



Iluka's Eucla Basin Operation & Opportunities SA Resources & Energy Investment Conference

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30 April 2012

Forward-looking Statements

This presentation contains information that is based on projected and/or estimated expectations, assumptions and outcomes.

These forward-looking statements are subject to a range of risk factors associated, but not exclusive, with potential changes in:

- exchange rate assumptions
- product pricing assumptions
- mine plans and/or resources
- equipment life or capability
- current or new technical challenges
- market conditions
- management decisions

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All currency referred to is Australian denominated unless otherwise indicated.

Non-IFRS Financial Information

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

Iluka 2011 – Key Features



- New Iluka = Group EBITDA ~\$1.0bn, NPAT and FCF > \$0.5bn, ROE > 40%
- Balance sheet = net cash
- 55 cents final dividend (fully franked); 75 cents full year dividend
- Excellent production performance
 - integrated and flexible production base
- Transformational marketing outcomes
 - step change in zircon and high-grade titanium dioxide prices
 - change passed through next layer in value chain
- Net increase in Ore Reserves and Mineral Resources
- Production enhancement options within portfolio evaluated
- Product and technical development advances
- Higher commitment of funds and resources to exploration effort



Murray Basin, Victoria/NSW

- major rutile and zircon province
- mineral separation plant – Hamilton
- multiple deposits

Eucla Basin, South Australia

- globally significant zircon source
- potential new tie in deposits
- major exploration focus

Western Australia

- processing hub for Jacinth-Ambrosia concentrate
- mining in Mid West & South West
- 4 synthetic rutile kilns (2 idled)



Virginia, United States

- high quality zircon & ilmenite production
- serving domestic US market
- 2 potential new developments

- Jacinth-Ambrosia development a key feature of Iluka's transformation
- Lost time injury free since construction in 2009
- No breaches of environmental licence conditions
- High-quality, capital-efficient operation
- Part of Iluka's integrated and flexible production base
- Execution and operation presents continuing need for high standards
 - environmental management
 - native claimant undertakings
 - community engagement
 - regional employment
- Large, prospective exploration tenement holdings
- Several development/tie-in options being investigated

Summary Physical Characteristics

Jacinth-Ambrosia



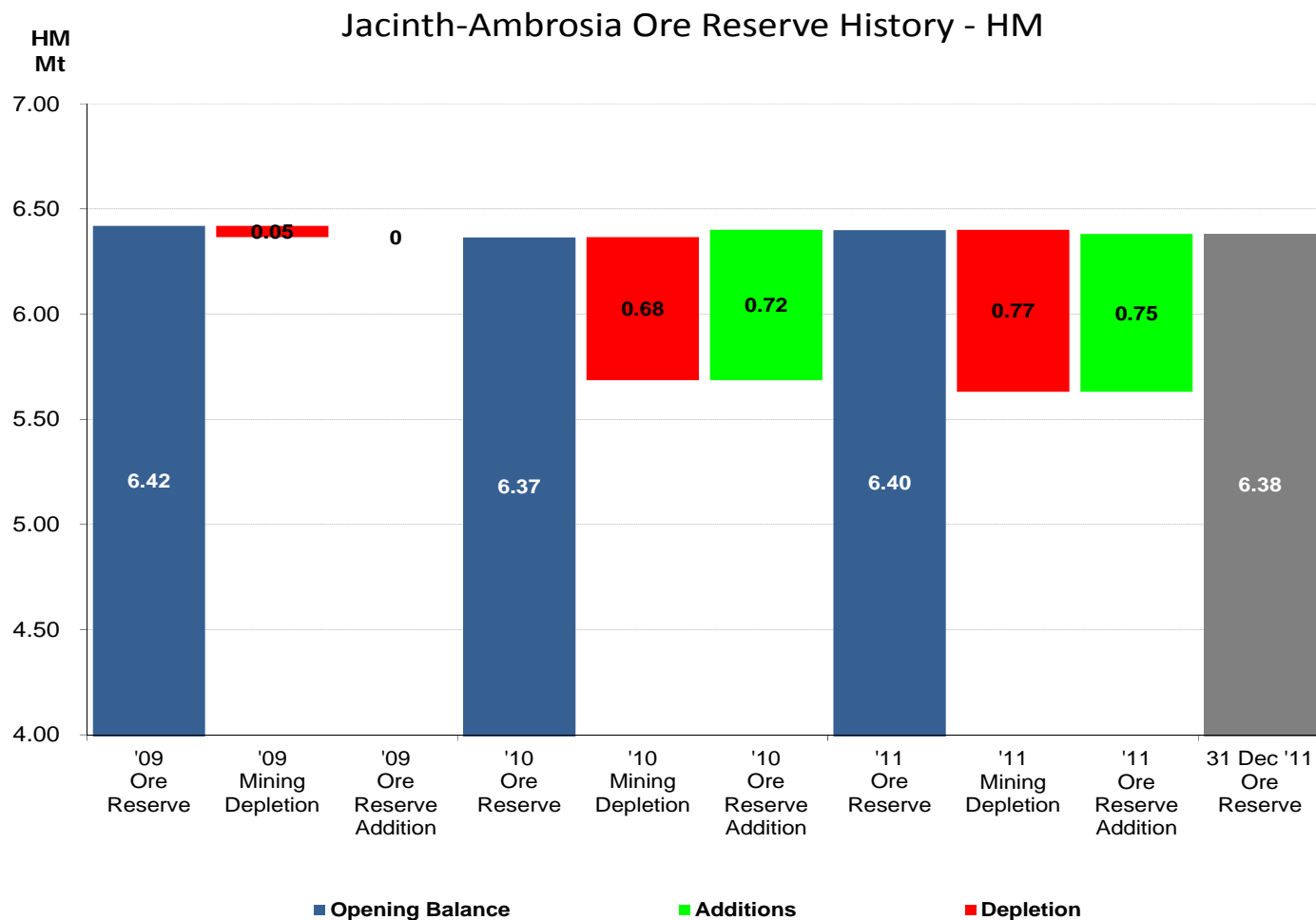
HM mineral resources ¹	8.19 million tonnes
HM ore reserves ²	6.38 million tonnes
Avg ore reserve HM grade	4.5%
Avg HM ore assemblage	50% zircon 28% ilmenite 5% rutile
Development capex	\$390 million (original budget \$420 million)
Expected mine life	At least 2021+ with regional tie in deposits beyond 2027
2011 HMC production	815 thousand tonnes
Finished product production 2011	313 thousand tonnes of zircon (52% of Iluka total) 56 thousand tonnes of rutile 170 thousand tonnes of ilmenite

