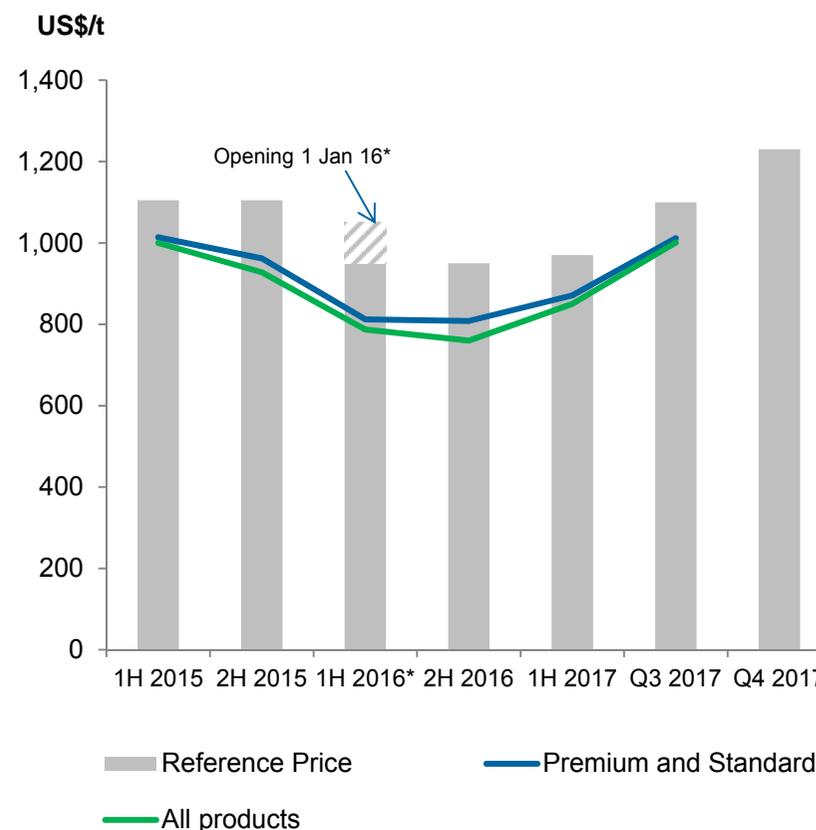
Pricing

- H1 2017 weighted average premium and standard received price up 7% relative to H1 2016
- Increase to Reference Price of US\$130/t to US\$1,100/t from 1 July 2017 announced
- Further price increase of US\$130/t to US\$1,230/t announced for 6 months from 1 October 2017
- “Inducement” pricing minimal with realized FOB price approaching reference price

Supply and demand

- Reflects
 - Underlying market conditions
 - Restocking from depleted levels
- Increased demand for premium products
- Moderate market growth expected
- Limited ability for existing producers to respond in short term

Zircon Prices*



* Notes: 'Premium and Standard' and 'All products' prices are weighted average received price, FOB. 'Reference Price' is based on a 2 tonne bag of Zircon Premium, DAT, ex-China warehouse. During 1H 2016 reference price decreased from US\$1050/t to US\$950/t.

Zircon Substitution

Although substitutes exist, zircon is the better product

Zircon attributes

- Opacity – whiteness
- Hardness
- Low thermal expansion
- High melting point
- Low thermal conductivity
- Chemically inert
- Low neutron absorption



- Alumina
- Feldspar
- Kaolin
- Chromite
- Synthetic Mullite

Adoption of substitutes has value-in-use and technical limitations

Substitution Landscape



Market	Application	% of zircon market (est)	Major Substitute	Adoption Hurdle	Mitigation
Ceramics	Body	16	Calcined alumina; white clays; white feldspar; kaolinite	Medium	Alumina content in tile formulation Final product attributes (e.g. porosity, dimensions) Declining availability and quality of ceramic clay and feldspar deposits
	Engobes & glazes	27	Calcined alumina	Medium/ High	Alumina content in tile formulation Final product quality (e.g. water mark, melting point, chemistry, gloss) Increasing demand for higher-quality and HD digital glazed tiles
	Ceramic frits	9	Nil	High	Zircon's effects unmatched by any substitutes
Chemicals	Pigments (zirconia)	20	Nil	High	ZrO ₂ 's effectiveness to provide crystal encapsulation for specific colours
	Medical Applications		Nil	High	Highly specific functions
	Advanced materials		Nil	High	Highly specific functions (e.g. fuel rods, oxygen sensors, high-temperature turbine coatings)
Refractory	Glass refractory	16	Nil	High	Highly specific function High-impact failures if cheaper substitutes fail
	Steel refractory		High-purity alumina; spinel	Medium/ High	High-impact failures if cheaper substitutes fail
Foundry	Sand-casting	2	Synthetic mullite; chromite	Low	Limitation in performance of substitutes (e.g. desired high-level surface finish and chilling effects)
	Coatings	10	Alumina; synthetic mullite	High	Limitations in performance of substitutes (e.g. high refractoriness and resistance to molten metal)
	Precision Casting		Fused silica; WFA; synthetic mullite	High	Limitations in performance of substitutes (e.g. surface finish quality, coating slurry instability)

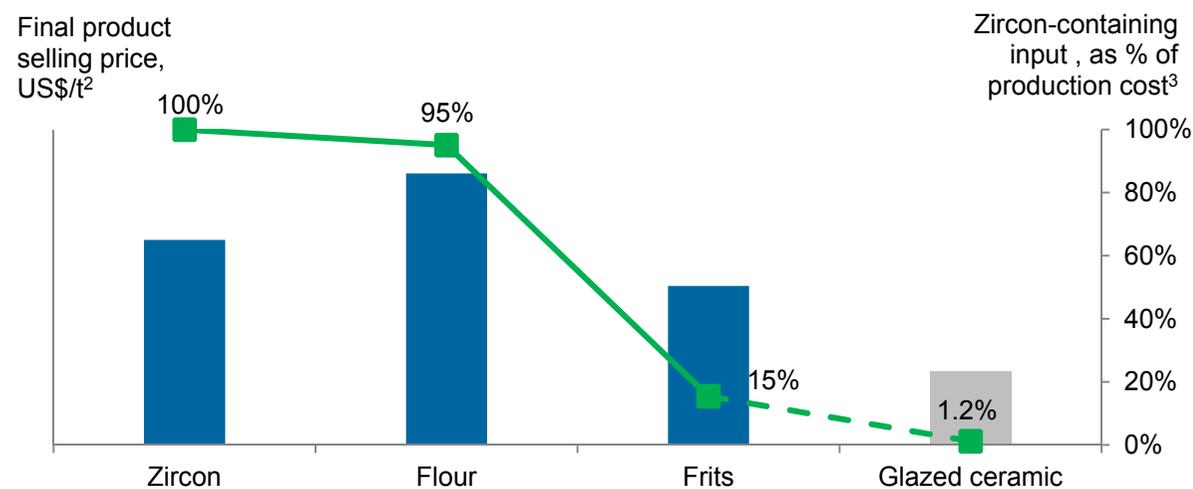
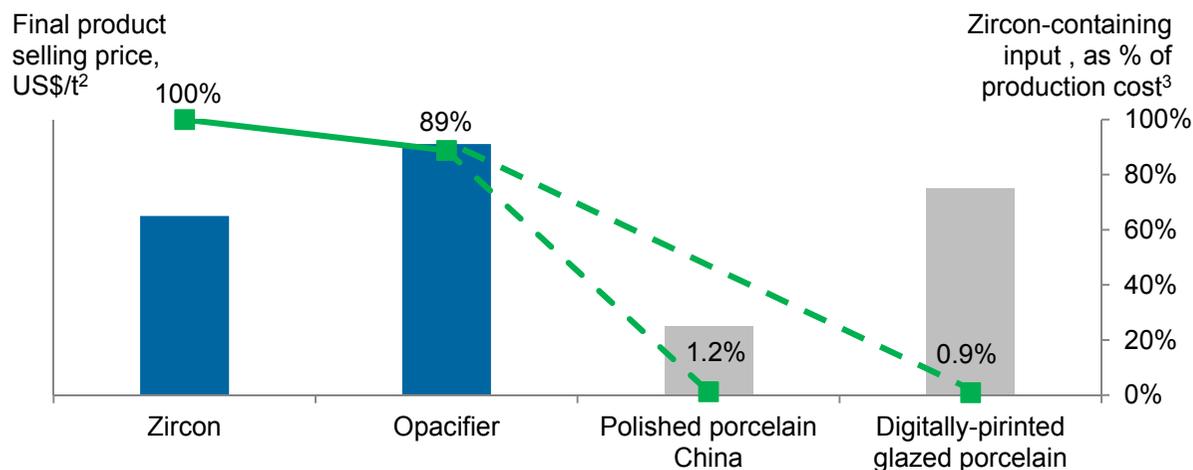
Adoption Hurdle

Low = Likely requires only in-house competencies to trial and implement the change. Change could likely be achieved in less than a year. Low economic risk.

Medium = Focussed effort needed, external specialist knowledge may be required. Change may require between one to three years.

High = Technical limitations, Deep and specialised technical knowledge to study, trial or implement the changes. May require more than three years of efforts. High potential economic risk from any trials.

Tile Production Costs



Cost of zircon in end-use products

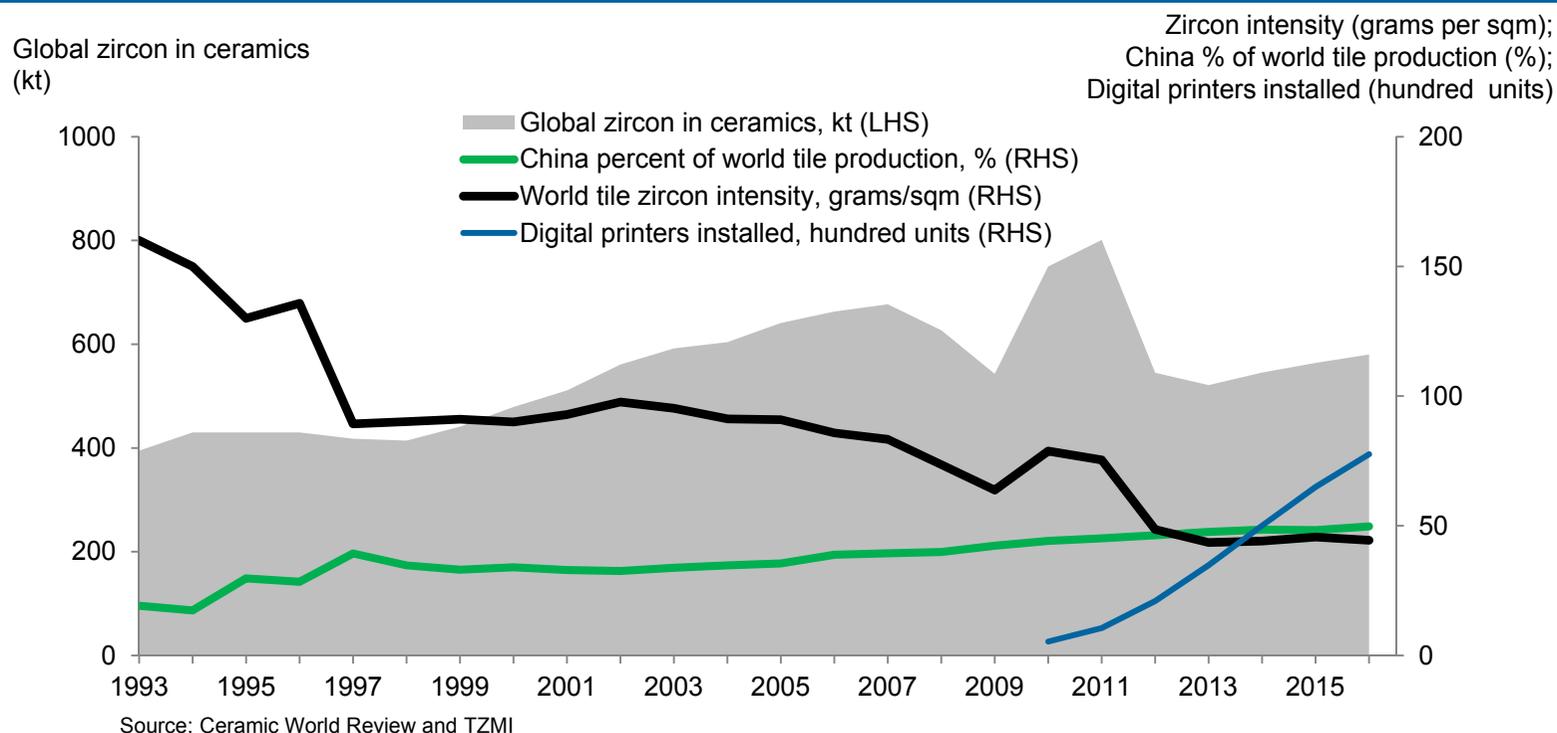
Polished porcelain	1.2%
Crystal jade tiles	1.2%
Digital glazed porcelain	0.9%

1. Above figures pertain to Chinese ceramics.
2. Final product selling price is the factory gate price (wholesale).
3. In China, raw materials (excluding energy) comprise about 20-35% of the gross production cost of ceramic tiles.

Ceramics Zircon Intensity



Substitution of zircon appears to have reached technical limit and rise of digital printing is supporting zircon intensity in tiles



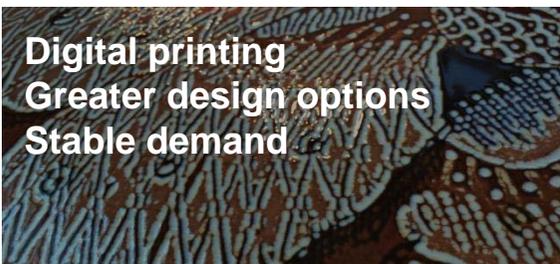
- Decline of zircon intensity in ceramics has now stabilised
- Modernisation, thrifting and substitution by the ceramics industry in 2011-12 reached technical limits
- Growth of digital printing remains positive development for zircon consumption (supports intensity of use)
- Digital printing could bring better quality tiles (higher zircon content) to traditionally low quality markets (India/Brazil)
- Trend towards higher quality tile products positive for zircon (both volume and value-in-use)

Tile category trends

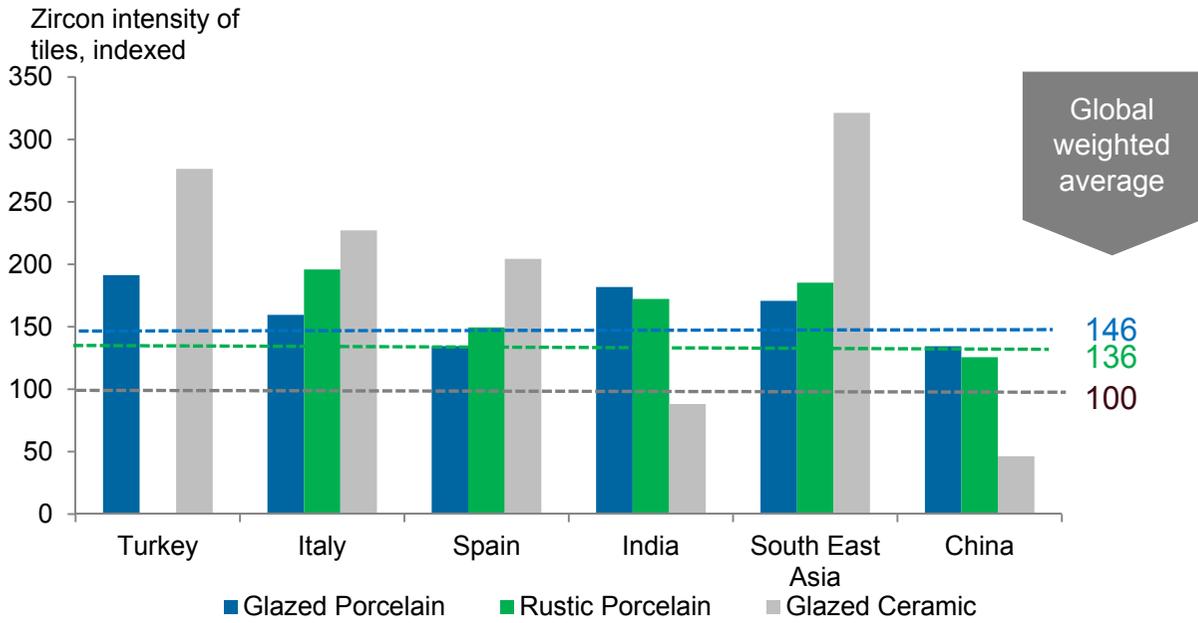
Digital Glazed Porcelain



Glazed Ceramic



Gres Porcelain



Latest Tile Formats





Titanium Market

ILUKA



Titanium Applications



Pigment ~90% of demand

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



Titanium Metal ~6% of demand

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

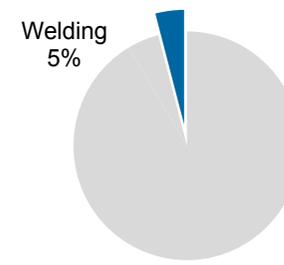
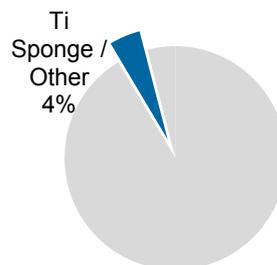
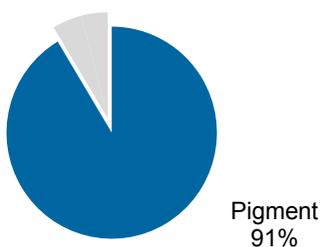


