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ILUKA

Demerger Briefing

10 September 2020

Cataby, Western Australia

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

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

This document provides an indicative outlook for the Iluka business in the 2020 financial year. The information is provided to assist sophisticated investors with the modelling of the company, but should not be relied upon as a predictor of future performance. The current outlook parameters supersede all previous key physical and financial parameters.

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

Forward Looking Statements

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

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

Non-IFRS Financial Information

This document contains non-IFRS financial measures including cash production costs, non production costs, Mineral Sands EBITDA, Underlying Group EBITDA, EBIT, free cash flow, and net debt amongst others. Iluka management considers these to be key financial performance indicators of the business and they are defined and/or reconciled in Iluka's annual results materials and/or Annual report. Non-IFRS measures have not been subject to audit or review.

All figures are expressed in Australian dollars unless stated otherwise.

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01 Demerger overview

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Key Management

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Iluka Resources



Tom O'Leary
Chief Executive Officer



Adele Stratton
Chief Financial Officer

Deterra Royalties



Julian Andrews
Chief Executive Officer



Brendan Ryan
Chief Financial Officer

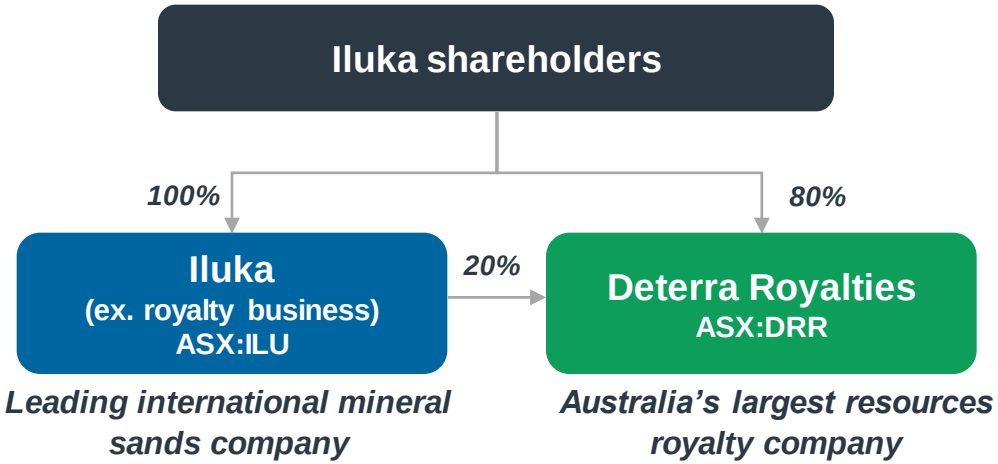
Demerger Overview

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

Overview

- The demerger will result in two independent ASX listed companies – Iluka and Deterra Royalties – each with a management team focused on pursuing its growth strategy
- Iluka shareholders will have the opportunity to vote on the Demerger at the Extraordinary General Meeting on 16 October 2020
  - Iluka Directors unanimously recommend that Iluka shareholders vote in favour of the Demerger Resolution
  - The Independent Expert has also concluded that the Demerger is in the best interests of Iluka shareholders
- Iluka shareholders will be entitled to receive 1 share in Deterra Royalties for each existing share held in Iluka
- Iluka has received a favourable draft class ruling from the Australian Tax Office (ATO) for demerger tax relief. As is usual, any final class ruling will only be issued after implementation of the demerger.
- Iluka will retain a 20% interest in Deterra Royalties as a long-term investment

Post-demerger Structure



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Demerger Rationale

Iluka's Mineral Sands business and Royalty business are two fundamentally different businesses, consequently a demerger has the potential to unlock shareholder value over time

	Mineral Sands Business	Royalty Business
Business	A leading pure play mineral sands company globally	Australia's largest ASX-listed resources royalty company
Current commodity mix	Mineral sands (zircon and titanium feedstocks) Rare earths	Iron ore (primarily)
Key assets	Cataby, Capel, Narngulu and Eneabba, Western Australia Jacinth-Ambrosia, South Australia Sierra Rutile, Sierra Leone	MAC Royalty, Western Australia Portfolio of five small royalties (two in production)
Management areas of expertise required	Large-scale mining and processing operations Engineering and project delivery Exploration and geology Occupational health and safety management Customer marketing and offtake Technical and financial analysis of development options	Mining investment Project finance Mergers and acquisitions Business development Capital markets
Relative cost of capital	Higher	Lower
Capital intensity	Yes	No
Operating cost exposure	Yes	No[1]
Dividend policy	40% of FCF (not required for investment or balance sheet purposes)	Intended policy will be to payout 100 per cent of net profit after tax[2]
Growth profile	Investment focused on organic growth profile Project delivery and mine life extension Exploration success	Organic: extension or expansion of Mining Area C, including BHP's South Flank expansion Investment: acquisition of value accretive complementary royalties

Demerger has the potential to unlock shareholder value by:

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

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

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Key dates

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

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

All dates in the above timetable are indicative only and are subject to change. A more detailed indicative timetable is included in the Demerger Booklet.

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02 Iluka Resources post demerger



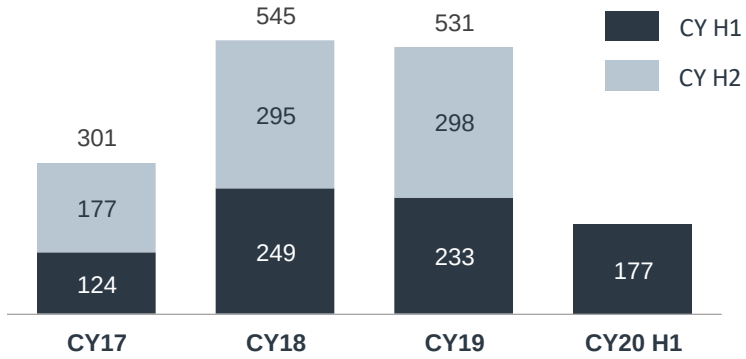
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Introducing Iluka post Demerger

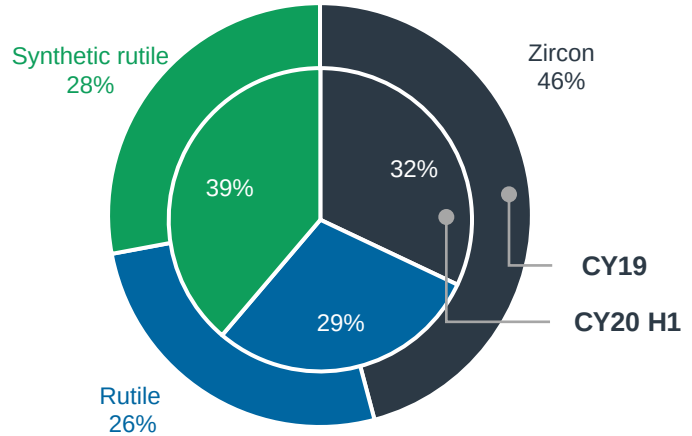
Iluka remains a global leading mineral sands company – with major mining operations and processing operations – the business, which is diversified by product and geography, focusses on high-grade products

Business	A leading pure play mineral sands company globally
Current commodity mix	Mineral sands (zircon and titanium feedstocks) Rare earths (monazite)
Key assets	Cataby, Western Australia Jacinth-Ambrosia, South Australia Sierra Rutile, Sierra Leone Eneabba, Western Australia Capel synthetic rutile processing, Western Australia Narngulu mineral separation pant, Western Australia Sierra Rutile mineral separation plant, Sierra Leone
Other assets	20% stake in Deterra Royalties
Net cash (30 June 2020)	Pro-forma A$89 million (A$523 million available facilities)
Employees (#)	~3,200
Management areas of expertise	Large-scale mining and processing operations Engineering and project delivery Exploration and geology Occupational health and safety management Customer marketing and offtake Technical and financial analysis of development options
Dividend policy	40% of FCF (not required for investment or balance sheet purposes)
Key growth drivers	Greenfield mineral sands project delivery Mine expansion and life extension Exploration success Favourable industry supply and demand outlook

Underlying mineral sands EBITDA (A$m)



Mineral sands production (kt)



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Framework to Deliver Sustainable Value

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



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Mineral Sands – Part of Everyday Life

Iluka's products have a range of applications from everyday applications, to industrial uses and new renewable energy technologies

