

Iluka Resources Limited

2020 Full Year Results Presentation

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Narngulu, Western Australia



ILUKA

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

All figures are expressed in Australian dollars unless stated otherwise.

Mineral Resources and Ore Reserves Estimates

As an Australian company with securities listed on the Australian Securities Exchange (ASX), Iluka is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX listing rules that the reporting of ore reserves and mineral resources in Australia comply with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") and that the Ore Reserve and Mineral Resource estimates underpinning the production targets in this presentation have been prepared by a Competent Person in accordance with the JORC Code 2012.

Information that relates to Mineral Resources estimates has been announced to ASX on 25 February 2021 in the *2020 Annual Report*, 21 February 2019 in *2018 Annual Report*, on 24 July 2019 in *Eneabba Mineral Sands Recovery Project Updated Mineral Resource Estimate*, and on 20 February 2017 in *Updated Mineral Resource and Ore Reserve Statement*, all available at www.iluka.com/investors-media/asx-disclosures. Iluka confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Iluka confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Production outlook

Production outlook and the basis thereof are noted within the relevant disclosure. The outlook included in this presentation is indicative only and should not be construed as guidance. The information is subject to changes in market and operating conditions; political risk; and any significant unplanned operational issues.

Disciplined Performance in 2020

- Prioritised safety of people and communities
- Operational settings flexed to market conditions
- Measures implemented to maintain cashflow
- Preservation of margins

Well Placed for 2021

- Net cash position and significant funding headroom
- Positive indicators in mineral sands markets
- Operations retain flexibility to meet demand
- Maturing project pipeline

Promising Future

- Emerging position in rare earths
- Encouraging trial of new technology at Balranald
- Progressing processing solution for Wimmera
- Hydraulic mining trial scheduled for Sembehun



Result underpinned by disciplined performance	<p>Underlying group EBITDA \$423 million despite challenging global macroeconomic environment (2019: \$616 million)</p> <p>NPAT \$2.4 billion including earnings from the demerger of Deterra Royalties (2019: \$300 million loss)</p> <p>Underlying NPAT of \$151 million (2019: \$279 million)</p> <p>Declared 2 cents per share dividend, fully franked (2019: 13 cents per share)</p>
Preservation of healthy product margins	<p>Mineral sands EBITDA margin 36%, down from 45% in 2019</p> <p>Margins supported by relatively stable pricing, with a modest decline in zircon prices of 8% from Q4 2019 while stable throughout H2</p> <p>Rutile¹ prices up 7% year-on-year</p>
Deterra Royalties demerger completed	<p>Mining Area C royalty earnings of \$81 million (2019: \$85 million)</p> <p>Completed demerger of MAC royalty asset, creating ASX listed Deterra Royalties - the ASX's largest resource royalty business</p> <p>Iluka retains a 20% interest in Deterra, as a long-term investment, adding to Iluka's financial strength</p>
Flexible operational settings	<p>Achieved operational continuity across all assets, during period of pandemic related movement restrictions</p> <p>Altered operational settings at Narngulu mineral separation plant in response to COVID-19 impacts on market conditions</p> <p>FY20 Z/R/SR production of 585 thousand tonnes (2019: 702 thousand tonnes)</p>
Emerging rare earths market position	<p>Eneabba Phase 1 began operations in April producing monazite-zircon concentrate</p> <p>Eneabba Phase 2 project progressed to execute, set to deliver 90% monazite concentrate in H1 2022</p>
Strong balance sheet maintained	<p>Net cash of \$50 million as at 31 Dec 2020 (\$43 million net cash 31 December 2019)</p> <p>Total debt facilities of \$500 million</p>

1. Rutile prices exclude HYTI



Key Pillars of Iluka's Sustainability Approach

- Health and Safety
- Our People
- Our Communities
- Environmental Stewardship
- Governance and Integrity
- Value Creation



Member of
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



FTSE4Good

2.8 TRIFR
(2019: 2.9)

TCFD alignment
Year 2 of 3

28%
Indigenous Employment at
Jacinth-Ambrosia

576
hectares
rehabilitated

20%
Reduction in Serious
Potential Incidents
(2020: 61, 2019: 76)

**Female
representation**
38% **29%**
Exec. Mgt. Board

Financial Results

Capel, Western Australia



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\$2,410m
Reported NPAT
 (\$300m loss 2019)

\$151m
Underlying NPAT
 (\$279m 2019)

\$423m
Group EBITDA
 (\$616m 2019)

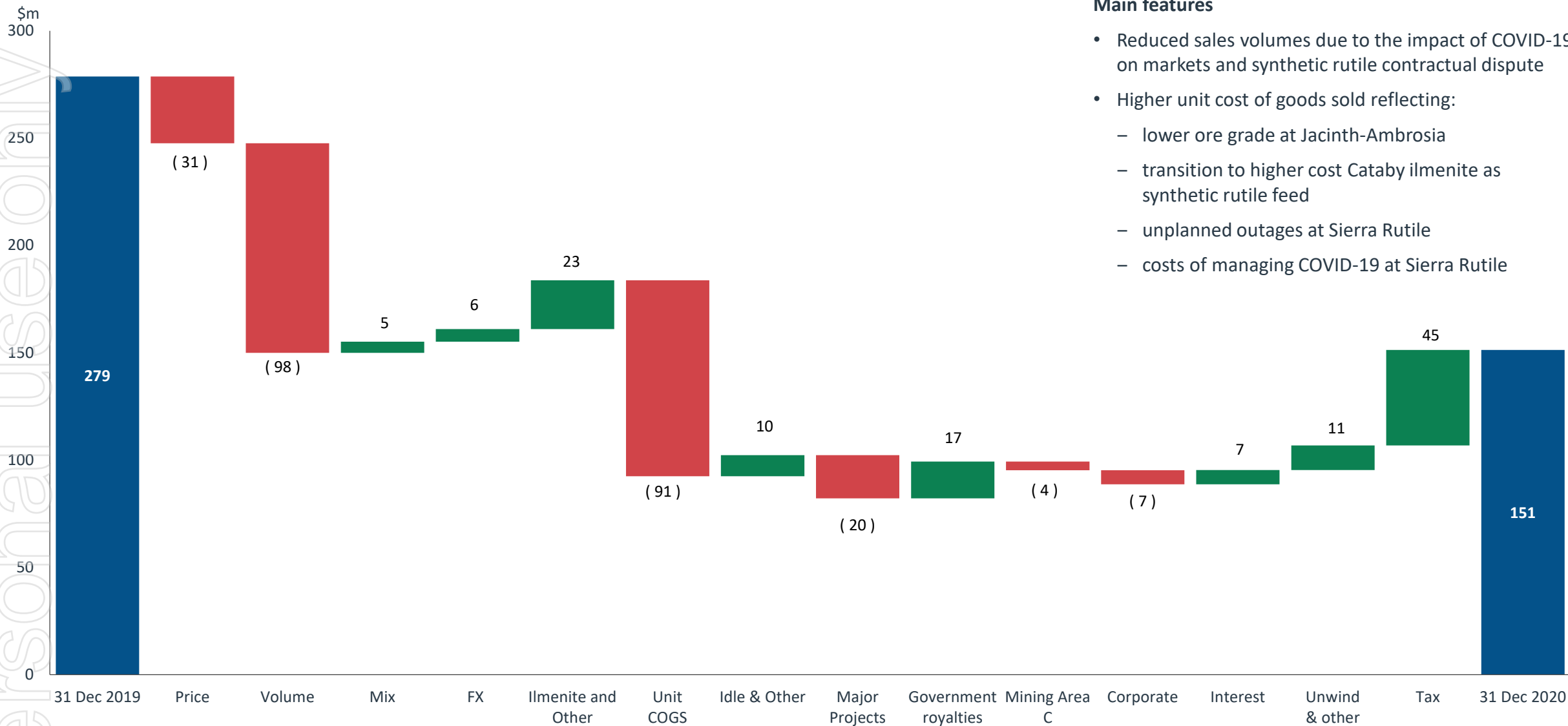
	Units	2020	2019	% change
Z/R/SR production	kt	585.2	702.4	(16.7)
Z/R/SR sales	kt	517.5	680.8	(24.0)
Mineral sands revenue	\$m	947.0	1,193.1	(20.6)
Mineral sands EBITDA	\$m	342.0	530.9	(35.6)
Underlying Group EBITDA ¹	\$m	423.1	616.0	(31.3)
Profit (loss) for the period (NPAT) – Reported	\$m	2,410.0	(299.7)	-
Profit (loss) for the period (NPAT) – Underlying	\$m	151.2	278.7	(45.7)
Operating cash flow	\$m	183.8	408.1	(55.0)
Free cash flow ²	\$m	36.3	139.7	(74.0)
Dividend	cps	2	13	(84.6)
		At 31 Dec 2020	At 31 Dec 2019	
Net cash	\$m	50.2	43.3	15.9
Gearing ratio ³	%	n/a	n/a	-