1. Refer to Slide 23

2. Refer to Slide 7

Jacynth-Ambrosia Ore Reserve Changes

~24% increase in HM reserves since commencement of mining



Refer to Iluka Resources Limited, Iluka Review 2011, page 43-45 and Slide 21 in this presentation

Operational Overview

Mining

- Located within Yellabinna and Nullarbor Regional reserves
- First mining on mixed use reserves in South Australia
- Initial mining of Jacinth with mining unit plant move to Ambrosia planned in ~2018
- Total area disturbed by mining and infrastructure – 610 hectares



Project Overview

Dozer trap



- Ore pushed by dozer into mobile mining unit plant (dozer trap)
- 200m x 100m ore blocks
- Mining unit capacity up to 1400 tph
- Slurry (-10 mm) pumped to wet concentrator plant & secondary screening at concentrator (-2 mm)

Scope of Operation

- Jacinth deposit
 - 900m wide by 5 km long
 - Minimal overburden - strip ratio 0.5:1
 - Ore at average thickness of 20 metres
- Mining unit plant in pit:1400tph
- Wet concentrator:1000tph
- HMC production:120tph
- Fly-in-fly-out from Ceduna / Adelaide
- Accommodation village accommodates160 persons
- Water transported from borefield to site 32 kms
- Diesel power station (6.8 - 9.4 MW)
- HMC transported 270kms by road to Port Thevenard
- B -Triple 90-tonne trucks, approx. 18 per day
- 40,000 tonne storage facility at Port Thevenard

J-A Processing Facility



J-A Camp and Air Field



Workforce Development and Diversity



Iluka Work

70 employees

- Local 34 (48%)
- Far West Coast 11 (16%)
- Indigenous 12 (17%)

Contract Work Force (Exact Mining and Kalari Transport)

89 employees:

- Local 36 (40%)
- Indigenous (Exact) 9 (10%)
- Far West Coast 12 (13%)
- Families relocated (Kalari) 8 (9%)
- Singles relocated (Kalari) 10 (11%)

Indigenous Relations

- Native Title Agreement
 - Far West Coast Native Title Claimant Group
 - employment targets
 - education and training opportunities
- Scholarship
 - Immanuel College
- Joint ventures established
 - Far West Coast, Iluka and Exact
- Business development assistance

