

ILUKA SIMPLIFIED PROFIT AND LOSS MODEL

2017

This model has been prepared to assist those interested in modelling Iluka's 2017 financials. The model should be used as a tool in conjunction with briefing papers and guidance information provided in the links below.

As has been previously disclosed, Iluka provides guidance on cash and non-cash costs of production, as well as finished goods production volumes, which in periods of low and stable inventory levels will be a surrogate for COGS. However, in periods of draw-down from large inventory balances, the unit cost of inventory drawn has a more significant influence on COGS, than current year production costs. Based on guided production settings, Iluka expects significant drawdown in 2017.

In such periods of large expected movements in inventory, it can be simpler to model COGS on a unit basis, with the unit COGS (\$/t) multiplied by the expected Z/R/SR sales volumes (kt). This model (along with information provided in briefing papers) provides a method of undertaking this calculation and hence, along with own assumptions on prices, sales, fx and some other parameters, provides a tool for estimating Iluka's 2017 financial results.

Iluka Simplified
Profit & Loss Model
2017 (Excel
Spreadsheet)



Iluka Briefing Paper
Modelling
Methodology, June
2016



Key Physical &
Financial
Parameters 2017



Iluka Briefing Paper
Zircon Products
Pricing, June 2016



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- 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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