Global demand

Zr

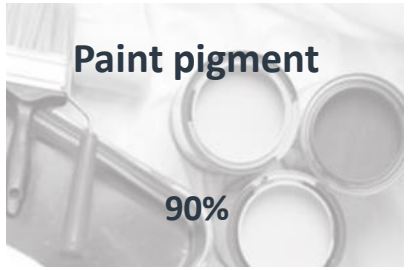


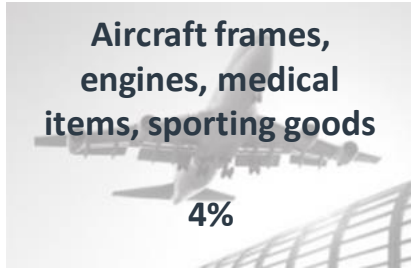




Source: TZMI, 2015-19 demand average

TiO_2

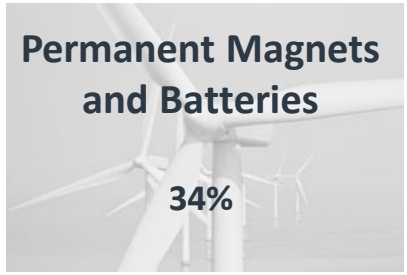


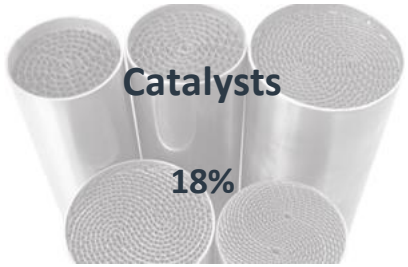




Source: TZMI, 2015-19 demand average

Rare Earths

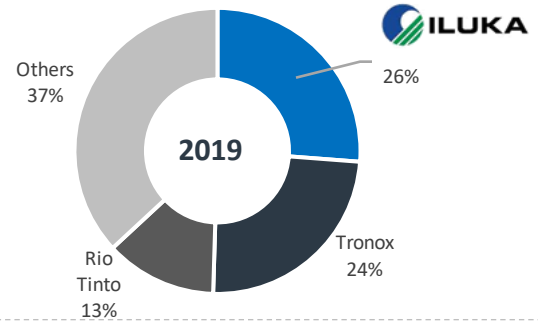


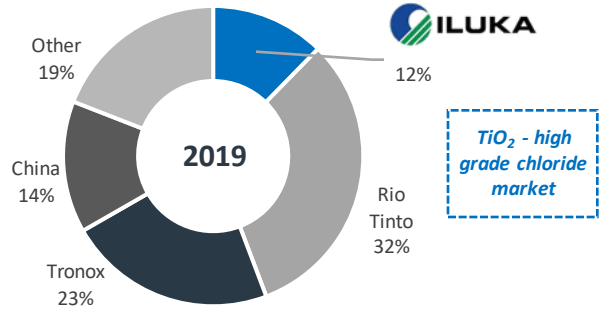


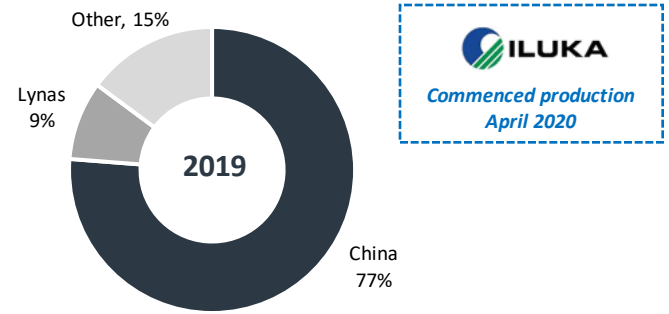


Source: Argus, 2019 demand

Global supply







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Positive Market Fundamentals – Supply

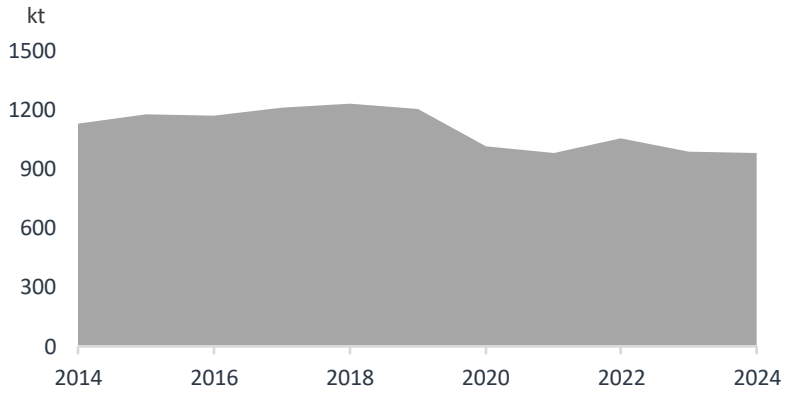
Zircon and high-grade titanium feedstocks have attractive long term market fundamentals including demand growth from urbanisation and rising living standards and supply side constraints.



Supply Fundamentals:

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

Global zircon supply outlook (existing operations)



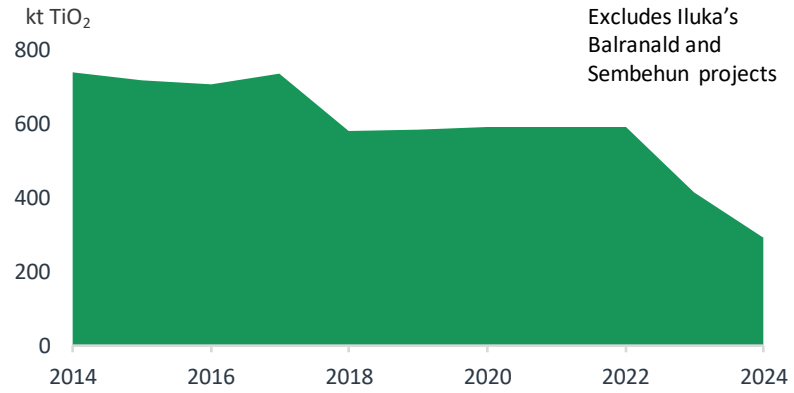
Source: TZMI, May 2020



Supply Fundamentals:

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

Global rutile supply outlook (existing operations)



Source: TZMI, May 2020

Zircon and Rutile 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's project pipeline could deliver new supply to the industry

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Positive Market Fundamentals – Demand

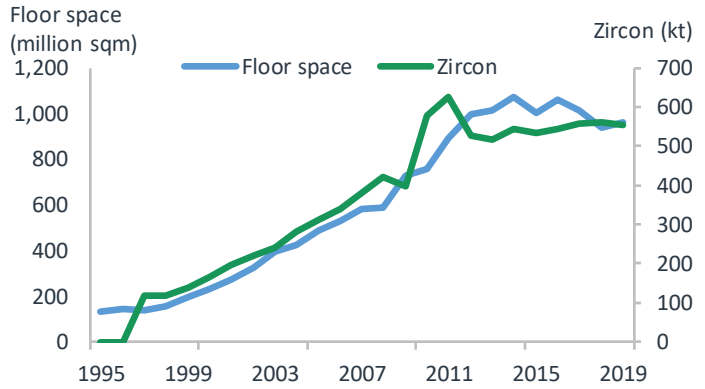
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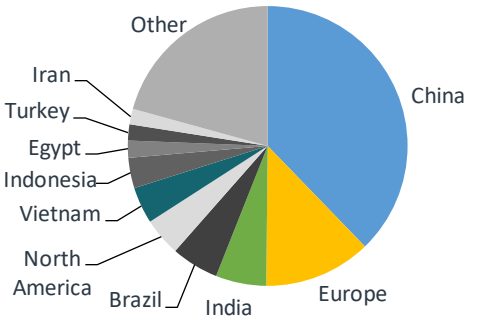
Demand Fundamentals:

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

China floor space completion and zircon demand



Global tile consumption, 2018

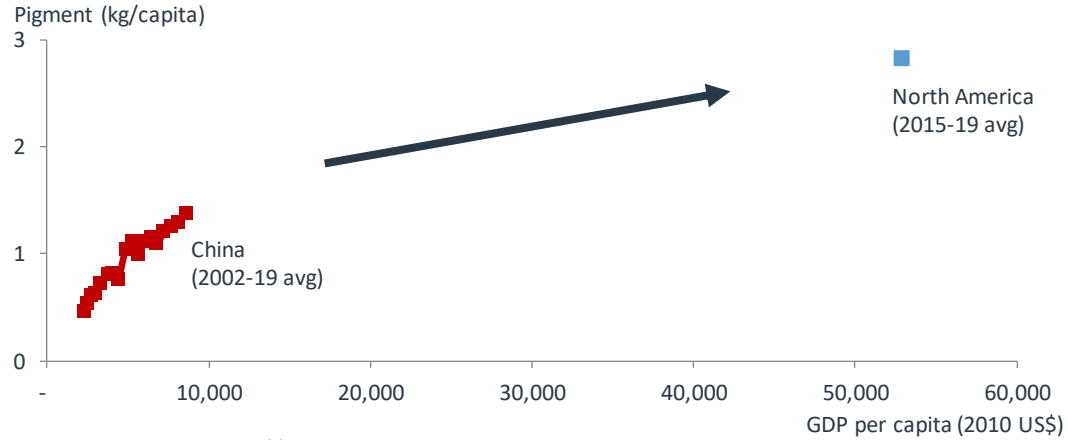




Demand Fundamentals:

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

GDP and pigment per capita



Source: CEIC, Ceramic World Review, TZMI, IMF

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Industry Leading Portfolio of Operations

Iluka focuses on producing high value mineral sands products including zircon, rutile and synthetic rutile, and, in April 2020, commenced the production of monazite concentrate, marking the first phase of the company's entry into the rare earth market

Global portfolio of operations



SIERRA LEONE
Acquired in 2016
Major rutile mine
4 mining units
Mineral separation plant capacity ~175ktpa rutile



ENEABBA
Mineral recovery and processing
Highest grade operational rare earth stockpile globally
Current producing 20% monazite concentrate



NARNGULU
Mineral separation plant
Processes Jacinth-Ambrosia and Cataby material

JACINTH AMBROSIA
1 mining unit
Major zircon mine
1,300tph ore mining unit capacity





CATABY
Commissioned 2019
~1,350tph ore capacity from 2 mining units
Ilmenite source feed for synthetic rutile
Significant zircon and rutile production
Production capacity ~440ktpa ilmenite 2020-22