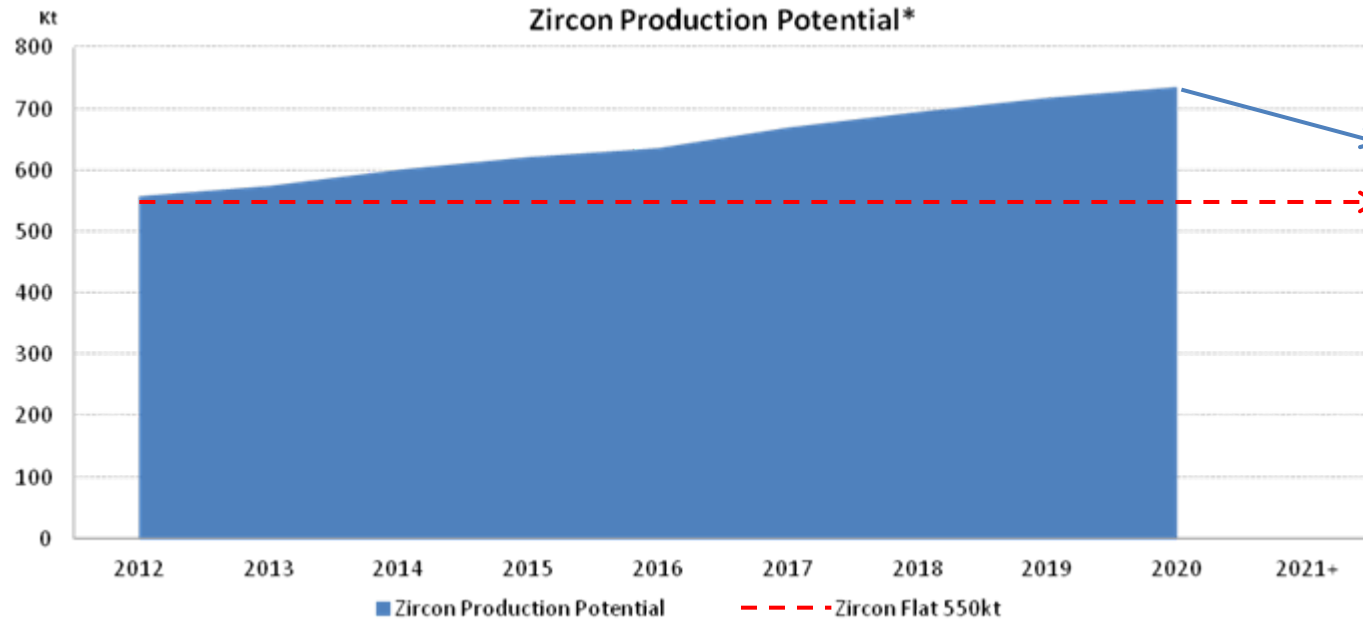


Enhanced Production Project

- Iluka's production enhancement options are extensive
 - 11 subject to detailed evaluation
- Production options subject to funding and internal evaluation & all external approvals/stakeholder agreements
- Scoping/feasibility studies for Eucla Basin deposits
 - Atacama, Typhoon, Sonoran – brownfield tie-in opportunities
 - project to investigate the expansion of WCP capacity for Eucla Basin
 - Tripitaka – greenfield characteristics
- Eucla Basin regional project manager appointed
- Potential to increase production/extend economic life beyond 2027+

Zircon Production Scenarios

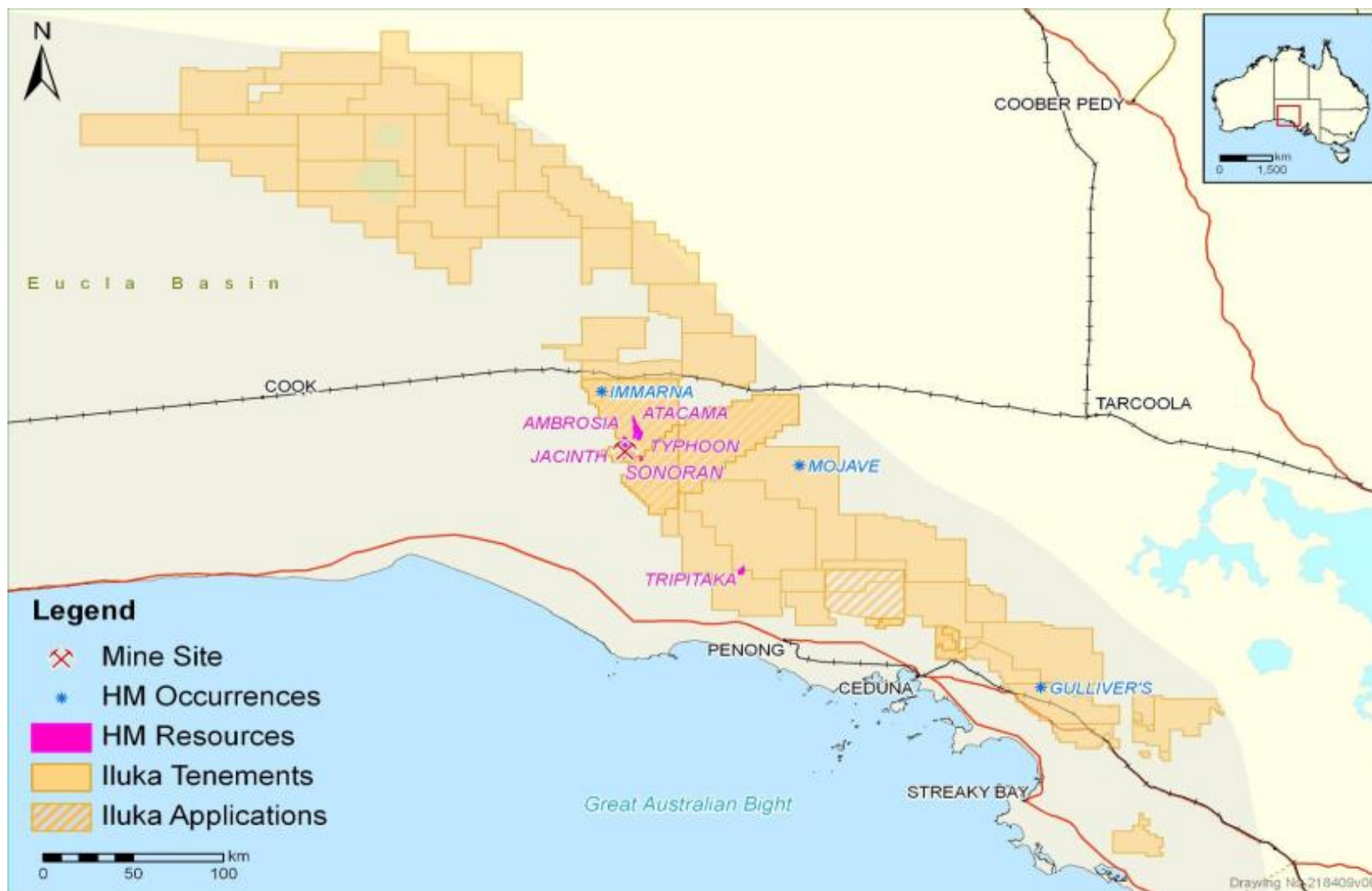
Jacinth-Ambrosia a key component



- Potential to increase production in response to demand growth, or
- Potential to extend current production levels significantly
- No account of enhancements due to:
 - utilisation of starting-period inventories
 - exploration success or technological improvements and breakthroughs
 - mineral resources or ore reserves acquisition