1. Underlying Group EBITDA excludes non-recurring adjustments including write-downs, Sierra Rutile Limited transaction costs, the gain on the demerger of Deterra Royalties, and changes to rehabilitation provisions for closed sites.

2. Free Cash Flow is determined as cash flow before refinance costs, proceeds/repayment of borrowings and dividends paid in the year.

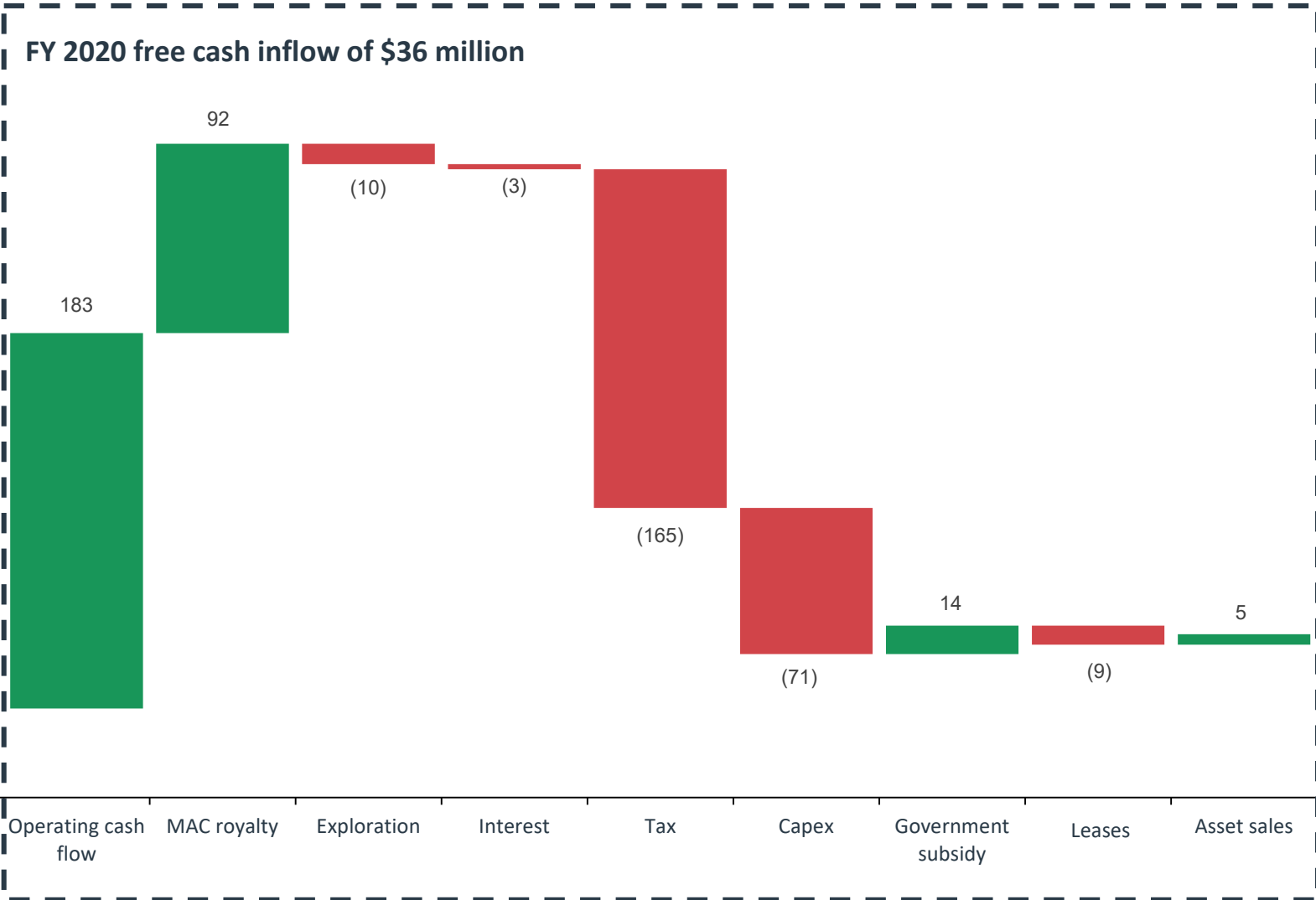
3. Gearing ratio = Net debt / net debt + equity

Underlying NPAT – 2020 versus 2019



Net Cash 31 December 2019 to 31 December 2020

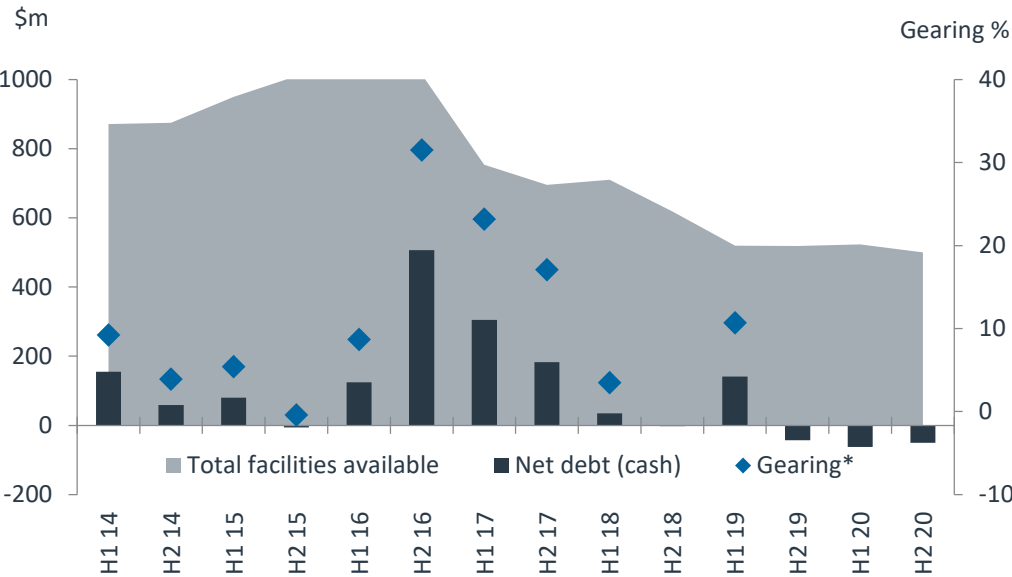
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- Main features:**
- Operational setting changes to reduce cash costs and preserve operating cash flow
 - \$71 million capital expenditure to progress key projects, including Eneabba, Sembehun studies and Cataby works
 - Tax payments inclusive of \$98 million 2019 final tax payment
 - Balranald T3 field trial expensed (\$34 million)