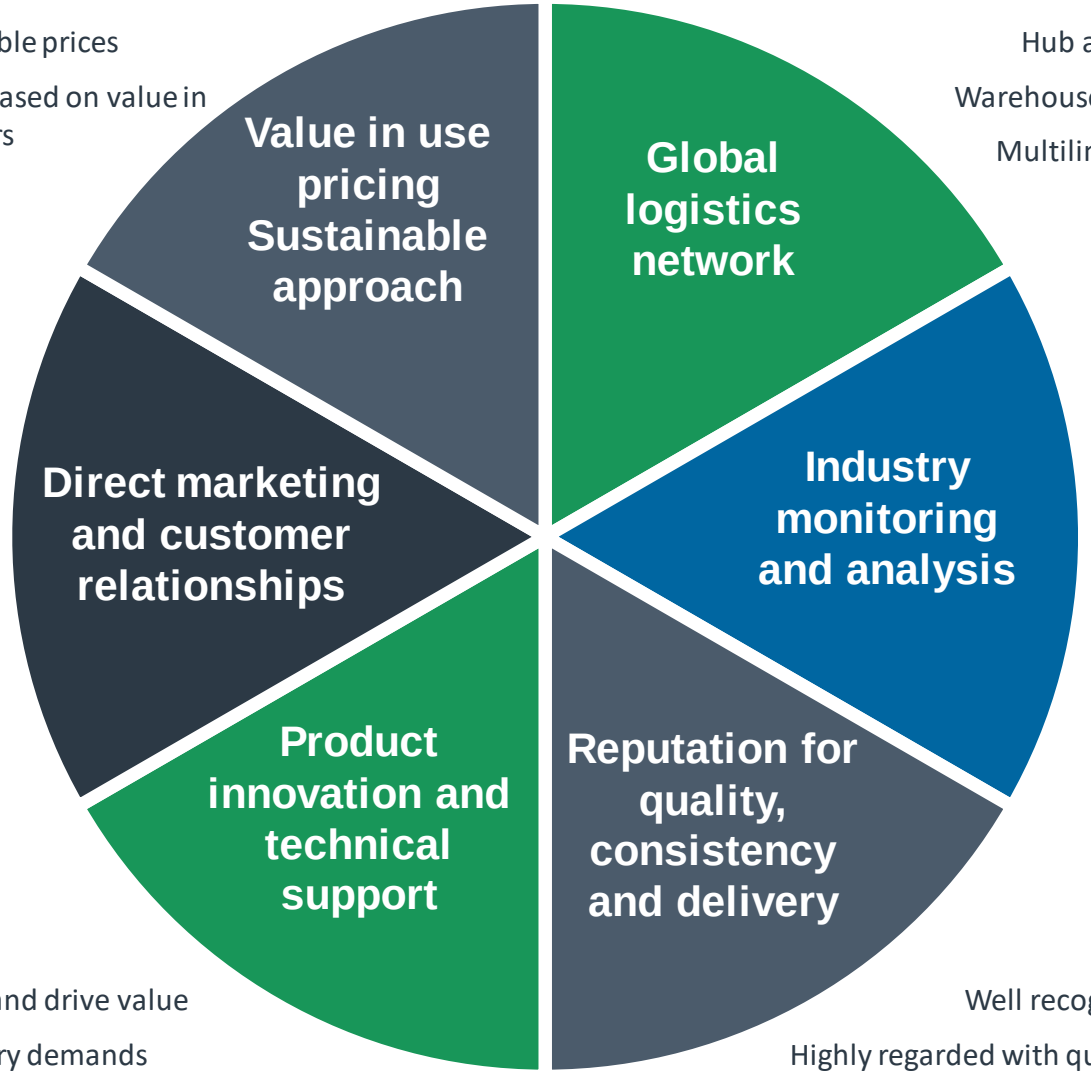


CAPEL
2 synthetic rutile kilns (1 currently idle)
Ilmenite feed from Cataby
SR2 production capacity ~225ktpa synthetic rutile

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Iluka's Marketing Model of Value Creation

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Focus on delivering sustainable prices

Prices negotiated with customers based on value in use and other factors

Hub and spoke distribution model

Warehouses positioned close to key markets

Multilingual / multinational salesforce

Zircon and titanium products are not exchange traded commodities

Direct channels to market

Focus on understanding markets and customers

Industry knowledge and analysis creates competitive advantage

Product specifications important to customers and drive value

Products developed to meet evolving industry demands

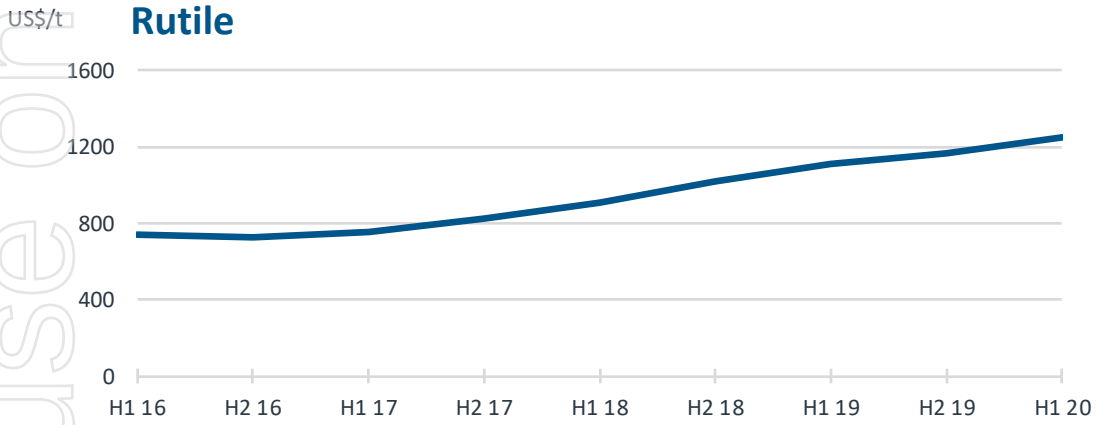
Well recognised brand

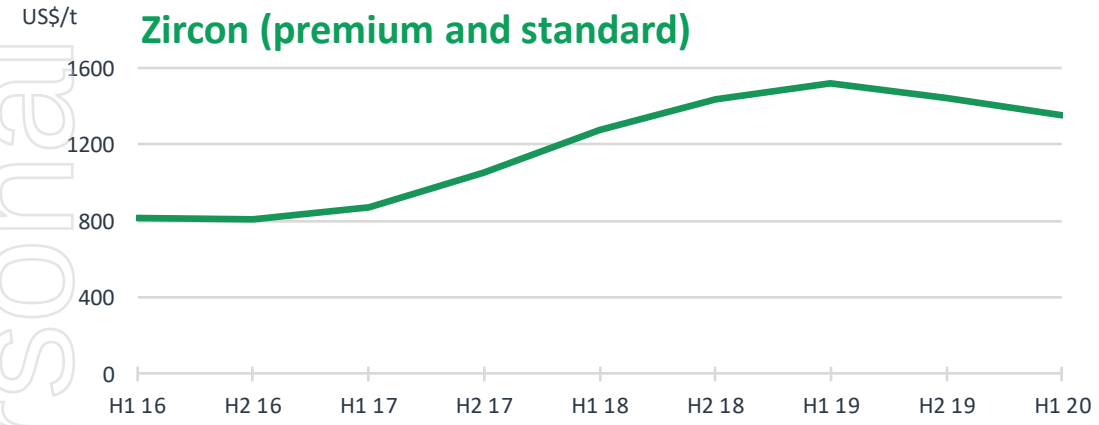
Highly regarded with quality products and service

Marketing Model Delivers Sustainable Value

Iluka's value-driven marketing model supports sustainable prices – helping to maintain strong margins through the cycle

Historical zircon and rutile prices[1]





1. Iluka weighted average net realised rutile and zircon (premium and standard) prices

Pricing model features

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

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Quality Project Pipeline to Sustain and Grow

Iluka develops and gates projects in a disciplined manner towards execution subject to acceptable progress in the following areas: (i) confidence in satisfactory project risk-return attributes, (ii) high level of strategic alignment, and (iii) sequenced to take advantage of the economic and market lookout

Region	Mineral Resource[1]	ASSESS Scoping Study	SELECT Preliminary Feasibility Study	DEVELOP Definitive Feasibility Study	EXECUTE Project execution	PRODUCING Operate and maximise
Eucla Basin	361Mt @ 4.8% HM for 17.4Mt In Situ HM		Atacama			Jacinth-Ambrosia
Murray Basin	195Mt @ 17.2% HM for 33.4Mt In Situ HM		Wimmera; Balranald			
Mid West / South West WA	994Mt @ 5.6% HM for 55.6Mt In Situ HM	South West Deposits		SR1 Kiln Restart	Eneabba (Phase 2)	Eneabba (Phase 1); Cataby
Sierra Leone	739Mt @ 1.1% Rutile for 8.2Mt In Situ Rutile	Sembehun				Lanti; Gangama
Sri Lanka	673Mt @ 8.1% HM for 54.6Mt In Situ HM		Puttalam			
	Stage description:	*Determine what it could be*	*Determine what it should be*	*Determine what it will be*	*Deliver the project*	*Grow and improve*
	Estimate Accuracy Range (at end of phase):	*-30% to +60%*	*-15% to +30%*	*-10% to +15%*	*n/a*	*n/a*

No Resource estimate; Resource estimate; Reserve estimate; Other

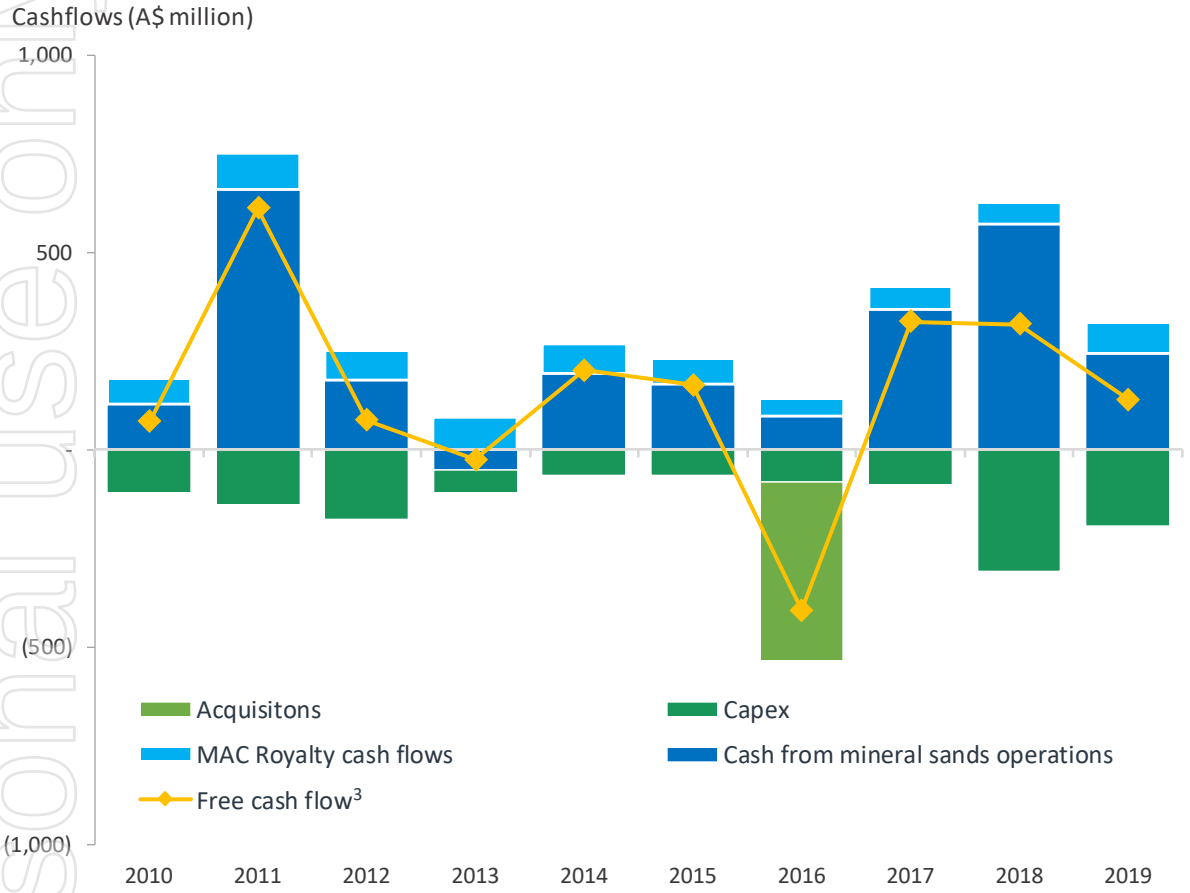
1. Refer to the 2019 Annual Report for additional information. The Mineral Resource (MR) information on this indicative growth pipeline summary is extracted from the company's previously published MR statements and are available at: www.iluka.com.au . Iluka confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Iluka confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. All Mineral Resource figures are estimates. This slide should be read in conjunction with disclaimers and compliance statement on slide 2.