Welding (flux) ~4% of demand

Facilitates arc ignition, good slag removal and reduces splatter



Iluka's 2016 high grade TiO₂ feedstock sales

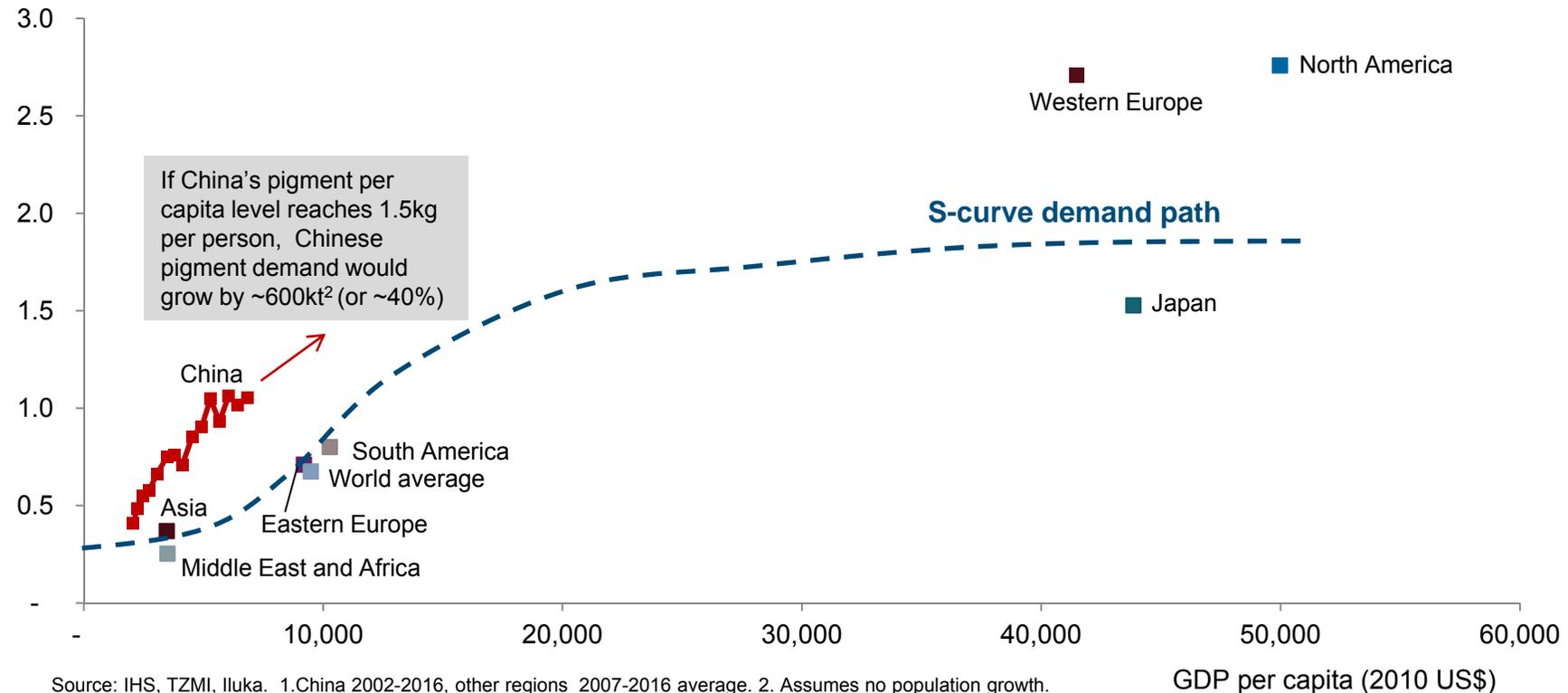


Pigment Use Grows with Income

- Pigment demand growth per capita follows typical 's-curve' pattern
- Further per capita growth to come in China and other developing economies

Pigment use per capita follows S-curve commodity demand path with GDP per capita¹

Pigment per capita (kg)



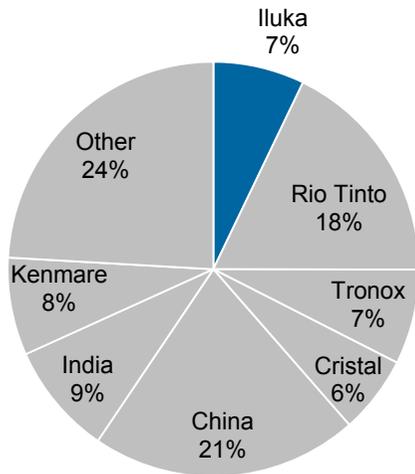
Source: IHS, TZMI, Iluka. 1.China 2002-2016, other regions 2007-2016 average. 2. Assumes no population growth.

GDP per capita (2010 US\$)

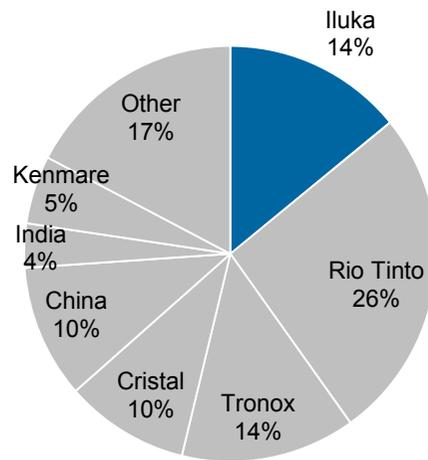
Market Position Strongest in Very High Grade



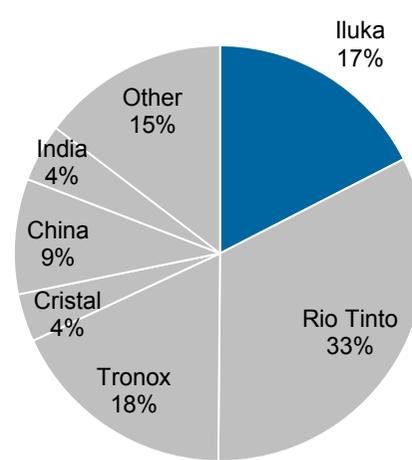
Total TiO₂ Feedstock Chloride & Sulphate (2016 ~6.4 Mt)



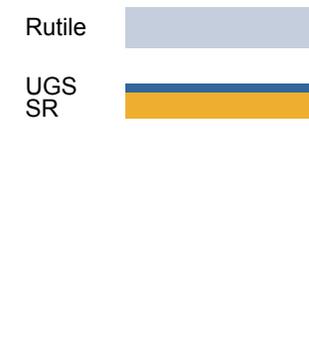
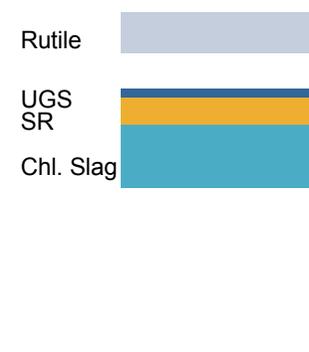
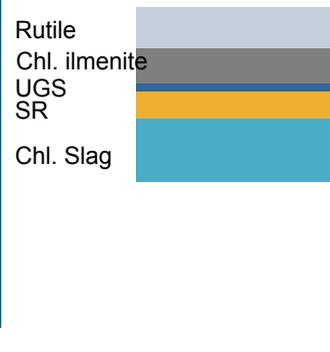
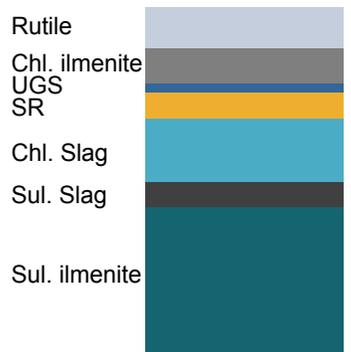
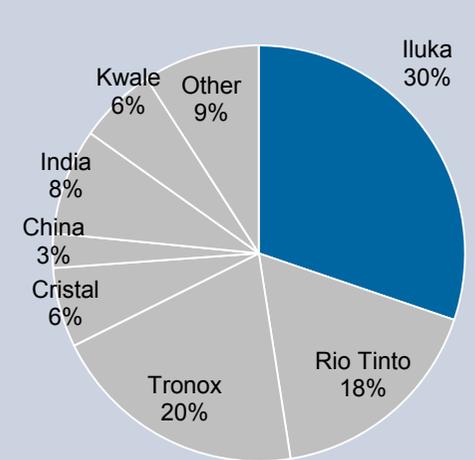
Chloride Feedstock (2016 ~3.3 Mt)



High Grade Chloride (80%+ TiO₂) Feedstocks (2016 ~2.5 Mt)



Very High Grade Chloride (90%+ TiO₂) Feedstocks (2016 ~1.3 Mt)



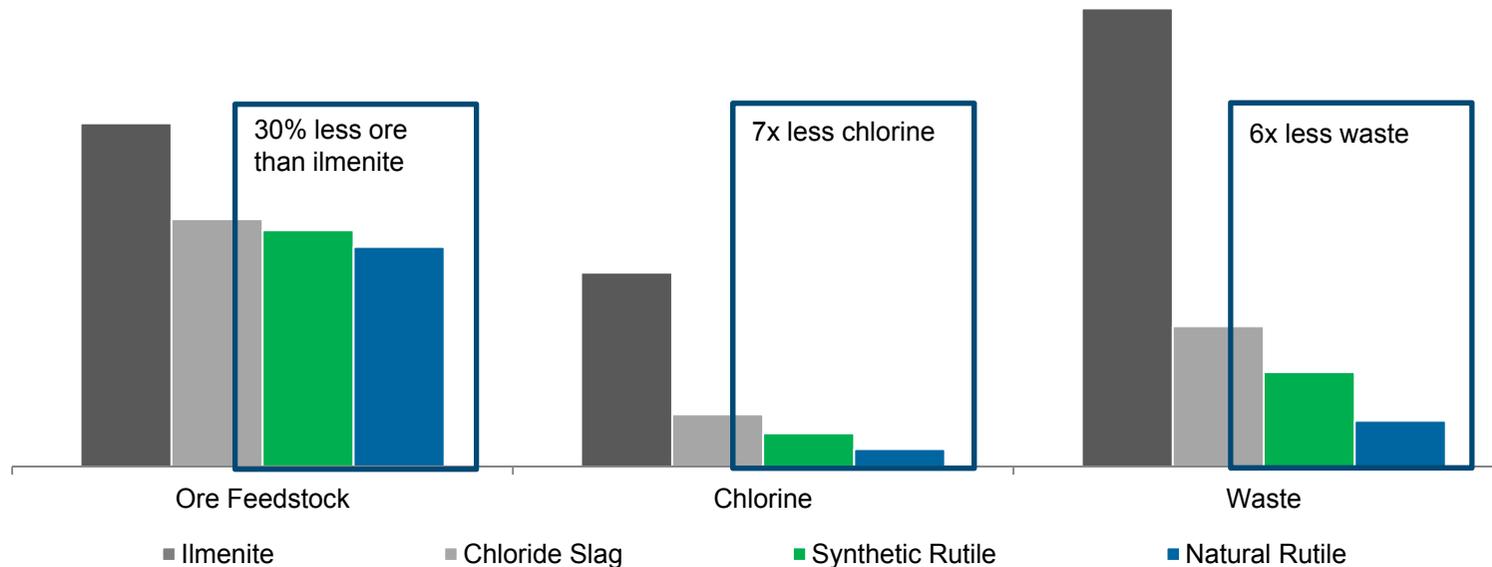
Note: Iluka production includes Sierra Rutile (acquired December 2016)
Source: TZMI, Company reports, Iluka

High Grade TiO₂ Feedstock Advantage



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

Higher grade feedstocks have lower costs, per tonne of pigment produced



Chinese Environmental Controls

Background:

Chinese government introduced tighter emissions standards in Oct 2016 with stricter enforcement

Further controls from Feb 2017 curbing pollution. Regions with significant pigment and ilmenite processing plant capacity affected.

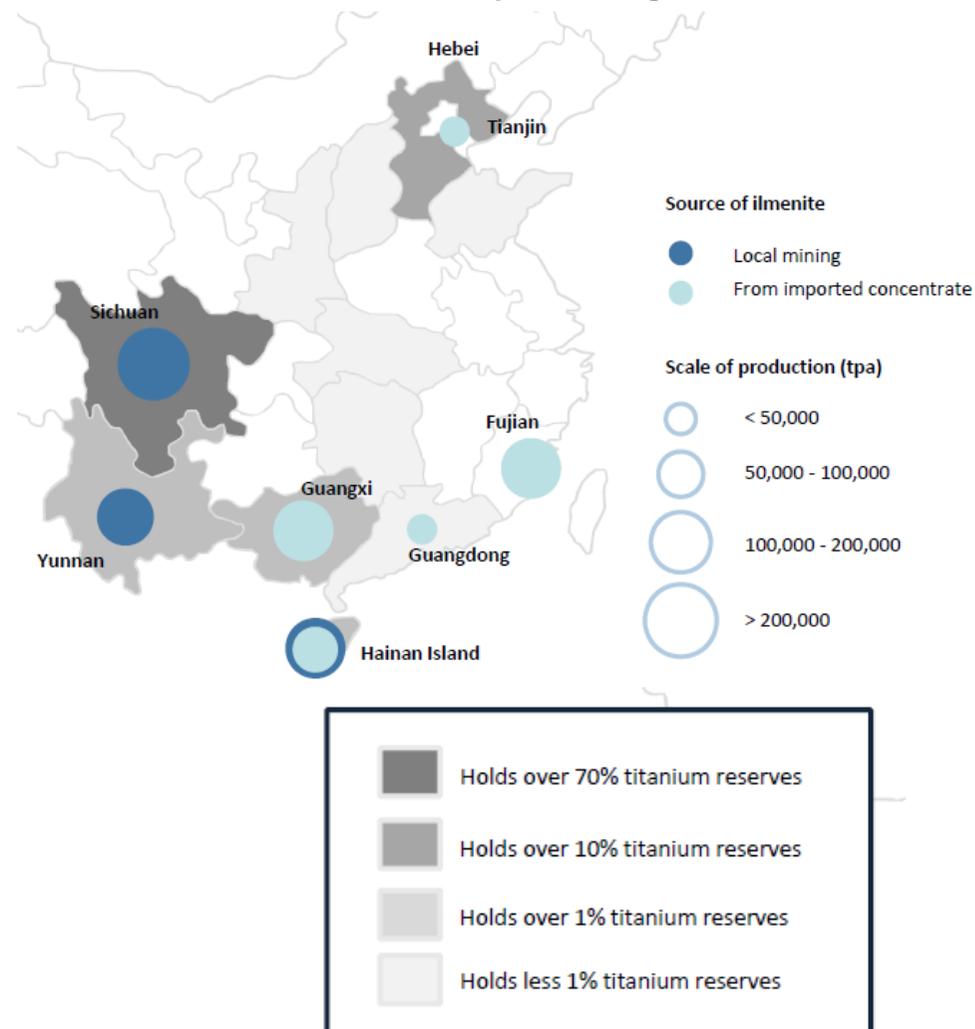
Plant closures or idling announced:

- All Panzhihua pigment plants closed for 10-20 days
- 76 ilmenite plants in Yanbian district closing from Dec 2017
- 13 plants in Panzhihua to close by Dec 2018
- Temporary or permanent closures in other regions

Potential industry implications:

- Greater industry discipline
- Slows Chinese sulfate pigment growth with no new capacity approved since 2015
- Increases production costs by pricing waste
- Further impetus for chloride pigment expansion
- Encourages consolidation of Chinese producers as smaller suppliers can't afford to comply

China's ilmenite reserves and processing



Source: TZMI and Iluka

China Pigment and Feedstock Markets



- Pigment demand at 8-10% CAGR
- Pigment supply impacted by environmental crackdowns
 - direct and indirect enforcement
 - 250 to 300ktpa permanent shutdowns
 - mainly smaller sulfate production facilities
- Chloride route technology gaining momentum
 - ~200kt of installed capacity today
 - ~480ktpa of new capacity under construction with start-up by early 2019
- China does not have domestic source of quality high grade ores such as rutile
- Iluka systematically penetrating market
 - sales of synthetic rutile and natural rutile to China increasing (2017f of 45kt v 2016 of 15kt)
 - qualified at six key facilities (pigment and TiCl_4)