Iluka maintained a strong balance sheet during 2020, preserving a net cash position while investing in key projects, in line with stated target of zero net debt over the cycle

Net Debt, Gearing and Total Facilities



* Net debt / net debt + equity

\$50m net cash
at 31 December 2020
(\$43m net cash 31 December 2019)

\$500m total facilities
Maturity July 2024

Significant funding headroom
\$462m undrawn facilities

Iluka successfully completed the demerger of its royalty business, creating Deterra Royalties in November 2020 and retains a 20% stake in Deterra Royalties as a source of financial strength

\$81m
MAC royalty EBITDA
(2019: \$85m)

- Pre demerger: Iluka received royalty payments from BHP up to September quarter
- Post demerger: Iluka's received \$0.1 million equity accounted profits from its 20% stake in Deterra Royalties (net of \$1.3 million notional depreciation). Deterra Royalties' Q4 result was impacted by transaction costs associated with the demerger.
- The cash flow of Iluka's dividend receipt from Deterra Royalties will occur in H1 2021



Mineral Sands Markets



Port of Geraldton, Western Australia



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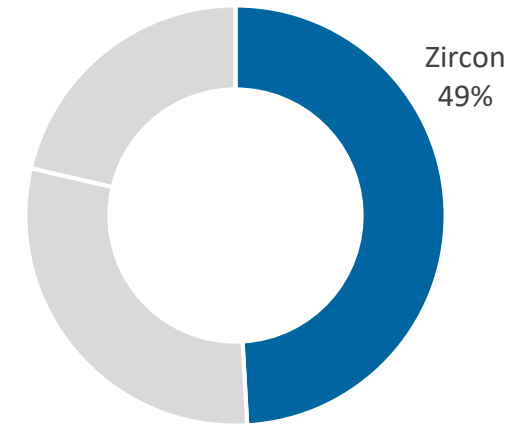
2020 sales
240kt

2019: 274kt

2020 price
US\$1,319/t

2019: US\$1,487/t
(zircon premium and standard)

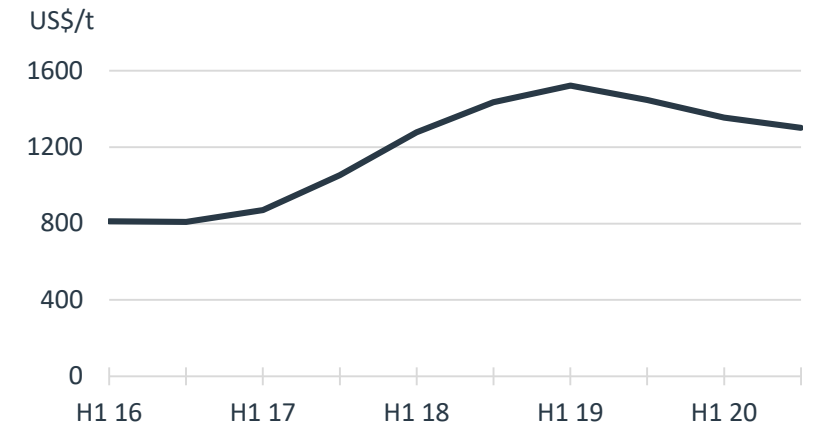
FY20 Z/R/SR Sales Revenue



Result Overview

- Demand levels remain down on previous years but conditions improved over course of 2020
- Increased purchasing evident in Q4, a typically subdued period
- Iluka changed operational settings at Narngulu to reduce zircon output and finished goods inventory in the year
- Limited inventory held by customers
- Pricing relatively stable given challenging market conditions

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

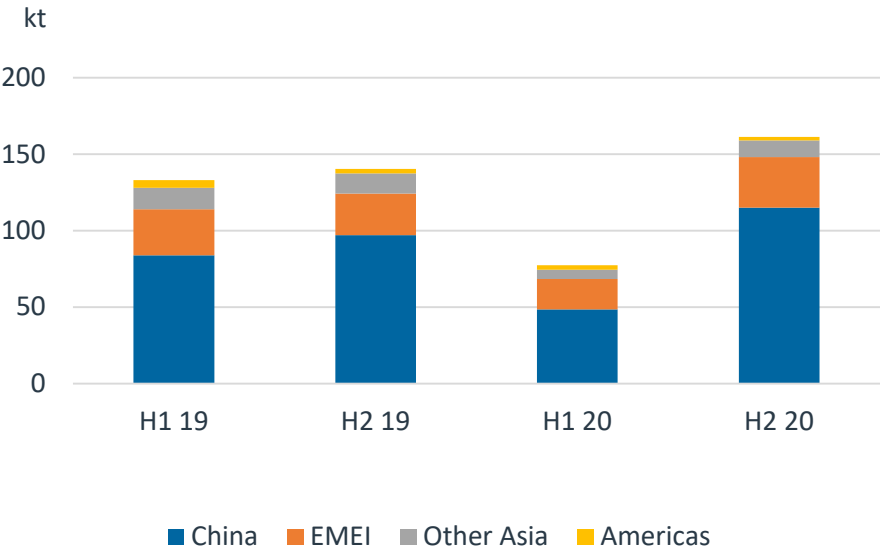




Sales by Region

- Chinese ceramics market affected by lockdowns in H1, returning to ~60% capacity for remainder of year
- Europe, Middle East and India tile plants closed for much of Q2 but recovered strongly to 80-90% capacity in H2
- Minimal inventories held by customers promoted buying when underlying demand improved
- Concentrate sales to China weighted to H2