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Historically a highly cash generative business

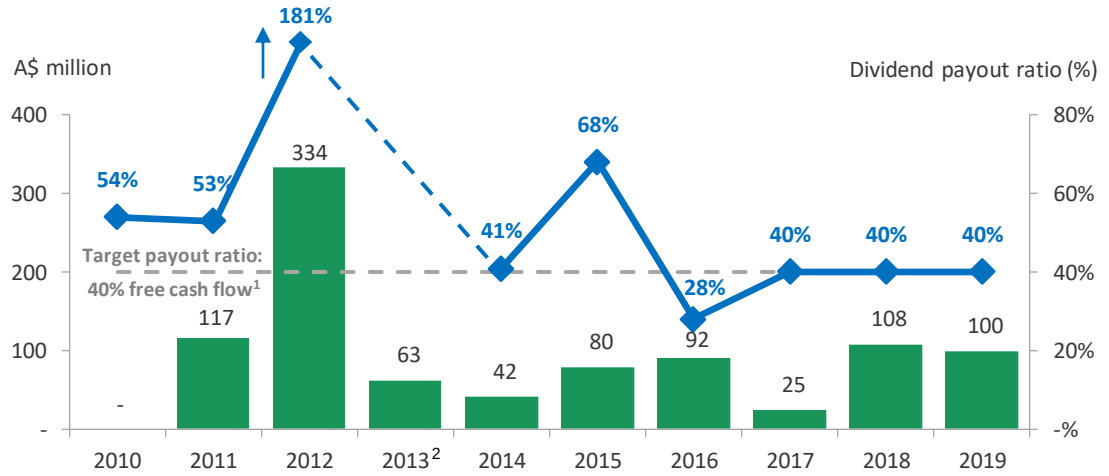
The mineral sands business has generated over >A$2bn in free cash flow over the last 10 years, with consistent cash returns delivered to shareholders via dividends

Historical cash generation



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

Dividends paid



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

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Conservative Capital Structure to Support Growth

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

Balance sheet position

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

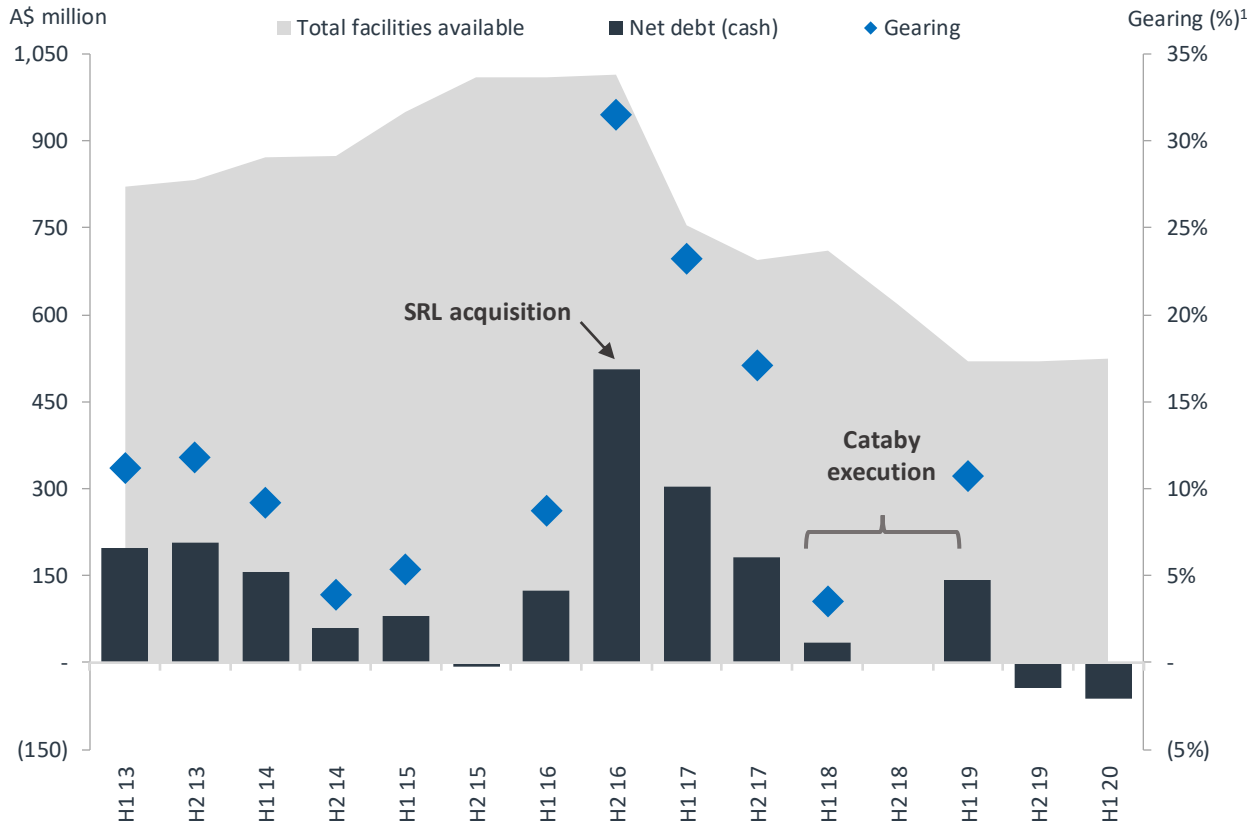
Revised net debt target

Zero net debt on average through the capital investment cycle

Dividend policy (unchanged post Demerger)

40% free cash flow not required for investing or balance sheet activity

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



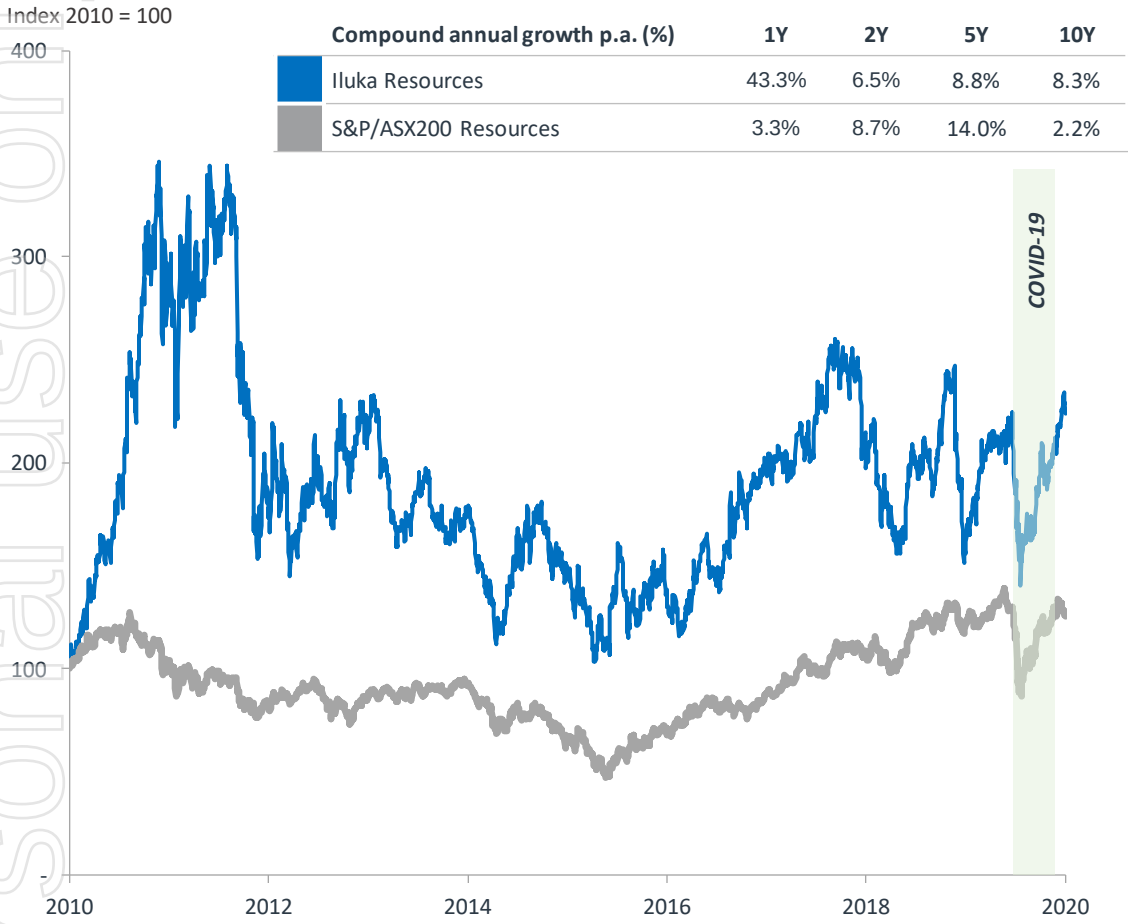
1. Gearing = net debt / net debt + equity

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Continued focus on stated objective: to deliver sustainable value

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

Total shareholder returns



Compound annual growth p.a. (%)	1Y	2Y	5Y	10Y
Iluka Resources	43.3%	6.5%	8.8%	8.3%
S&P/ASX200 Resources	3.3%	8.7%	14.0%	2.2%

Source: FactSet (as at 1 September 2020).