High Grade Feedstock Market

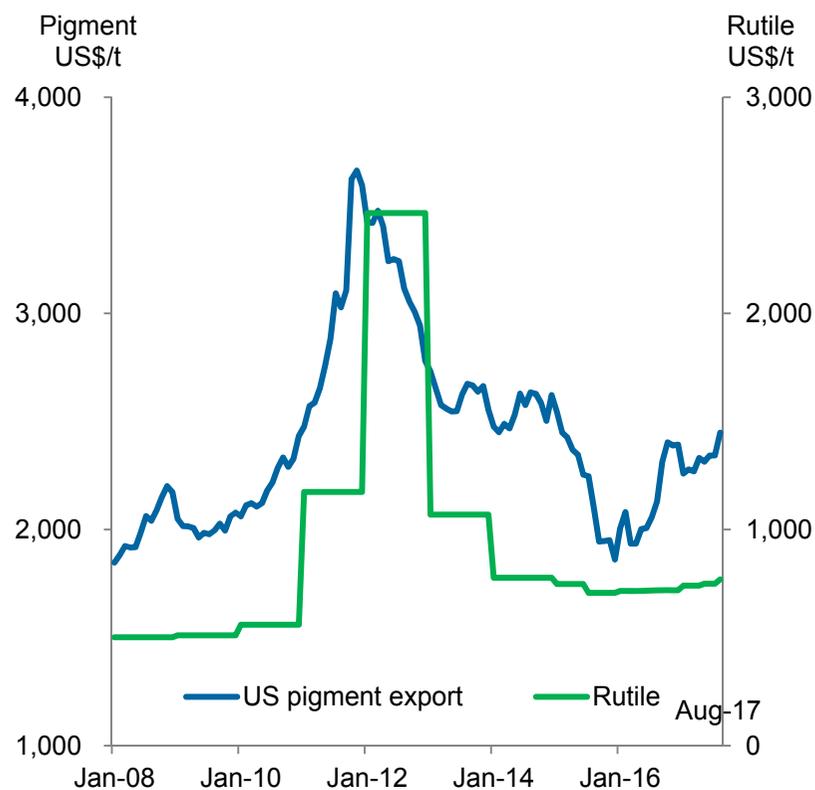


Pricing

- H1 2017 rutile prices up 4% relative to H1 2016
 - 40% of SRL's 2017 rutile production volumes (~60kt) contracted at fixed prices for 2017
- Successful implementation of US\$70-100/t increase effective 1 July on uncontracted rutile volumes
- Pigment prices up ~10% since beginning of 2017
 - typical lag of 6-12 months to feedstock price

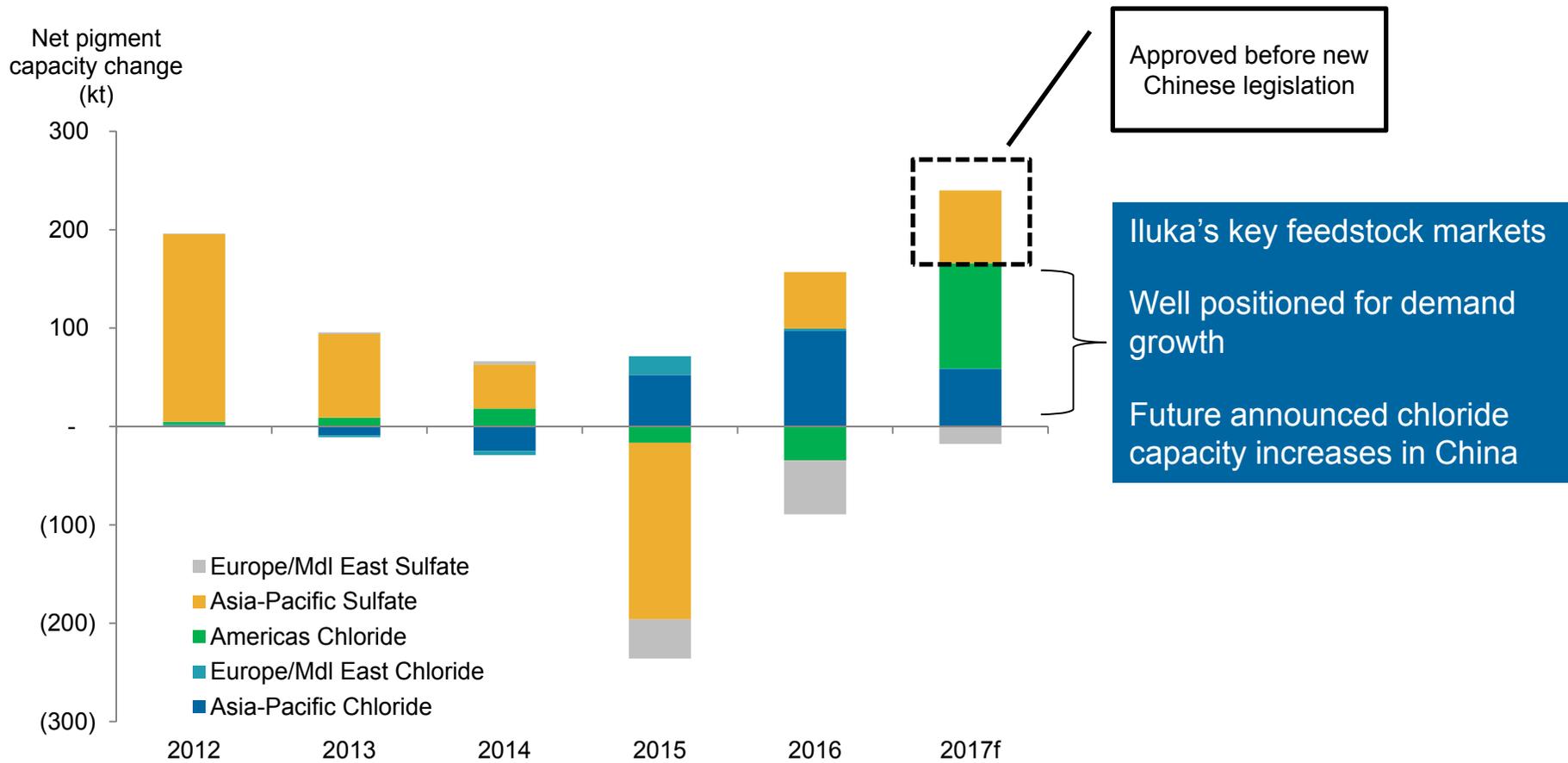
Pigment market update

- Broad-based, continuing improvement in chloride pigment market
 - commentary of above trend demand
- Continued restocking of depleted pigment inventories
 - feedstock demand expected to exceed underlying market conditions
- Potential for pigment plants to increase high grade feed (rutile and synthetic rutile) to deliver higher plant output



Source: TZMI and Iluka

Pigment Industry Technology Waves



Source: TZMI



ILUKA

Marketing Model for Value Creation



Sales Model



Hub and Spoke Distribution

- Strong focus on optimisation of logistics costs (particularly zircon)
- Provides a service to customers which is valued
- Geographically orientated to growth markets and is continually evolving

Direct Engagement

- Direct engagement with customers enables insights beyond the published view
- Market intelligence feeds into supply-demand modelling and pricing decisions
- Being ahead of the curve provides additional value capture to Iluka

Value in Use or Relative Economic Value

- The value of a product varies greatly by customer, plant and plant location
- Important to estimate a products worth to a customer in order to position pricing appropriately
- A commodity approach would leave money on the table

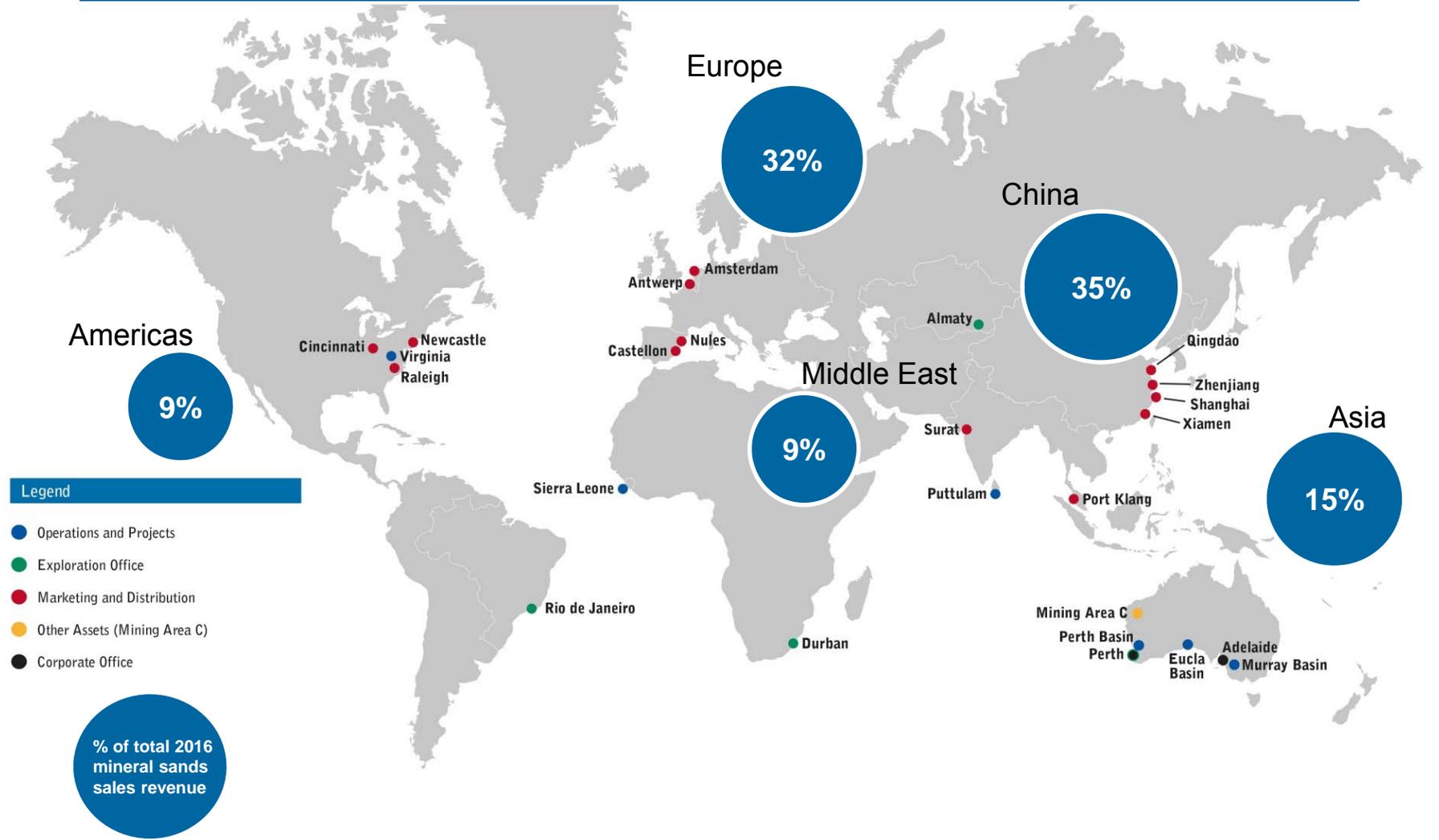
Structured Pricing

- Pricing logic for customers is important in the psychology of buying
- Helps provide Iluka more consistent value capture
- Designed to assist with internal forecasting, be fair and reward loyal customers

Footprint



People and products aligned with markets



Long Term Trends Support Our Industry



The collage features nine distinct images, each with a semi-transparent text overlay:

- Improved health and safety:** A low-angle shot of modern glass skyscrapers reaching towards a bright sun in a clear blue sky.
- Reduce petrochemical exhaust:** A sleek, futuristic concept car shown from a side profile against a dark, blurred background.
- Stronger, lighter, more efficient transportations:** A white commercial airplane in flight against a blue sky with scattered white clouds.
- Water purification:** A close-up of a hand pouring clear water from a glass pitcher into a white water filter pitcher.
- Cleaner air:** A person in a full-body protective suit and mask holding a large, dark, curved air filter or membrane.
- Enable technology solutions:** A close-up of a hand interacting with a tablet computer, showing a bright screen.
- Medical applications:** An interior view of a modern hospital or medical facility with clean, white walls and blue accents.
- Transform construction:** A modern, minimalist building with large glass windows and a white facade, set in an open area.



ILUKA

Questions



Jacinth-Ambrosia

ILUKA



Jacinth-Ambrosia Overview

Project History

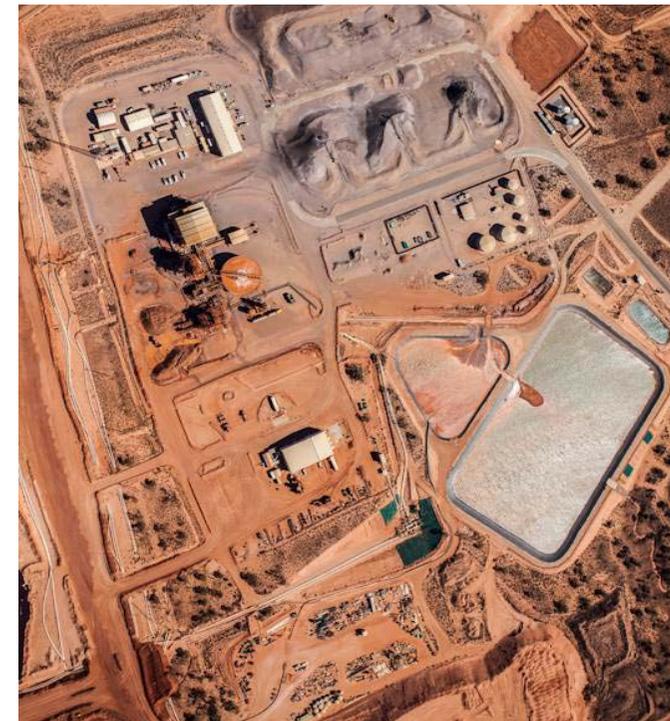
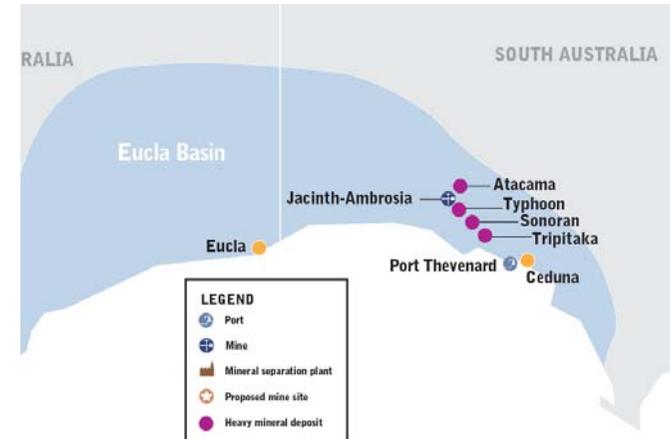
- Discovered by Iluka in 2004
- Mining commenced in 2009
- Idled from April 2016
- Restart in December 2017

Operations

- Minimal overburden – strip ratio 0.5:1
- Average ore thickness 20 metres
- In-pit mobile mining unit – 1,250 tph capacity
- Slurry pumped to wet concentrator – 1,000 tph capacity to produce ~120 tph heavy mineral concentrate (HMC)
- HMC transported 270km by road to Port Thevenard
- Shipped to Geraldton
- Final product processed through Narngulu plant, Geraldton

Infrastructure

- Fly-in fly-out workforce from Ceduna and Adelaide
- On site village for 160 persons
- Water piped 32km from borefield
- Diesel power station (9 MW)



Jacinth-Ambrosia Restart



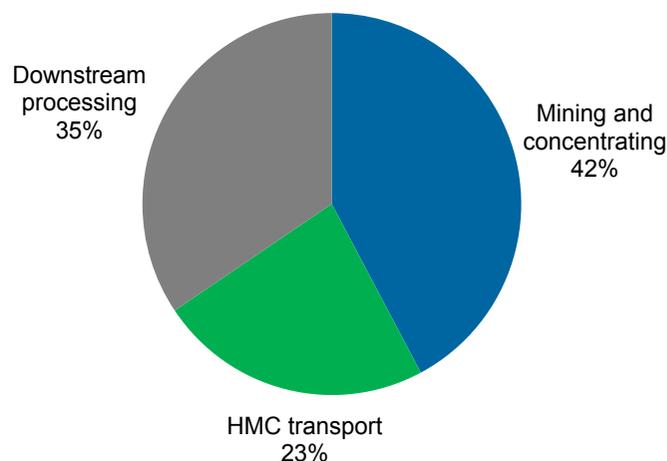
- J-A restart decision reflects:
 - continued tightening zircon market
 - substantial drawdown of heavy mineral concentrate (HMC) inventory
- Rapid return to full production
- 40 employees and 60 contractors recruited for restart
- Restart expected to be complete in mid-December

Jacinth-Ambrosia Production Cash Costs

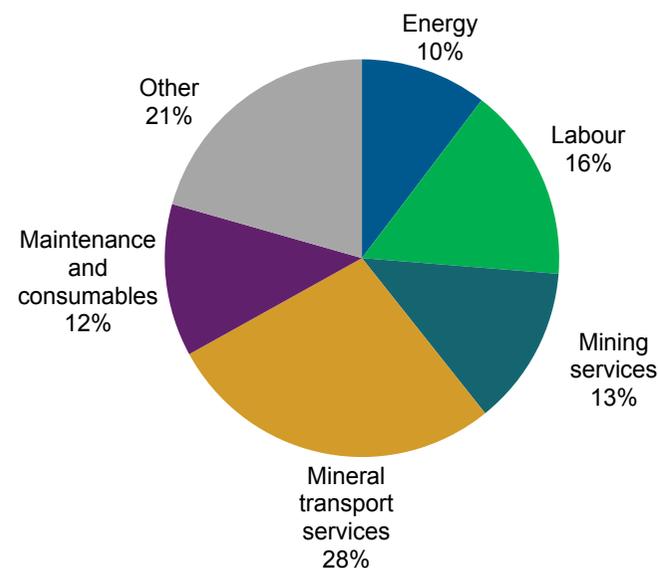


J-A Cash Cost of Production¹

By stage of production
2015 total = \$154m



By cost element
2015 total = \$154m



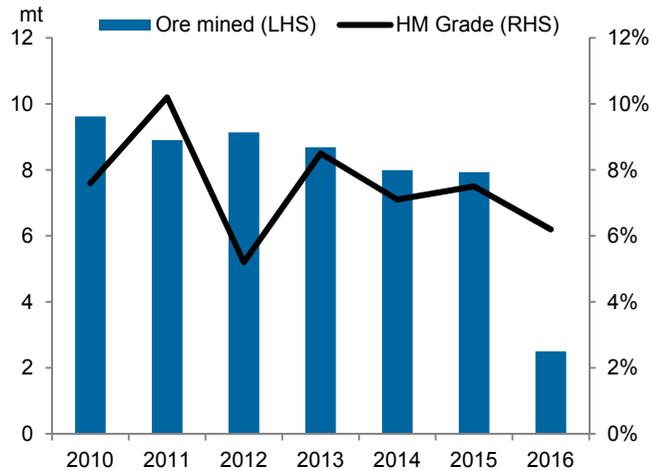
- Low sustaining capital
- Expected restart costs ~\$7 million to be expensed in 2017
- J-A total cash costs are approximately 60% fixed and 40% variable