Half yearly zircon sales by region

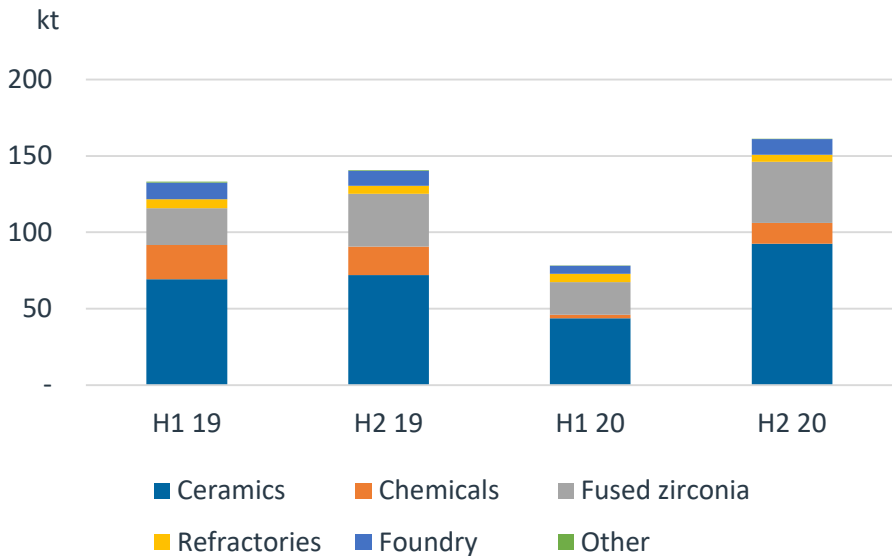


EMEI = Europe, Middle East, India

Sales by Industry

- Sales to ceramics market recovered strongly in H2
- Fused zirconia customer purchases were second-half weighed after weak first half impacted by pandemic
- Increased demand for Chinese exports of zircon chemical products
- Foundry and refractory markets impacted by reduced manufacturing activity in H1

Half yearly zircon sales by industry

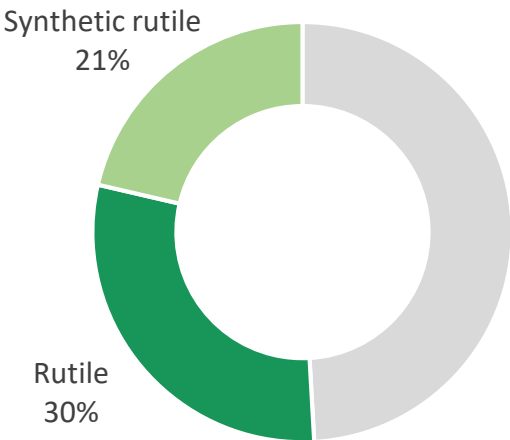




2020 sales
278kt
2019: 407kt

2020 price
US\$1,220/t
2019: US\$1,142/t
Rutile (excluding HYTI)

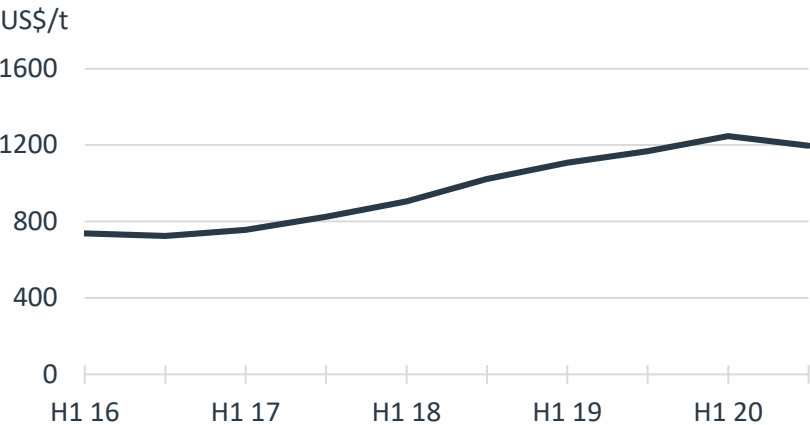
FY20 Z/R/SR Sales Revenue



Result Overview

- Pigment and paint market affected by initial lockdowns but were subsequently buoyed by strong demand for DIY and professional paint
- Pigment markets showing further signs of recovery in H2 with high utilisation rates and price increases
- Synthetic rutile sales affected by contractual dispute with major customer, Chemours
 - In early 2021, Chemours has taken its first shipment of synthetic rutile (4kt in late January), in line with the contract
- Sales into welding market strong

Rutile net realised FOB price US\$/t

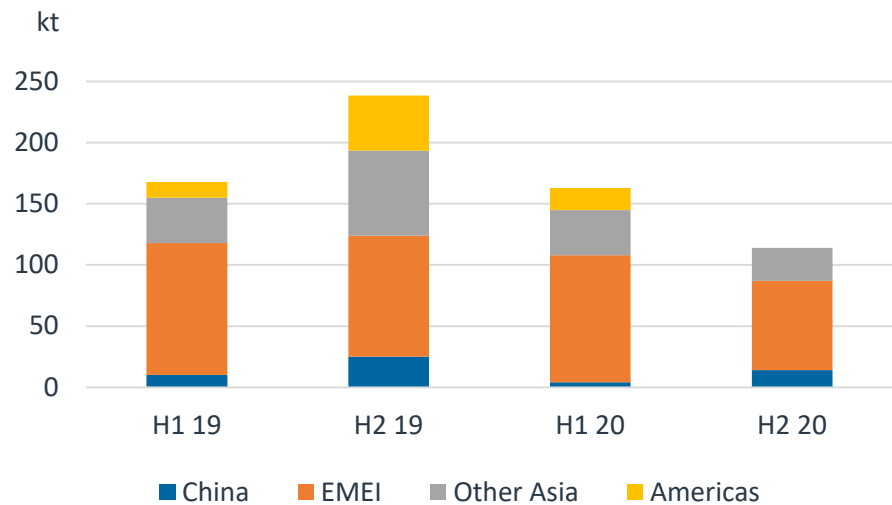




Sales by Region

- US pigment industry demand recovery lead by increased DIY paint market
- European market improved in H2 despite pandemic lockdowns
- China’s chloride pigment growth accelerated in H2 2020

Half yearly high grade sales by region

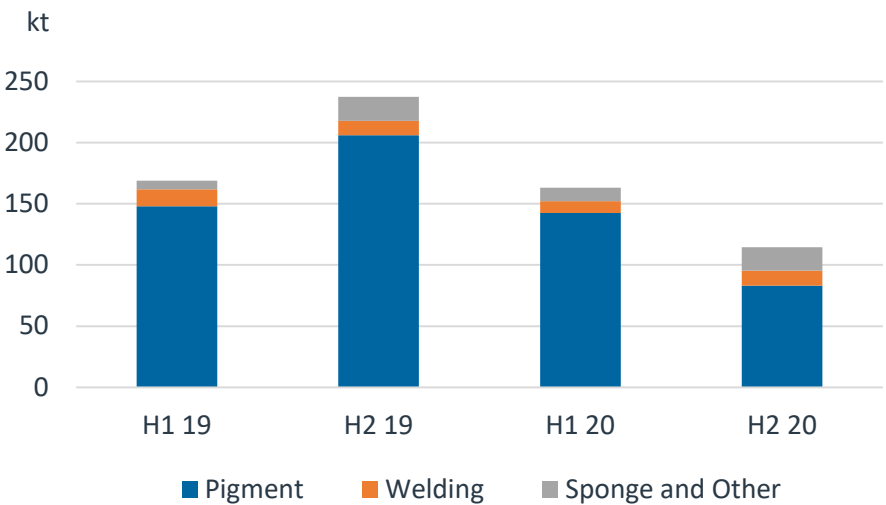


EMEI = Europe, Middle East, India

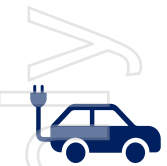



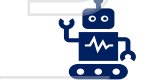
Sales by Industry

- The pigment industry improved during H2
- Iluka’s pigment sales were down due to the contractual dispute with major pigment producer
- Welding demand strong due to increased infrastructure spending in SE Asia
- Ti sponge negatively impacted by reduced aerospace demand