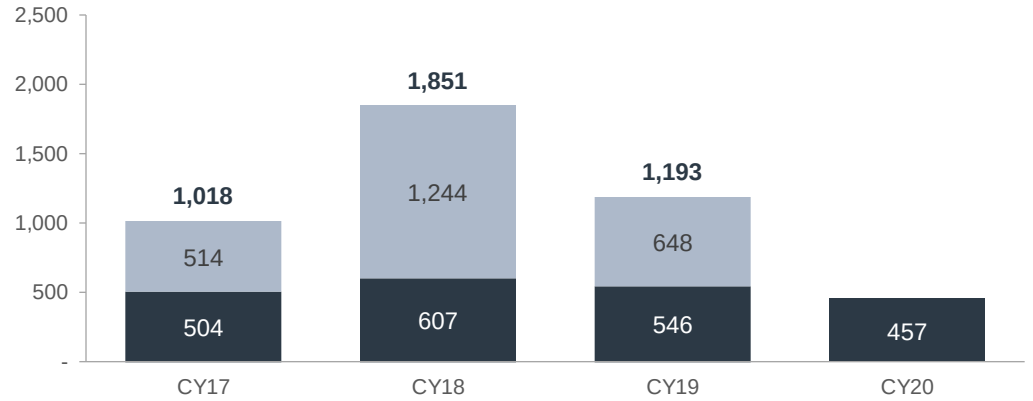
- Continued focus on stated objective: **to deliver sustainable value**
- Iluka offers several attractive investment characteristics relative to other resource sector alternatives:
  - ✓ diversified portfolio of mineral sands assets that focuses on high value mineral sands products;
  - ✓ established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

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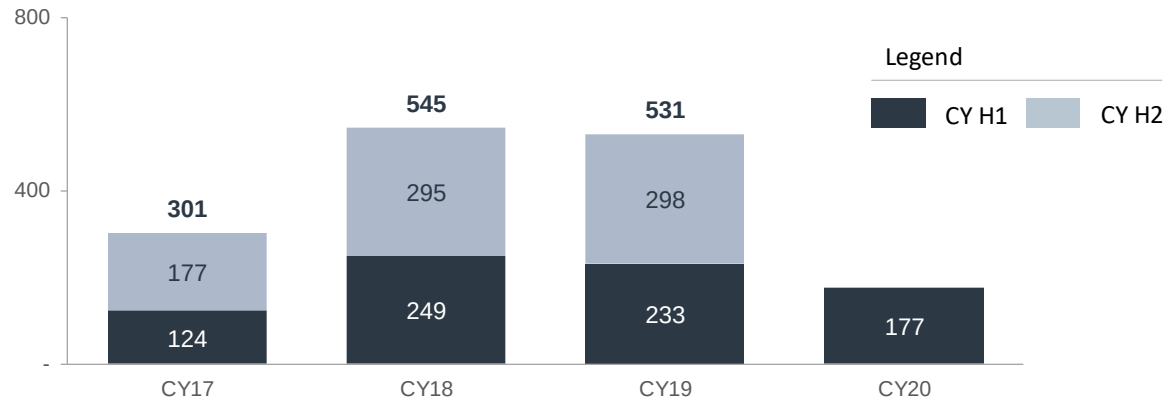
Pro-forma Financials - Post Demerger focus on sustainable delivery of value

Iluka will continue to focus on delivering sustainable operations

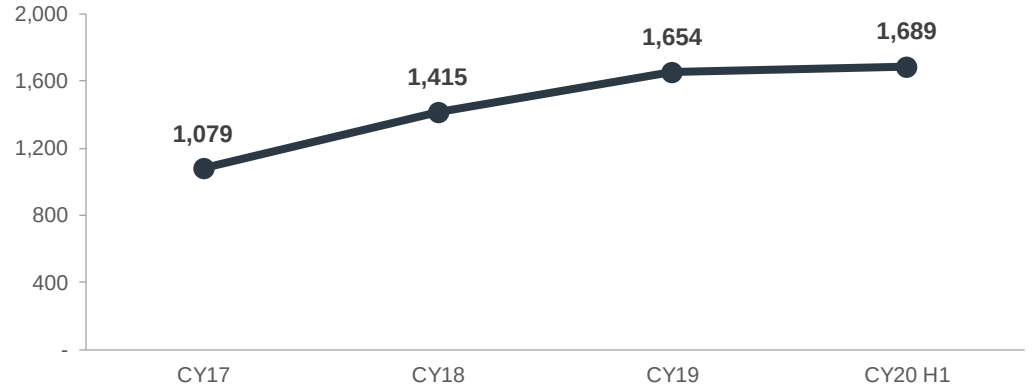
Mineral sands revenue (A$m)



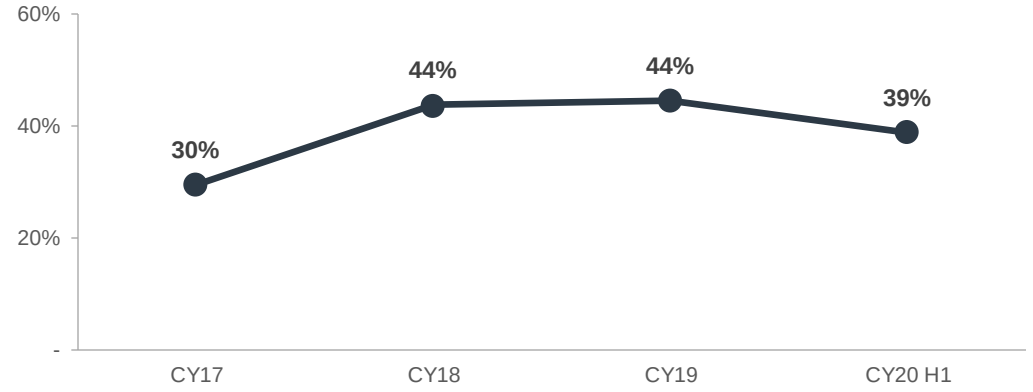
Underlying mineral sands EBITDA (A$m)



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



Mineral sands EBITDA margin (%)



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Sustainability is central to Iluka's operations



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Iluka's sustainability approach spans six pillars:

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

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

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

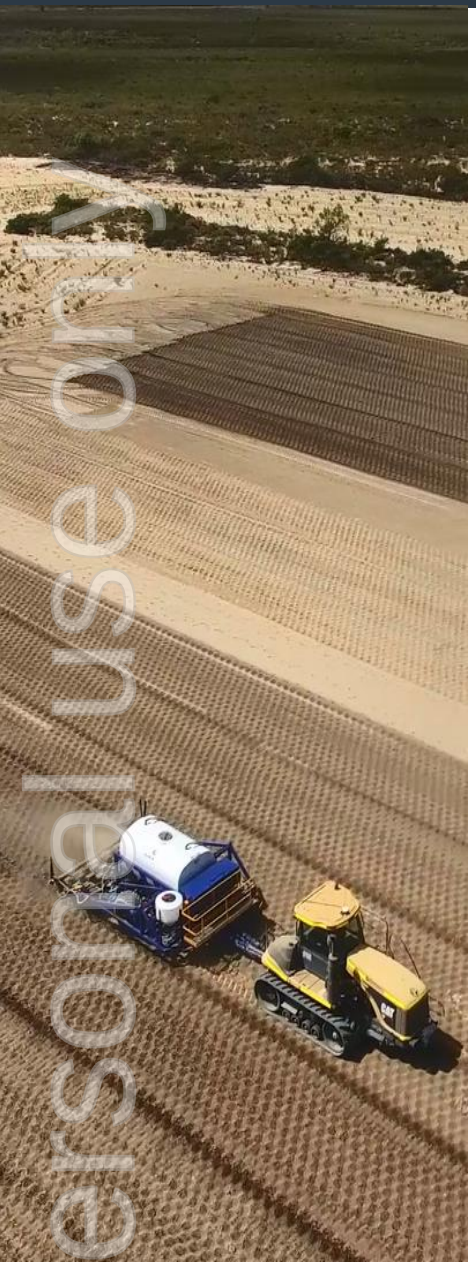
ENVIRONMENT
We seek to manage our impact on the environment, use resources efficiently and leave positive rehabilitation and closure outcomes.

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

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

For further information on Iluka's sustainability approach and reporting see: https://www.iluka.com/2019-sustainability-report/sustainability-2019

Land Rehabilitation and Closure and Tailings Management



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

Land management and rehabilitation are a significant part of operational activities.

Focus on progressive rehabilitation during operations to:

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

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

Management of facilities is subject to leading practice, including:

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

100%

Sites have Closure Plans

~$55 million

Expenditure on rehabilitation and closure of mined lands in 2019

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

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

All tailings facilities final embankment height or use downstream method

Experienced Mineral Sands Management Team

Iluka's management team are committed to delivering sustainable value and disciplined growth from Iluka's mineral sands assets

Executive management team



Tom O'Leary
Managing Director

- *Joined Iluka 2016*
- *Wesfarmers Chemicals, Energy & Fertilisers, Wesfarmers, Nikko, Nomura*



Adele Stratton
Chief Financial Officer

- *Joined Iluka 2011*
- *KPMG, Rio Tinto Iron Ore*



Matthew Blackwell
Head of Major Projects, Engineering & Innovation

- *Joined Iluka 2004*



Rob Hattingh
CEO, Sierra Rutile

- *Joined Iluka 2008*
- *Richards Bay Minerals, Exxaro*



Christian Barbier
Head of Marketing

- *Joined Iluka 2016*
- *Sibelco Asia, Alcan International*



Daniel McGrath
GM, Cataby & Southwest

- *Joined Iluka 1993*



Melissa Roberts
GM, Investor Relations

- *Joined Iluka 2009*
- *CSBP; Mayne Health*



Shane Tilka
GM, Jacinth-Ambrosia & Midwest

- *Joined Iluka 2004*



Sue Wilson
General Counsel & Legal Secretary

- *Joined Iluka 2016*
- *South32; Bankwest; Herbert Smith Freehills; Western Power*