1. Cash production costs exclude non-production costs of \$20 million, relating to royalties, sales and distribution and idle costs

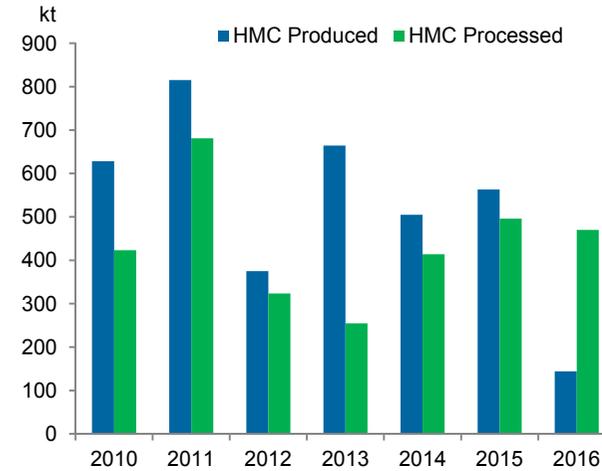
Jacinth-Ambrosia Mining & Finished Products



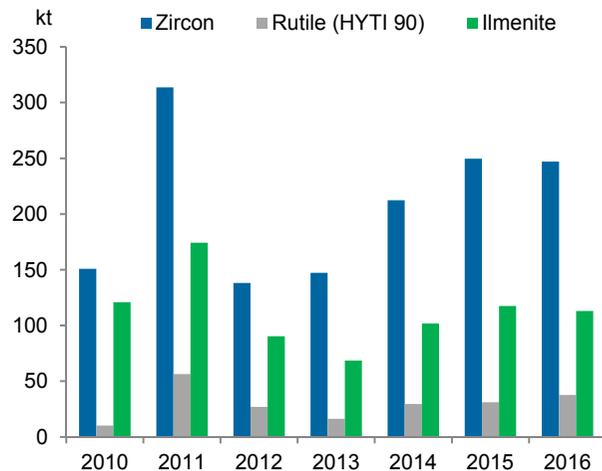
Ore Mined and Grade



Heavy Mineral Concentrate



Finished Products



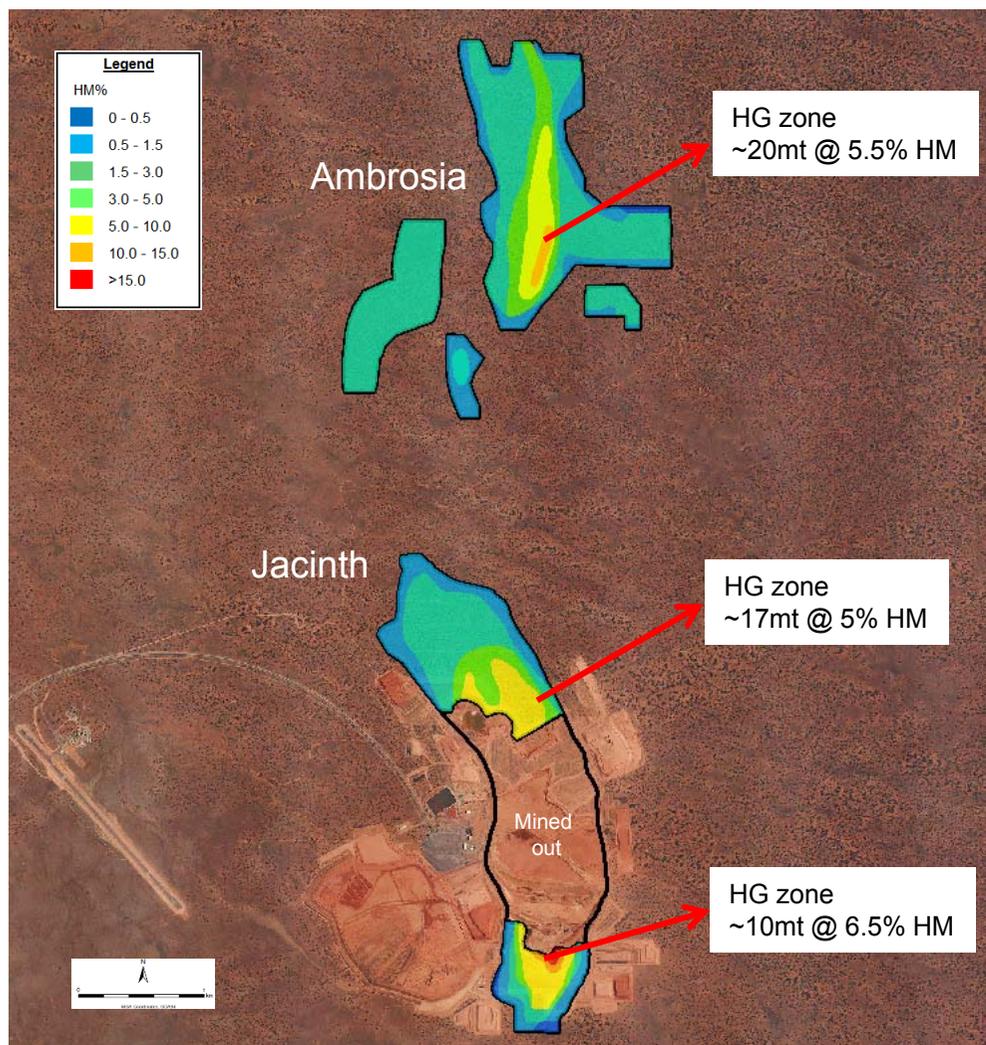
2010-2015:

- Average annual mining rate 8.7mtpa
- Average annual HM grade 7.7%

2010-2016 average annual production:

- Zircon 208ktpa
- Rutile (HYTI 90) 30ktpa
- Ilmenite 112ktpa

Jacinth-Ambrosia Heavy Mineral Distribution



- Current mine plan is Jacinth South, then sequentially Jacinth North and Ambrosia
- Concentrator upgrade planned for H1 2019 of ~300tph to ~1,300tph (rougher head feed) to maintain zircon production with grade decline
- Upgrade also provides added flexibility of accessing early and blending a proportion of higher-grade ore to smooth long-term production
- Economics of upgrade favourable, even with flat pricing
- Mine sequencing options available in Jacinth South and North and Ambrosia if required

Ore Reserves, as at 31 December 2016

	Ore Mt	HM Grade %	Ilmenite %	Zircon %	Rutile %
Ambrosia					
Proved	53.9	3.5	23.7	52.7	4.8
Probable	2.6	2.3	20.9	48.9	4.7
Total Ambrosia	56.5	3.4	23.6	52.5	4.8
Jacinth					
Proved	45.5	4.3	31	46.9	4.2
Probable	1.4	1.8	19.1	59.2	3.4
Total Jacinth	46.9	4.2	30.7	47.3	4.2

Jacinth-Ambrosia Upgrade

Project Objectives

- Increase J-A plant throughput by ~30% to offset declining ore grades

Project Scope

- Wet concentrator plant expansion
- 2nd mining unit to handle additional ore
- Accommodation camp capacity increase
- Project cost ~\$40 million
- Project completion Q2 2019

Recent Progress

- DFS expected to be completed mid 2018
- Execute expected to commence H2 2018, subject to Board approval and market conditions



Jacinth-Ambrosia - Outlook



Key Parameters		2014	2015 ¹	2018-2020 ²	Comments
Average annual production					
Zircon (including ZIC)	kt	212	250	275-160 (av. 225)	Includes concentrator upgrade and auxiliary mining unit from 2019. Alternative mine scheduling options also available to increase average production by additional ~20% over 2018-2020.
Rutile (HYTI90) ³	kt	30	31	35	
Total Z/R	kt	242	281	260	
Ilmenite	kt	102	118	110	
Average unit costs & capital expenditure					
Unit Cash Costs of Production	A\$/t Z/R	600	550	480-740 (av. 625)	Increased unit costs driven by declining heavy mineral grade
Non Production Cash Costs⁴	A\$/t Z/R	50	70	100	
Capital Expenditure	A\$m (av. p.a.)	n/a	n/a	15	Includes concentrator upgrade and auxiliary mining unit capital of ~\$40 million, subject to completion of DFS and Board approval, plus minor sustaining capital

- J-A HM grade 2010-2015 ~7% with future grades expected to fall to 4-8% over 2018-2020 and then to 2-3% from 2021 onwards. Mine sequencing options are available to increase production over 2018-2020 by up to 20%, but this would reduce the average HM grade from 2021 onwards.
- J-A total cash costs are approximately 60% fixed and 40% variable.
- The Jacinth production target for 2018 to 2020 is based on 99% Proved Ore Reserve and 1% Probable Ore Reserve.

All costs and capital expenditure are stated in real 2017 dollars (except 2014 and 2015 actual costs)

1. 2015 included as last full year of production from J-A with mining and concentrating activities suspended from April 2016, and to be restarted in December 2017

2. Indicative only and should not be construed as guidance. Capital estimates are from prefeasibility studies and as such were prepared with the objective of being subject to an accuracy range of +/-15%. The J-A expansion is subject to further study, investment approval and are subject to changes in: market and operating; and engineering. This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2 and the compliance statement on slide 3.

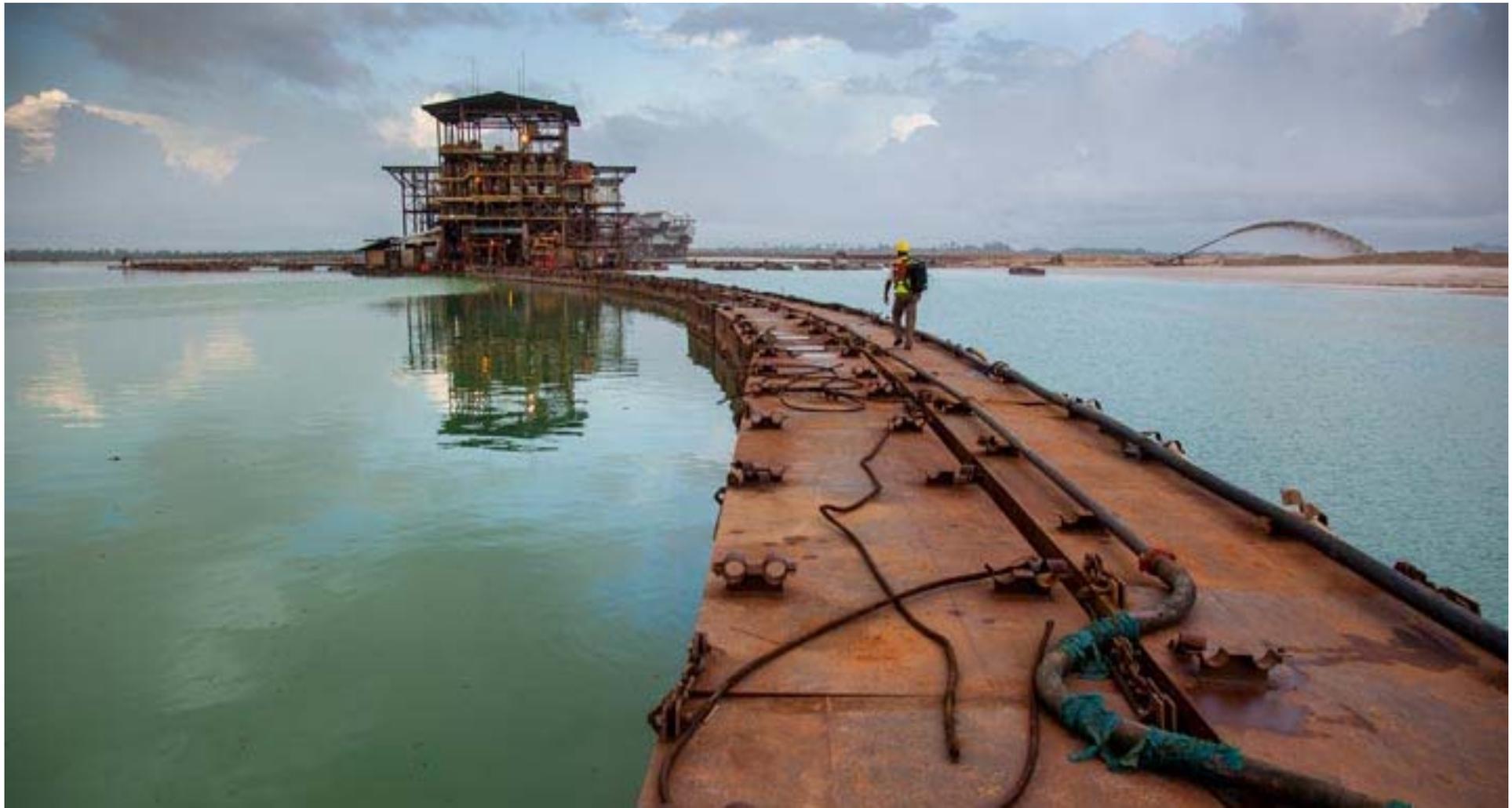
3. HYTI 90 is a lower value rutile product, that reports through to Iluka's total rutile production volumes.

4. Non production costs include sales and marketing, inclusive of product storage and handling, royalties and by-product costs



Sierra Rutile

ILUKA



Sierra Rutile Overview



Project History

- Began operations 1960s
- Acquired by Iluka in December 2016
- World's largest rutile mine

Operations

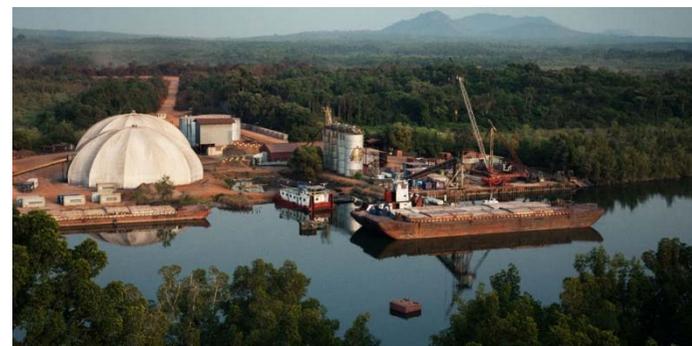
- Large, long life operations (~20 years)
- One dredge (Lanti dredge) and two dry mining operations (Lanti dry and Gangama)
- Heavy mineral concentrate trucked to mineral separation plant
- Bulk shipment via Nitti Port, ~15km from MSP

Infrastructure

- Port facilities include heavy fuel oil storage, diesel storage, 2x15 thousand tonne dome sheds for bulk dry product and 2x1,700 tonne dumb barges, with a push-boat
- 28MW capacity (4x7MW generators) run on heavy fuel oil
 - Site consumption ~12.5MW, availability exceeds 99%
- Three on-site camps can accommodate 440 people

Community and Governance

- Operating over five Chiefdoms
- High level of local community support and engagement
- Government backing for strong anti-bribery and corruption culture



Sierra Rutile Improvements Achieved

- Align safety practice with international standards
- General improvement in operating practices
- Implementation of Iluka mine planning approach
- Improved standard of tailings dam construction and management
- Investment in maintenance, increasing life of assets
 - supported prolonging dredge life by 6-12 months
- Processing of remnant stockpiles
 - ~4.5kt additional rutile recovered (FY 2017)
- Exploration focused on integrating best practice
 - 3D geomorphological study and geological characterisation of deposits