Half yearly high grade sales by industry

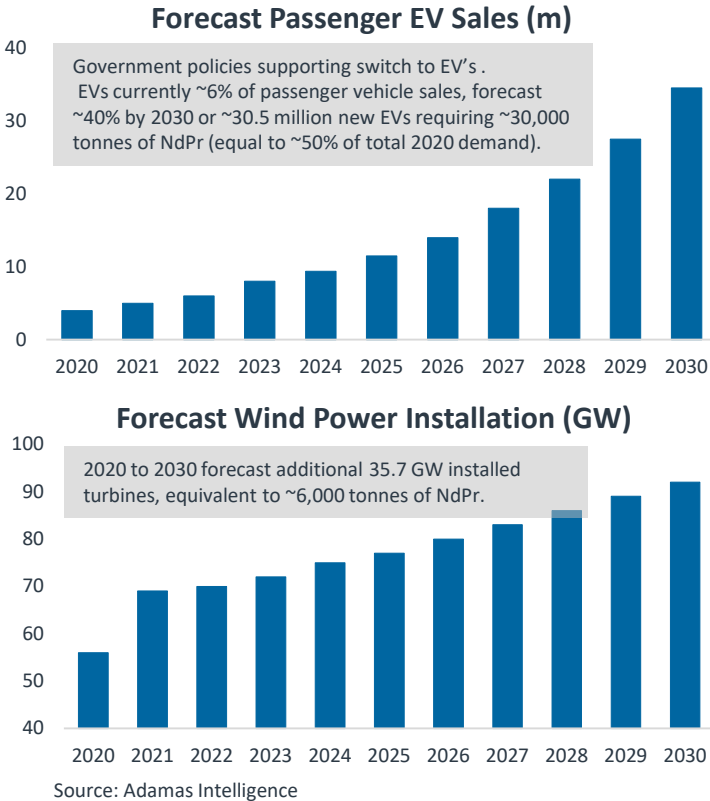


End Market Applications

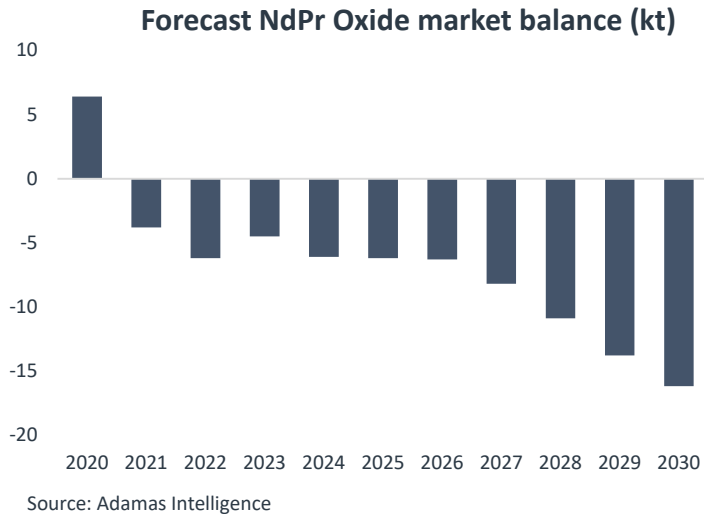
	Electric vehicle motors	Passenger, commercial vehicles. Electric trains and other transportation. Approx. 1kg NdPr per EV¹
	Consumer electronics and appliances	Smart speakers, computer speakers, headphones. Fridges, air conditioners.
	Automotive parts and sensors	Micromotors, sensors, speakers
	Wind generation	Electric motors At least 150kg per MW²
	Industrial electronics	Robots, welders, elevators, escalators

Source: 1. Adamas Intelligence, UBS. 2. Adamas Intelligence.

Global End Market Growth



NdPr Market Balance



- NdPr supply shortage to occur in 2022-2023
- 2020-2030 demand growing at 9.6% p.a.



Mineral Sands Operations

Catby, Western Australia



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Iluka has a portfolio of operations weighted towards premium zircon and high-grade titanium products. Operational configuration is geared to: optimise production in response to market conditions; minimise costs and improve cash flow; and maintain flexibility in line with market conditions.

2020 adjusted settings

- Narngulu plant reduced zircon production in line with market conditions
- Mine move from Ambrosia to Jacinth at lower unit cost, improving cash flow and delaying further capital spend
- Eneabba commenced production of monazite-zircon concentrate

Flexibility in early 2021

- Synthetic rutile kiln idled from February 2021 for 3 to 6 months to reduce inventory levels
- Narngulu plant returned to full operations

Cataby / South West



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

Jacinth-Ambrosia / Mid West



Jacinth-Ambrosia is one of the world's largest zircon mines, discovered and developed by Iluka and operating since 2009. Narngulu mineral separation plant processes Jacinth-Ambrosia and Cataby non-magnetic products.

Eneabba



Processing and sale of monazite concentrate from a strategic stockpile. Operations began April 2020 and is now world's highest grade monazite operation. Further developments involving additional value addition being progressed.

Sierra Leone



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

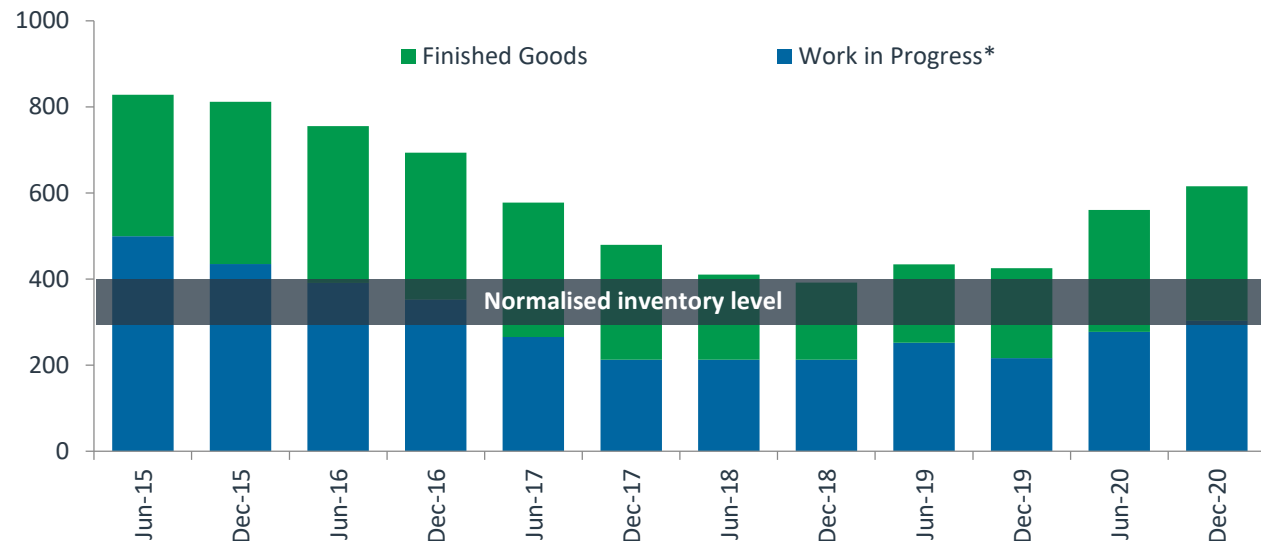


Increased inventory due to subdued market conditions and synthetic rutile contractual dispute