Tim Bartholomew
GM, Strategic Planning & Closure

- *Joined Iluka 2007*
- *Peabody Energy; Mussellbrook Coal Company*



Sarah Hodgson
GM, People & Sustainability

- *Joined Iluka 2013*
- *Mercer; Westpac; KPMG*

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

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Framework to Deliver Sustainable Value

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

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A APPENDIX

Market update

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Zircon Market Update



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Result

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

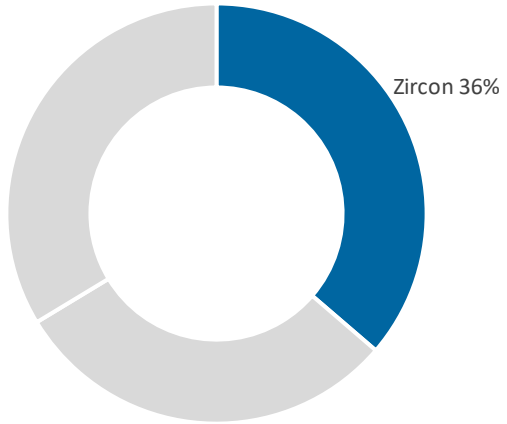
Pricing

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

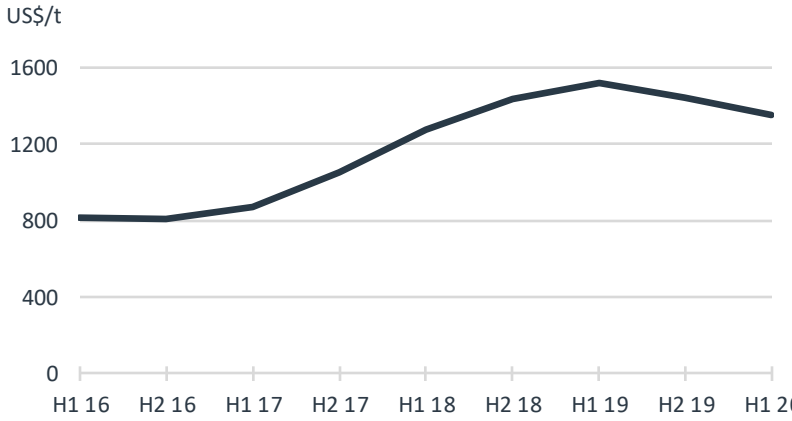
Supply/Demand

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

H1 2020 Z/R/SR Sales Revenue



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



Zircon Market Update



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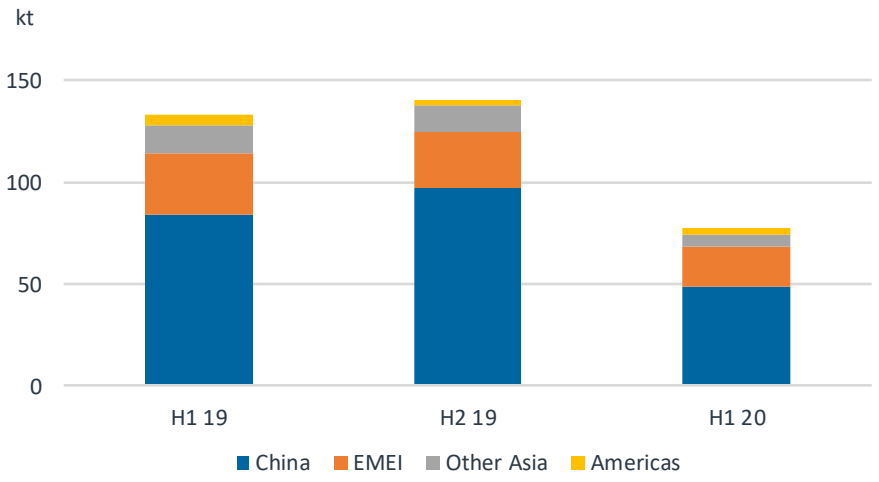
Sales by Region

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

Sales by industry

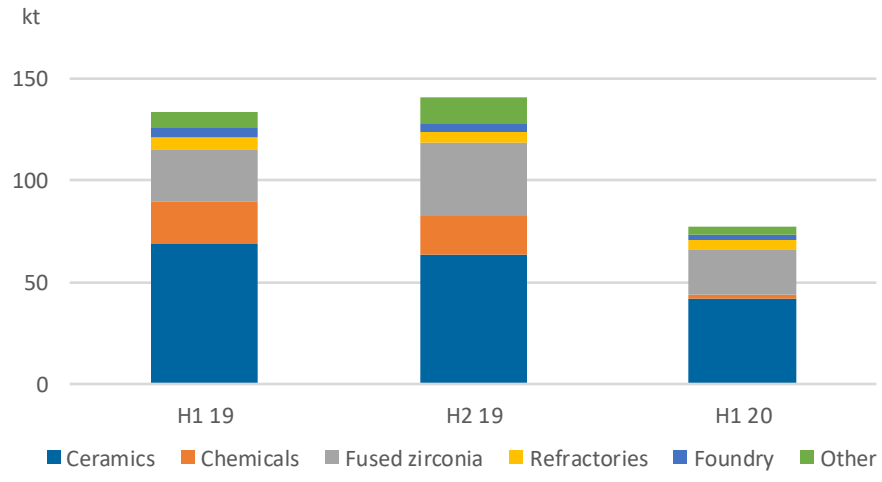
- Significant decline in sales to ceramics industry due to end demand and impact of lockdowns on manufacturers
- Refractory and fused zirconia remained relatively solid