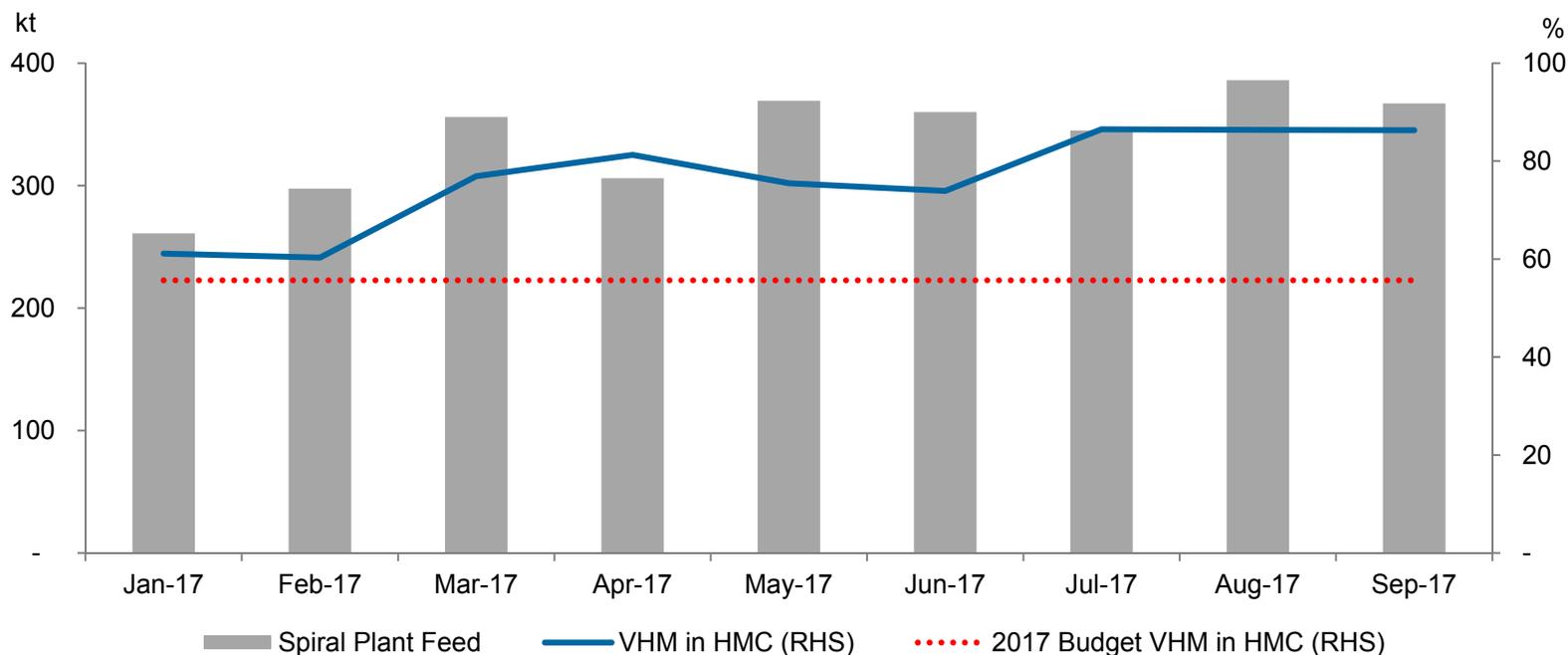


Sierra Rutile Improvements Achieved



- Adjustments to plant settings at dry mines and establishment of standard operating practice has:
 - debottlenecked concentrator throughput and increased runtimes; and
 - improved rutile recovery and increased heavy mineral concentrate grades.
- These adjustments have also enabled debottlenecking of mineral separation plant

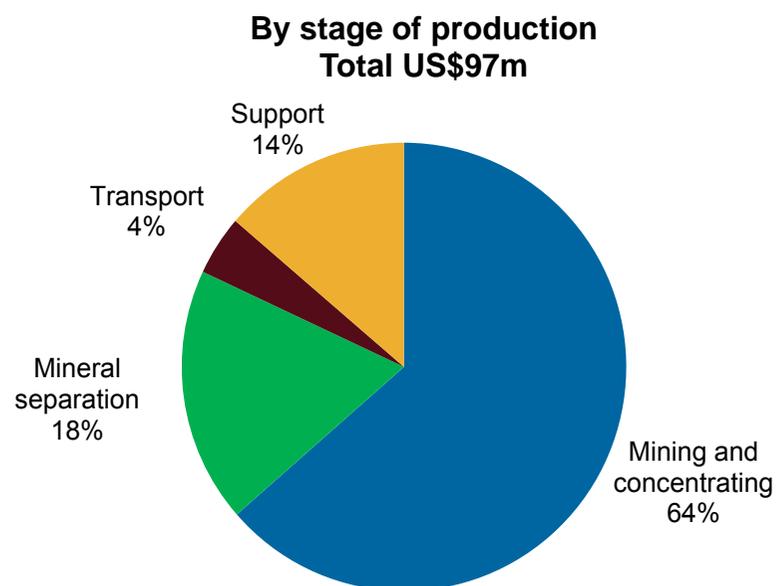
2017 Lanti Dry & Gangama Spiral Plant Feed and Valuable Heavy Mineral (VHM) in Heavy Mineral Concentrate (HMC)



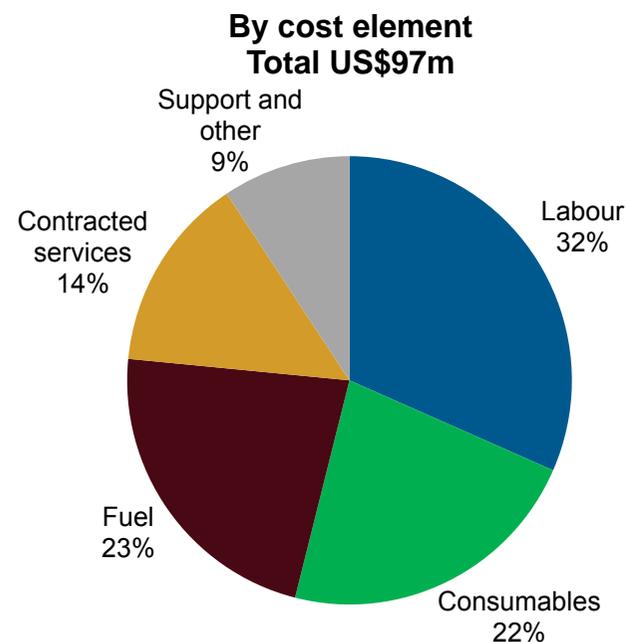
Sierra Rutile Production Cash Costs



Sierra Rutile 2017 Cash Costs of Production

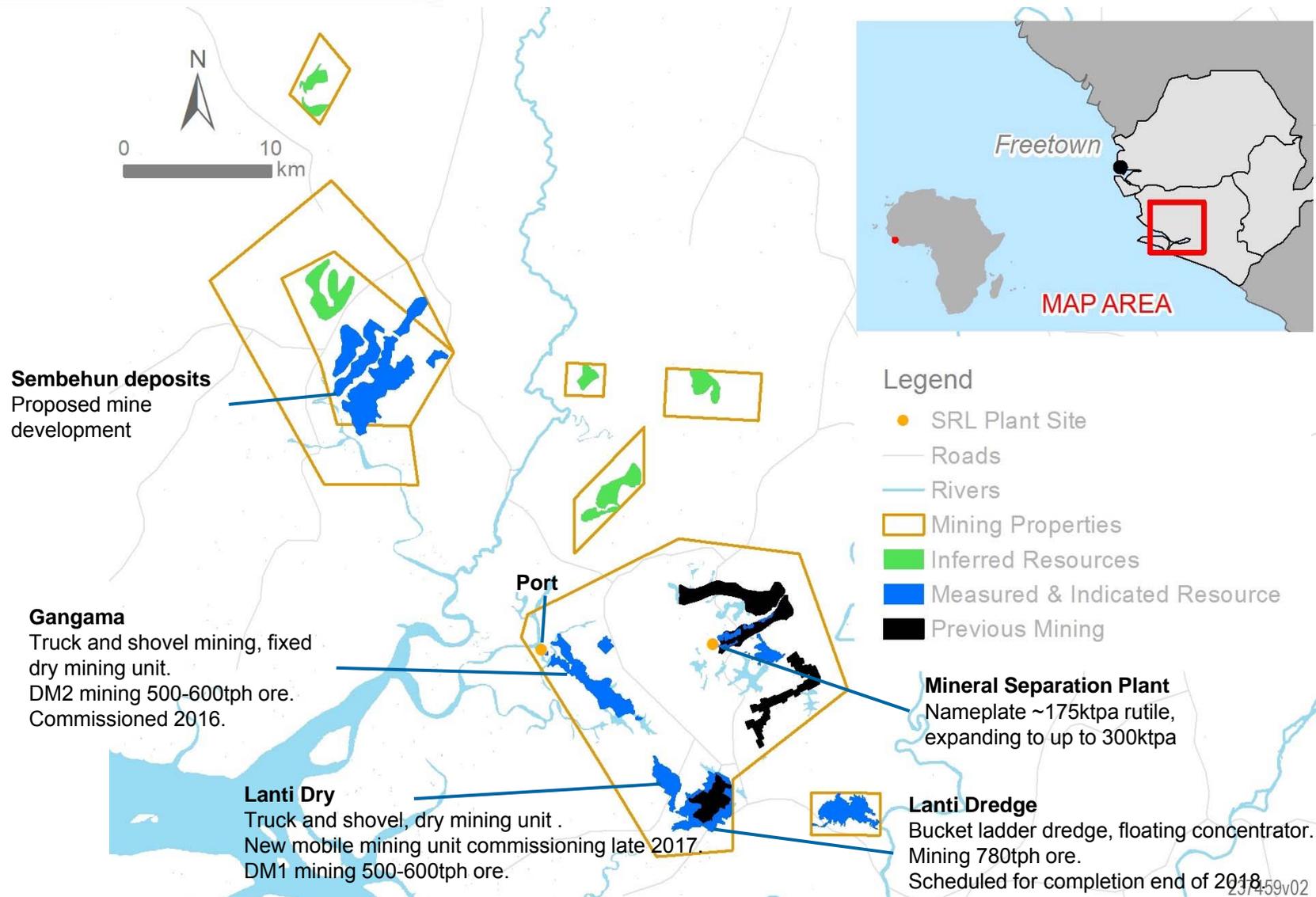


Note: Transport includes HMC and finished goods transport



Note: Contracted services include fleet maintenance, security, corporate services, shipping agents, warehouse management and other items.

Sierra Rutile Deposit Locations

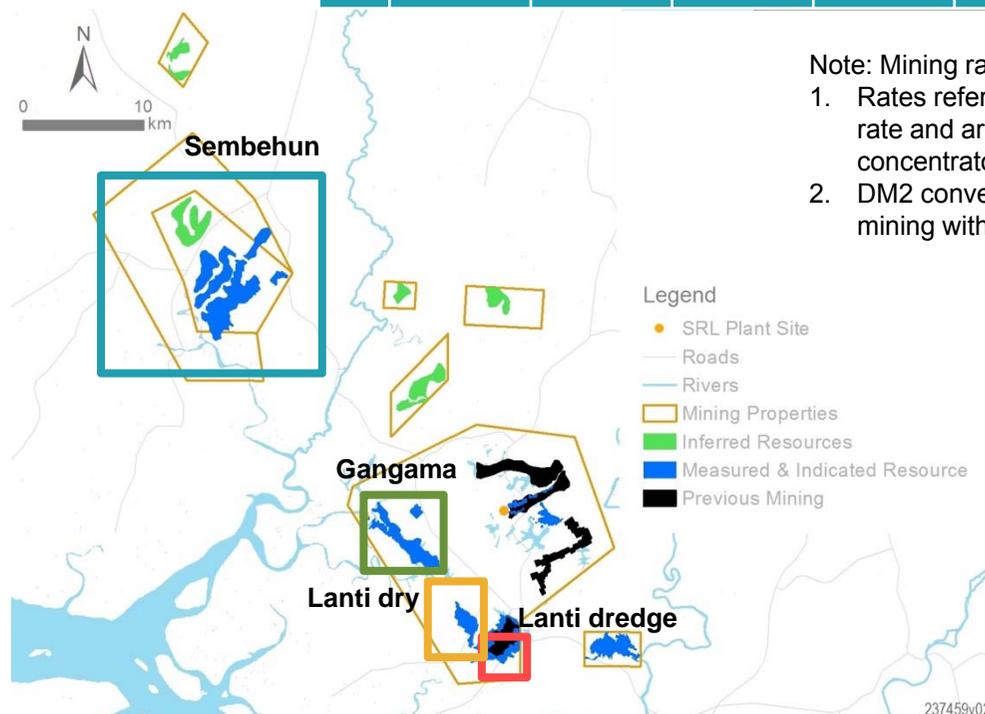


Reserves are drawn from Measured and Indicated Resource.

Sierra Rutile Mine Schedule



Plant Unit ¹	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
D1	Lanti dredge 780tph										
DM1	Lanti dry 500-600tph			Lanti dry 1,000-1,200tph				Sembehun 1,000-1,200tph			
DM2²	Gangama 500-600tph			Gangama 1,000-1,200tph			Sembehun 1,000-1,200tph				
DM3				Sembehun 1,000-1,200tph							



Note: Mining rates dependent on spiral plant feed

1. Rates refer to tonnes per hour (tph) ore feed rate and are an indicator of capacity of each concentrator and not expected production
2. DM2 converted from truck and shovel to in-pit mining with move to Sembehun

Sierra Rutile Operational Improvements

Lanti Dry Mobile Mining Unit

Installation of new mobile mining unit and associated infrastructure
Commissioning end of 2017

- Replaces existing truck and shovel operation
- Mining unit that moves with face of mine, similar to that at Jacinth-Ambrosia
- Increased feed rate from ~450tph to 500-600tph
- Ore pumped as slurry via pipeline up to several kilometers to concentrator
- Reduces mining cost by eliminating haulage, stockpiling and reclaiming activities
- Other improvements:
 - higher recoveries with installation of fit for purpose scrubber; and
 - improved utilisation



This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2 and compliance statement on slide 3.

Sierra Rutile Lanti Dry Expansion Project



Lanti Dry Expansion

Lanti dry expanding from 500-600 tph of ore to 1,000-1,200 tph
DFS underway, expected commissioning 2019

- Construction of a second in pit mining unit and additional concentrator capacity
- Increased concentrator capacity by either re-using existing floating concentrator or build new concentrator
- Detailed option assessment, engineering and construction planning underway



Mobile in pit mining unit under construction



Mineral sizer

Sierra Rutile Gangama Expansion Project

Gangama Expansion

Capacity of Gangama mine expanding from 500-600 tph of ore to 1,000-1,200 tph
DFS underway, expected commissioning 2019

- Construction of second concentrator based on current DM2 blue print
- Truck and shovel operation
- Detailed engineering and construction planning underway



Sierra Rutile Sembehun Project



Sembehun Mine Development

Initial 1,000-1,200 tph mine at group of deposits (including the Sembehun Group and Other Deposits as shown on slide 72)
Capacity increases as existing equipment relocated

- As published in *2016 Updated Mineral Resource and Ore Reserve Statement* (21 February 2017) Sembehun deposits are more than 70% of remaining Sierra Rutile ore reserves
- Total estimated life of ~15 years, comprising 372Mt underpinned by 60% of Probable Ore Reserve, 18% Indicated Mineral Resource and 22% Inferred Mineral Resources¹
- Various options for development under consideration
- PFS anticipated for completion by early 2018, DFS anticipated to commence immediately thereafter
- Subject to PFS outcome, early works including road construction planned for 2018
- Construction period of ~18 months
- Hydrological studies, community assessment, engineering and procurement planning on track
- Planned commissioning H2 2020

1. There is a low level of geological confidence associated with Inferred Mineral Resources. There is no certainty that further exploration work and studies will result in the determination of Inferred Mineral Resources or that the production targets will be realised.

This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2 and compliance statement on slide 3.

Sierra Rutile Mineral Separation Plant



Mineral Separation Plant Upgrade

Expansion from ~175ktpa to up to 300ktpa rutile to accommodate planned mine expansions and safety improvements and provide production flexibility

Feasibility study and detailed engineering underway, project completion mid-2019

- Upgrading of Feed Preparation Plant and Dry Mill
- Build new modern modular plant
- Recovery and energy efficiency benefits realised
- Feasibility study underway
- Project completion planned for second half 2019

Mineral separation plant site



This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2 and compliance statement on slide 3.

Sierra Rutile Port

Port Upgrade

Scoping study underway for upgrade of existing port facilities:

- increased product storage in line with expansion projects
- improved product loading rates and barge cycle times
- upgrade of overall port infrastructure

Upgrading of existing fleet:

- purchased a second push boat to mitigate risks associated with one vessel
- refurbishment of product barges underway



Sierra Rutile - Outlook



Key Parameters		2017	2018-2020 ¹	Comments
Average annual production				
Rutile	kt	160-165	160-275 (av. 200)	Production range reflects dry mining expansions and Sembehun development from 2020.
Zircon	kt	4	5	Production of all products will step-up in 2019 from 2017 levels, with dry mine expansions and then again in 2020 to the top end of the range provided following the Sembehun development.
Total Z/R		164-169	205	
Ilmenite	kt	45	40-80 (av. 60)	
Average annual unit costs & capital expenditure				
Unit Cash Costs of Production	US\$/t Z/R	600	480-590 (av. 520)	Reduction in unit costs reflects increase to dry mining rates and development of Sembehun deposit.
Non-Production Cash Costs²	US\$/t Z/R	65	55	
Capital Expenditure³	US\$m (av. pa)	30	90	Average capital expenditure includes feasibility studies, safety and operational improvement projects plus production expansion and Sembehun mine development execute funds.

- Increased 2017 production guidance due to productivity improvements, combined with increased costs
- No change to unit cost or capital outlook, with development capital expenditure subject to Board approval
- Production flexibility exists due to operational improvements achieved, with options available to defer capital expenditure
- The Sierra Rutile Production Target for 2018-20 is based on 56% Proved Ore reserve and 44% Probable Ore Reserve.