Eucla Basin Tenements

40 thousand square kilometres



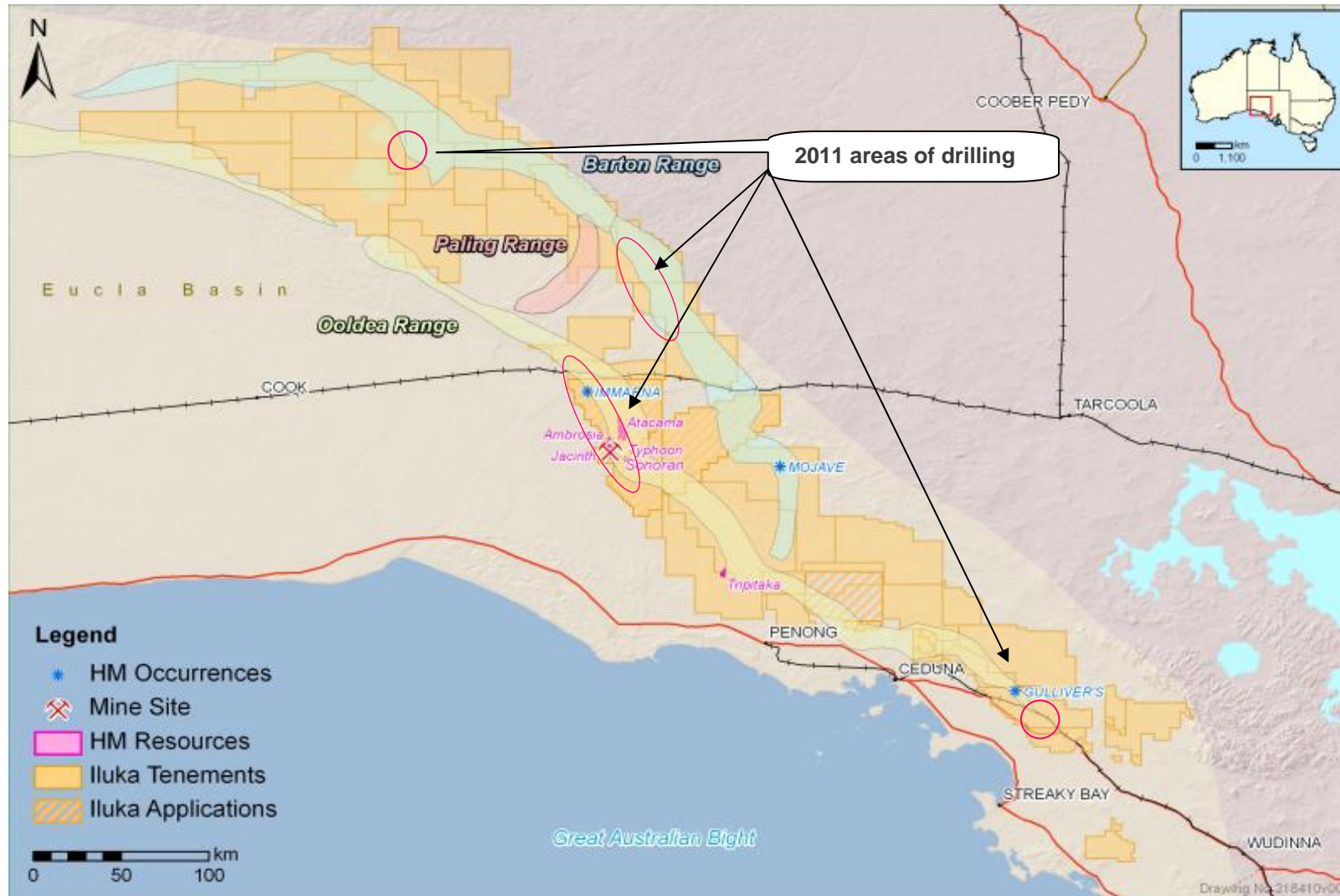
Eucla Basin Exploration

2011 summary

- The exploration strategy is two fold
 - to find brownfield HM resources close to J-A
 - discover new stand alone deposits
- Expenditure ~\$8.9m
- 96,000m of aircore drilled
- 8200km² radiometric and magnetic airborne survey
- 2011 regional exploration highlights
 - several radiometric anomalies outlined
 - high zircon assemblage confirmed from drill intercept in the Maralinga area
 - non HM targets identified in magnetic survey