Half yearly zircon sales by region

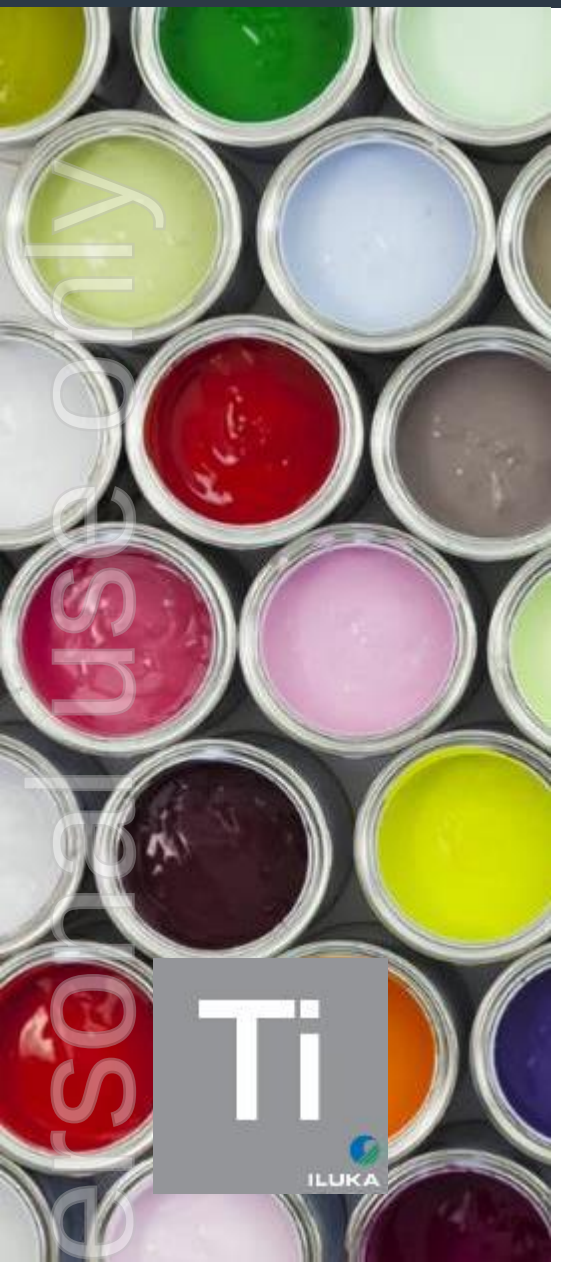


EMEI = Europe, Middle East, India

Half yearly zircon sales by industry



High-Grade Titanium Feedstock Market Update



Result

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

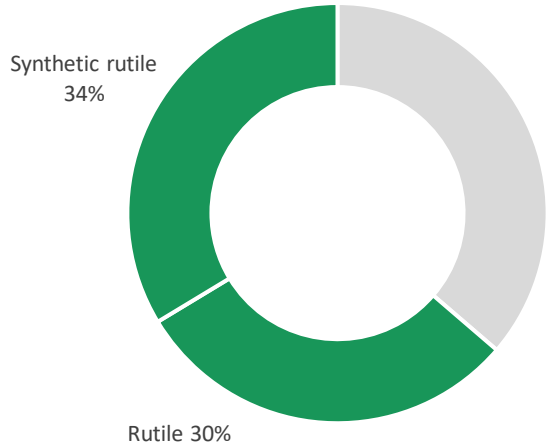
Pricing

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

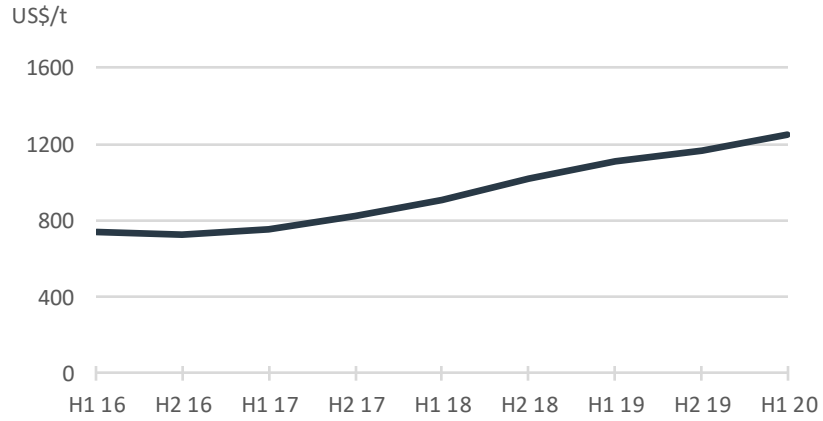
Supply/Demand

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

H1 2020 Z/R/SR Sales Revenue

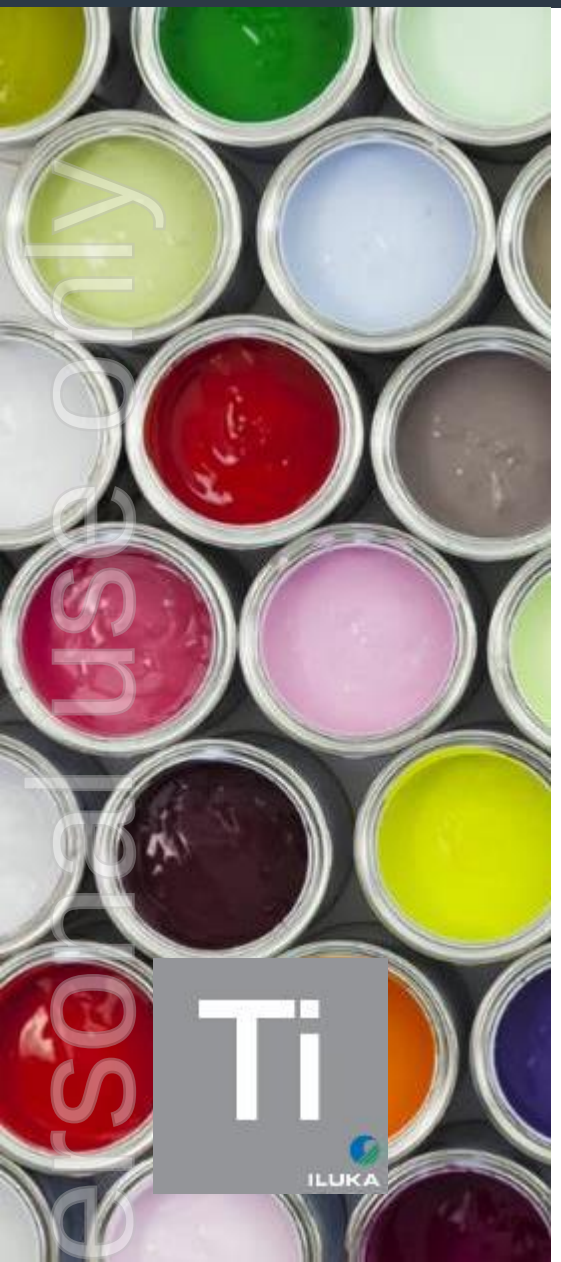


Rutile net realised FOB price US$/t



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High-Grade Titanium Feedstock Market Update



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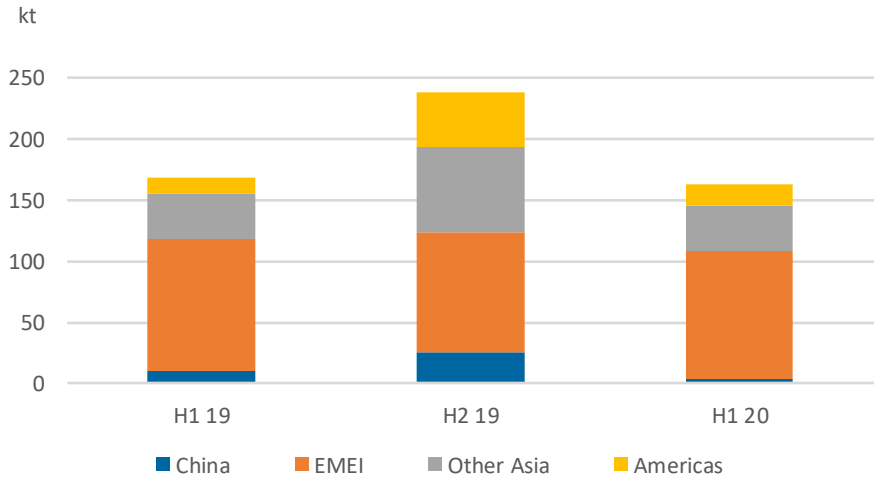
Sales by Region

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

Sales by industry

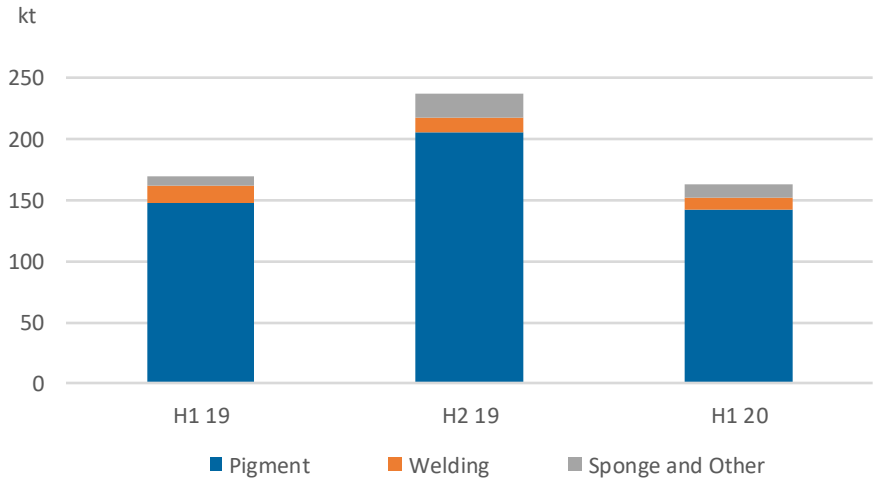
- Sales to pigment were down slightly due to a May shipment of SR not taken as per take-or-pay contract terms
- Sales to welding have held up despite government imposed lockdowns in key markets such as India
- Ti Sponge demand held up well in IH20 due to take or pay agreements put in place in 2019

Half yearly high grade sales by region



EMEI = Europe, Middle East, India

Half yearly high grade sales by industry



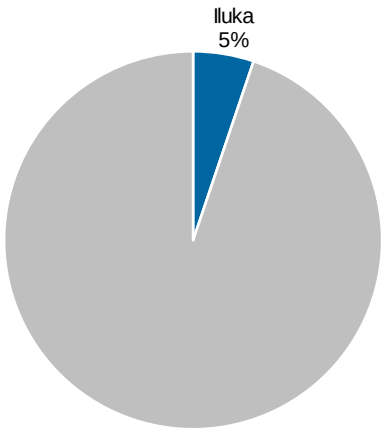
High Grade Feedstock Advantage



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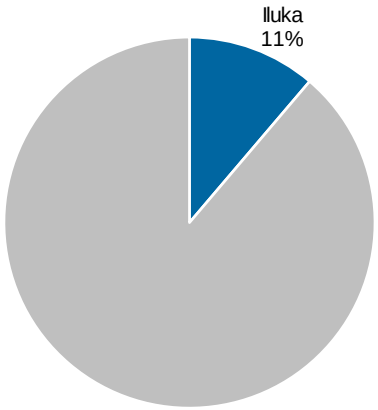
Iluka's Market Position Strongest in Very High Grade Feedstocks

Total TiO_2 Feedstock Chloride & Sulphate (2019 ~7.4 mt)



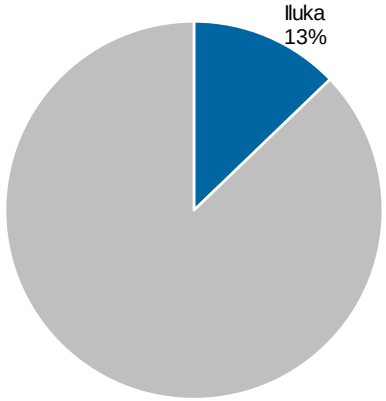
Includes: Rutile, UGS, Synthetic Rutile, Chloride Slag, Chloride ilmenite, Sulfate Slag, Sulfate Ilmenite

Chloride Feedstock (2019 ~3.4 mt)



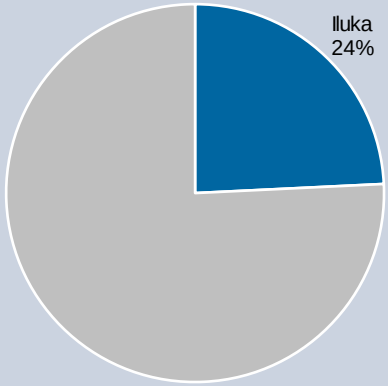
Includes: Rutile, UGS, Synthetic Rutile, Chloride Slag, Chloride ilmenite

High Grade Chloride (80%+ TiO_2) Feedstocks (2019 ~2.7 mt)



Includes: Rutile, UGS, Synthetic Rutile, Chloride Slag

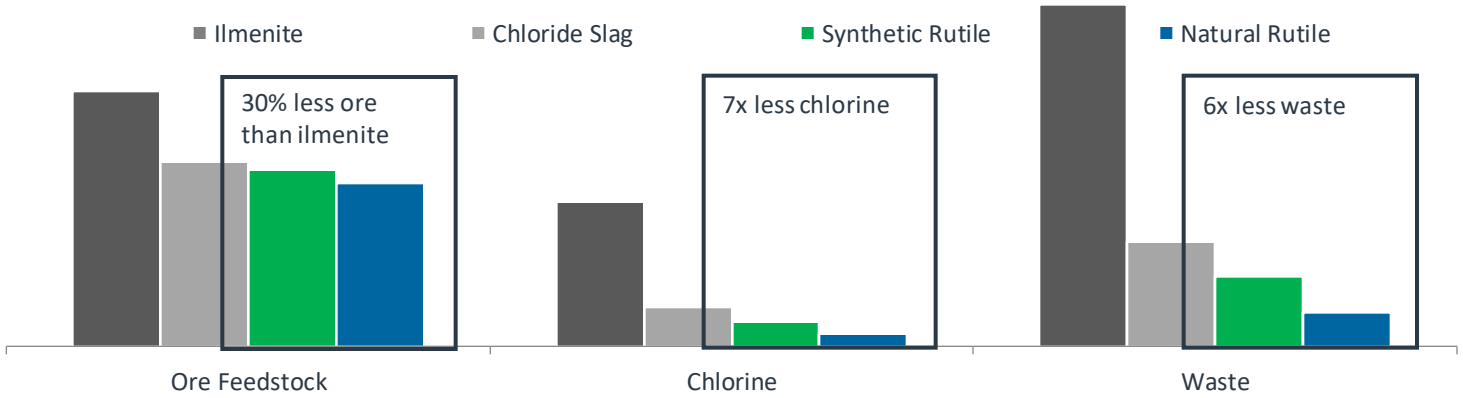
Very High Grade Chloride (90%+ TiO_2) Feedstocks (2019 ~1.3 mt)