All unit costs and capital expenditure are stated in real 2017 dollars

1. Indicative only and should not be construed as guidance. Estimates are from prefeasibility studies and as such were prepared with the objective of being subject to an accuracy range of +/-25%. Subject to further study, investment approval and all outlook is subject to changes in: market and operating conditions; and engineering. This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2. Production targets are indicative and should be read in conjunction with the compliance statement on slide 3. Total Ore Reserves are detailed on slide 72.
2. Non production costs include sales and marketing, inclusive of product storage and handling, royalties and by-product costs
3. Total capital expenditure remains in line with December 2016 outlook of US\$300 million over 2017-2020, being an average of US\$75 million per annum.

Reconciliation to Dec 16 Sierra Rutile Outlook



Key Parameters		2017-2019		2020		Comments
		Dec 16	Nov 17	Dec 16	Nov 17	
Average annual production						
Rutile	kt	Av. 160-175	160 - 200 (av. 175)	>240	250-275	Operational improvements leading to improved production
Average annual financial measures						
Production Cash Costs	US\$m	75-85	97-105 (av. 100)	110-120	120-130	Higher operating costs reflect extension of dredge in 2018 plus higher actual 2017 costs for labour, mining volumes and tailings dam management
<i>Reclassification¹</i>	US\$m	8	-	3	-	
Restated Production Cash Costs	US\$m	83-93	97-105	113-123	120-130	
Non Production Cash Costs²	US\$m	15	10-12	15	15	2017-2019 increase due to higher marketing costs reflecting opportunities to improve sales margins to niche end-markets and higher corporate recharge from Australia.
<i>Reclassification¹</i>	US\$m	(8)	-	(3)	-	
Restated Non Production Cash Costs	US\$m	7	10-12	12	15	
Total Cash Costs	US\$m	90-100	107-117	125-135	135-145	
Unit Cash Costs of Production¹	US\$/t R	510-580	450-600 (av. 525)	480	460	

Total cash costs are higher than outlook provided at time of acquisition in December 2016 due to:

- Increased production volumes, with higher variable costs. The Dredge also is planned to operate until December 2018 (previously assumed to finish production in May 2018)
- Higher labour and tailings dam management costs
- Higher marketing costs to improve sales margins to niche markets and higher corporate recharge from Australia

All values are in real 2015 dollars, consistent with that shown in December 2016. This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2 and compliance statement on slide 3.

1. As previously disclosed, \$8m of non-production costs have been reclassified as production costs. The Dec 2016 unit costs guidance has been adjusted to reflect this change.
2. Non production cash costs were not guided in December 2016, however \$15 million was the forecast at that time.

Sierra Rutile Resources and Reserves



Mineral Resource and Ore Reserves at 31 December 2016	Resource Category	Material			Ore Reserve			
		Material kt	Insitu Rutile %	Insitu Rutile kt	Ore Category	Ore kt	Insitu Rutile %	Insitu Rutile kt
Gangama	Measured	13,132	2.00	263	Proved	10,668	1.97	210
	Indicated	32,100	1.30	417	Probable	20,958	1.40	293
	Inferred	14,300	0.90	129		-	-	-
	Total	59,532	1.36	809	Total	31,626	1.59	504
Gbeni North	Measured	16,717	1.30	217	Proved	15,181	1.30	197
	Indicated	26,900	1.19	320	Probable	16,223	1.27	206
	Inferred	-	-	-		-	-	-
	Total	43,617	1.23	537	Total	31,404	1.28	403
Lanti (Dredge + Dry)	Measured	29,800	0.92	274	Proved	8,403	1.07	90
	Indicated	34,623	1.17	405	Probable	11,724	1.07	125
	Inferred	-	-	-		-	-	-
	Total	64,423	1.05	679	Total	20,127	1.07	215
Sembehun Group*	Measured	-	-	-	Proved	-	-	-
	Indicated	368,772	1.03	3798	Probable	222,490	1.23	2,737
	Inferred	-	-	-		-	-	-
	Total	368,772	1.03	3,798	Total	222,490	1.23	2,737
Other Deposits**	Indicated	85,100	0.75	638	Proved	-	-	-
	Inferred	107,600	1.1	1,184	Probable	-	-	-
	Total	192,700	0.95	1,822	Total	-	-	-

Notes: Mineral resources are inclusive of ore reserves.

* Comprises the Benduma, Dodo, Kamatipa, Kibi and Komende Deposits

** Comprises Gambia, Gbap, Jagbahun, Mogbwemo, Mosavi, Nendemoia, Nyandahun, Taninahun and Taninahun Boka Deposits.

This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2 and compliance statement on slide 3.



ILUKA

Projects and Resource Development



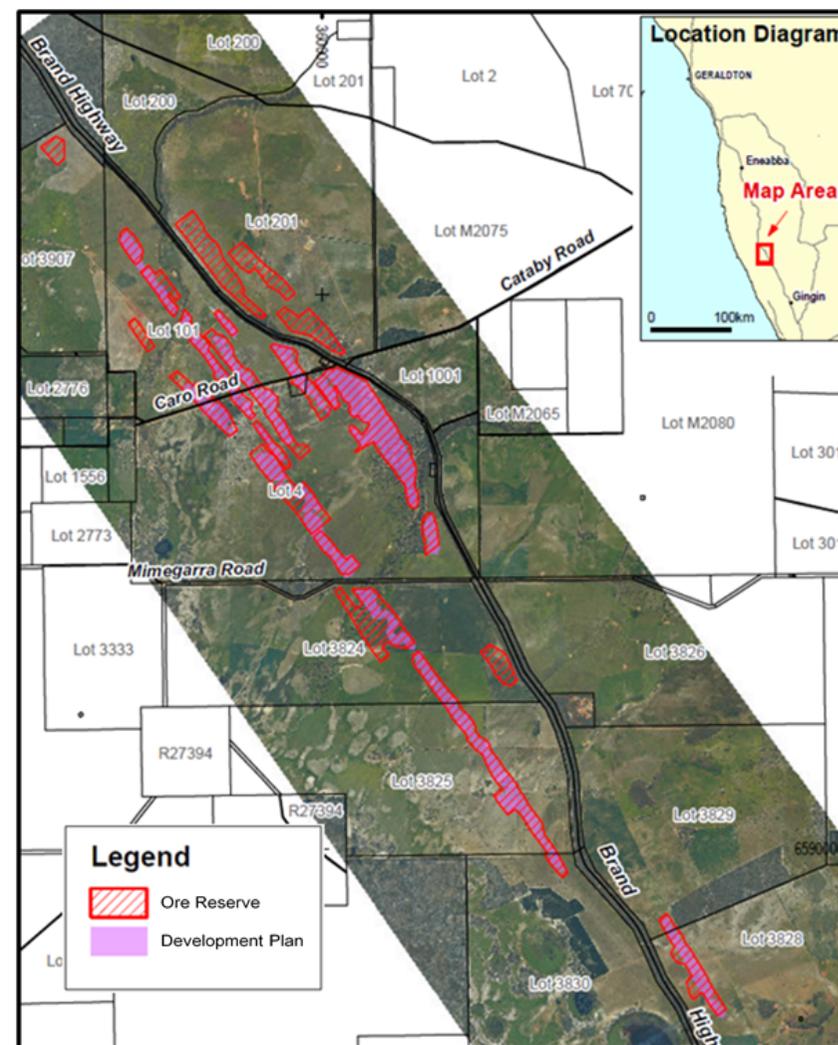
Cataby Development Plan and Ore Reserve



Deposit

- 8.5 year mine life based on development plan which is underpinned by 86% Proved Ore Reserve and 14% Probable Ore Reserve.
- Two in-pit mobile mining units
- 1,100 tph feed rate to wet concentrator plant
- Mine life could increase beyond 8.5 years
 - by accessing additional 40 mt in the ore reserve
 - dependent upon land access and approvals

Cataby Ore Reserves	Ore Mt	HM %	Ilmenite %	Zircon %	Rutile %
Development Plan	80	6.6	60.0	9.6	4.1
Ore Reserve - Proved	88	6.3	59.7	9.3	4.1
Ore Reserve – Probable	33	4.1	62.3	9.4	4.3
Ore Reserve - Total	120	5.7	60.2	9.3	4.1



Cataby Project Update



Schedule	2017			2018				2019	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Engineering	█	█							
Award contracts		█	█	█	█				
Construction				█	█	█	█		
Pre-strip						█	█		
Commissioning								█	
SR Production									█



Note – Timing assumes Q4 2017 Board approval

Capital Cost	\$ million
Land, EPCM & Owners Costs	65-70
Camps & Site Buildings	30-35
Power Supply	10-15
Equipment supply & site construction	145-155
Total*	250-275

- Major environmental approvals obtained
- Integrated project team
- Engineering substantially complete
- Long lead power supply equipment procured
- Camps contracts awarded
- Existing plant to be relocated:
 - Primary concentrator & pumps from Eneabba
 - Thickeners & pumps from Murray Basin
 - Secondary concentrator from Murray Basin

* Given recent cost escalation in Western Australia, capital likely to be at top end of estimate range

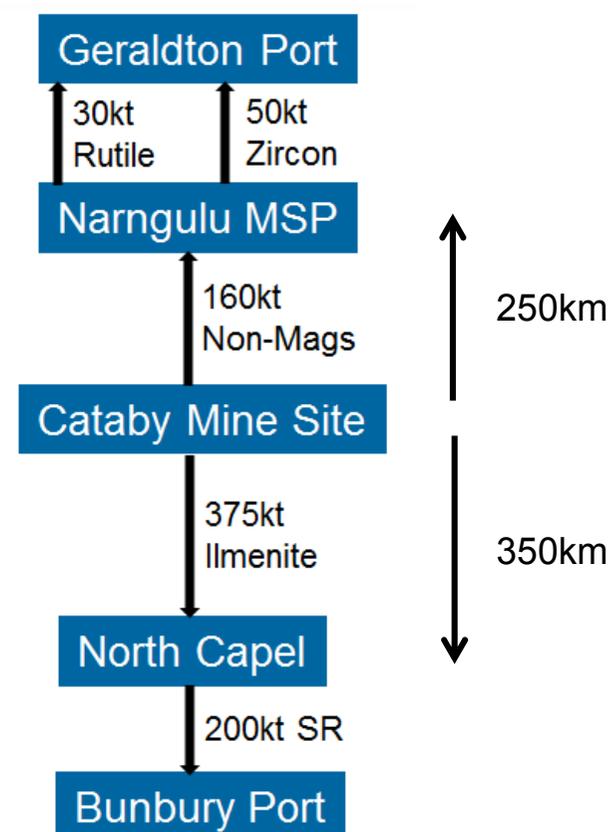
This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2 and compliance statement on slide 3.

Cataby Product Logistics



- Located 150km north of Perth, Western Australia
- Sustains ~200 ktpa of synthetic rutile (SR) production in South West WA
- Average annual production (ktpa, thousand tonnes per annum)
 - ~200 ktpa SR (annual feed ~330 ktpa chloride ilmenite)
 - ~50 ktpa zircon
 - ~30 ktpa rutile
- Zircon and rutile processed at Narngulu mineral separation plant in Geraldton

Annual Volumes



Cataby - Outlook



Key Parameters		2019-2022 ¹	2023-2026 ¹	Comments
Average annual production				
Zircon	kt	60	40	Higher grade pits mined first
Rutile	kt	35	25	
Synthetic Rutile	kt	200	200	Steady at capacity. Average includes ~10% lower production during years of major maintenance and kiln reline (2019 and 2023).
Total Z/R/SR				
Ilmenite	kt	440	320	All ilmenite production is consumed as SR feed stock. Some 2019-2022 production will be stockpiled (due to higher grade) and consumed over 2023-2026.
Average annual unit costs & capital expenditure				
Unit Cash Costs of Production	A\$/t Z/R/SR	670-830 (av. 715)	630-780 (av. 690)	Higher average unit costs in the first kiln campaign due to higher overburden movements in the high grade pit
Non Production Cash Costs²	A\$/t Z/R/SR	50	55	
Capital Expenditure³	A\$m (av. pa)	20	15	Mining and processing sustaining expenditure plus SR major maintenance outage in 2019 and 2023

- Mine life of 8.5 years is based on ore reserve of 80mt of ore, which represents ~70% of the Total Ore Reserve.
- Subject to approvals and land access, up to 4 years may be added to the mine life.
- Development capital expenditure of \$250-275 million, subject to Board approval.

All unit costs and capital expenditure are stated in real 2017 dollars

1. Indicative only and should not be construed as guidance. Capital estimates are from a DFS and as such were prepared with the objective of being subject to an accuracy range of +/-15%. Subject to investment approval and are subject to changes in market and operating conditions. This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2 and compliance statement on slide 3.
2. Non production costs include sales and marketing, inclusive of product storage and handling, royalties and by-product costs
3. Excludes development capital expenditure of \$250-275 million incurred over 2017-2019

Balranald Project



Project Overview

- Large, deep, high grade rutile-rich deposit near Balranald, New South Wales
- Industry significant source of rutile, ilmenite and zircon
- Definitive feasibility study based on conventional mining method completed
- Progressing separate technology study using underground mining method



Balranald Project Mineral Resources, as at 31 December 2016

	Material mt	HM Grade %	Ilmenite %	Zircon %	Rutile %
Nepean					
Indicated	8.4	27.5	59.8	14.4	14.5
Inferred	0.8	11.2	57.3	14.6	14
West Balranald					
Measured	11.9	31.9	64.1	10.8	12.2
Indicated	19.9	35.1	64.3	11.3	12.2
Inferred	4.5	26.5	62.4	8.3	9.4
Total Balranald	45.5	31.6	63.1	11.5	12.4

Underground Mineral Sands Mining

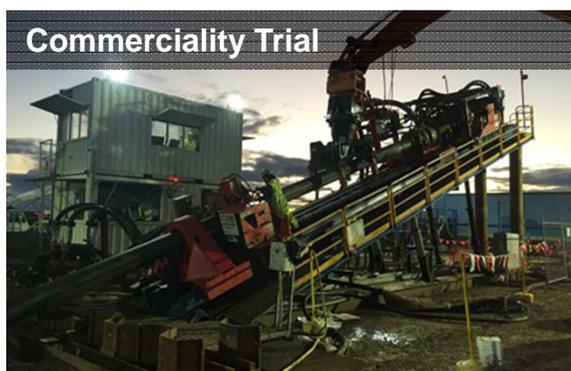
Use of directional drilling technology and internal expertise

Significant advantages to approach

- access to deep deposits (Balranald ~60m underground)
- minimal environmental footprint versus conventional mining
- potentially less capital intensive
- scalable operations
- portfolio flexibility

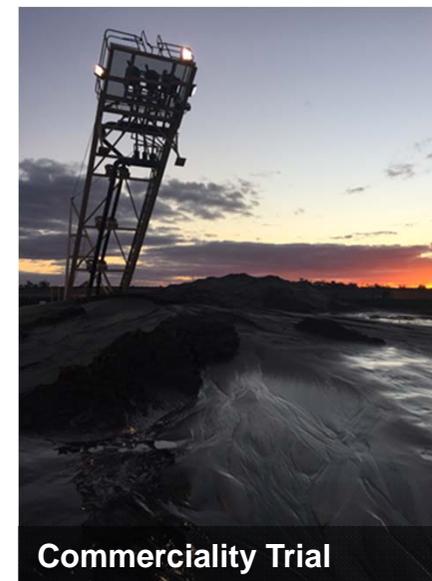
Balranald Test Program

Trial phases	Completed	Comment
Proof of Concept Trial	Feb 2015	1,700 tonnes of high grade ore mined and mobilised to surface as proof of concept
Proof of Commerciality Trial	Aug 2016	6,400 tonnes of high grade ore mined at commercially targeted rates and life of mine stope lengths Targeted maximum operating rates were achieved but could not be sustained due to wear of key mining equipment
Full Scale Wear Test	Aug 2017	Full scale wear testing at surface, of different materials and enhanced designs for key mining equipment Reliability exceeded required targets



Balranald Way Forward

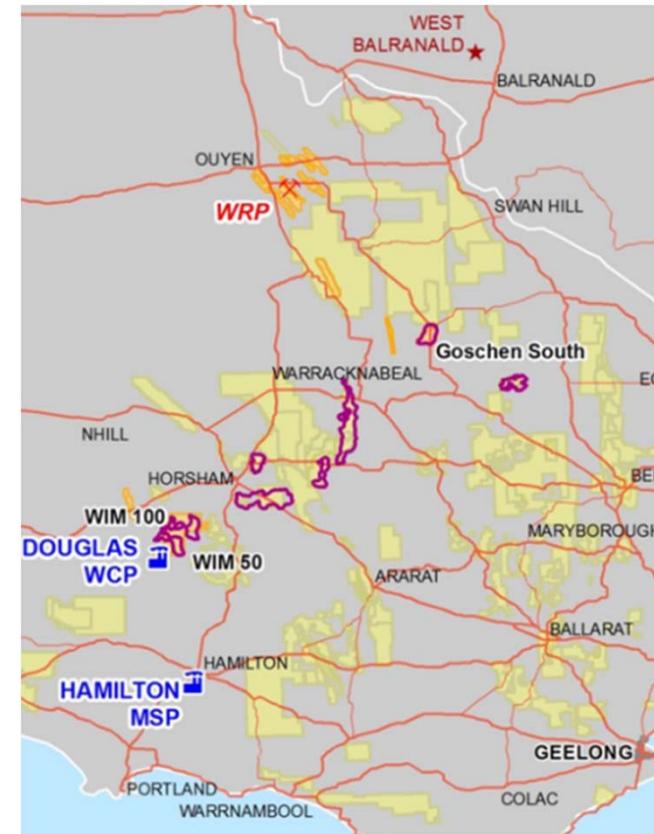
- Continue staged de-risking in 2018 with third production trial
 - current estimate ~\$25 million
- Staged approach to production start up in 2021
 - requires approvals (modification of consent)
 - new mining equipment and plant modifications