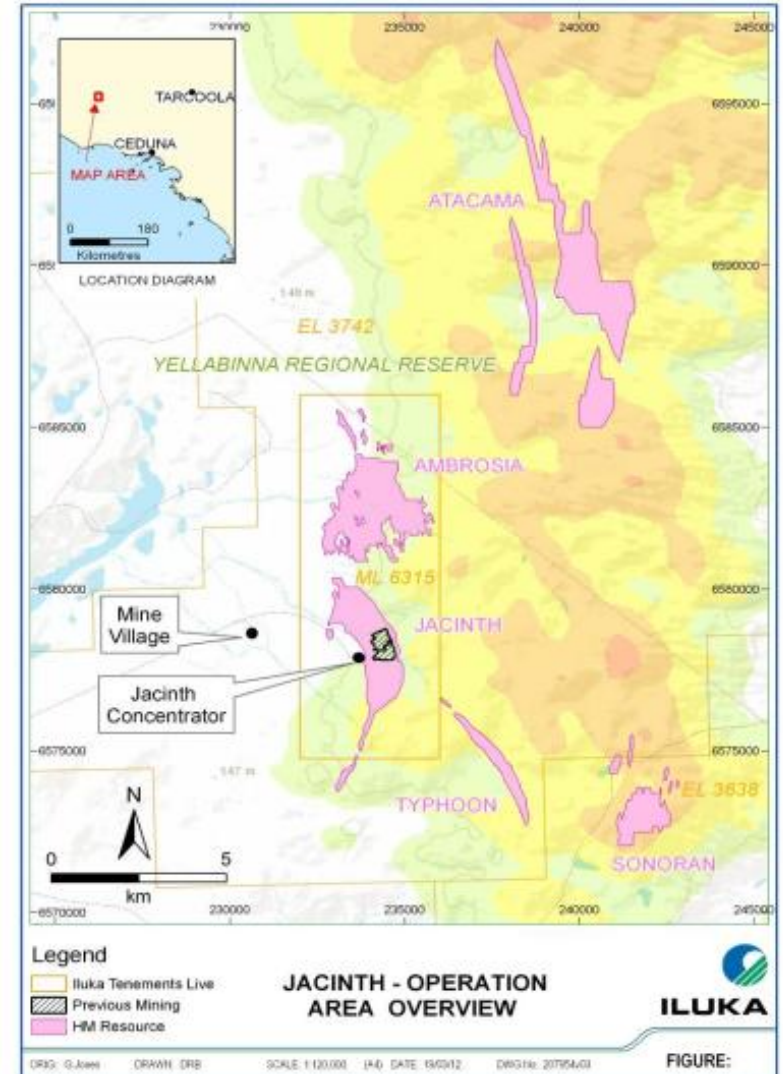
2011 Exploration Focus Areas



Jacinth - Ambrosia Brownfields

Recent exploration results

- Two target styles (within 15km of J-A)
 - Jacinth style (zircon-rich strands)
 - Typhoon style (ilmenite dominated strands)
- Discovery of Atacama 2011¹
- Discovery of Sonoran ~9km south east of J-A²
- Atacama Resource increased by 4.3 mt of HM

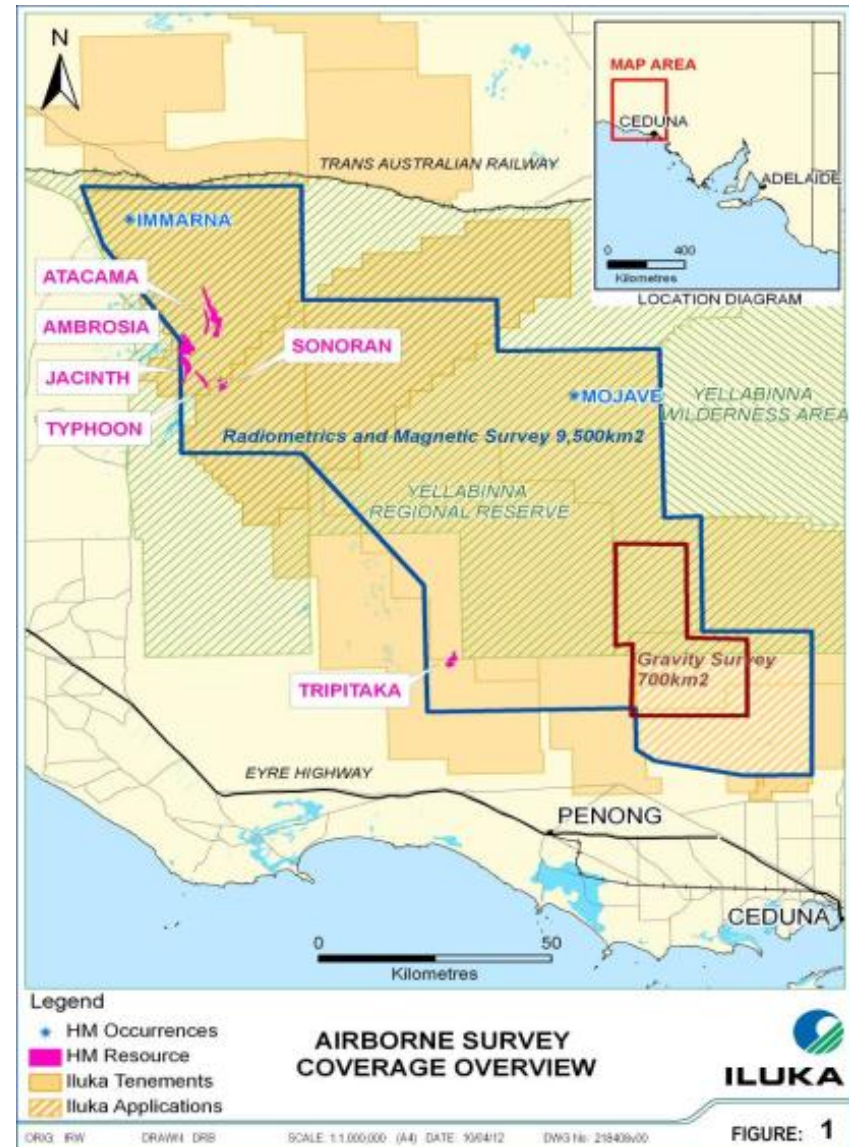


1. Refer Iluka ASX release - Additional Eucla Basin Brownfield Resource, 28 January 2011
2. Refer Iluka ASX release - Discovery of new Eucla Basin Brownfield Resource , 17 April 2012