Includes: Rutile, UGS, Synthetic Rutile

Source: TZMI, Company reports, Iluka

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



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

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B APPENDIX

Iluka Board and Operations Overview



ILUKA

Iluka Resources Board

Highly experienced Board from a range of backgrounds in the mining and finance industries



Greg Martin
Chairman, Independent non-executive Director
BEc, LLB, FAIM, MAICD

- *Joined Iluka 2013*
- *Murchison Metals, The Australian Gas Light Company, Santos, Western Power*



Tom O'Leary
Managing Director, Chief Executive Officer
LLB, BJuris

- *Joined Iluka 2016*
- *Wesfarmers Chemicals, Energy & Fertilisers, Wesfarmers, Nikko, Nomura*



Marcelo Bastos
Independent non-executive Director
BEng Mechanical (Hons, UFMG), MBA (FDC-MG), MAICD

- *Joined Iluka 2014*
- *Vale, BHP, MMG, Aurizon Holdings, Golder Associates, Golding Contractors, Anglo American PLC*



James (Hutch) Ranck
Independent non-executive Director
BSE (Econ), FAICD

- *Joined Iluka 2013*
- *Elders, CSIRO, DuPont*



Rob Cole
Independent non-executive Director
LLB (Hons), BSc

- *Joined Iluka 2018*
- *Perenti, Synergy, St Bartholomew's House, Woodside Petroleum, King & Wood Mallesons, Landgate*



Susie Corlett
Independent non-executive Director
BSc (Geo Hons), GAICD, FAusIMM

- *Joined Iluka 2019*
- *Aurelia Metals Ltd, The Foundation for National Parks and Wildlife, Standard Bank Limited, Macquarie Bank*



Lynne Saint
Independent non-executive Director
BCom, GradDip Ed Studies, Cert Business Administration, FCPA, FAICD

- *Joined Iluka 2019*
- *Bechtel Group, Fluor*

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Mineral Sands Operations – Cataby / South West



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Full mining rates at Cataby in 1H 2020 and synthetic rutile production at capacity



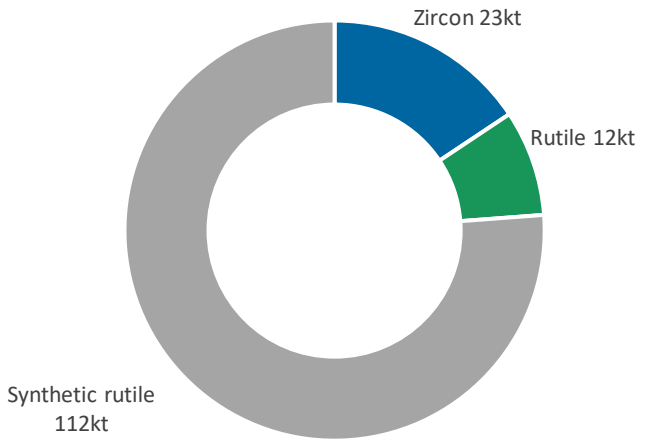
Operations Overview

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

H1 2020 Operational Settings and Outlook

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

H1 2020 Production



Mineral Sands Operations – Jacinth-Ambrosia / Mid West

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Altered mining and processing settings in light of market conditions



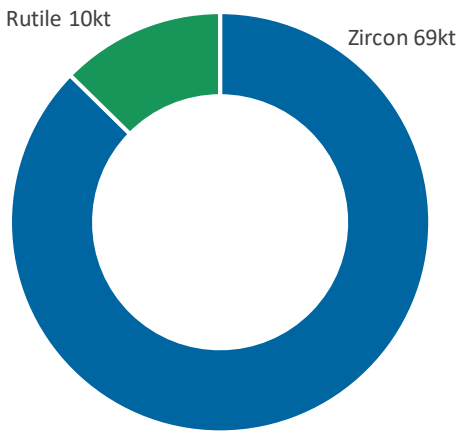
Operations Overview

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

H1 2020 Operational Settings and Outlook

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

H1 2020 Production



Mineral Sands Operations – Sierra Rutile



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



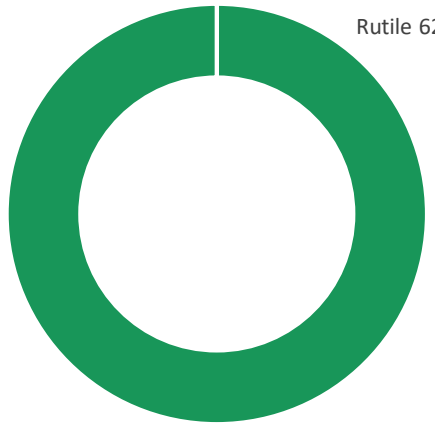
Operations Overview

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

H1 2020 Operational Settings and Outlook

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

H1 2020 Production



Mineral Sands Operations – Inventory Position

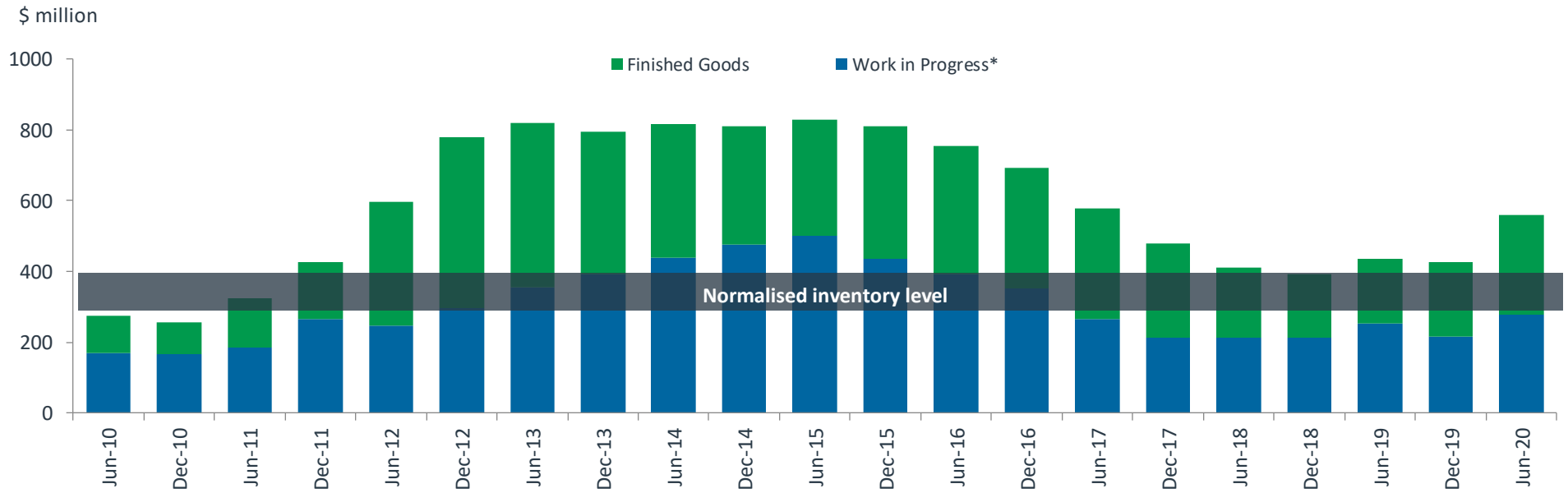


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Inventory increase reflects operational setting changes and market uncertainty due to COVID-19

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

Total Inventory



* Includes ilmenite and consumables



C APPENDIX

Growth pipeline

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ILUKA

Eneabba progresses to Phase 2



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Eneabba Rare Earths Project

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

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

Iluka is actively exploring the potential for downstream processing.

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

Rare Earth Elements

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

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



Eneabba Phase 1 Delivered

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

Eneabba Phase 2 Execute approved by Board

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

Eneabba Phase 2 Project Approval Parameters

Eneabba Key Project Parameters

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

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

Eneabba Mineral Resources and Ore Reserves[5]

Mineral Resource Category	Resource Tonnes[1]	In situ HM Tonnes[4]	HM	Mineral Assemblage in HM[3]			
				Zircon	Monazite	Xenotime	Ilmenite
	(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)
Measured	0.84	0.70	83.7	25.7	20.2	1.2	33
Indicated	0.16	0.12	77.5	7.6	15.3	1.2	37
Total	**1.0**	**0.83**	**82.7**	**26.0**	**19.5**	**1.2**	**34**

Ore Reserve Category	Reserve Tonnes[1,2]	In situ HM Tonnes[4]	HM	Mineral Assemblage in HM[3]			
				Zircon	Monazite	Xenotime	Ilmenite
	(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)
Proved	0.81	0.68	84.4	26	20	1.2	33
Probable	0.15	0.12	78.3	28	15	1.2	37
Total	**0.96**	**0.80**	**83.5**	**26**	**20**	**1.2**	**34**

Notes:
1. In situ (dry) metric tonnage is reported.
2. Ore Reserves are a sub-set of Mineral Resources.
3. Mineral assemblage is reported as a percentage of HM.
4. Rounding may generate differences in the last decimal place.
5. ASX Release "Eneabba Mineral Sands Recovery Project Ore Reserve Estimate" 18 Feb 2020 available at www.iluka.com

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Balranald field trial commenced



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Balranald Project

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

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

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

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

Third Technology Trial (T3)

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

Balranald Mineral Resources

Deposit	Mineral Resource Category	Resource Tonnes[1]	In situ HM Tonnes[3]	HM	Mineral Assemblage in HM[2]		
					Ilmenite	Zircon	Rutile
		(Mt)	(Mt)	(%)	(%)	(%)	(%)
Nepean	Indicated	8.4	2.3	27.5	59.8	14.4	14.5
	Inferred	0.8	0.1	11.2	57.3	14.6	14.0
West Balranald	Measured	11.9	3.8	31.9	64.1	10.8	12.2
	Indicated	19.9	7.0	35.1	64.3	11.3	12.2
	Inferred	4.5	1.2	26.5	62.4	8.3	9.4
Total		**45.5**	**14.4**	**31.6**	**63.1**	**11.5**	**12.4**

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

Exploration

Exploration is a key component of Iluka's growth strategy

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



* Refer to Western Areas Ltd ASX releases from 23/06/20 and 24/07/20

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