Activity	Status	Comment
Third production trial	Planning	Return to current site for mining and backfilling 3 consecutive stopes at operational rates, recoveries and utilisation.
Staged production start up	Pending	Additional fixed processing plant to make a product. Extend mining north and south. Minimal infrastructure assumed.
Optimise production	Pending	Introduce additional mining systems

Iluka WIM Deposits

- Underlying challenges with these deposits
 - recovery of fine sized heavy minerals
 - zircon product eligibility for ceramic market
 - monetizing rare earth co-products
- \$3 million technical development work program 2016-17
 - concluding December 2017
 - culminating in PFS 2018 subject to satisfactory outcomes



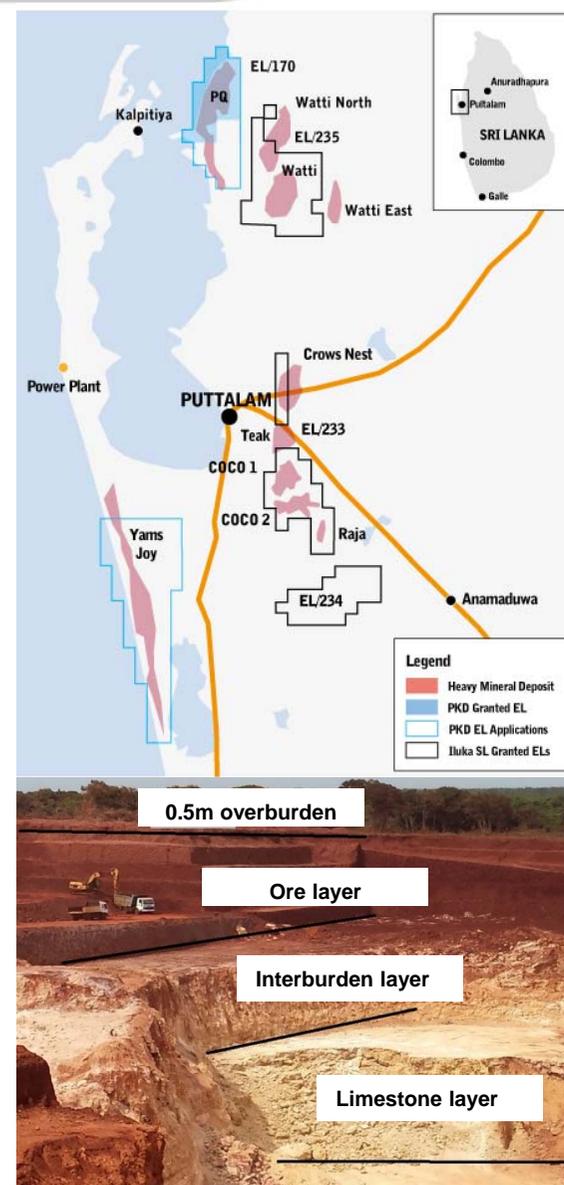
Sri Lanka PQ Deposit

Location and History

- Located ~130km north of Colombo
- 1990's – PQ deposit explored – ceased work due to civil conflict
- 2012 – Iluka returned to Sri Lanka
- 2015 – Scoping study conducted
- 2017 – Pre-feasibility phase progressed

Deposit

- Homogeneous deposit with ore up to 60m thick
- Limestone layer currently mined by Siam City Cement
- Ilmenite ~50% TiO_2
 - suitable for sulfate pigment, sulfate or chloride slag markets
- HM grade from 5%-15% (avg ~9%), clay content ~20 %
- Minimal waste – mineralisation to surface



Sri Lanka PQ Latest Developments

Progressing formal discussions with Government of Sri Lanka on a Development Agreement

- essential to provide certainty required for Iluka to develop project further

Work on MoU to secure long-term land access agreement with SLCC* (land owner) and Siam City Cement

- access has been granted from both parties and is temporary
- substantial synergies apparent by mining two products from one mine (infrastructure, rehabilitation, etc.)

PFS work packages underway in relevant technical areas and community engagement

Construction could start 2020, operating from 2022 pending

- internal and external approvals
- development agreement with government



* SLCC is Sri Lanka Cement Corporation, a government owned entity

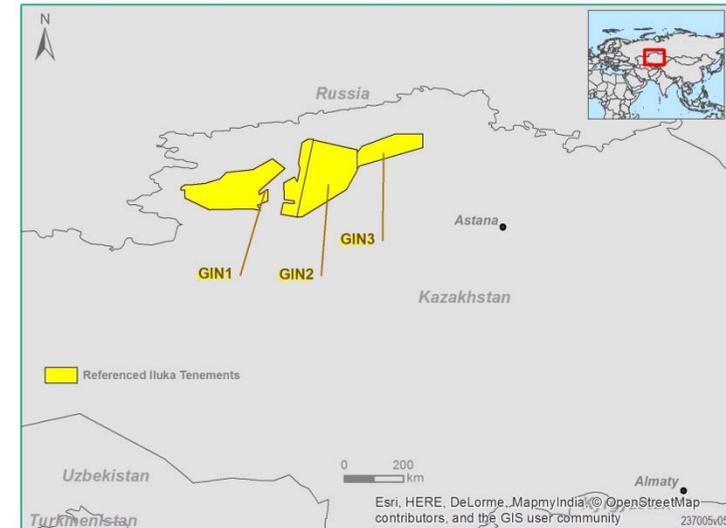
Exploration Kazakhstan

Overview

- Greenfields exploration in northern Kazakhstan
 - potential new zircon province
- Iluka began activities in 2015
- 66,000km² available for exploration under GIN* with Kazgeology (SOE)
- First major drill program commenced in 2017
- 307 drill holes completed for 9,109 metres
- Field observations are encouraging
- HOA signed with Kazgeology to form a JV (95:5 ILU:KG, Kazgeology free carry)

Next steps

- Assess drilling results and select target area (December)
- Finalise JV and secure JV tenure (concluding Q1 2018)
- Targeted drilling campaign (2018)



* GIN is a geological investigation licence. Iluka has the exclusive rights (in conjunction with Kazgeology) to explore for titanium minerals, zircon and tin within these licences.

Exploration Foothills Project, Quebec

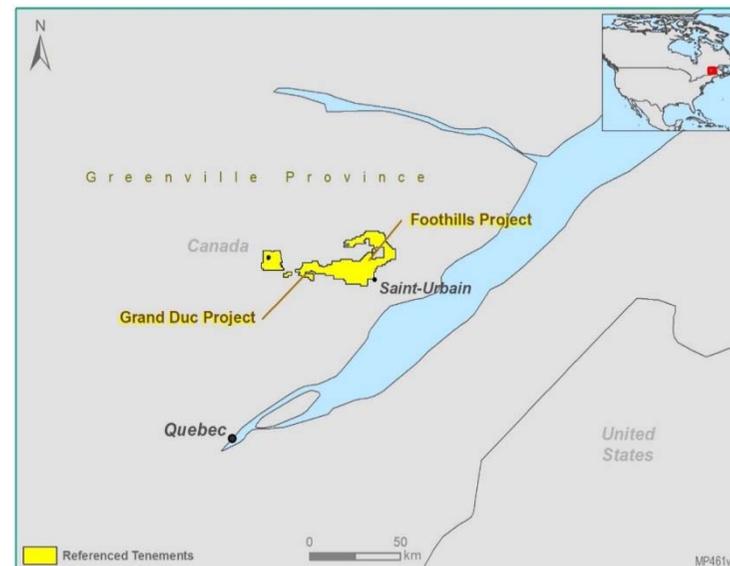


Overview

- Greenfields exploration targeting large rutile–ilmenite deposit
- Hard rock (rather than sedimentary) setting
- Iluka farming-in with Vior Inc.
 - 51% earned after C\$0.5 million spend in year 1
 - 90% earn in at further C\$2.1 million spend before 2019
- Multiple geophysical targets identified

Next Steps

- Initial 1,850 metre diamond drilling program underway
- Assessment and decision point for next stage in early 2018





Mining Area C

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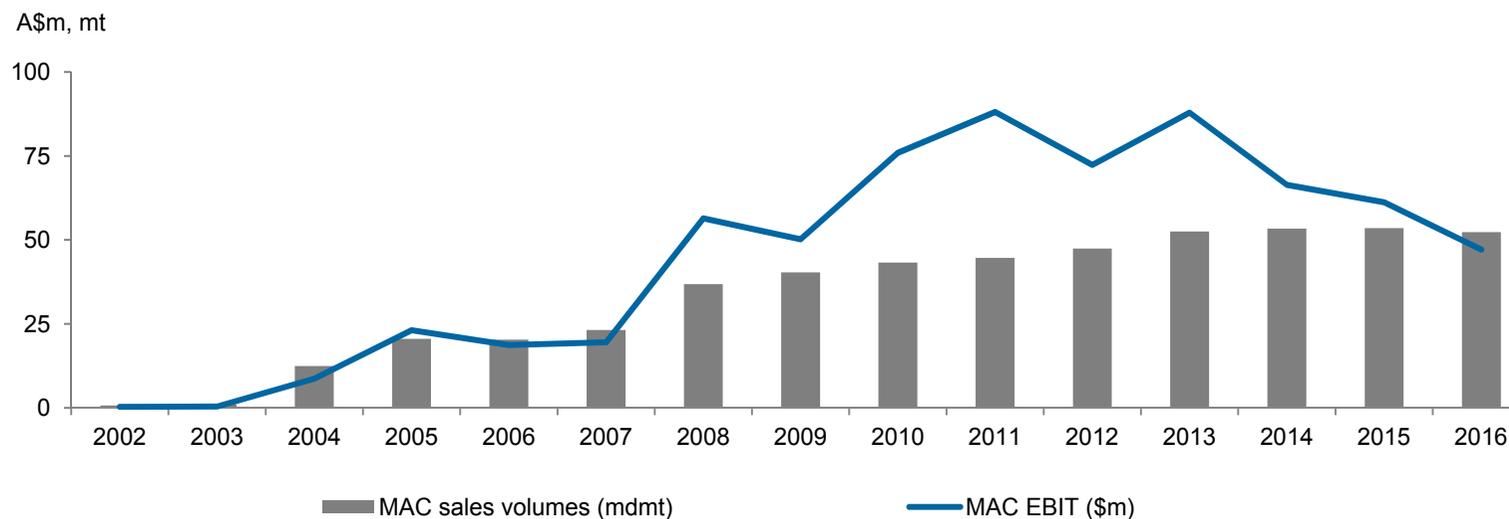


Source: BHP

Mining Area C Royalty Asset

- Iluka holds royalty stream over BHP's Mining Area C iron ore mine
- Iluka income royalty stream paid as:
 - 1.232% of Australian denominated revenue from royalty area; and
 - one-off payment of A\$1 million per million tonne increase in annual capacity
- Total contribution of over \$726 million since mining began to 30 September 2017

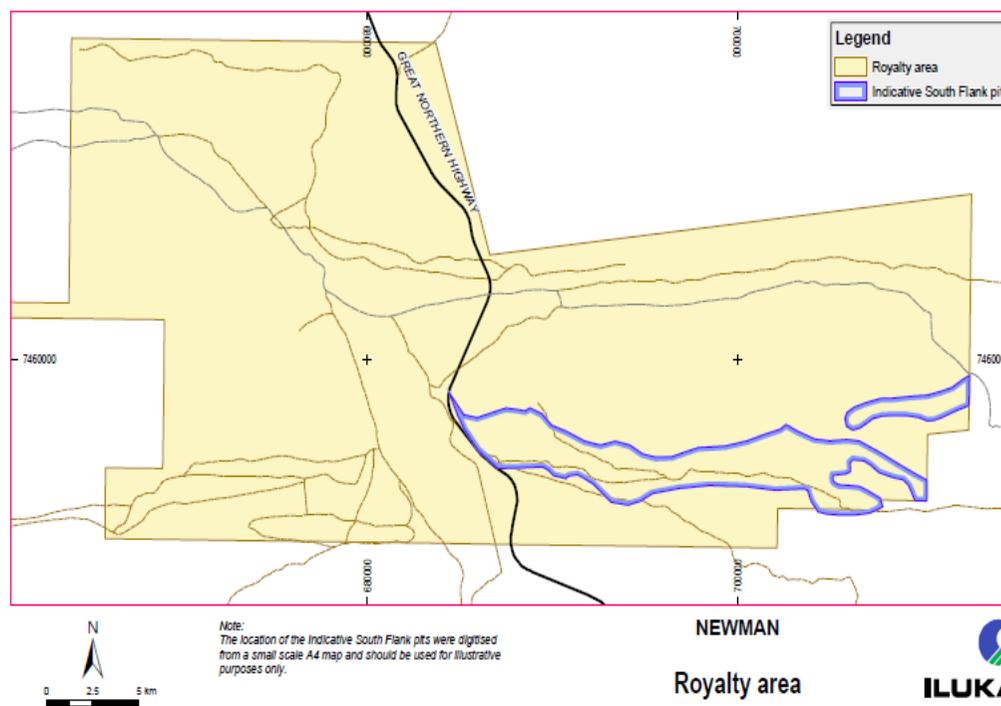
Mining Area C Sales Volumes and Iluka EBIT Contribution



Mining Area C South Flank

- South Flank is BHP's preferred replacement for Yandi production
 - Yandi depleted in 5-10 years
- Yandi currently produces 80 Mtpa
- BHP South Flank contained within the Mining Area C royalty area
- Future Mining Area C hub could produce up to 150mtpa
 - current Mining Area C volume ~55mtpa
- Final investment decision expected 2018, first production likely ~2020-21

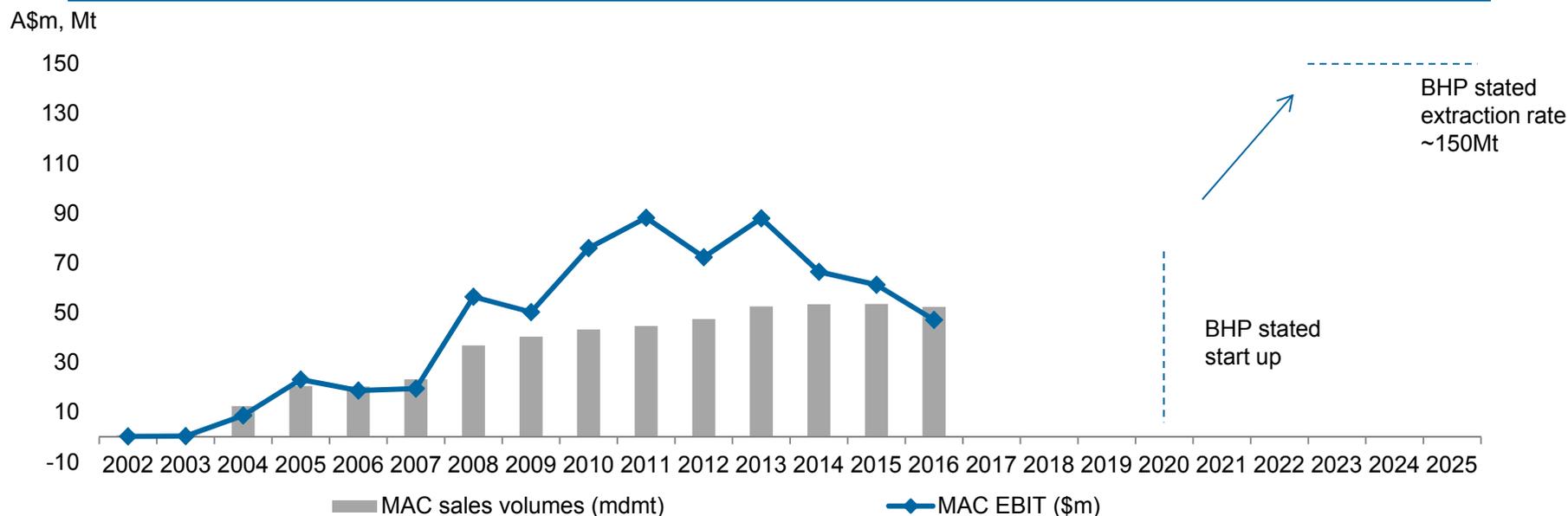
Mining Area C and South Flank, Western Australia



Mining Area C Potential with South Flank



Mining Area C Potential Sales Volume and EBIT with South Flank



BHP public statement:

***Mining Area C – Southern Flank
Public Environmental Review Document, May 2017***

BHP Billiton Iron Ore proposes to extract approximately 80 million tonnes per annum (Mtpa) of iron ore from the Southern Flank orebody, or a total of approximately 150 Mtpa from the Mining Area C operation.

BHP Billiton Iron Ore proposes to commence mining at Southern Flank in approximately 2020, subject to market conditions and all relevant government approvals.