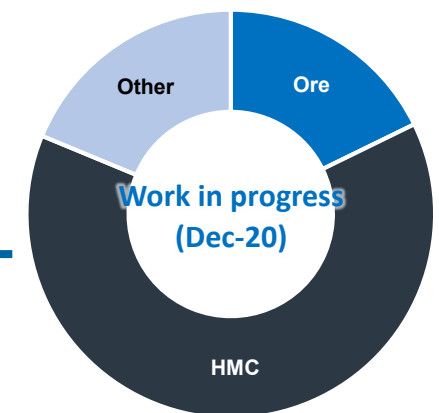
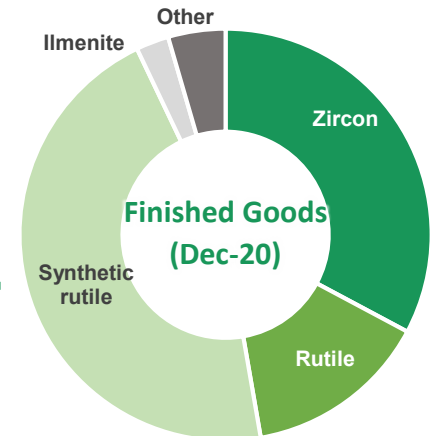
- Increase in total inventory to \$616 million (December 2019: \$425 million)
- Increase in synthetic rutile finished goods stocks of 112kt
- Stocks of other finished goods declined
- Increased work in progress stocks with amended operational setting at Narngulu resulting in some build of intermediate products, including heavy mineral concentrate (HMC)

Total Inventory

\$ million



* Includes ilmenite and consumables



Eneabba Operations Production and Financial Parameters

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	Phase 1 ¹	Phase 2 ¹
Capex	<\$10 million	~\$35 million
Average annual production cash costs	~\$4 million	\$35-40 million
Payback period	~6 months	<1 year
Average annual production	~50ktpa 20% monazite-zircon concentrate	16-20ktpa 90% monazite concentrate 7-9ktpa zircon, ~20ktpa ilmenite, ~1ktpa HYTI90
First production	April 2020	H1 2022
Project life	2 years before transitioning to Phase 2 ²	~10 years ²
Pricing	Fixed price offtake contract for 50ktpa for 2 years Price received reflects contained monazite, less processing cost and margin for processor. Zircon component sold by Iluka	Under negotiation with customers

1. 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
2. Based on Ore Reserve and production rates given. ASX release "Eneabba Mineral Sands Recovery Project Ore Reserve Estimate" 18 Feb 2020, available at www.iluka.com Iluka confirms that it is not aware of any new information or data that materially affects the information in the original market announcement and that all the material assumptions and technical parameters underpinning the Ore Reserve estimate have not materially changed.



Projects



Eneabba, Western Australia



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The company develops and progressively gates projects towards execution subject to: (i) improving confidence and satisfaction with the risk-return attributes, (ii) continued strategic alignment, and (iii) sequencing to take advantage of economic and market outlook.

Region	Mineral Resource ¹	ASSESS Scoping Study	SELECT Preliminary Feasibility Study	DEVELOP Definitive Feasibility Study	EXECUTE Project execution	PRODUCING Operate and maximise
Eucla Basin	345Mt @ 4.8% HM for 16.6Mt 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	986Mt @ 5.6% HM for 54.9Mt In Situ HM		South West Deposits	Eneabba (Phase 3) SR1 Kiln Restart	Eneabba (Phase 2)	Eneabba (Phase 1) Cataby
Sierra Leone	715Mt @ 1.1% Rutile for 7.9Mt In Situ Rutile		Sembehun			Lanti Gangama
Stage description:		Determine what it could be	Determine what it should be	Determine what it will be	Deliver the project	Grow and improve
Estimate Accuracy Range (at end of phase):		-30% to +60%	-15% to +30%	-10% to +15%	n/a	n/a

No Resource estimate
Resource estimate
Reserve estimate
Other

1. Refer to the 2020 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.

Eneabba Phase 1 delivered and operating. Phase 2 in execute and due for completion H1 2022. Iluka also actively exploring the potential for the downstream processing of rare earths in Australia.



Project Overview

The Eneabba project in Western Australia involves the extraction, processing and sale of a strategic stockpile rich in monazite (a mineral containing rare earth elements) and zircon. Phase 1 of operations is producing a mixed monazite-zircon concentrate (~20% monazite).

Phase 2 of the project is currently in execute and will produce two separate concentrates: a dedicated ~90% monazite concentrate, suitable as a direct feed to a downstream rare earths refinery; and a zircon-ilmenite concentrate, which will be processed into finished products (zircon and ilmenite) at Narngulu.

Works completed in 2020

Phase 1 began operations in April and shipped 44kt of zircon-monazite concentrate over the year. Phase 2 received Board approval in October and is in execute.

Outlook for 2021

The project team is focussed on delivering Phase 2 and engaging with customers.

Iluka is actively exploring the potential for the downstream processing of rare earths in Australia (Phase 3) and has commenced a feasibility study for a fully integrated rare earths refinery.

Third technology trial completed and confirmed effectiveness of the underground mining method. Work has commenced to scope the Definitive Feasibility Study (DFS).



Project Overview

Balranald and Nepean are two rutile-rich deposits in the northern Murray Basin, New South Wales. Owing to their relative depth, Iluka is assessing the potential to develop these deposits via a novel, internally developed, underground mining and backfilling technology.

Works completed in 2020

Field activities associated with the third trial (T3) of Iluka's innovative underground mining method were completed late in 2020. The trial confirmed the effectiveness of the underground mining method and validated key elements of the mining unit design. Continuous backfilling of tailings was not achieved. This is not considered a fatal flaw, with traditional on-surface placement a low-risk alternative.

Work is ongoing to analyse the data generated during the trial.

Outlook for 2021

Iluka has begun scoping a DFS for the project. A decision whether to proceed with the DFS will be made mid-2021.

Wimmera is a large-scale deposit with the potential to produce ceramic-grade zircon and rare earth products. Project work is focussed on finding a processing solution to remove impurities from the zircon in the deposit.



Project Overview

The Wimmera project involves the mining and beneficiation of a fine grained heavy mineral sands ore body in the Victorian Murray Basin for the potential long term supply of zircon and rare earths.

Works completed in 2020

One characteristic shared by the fine grained mineral sands deposits located in Western Victoria (those held by Iluka and other project proponents) is higher levels of impurities in their zircon. Absent a processing solution to remove these impurities, the zircon is ineligible for sale into the ceramics market. Iluka's study work for Wimmera is focussed on validating such a processing solution.

Outlook for 2021

Iluka is sufficiently encouraged with results of its test work in relation to product purity and is now refining its flow sheet to focus on value and efficiency.