Airborne Geophysics

Expanding the search space

- Radiometrics used to detect HM at surface
- Completed 9,500km² airborne survey to date
- High resolution magnetic and radiometric data
- Flight height of 20m with 100m line spacing
- Evaluation of magnetic data for Non HM targets
- FALCON™ Gravity survey completed 700km²



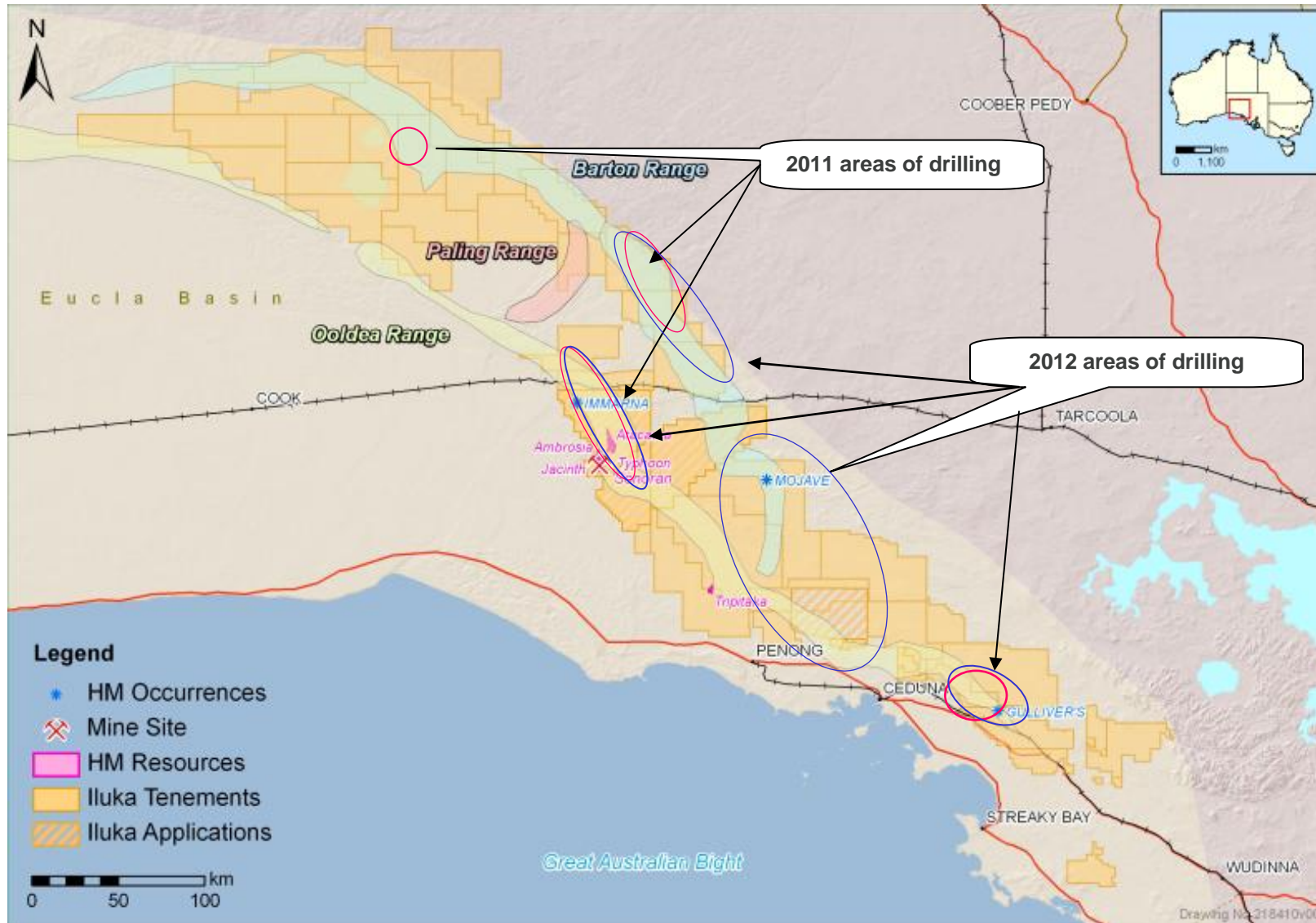
Eucla Basin Exploration

2012 activities

- 66% greenfields drilling
 - within 100km of J-A and Tripitaka
 - Maralinga area
- 34% project drilling at Tripitaka and Atacama
- 33% expenditure increase to ~\$12m
- 33% increase in metres to ~120,000m