Finance

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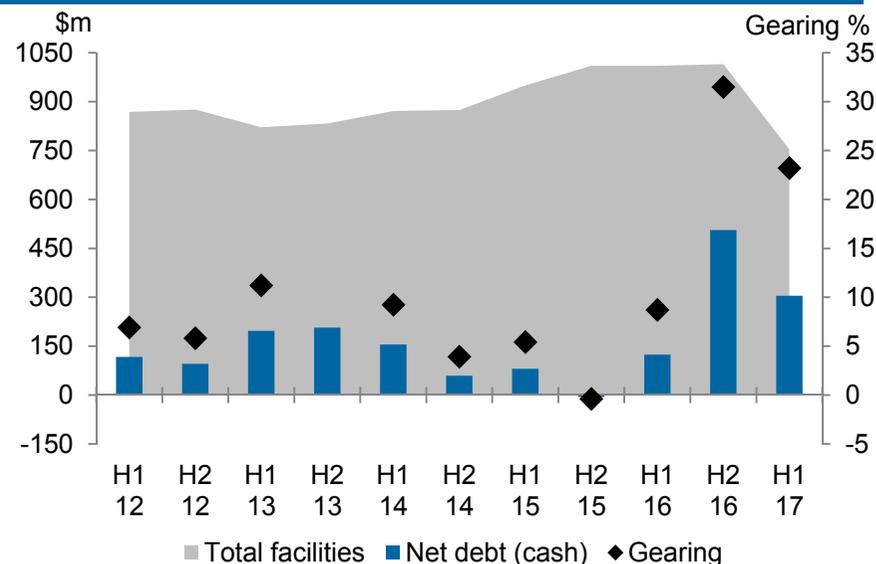
Rehabilitation activities, Western Australia

Balance Sheet

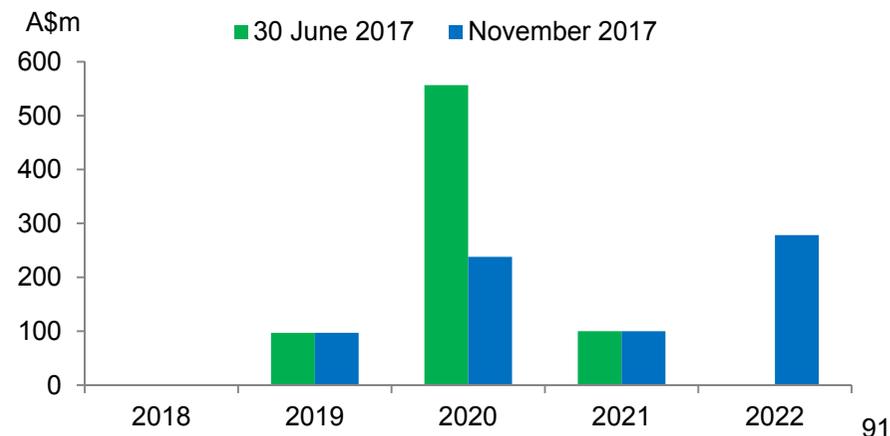


- Sierra Rutile acquisition cost of A\$469 million funded by debt in December 2016
- Strong free cash flow of \$180 million in H1 2017 used to strengthen balance sheet
- Inventory being reduced to 'normal' levels within twelve months allows free cash flow generation
- 58% net debt reduction to \$212 million by 30 September 2017
- Total debt facilities reduced to \$714 million
 - reduced costs of holding unused facilities
- Significant funding headroom remains

Net Debt, Gearing and Funding Headroom



Debt Maturity Profile

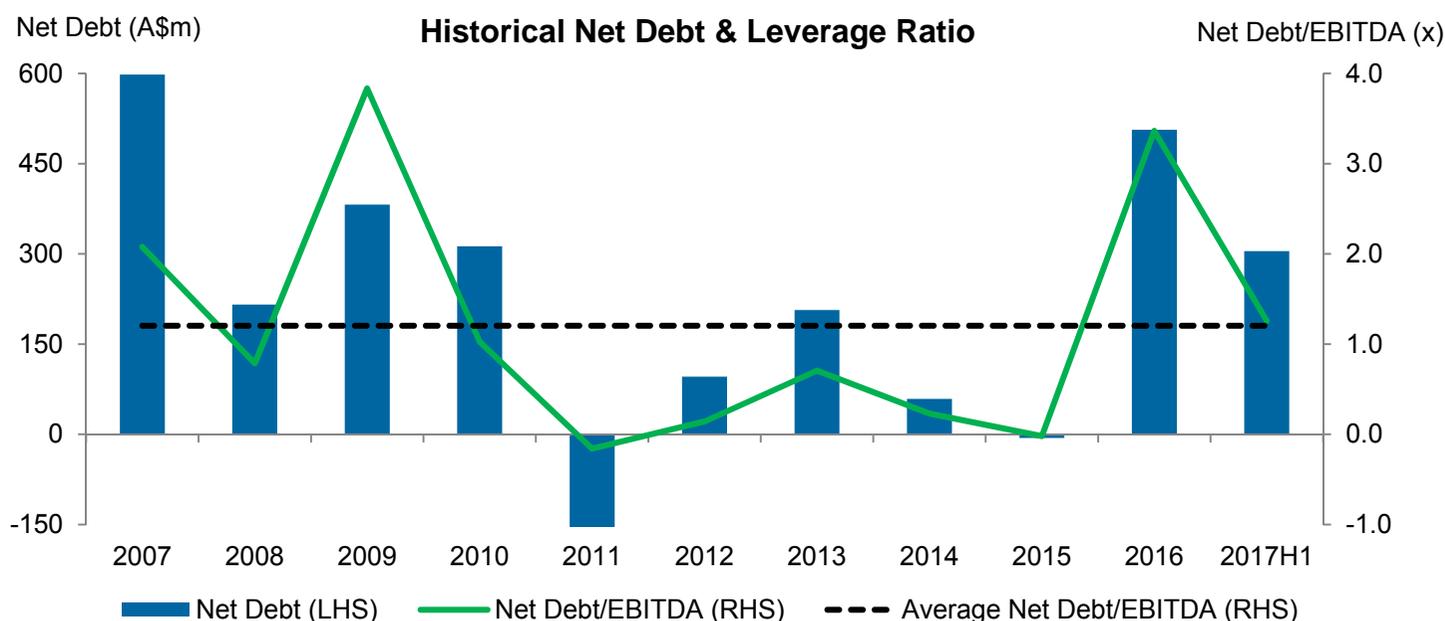


* Net debt / net debt + equity

Balance Sheet



Iluka targets credit metrics broadly consistent with investment grade credit profile, whilst balancing the impacts of commodity pricing and investment factors through the cycle.



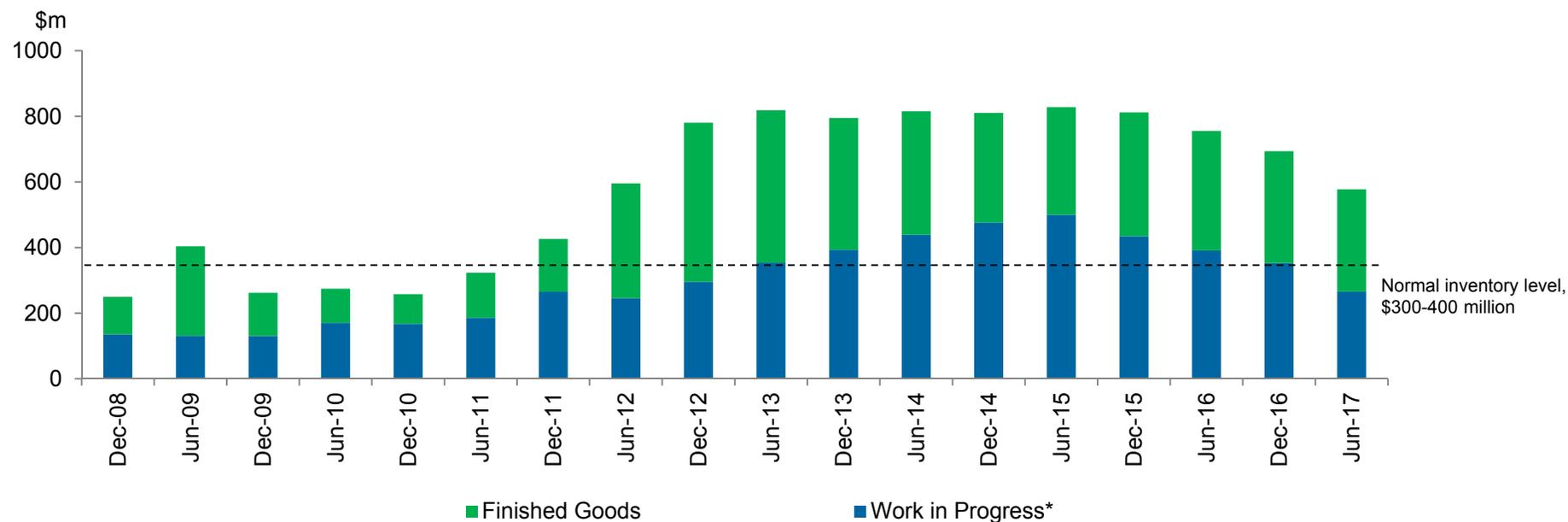
* 2017H1 EBITDA comprises H2 2016 + H1 2017 EBITDA

- Continue to manage debt levels counter-cyclically
 - seek to pay down debt during mid to high cycle conditions
 - carry low gearing through the downturn
 - enabling counter-cyclical investments in low cycle conditions
- Net debt at 30 September was \$212 million

Inventory Movement



Total Inventory



- Total inventory reduced by \$116 million in H1 2017 to \$578 million (31 Dec 2016: \$694 million)
- Sierra Rutile inventory \$52 million at June 2017 (Dec 2016: \$34 million)
- Subject to market conditions, planned inventory reduction to normal level within 12 months
- Inventory held at cost, with cash generation from inventory drawdown reflecting sales prices at the time

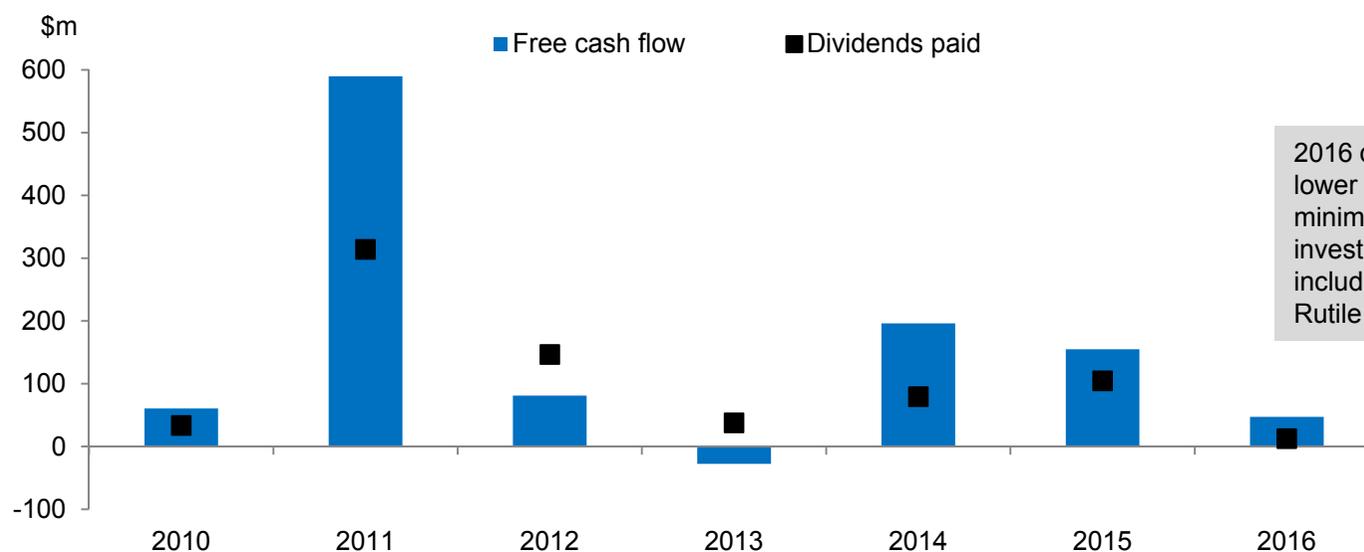
* Includes ilmenite and consumables

Dividends framework



Iluka's dividend framework

- pay a minimum 40% of free cash flow not required for investing or balance sheet activity
- distribute maximum practicable available franking credits



2016 dividend payout ratio lower than framework minimum, reflecting potential investment opportunities, including Cataby and Sierra Rutile expansions

Payout ratio % of free cash flow	2010	2011	2012	2013	2014	2015	2016
	55%	53%	180%	n/a	41%	68%	27%

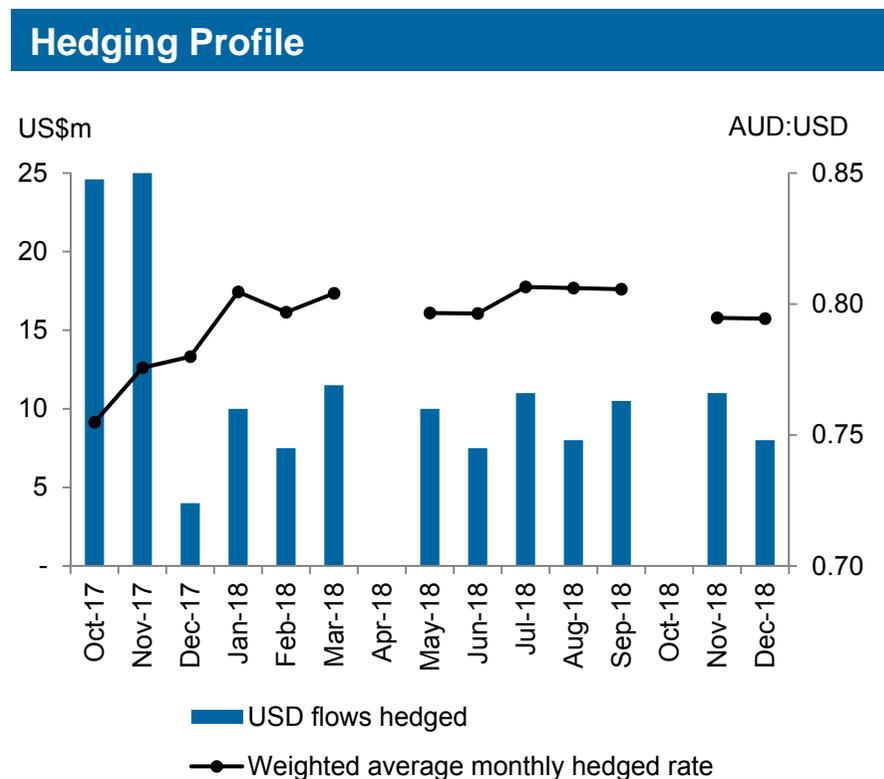


Cumulative payout ratio of 66%

Foreign Currency Hedging



- Long term contracts (predominantly synthetic rufite) hedge against commodity price risk
- Fixing one leg (i.e. USD product price) of the AUD revenue equation creates foreign currency risk
 - exposes Iluka to a contraction in margins should the AUD appreciate
- Iluka's policy is to manage these risks by entering into appropriate hedging arrangements
- During 2017, Iluka entered foreign currency hedges totaling US\$218 million in relation to 2017 and 2018 contracted sales
- As at 30 Sept 2017, Iluka held US\$149 million of AUD:USD forward contracts at weighted average rate of 78.8 cents
- Only forward contracts have been used to date
 - may consider buying AUD call options or entering collar arrangements in the future





Outlook and Closing

ILUKA



Jacinth-Ambrosia, South Australia

Iluka Investment Proposition



- Leading player in the minerals sands industry
 - largest producer of zircon
 - third largest producer of titanium dioxide feedstocks
- Distinct positive turn in zircon and titanium dioxide markets with strongest conditions in five years
- Sierra Rutile enhances market positioning
 - acquisition in line with expectations and clear growth pathway
- Operational flexibility with short and medium term development options across asset portfolio
- Strong free cash flow with rapid debt reduction and robust financial position
- Disciplined capital management, focused on shareholder returns through the cycle



Outlook - Group



Key Parameters		2015	2016	2017	2018-2020 ¹	Comments
Average annual production						
Zircon	kt	389	347	310	260-315 (av. 290)	2018 Z/R/SR sales are expected to exceed production in 2018 as finished good inventories are drawn down to normal levels.
Rutile	kt	136	118	280	200-310 (av. 260)	
Synthetic Rutile	kt	165	211	205	175-205 (av.200)	
Total Z/R/SR	kt	690	676	795	750-780 (av. 740)	
Ilmenite	kt	466	329	440	250-640 (av. 440)	
Average annual unit costs						
Unit Cash Costs of Production	A\$/t Z/R/SR	558	373	455	550-630 (av. 590)	Unit cash costs increase following restart of J-A mining and concentrating, and higher costs associated with Cataby
Unit Cost of Goods Sold	A\$/t Z/R/SR	780	700	755	830-950 (av. 870)	Reflects higher costs associated with Cataby and increasing J-A costs due to the grade decline.
Capital investment						
Capital expenditure²	A\$m	66	83	120	270	Average capex includes Cataby and SRL mine development and expansions and is expected to peak in 2018.

All unit costs are stated in real 2017 dollars

1. Indicative only and should not be construed as guidance. Capital estimates are from varying stages of feasibility studies and as such were prepared with the objective of being subject to an accuracy range of +/-25%. Subject to further studies, investment approval and are subject to changes in: market conditions; operating conditions; political risk; and engineering. This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2 and compliance statement on slide 3.
2. The group capital expenditure includes ~\$20 million pa in other feasibility studies associated with Sri Lanka and Balranald across 2018-2020 .



Questions

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Synthetic rutile kiln, Western Australia