If this technology proves successful it is likely applicable to other types of challenging zircon beyond Wimmera/Western Victoria (including, for example, in converting Iluka's stocks of chemical zircon to premium grade).

Travel restrictions limited site access but planning for the hydraulic mining continued and is now planned for H1 2021.



Project Overview

The Sembehun group of deposits are situated 20 to 30 kilometres north-west of the existing Sierra Rutile operations. Sembehun is one of the largest and highest quality known rutile deposits in the world.

Works completed in 2020

Travel restrictions into Sierra Leone limited site work for much of 2020. Desktop work continued on critical activities that did not require site access and plans for the hydraulic mining trial are well advanced.

Outlook for 2021

The hydraulic mining trial will commence in H1 2021. If this trial is successful, it has potential to complement production at the current mining area and validate hydraulic mining as an option for Sembehun.

Iluka has also commenced a process to identify third parties willing to invest in the next phase of Sierra Rutile's growth.

Summary and Outlook

Sierra Leone



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Iluka enters 2021 with a strong balance sheet and pipeline of projects to deliver future value. The company will continue to optimise operational settings in line with market conditions, focus on preserving cashflow and exercise capital discipline.

2021 Outlook:

- Building on momentum in market recovery to support volume growth and margins across Iluka's product suite
- Cautious optimism in mineral sands markets reflected in US\$70/tonne zircon price increase effective 1 April
- Realise benefits of efficiency and cost review to deliver strong financial performance and generate cash flow
- Progress key elements of the project pipeline:
 - Delivering major project work of Eneabba Phase 2
 - Assessment of potential for downstream rare earths processing in Australia
 - Progressing Balranald project to potential DFS
 - Validate processing solution for Wimmera zircon
 - Sembehun hydraulic mining trial and progressing next stage of development

Outlook for 2021 – Group

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Key Parameters		2019	2020	2021 ¹	Comments
Annual production					
Zircon	kt	322	185	285	Production includes 60kt of zircon in concentrate.
Rutile ²	kt	184	173	200	Rutile production assumes improved performance from SRL and higher production from Narngulu
Synthetic Rutile	kt	196	227	115 - 175	Range based on SR2 kiln idling for 3-6 months
Total Z/R/SR	kt	702	585	600 - 660	
Average annual unit costs					
Unit cash costs of production	\$/t Z/R/SR	753	918	785 - 820	
Unit cost of goods sold	\$/t Z/R/SR	889	1,032	950	
Capital investment					
Capital expenditure	\$m	198	71	95	Includes: <ul style="list-style-type: none"> • Eneabba Phase 2 execute • Balranald DFS (subject to satisfactory outcomes of trial study and Board approval) • Cataby and SR2 kiln maintenance and equipment upgrades • Sembehun hydraulic trial and studies expenditure • Progression of studies and sustaining capex across sites

1. Indicative only. Production settings are able to be adjusted and are dependent on market demand conditions. This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2.
2. Includes HYTI

Key Parameters	2019	2020	2021	Comments
Cash costs (\$m)				
Cash costs of production (Z/R/SR)	529	537	500 -520	Range of cash costs relate to costs for a three month vs six month idling of the SR2 kiln, and includes lower site costs and lower HMC transport costs between Cataby and South West.
Ilmenite concentrate and by-product costs	11	22	20	Eneabba costs in line with 2020, while costs for other by products expected to be lower in 2021.
Restructure and idle costs	20	21	20 - 30	Predominantly related to SR2 kiln idling, as well as Murray Basin and US idled operations.
Resource development	42	62	50	Includes expenditure to advance rare earth options and other technical work
Corporate	48	55	50	
Marketing, selling and royalty costs	74	50	n/a	Dependent on sales prices / volumes and activity
Total cash costs	724	748	n/a	
Non cash costs (\$m)				
Depreciation and amortisation	163	185	155	
Rehabilitation for closed sites	3	7	-	
Rehabilitation unwind	21	15	12	
Total non-cash costs	187	207	167	

1. Indicative only. This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2.
2. Costs exclude inventory movement; FX gains/losses; net interest and bank fees; and tax.

Key Parameters		2019	2020	2021	Comments
Annual production					
Rutile	kt	137	120	145	Requires higher level of consistency in operational performance
Zircon	kt	9	7	7	
Total Z/R	kt	146	127	152	
Ilmenite	kt	59	46	54	
Annual unit costs & capital expenditure					
Cash costs of production	US\$m	121	127	125	
Unit cash costs of production	US\$/t Z/R	823	1,002	810	
Capital expenditure	US\$m	49	14	10	Sembehun hydraulic trial and study work

1. Indicative only. This slide should be read in conjunction with the disclaimer on forward looking statements on slide 2

Supplementary Information

Jacynth-Ambrosia, South Australia



ILUKA

	2020	2019	% change
Production			
Zircon kt	185.2	322.1	(42.5)
Rutile kt	172.6	184.1	(6.2)
Synthetic rutile kt	227.4	196.2	15.9
Total Z/R/SR production kt	585.2	702.4	(16.7)
Ilmenite – saleable and upgradeable kt	455.9	318.6	43.1
Total production volume kt	1,041.1	1,021.0	2.0
Heavy mineral concentrate produced kt	1,182	1,087	8.7
Heavy mineral concentrate processed kt	1,008	961	4.9
Sales			
Zircon kt	239.6	274.0	(12.6)
Rutile kt	162.1	200.1	(19.0)
Synthetic rutile kt	115.8	206.7	(44.0)
Total Z/R/SR kt	517.5	680.8	(24.0)
Ilmenite kt	256.1	170.8	49.9
Total sales volumes kt	773.6	851.6	(9.2)
Revenue and Cash Costs			
Mineral sands revenue ¹ \$m	947.0	1,193.1	(20.6)
Total cash cost of production \$m	539.6	558.7	3.4
Unit cash production cost per tonne of Z/R/SR produced ² \$/t	918	753	21.9
Unit cost of goods sold per tonne of Z/R/SR sold \$/t	1,032	889	16.1
Revenue per tonne of Z/R/SR sold \$/t	1,625	1,654	(1.8)

1. Includes revenues derived from other materials not included in production volumes, including activated carbon products and iron concentrate. Iluka received a royalty payment from the Mining Area C iron ore royalty to September quarter. This is not reported as part of quarterly reports but is disclosed in the financial statements.