2012 Exploration Focus Areas



Exploration Rehabilitation

Photo monitoring

Re-growth comparison over 4 years



Eucla Basin Mineral Resources

- Together; Sonoran, Atacama and Typhoon deposits add 11.3 million tonnes of HM
- Original HM Resource for Jacinth-Ambrosia was 9.5 million tonnes of HM

EUCLA BASIN MINERAL RESOURCE BREAKDOWN BY DISTRICT, DEPOSIT AND JORC CATEGORY AT 31 DECEMBER 2011

Summary of Mineral Resources ^(1,2) for Eucla Basin		Mineral Resource Category	Material Tonnes (Millions)	2011 InSitu HMTonnes (Millions)	2011 HM Grade (%)	Clay Grade (%)	HM Assemblage ⁽³⁾			
District	Deposit						Ilmenite Grade (%)	Zircon Grade (%)	Rutile Grade (%)	
East Eucla	Ambrosia	Measured	96.8	2.59	2.7	15	25	50	5	
		Indicated	18.6	0.28	1.5	14	21	48	5	
		Inferred	27.2	0.39	1.4	13	19	50	5	
	Atacama	Inferred	93.0	7.63	8.2	8	69	13	2	
		Jacinth	Measured	98.5	4.73	4.8	11	31	49	4
			Indicated	3.8	0.14	3.6	11	20	56	4
		Inferred	1.7	0.06	3.7	6	20	57	4	
	Sonoran ⁺	Inferred	30.3	2.21	7.3	8	67	17	2	
	Tripitaka	Indicated	58.4	1.05	1.8	15	10	64	5	
Typhoon	Inferred	24.3	1.46	6.0	10	64	13	1		
East Eucla	Measured Total		195.3	7.32	3.7	13	28	49	4	
East Eucla	Indicated Total		80.8	1.47	1.8	15	13	60	5	
East Eucla	Inferred Total		176.5	11.75	6.7	9	66	15	2	
East Eucla	Total		452.6	20.54	4.5	12	49	30	3	

Notes:

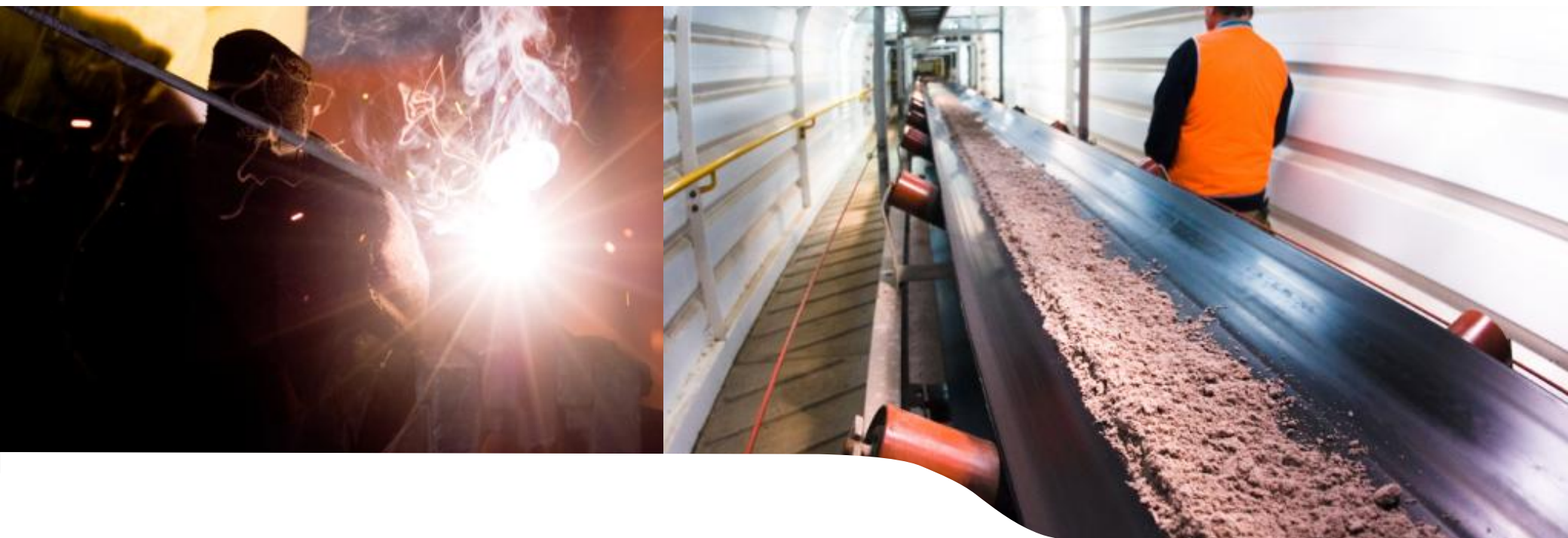
- (1) Mineral Resources are inclusive of Ore Reserves.
 (2) Rounding may generate differences in last decimal place.
 (3) Mineral assemblage is reported as a percentage of InSitu HM content.