2. Excludes ilmenite and by-products.

Supplementary Information – Summary Group Results

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\$ million	2020	2019	% change
Mineral sands revenue	947.0	1,193.1	(20.6)
Mineral sands EBITDA	342.0	530.9	(35.6)
<i>Mineral sands EBITDA margin %</i>	36.1%	44.5%	(18.9)
Mining Area C royalty EBITDA / Share of profit from associate	81.1	85.1	(4.8)
Underlying group EBITDA¹	423.1	616.0	(31.3)
<i>Underlying group EBITDA margin %</i>	41.2%	48.2%	(14.5)
Depreciation and amortisation	(184.8)	(163.2)	(13.2)
Gain on sale of MAC Demerger	1,808.1	n/a	n/a
Gain on change of ownership of MAC Demerger	452.0	n/a	n/a
Sierra Rutile write-down expense	n/a	(414.3)	n/a
Group EBIT	2,539.2	50.8	n/a
Profit (loss) before tax	2,505.5	(1.0)	n/a
Tax expense	(95.5)	(298.7)	68.0
Profit (loss) after tax - reported	2,410.0	(299.7)	n/a
<i>EPS (cents per share)</i>	570.4	(71.0)	n/a
Profit (loss) after tax - underlying	151.2	278.7	(45.7)
Free cash inflow (outflow)	36.3	139.7	(74.0)
Free cash inflow (outflow) (cents per share)	5.2	33.0	(84.2)
Dividend – fully franked (cents per share)	2.0	13.0	(84.6)
Net (debt) cash	50.2	43.3	15.9
Gearing (net debt / net debt + equity) %	n/a	n/a	n/a
Return on capital % (annualised)	311.3	6.8	n/a
Return on equity % (annualised)	283.7	(24.5)	n/a
Average A\$/US\$ exchange rate	69.1	69.5	(0.6)

1. Underlying Group EBITDA excludes non-recurring adjustments including write-downs, Sierra Rutile Limited transaction costs, the gain on the demerger of Deterra Royalties, and changes to rehabilitation provisions for closed sites.

Supplementary Information – Income Statement

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A\$ million	2020	2019	% change
Z/R/SR revenue	841.0	1,128.7	(25.5)
Ilmenite and other revenue	106.0	64.4	64.6
Mineral Sands Revenue	947.0	1,193.1	(20.6)
Cash costs of production	(558.7)	(539.6)	(3.5)
Inventory movement - cash	142.3	63.4	124.4
Restructure and idle capacity charges	(20.9)	(19.7)	(6.1)
Government royalties	(22.3)	(39.4)	43.4
Marketing and selling costs ¹	(27.7)	(35.0)	20.9
Asset sales and other income	(1.5)	(3.5)	57.1
Exploration and resource development	(62.3)	(42.2)	(47.6)
Corporate and other costs	(54.6)	(48.0)	(13.8)
Foreign exchange	0.7	1.8	(61.1)
Mineral sands EBITDA	342.0	530.9	(35.6)
Mining Area C EBITDA	81.0	85.1	(4.8)
Share of profit in associate	0.1	-	-
Underlying Group EBITDA²	423.1	616.0	(31.3)
Depreciation and amortisation	(184.8)	(163.2)	(13.2)
Inventory movement - non-cash	39.9	15.5	157.4
Rehabilitation for closed sites	7.2	(3.2)	n/a
Demerger transaction costs	(13.3)	-	n/a
Gain on sale of MAC Demerger	1,808.1	-	n/a
Gain on change of ownership of MAC Demerger	452.0	-	n/a
Gain on remeasurement of Put Option	19.4	-	n/a
Impairment of Sri Lanka interests	(12.4)	-	n/a
Sierra Rutile write-down expense	-	(414.3)	n/a
Group EBIT	2,539.2	50.8	n/a
Net interest costs and bank charges	(7.1)	(13.8)	48.6
Rehabilitation unwind and other finance costs	(26.6)	(38.0)	30.0
Profit (loss) before tax	2,505.5	(1.0)	n/a
Tax expense	(95.5)	(298.7)	68.0
Profit (loss) for the period (NPAT)	2,410.0	(299.7)	n/a

1. Freight revenue and expenses are included as a net number in marketing and selling costs.

2. Underlying Group EBITDA excludes non-recurring adjustments including write-downs, Sierra Rutile Limited transaction costs, the gain on the demerger of Deterra Royalties, and changes to rehabilitation provisions for closed sites.

Reconciliation of non-IFRS financial information to profit before tax

	JA/MW	C/SW	US/MB	SRL	Expl & Oth	Corp	Mineral Sands	MAC	Group
Mineral sands revenue	389.0	300.4	34.5	223.1	(0.0)	-	947.0	-	947.0
AASB 15 freight revenue	20.6	8.5	6.1	7.8	-	-	43.0	-	43.0
Expenses	(139.4)	(145.8)	(30.5)	(204.5)	(73.9)	-	(594.1)	-	(594.1)
Mining Area C	-	-	-	-	-	-	-	81.0	81.0
Share of profit in associate	-	-	-	-	-	0.1	0.1	-	0.1
FX	-	-	-	-	-	0.7	0.7	-	0.7
Corporate costs	-	-	-	-	-	(54.6)	(54.6)	-	(54.6)
EBITDA	270.2	163.1	10.1	26.4	(73.9)	(53.8)	342.1	81.0	423.1
Depn & Amort	(36.2)	(72.3)	(0.4)	(72.2)	(0.3)	(3.1)	(184.5)	(0.3)	(184.8)
Inventory movement - non-cash	9.8	29.1	(0.9)	1.9	-	-	39.9	-	39.9
Rehabilitation for closed sites	1.7	0.2	2.2	3.1	-	-	7.2	-	7.2
Demerger Gain	-	-	-	-	-	2,246.8	2,246.8	-	2,246.8
Gain on re-measurement of Put Option	-	-	-	-	-	19.4	19.4	-	19.4
Impairment	-	-	-	-	(12.4)	-	(12.4)	-	(12.4)
EBIT	245.5	120.1	11.0	(40.8)	(86.6)	2,209.3	2,458.5	80.7	2,539.2
Net interest costs	(1.0)	(0.5)	(0.1)	(0.2)	-	(5.3)	(7.1)	-	(7.1)
Rehab unwind and other finance costs	(2.5)	(2.8)	(11.1)	(10.2)	-	-	(26.6)	-	(26.6)
Profit Before tax	242.0	116.8	(0.2)	(51.2)	(86.6)	2,204.0	2,424.8	80.7	2,505.5
Segment result	242.0	116.8	(0.2)	(51.2)	n/a	n/a	307.4	80.7	388.1

Weighted Average Price US\$/tonne FOB	Full year 2019	H1 2020	Q3 2020	Q4 2020	H2 2020	Full year 2020
Zircon Premium and Standard	1,487	1,354	1,311	1,291	1,301	1,319
Zircon (all products including zircon in concentrate) ¹	1,380	1,265	1,271	1,144	1,194	1,217
Rutile (excluding HYTI and TIC) ²	1,142	1,246	1,195	1,199	1,197	1,220
Synthetic rutile ³	-	-	-	-	-	-

Notes:

1: Zircon prices reflect the weighted average price for zircon premium, zircon standard and zircon-in-concentrate. The prices for each product vary considerably, as does the mix of such products sold period to period. In 2020, the split of zircon sand and concentrate by zircon sand-equivalent is approximately: 78%:22%. (2019: 70%:30%).

2: Included in rutile sales volumes reported elsewhere in this Quarterly Review are lower titanium dioxide products, HYTI and titanium-in-concentrate (TIC). HYTI that typically has a titanium dioxide content of 70 to 91%. This product sells at a lower price than rutile, which typically has a titanium dioxide content of 95%. 2020 full year sales of the lower grade HYTI material were 29% of rutile sales (2019: 23%).

3: Iluka's synthetic rutile sales are, in large part, underpinned by commercial offtake arrangements. The terms of these arrangements, including the pricing arrangements are commercial in confidence and as such not disclosed by Iluka. Synthetic rutile, due to its lower titanium dioxide content than rutile, is priced lower than natural rutile.

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