Regional Development Scoping Studies

- Multiple potential development options
- Integrated project management team established
- Ability to utilise Jacinth-Ambrosia facilities
- Challenges of remoteness, infrastructure, water, regulatory approvals
- Tripitaka – new development options to be investigated
- Potential to extend economic life of operations
- Collaborative approach with SA Government and local stakeholders necessary

Conclusion

- Jacinth-Ambrosia represents a high-quality, flexible operation
- Reserve upgrade maintained economic life of 10 years +
- Significant expansion possibilities (10 years+) from defined Resources
- Track record of exploration success
- Significant increase in Eucla Basin exploration commitment



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Eucla Basin Resources



EUCLA BASIN MINERAL RESOURCE BREAKDOWN BY DISTRICT, DEPOSIT AND JORC CATEGORY AT DECEMBER 31 2011

Summary of Mineral Resources for Eucla Basin												
District	Deposit	Mineral Resource Category ⁽¹⁾	Material Tonnes kt	2011 InSitu HMTonnes kt	2010 InSitu HMTonnes kt	Diff InSitu HMTonnes kt	2011 HM Grade (%)	Clay Grade (%)	HM Assemblage ⁽²⁾			Comments on Change of Resource
									Ilmenite Grade (%)	Zircon Grade (%)	Rutile Grade (%)	
East Eucla	Ambrosia	Measured	96,765	2,589	2,424	165	2.7	14.7	24.5	50.0	4.7	Re reported resource
		Indicated	18,624	284	193	91	1.5	13.8	21.0	48.1	4.6	Re reported resource
		Inferred	27,229	392	241	151	1.4	13.3	19.3	49.7	4.5	Re reported resource
	Atacama	Inferred	93,000	7,626	3,299	4,327	8.2	8.3	68.9	13.1	1.5	New resource estimation - project extension
		Jacinth	Measured	98,509	4,727	5,292	(565)	4.8	11.4	30.6	48.9	4.3
	Indicated		3,785	138	122	16	3.6	10.7	20.4	55.6	4.0	Depletion by mining - Re reported resource
	Inferred		1,707	63	54	9	3.7	6.4	19.7	56.8	4.3	Depletion by mining - Re reported resource
	Tripitaka	Indicated	58,400	1,047	908	139	1.8	15.0	9.6	63.9	4.8	Re reported resource
		Typhoon	Inferred	24,291	1,461	1,337	124	6.0	9.5	63.9	13.2	0.9
	East Eucla	Measured Total		195,274	7,316	7,716	(400)	3.7	13.0	28.4	49.3	4.4
East Eucla	Indicated Total		80,809	1,469	1,223	246	1.8	14.5	12.8	60.1	4.7	
East Eucla	Inferred Total		146,227	9,542	4,931	4,611	6.5	9.4	65.8	14.9	1.5	
East Eucla	Total		422,310	18,327	13,870	4,457	4.3	12.1	46.6	32.3	3.0	
	Measured Total		195,274	7,316	7,716	(400)	3.7	13.0	28.4	49.3	4.4	
	Indicated Total		80,809	1,469	1,223	246	1.8	14.5	12.8	60.1	4.7	
	Inferred Total		146,227	9,542	4,931	4,611	6.5	9.4	65.8	14.9	1.5	
	Grand Total		422,310	18,327	13,870	4,457	4.3	12.1	46.6	32.3	3.0	

Notes:

(1) Mineral Resources are inclusive of Ore Reserves.

(2) Mineral assemblage is reported as a percentage of InSitu HM content.

Eucla Basin Reserves



EUCLA BASIN ORE RESERVE BREAKDOWN BY DISTRICT, DEPOSIT AND JORC CATEGORY AT DECEMBER 31 2011

Summary of Ore Reserves for Eucla Basin													
District	Deposit	Ore Reserve Category ⁽¹⁾	Overburden Volume kbcm	Ore Tonnes kt	2011	2010	Diff	2011	HM Assemblage ⁽²⁾				Comments on Change of Reserve
					InSitu HMTonnes kt	InSitu HMTonnes kt	InSitu HMTonnes kt	HM Grade (%)	Clay Grade (%)	Ilmenite Grade (%)	Zircon Grade (%)	Rutile Grade (%)	
East Eucla	Ambrosia	Proved	20,773	53,908	1,891	1,532	360	3.5	14.4	23.7	52.7	4.8	Updated optimisation using revised pricing estimates
		Probable	-	2,590	60	22	38	2.3	9.7	20.9	48.9	4.7	Updated optimisation using revised pricing estimates
	Jacinth	Proved	9,751	85,758	4,421	4,573	(152)	5.2	10.9	30.3	49.1	4.3	Updated optimisation using revised pricing estimates and mining depletion
		Probable	-	803	11	273	(262)	1.4	16.1	18.3	60.7	3.3	Updated optimisation using revised pricing estimates and mining depletion
East Eucla	Proved Total		30,524	139,666	6,313	6,104	209	4.5	12.3	28.3	50.2	4.4	
East Eucla	Probable Total		-	3,393	72	296	(224)	2.1	11.2	20.5	50.8	4.5	
East Eucla	Total		30,524	143,059	6,385	6,400	(15)	4.5	12.2	28.2	50.2	4.5	
	Proved Total		30,524	139,666	6,313	6,104	209	4.5	12.3	28.3	50.2	4.4	
	Probable Total		-	3,393	72	296	(224)	2.1	11.2	20.5	50.8	4.5	
	Grand Total		30,524	143,059	6,385	6,400	(15)	4.5	12.2	28.2	50.2	4.5	

Notes:

(1) Ore Reserves are a sub-set of Mineral Resources.

(2) Mineral assemblage is reported as a percentage of InSitu HM content.