Iluka Resources
Macquarie Conference
Tom O’Leary, Managing Director
4 May 2021
Disclaimer and Compliance Statements

This presentation has been prepared by Iluka Resources Limited (Iluka). By accessing this presentation you acknowledge that you have read and understood the following statement. This document provides an indicative outlook for the Iluka business in the 2021 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. Where Iluka expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and on a reasonable basis. No representation or warranty, express or implied, is made by Iluka that the matters stated in this presentation will in fact be achieved or prove to be correct.

Forward-looking statements are only predictions and are subject to known and unknown risks, uncertainties, assumption and other important factors that could cause the actual results, performances or achievements of Iluka to differ materially from future results, performances or achievements expressed, projected or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. Such risks and factors include, but are not limited to: changes in exchange rate assumptions; changes in product pricing assumptions; major changes in mine plans and/or resources; changes in equipment life or capability; emergence of previously underestimated technical challenges; increased costs and demand for production inputs; and environmental or social factors which may affect a licence to operate, including political risk.

Capital estimates include contingency and risk allowances commensurate with international estimating classification systems.

To the extent permitted by law, Iluka, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this presentation and exclude all liability whatsoever (including in negligence) for any loss or damage which may be suffered by a person as a consequence of any information in this presentation or any error or omission therefrom. Iluka does not undertake to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. No independent third party has reviewed the reasonableness of the forward looking statements or any underlying assumptions.

Iluka cautions against reliance on any forward-looking statements or guidance, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by COVID-19.

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 content 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.
Delivering Sustainable Value

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 returned to full production
• 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

Cataby, Western Australia
Sustainable Development

Key Pillars of Iluka’s Sustainability Approach

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

2020 TRIFR 2.8
(2019: 2.9)

TCFD alignment
Year 2 of 3

28%
Indigenous Employment at Jacinth-Ambrosia

584 hectares rehabilitated in 2020

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

Female representation
33% Exec. Mgt.
43% Board

Cataby, Western Australia
Mineral Sands and Rare Earths – Critical Minerals, Part of Everyday Life

**AEROSPACE**
Aircraft engines and frames | Spacecrafts

**SUSTAINABLE ENERGY TECHNOLOGIES**
Wind turbines | Electric vehicles | Solar

**PHOTOCATALYTICS**
Desalination | Water & air purification

**INDUSTRIAL**
Steel & glass production | Casting of parts & engines

**FABRICATION**
Ship building | Steel construction | Welding

**AUTOMOTIVE**
Engines | Paint | Electronics

**HEALTHCARE**
Medical equipment

**TECHNOLOGY**
Electronics | Batteries

**CERAMICS**
Tiles | Sanitary ware

**HOME APPLICATIONS**
Cosmetics | Pharmaceuticals | Home appliances

**PIGMENTS & CONSTRUCTION**
Paint | Plastic | Ceramics
Disciplined Performance in 2020

$423m
Group EBITDA

$2,410m
Reported NPAT
Includes profit of Deterra Royalties demerger

$151m
Underlying NPAT

$50m
Net Cash
As at 31 December 2020

Mineral sands business has consistently delivered solid margins
Supply Fundamentals

Limited new supply due to declining grade of existing major operations, few new projects with meaningful supply and technical and geopolitical challenges for new projects.

Zircon Market Update

Quick return of Chinese tile manufacturers shortly after Chinese New Year and recovery in other markets contributed to a strong start to 2021

- Iluka’s Q1 zircon sales were strong in what is seasonally a weaker quarter
- Domestic tile demand solid in China with increased construction activity
- Growth in tile exports from Europe servicing increased demand in many end-markets fuelled by renovation activity and supply-side gaps created by Chinese trade restrictions
- Other end use markets remain robust

Iluka Quarterly Zircon Sales

Zircon (kt)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>Q1 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zircon</td>
<td>20</td>
<td>30</td>
<td>40</td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>

Global Zircon Production

<table>
<thead>
<tr>
<th>Year</th>
<th>Iluka 2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.2mt</td>
<td>1.0mt</td>
</tr>
<tr>
<td>2020</td>
<td>1.5mt</td>
<td>1.2mt</td>
</tr>
</tbody>
</table>

1. Source: TZMI Feb 2021

Supply Fundamentals

Limited new supply due to declining grade of existing major operations, few new projects with meaningful supply and technical and geopolitical challenges for new projects.

Zircon (premium and standard) net realised FOB price

US$/t

<table>
<thead>
<tr>
<th>US$/t</th>
<th>Q1 2018</th>
<th>Q1 2019</th>
<th>Q1 2020</th>
<th>Q1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$70/t price increase announced from April 2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Global Zircon Use**

### Global Demand Fundamentals
- **Urbanisation and growing middle class in Asian economies with preference for tiled flooring**
- **Increasing array of advanced technological applications**
- **Innovation in ceramics leading expansion in applications and zircon loading**
- **Growth linked to GDP per capita**

### AMERICAS
- US has diversified end uses in industrial machinery and advanced manufacturing
- Brazil and Mexico are major tile manufacturers

### EUROPE
- Italy and Spain are major ceramic producers
- Spain also global hub for ceramic frits, pigment and glazes
- Refractory demand from manufacturing and industrial sectors in Germany and France

### INDIA
- Small but rapidly growing ceramics market
- Foundry and refractory end use in car manufacturing and industrial applications

### CHINA
- Highly diverse market - major tile producer, industrial uses of refractories and foundries including for steel and glass production, diverse specialty applications

### REST OF ASIA PACIFIC
- Vietnam, Indonesia and Malaysia large tile producers
- Japan demand from industrial applications

---

**Chart data:** 2020 zircon demand (kt), source TZMI Feb 2021

- **Ceramics**: 99kt
- **Refractory**: 191kt
- **Foundry**: 70kt
- **Zirconia & Zr Chemicals**: 530kt
- **Other**: 88kt
High Grade Titanium Feedstock Market Update

Titanium pigment accounts for around 90% of end use demand and, commencing H2 2020, this market has rebounded strongly

- DIY market has remained strong throughout H2 2020 and in early 2021; traditional peak northern hemisphere painting period still ahead Q2 to Q3
- Pigment producers have announced price increases
- Pigment plant utilisation rates have returned to pre-pandemic levels and inventory levels are below seasonal norms
- Iluka supplies natural rutile to the welding market where very strong demand is outstripping supply
- High grade feedstock supply is tight with limited new projects in the short to medium term

Iluka Quarterly High Grade Titanium Sales

Global High Grade Feedstock Production

2021 High Grade Feedstock Contracts

Iluka has 295kt of high grade feedstock subject to take or pay contracts in 2021.

Pricing varies between contracts and typically lags broader market movements by approximately six months.

High Grade Feedstock Advantage

High grade feedstock increase pigment plant utilisation rates and have natural advantage over lower grade feedstocks.

Inputs required and waste produced per tonne of titanium pigment for various feedstocks
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
- N arngulu 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 for two months in early 2021 to reduce inventory levels
- Narngulu plant returned to full operations

**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. Feasibility study for fully integrated rare earths refinery underway.

**Sierra Leone**
World's largest rutile mine, operating since 1960s. Acquired by Iluka in 2016. Sembehun deposit provides potential future production option.
Iluka is developing an emerging position in rare earth elements, based on world class assets at Eneabba, Western Australia and Wimmera, Victoria

The company has a long history of mining, processing and value addition - rare earths are a logical diversification

**Highlights of Iluka’s approach**

- Phased development to reduce risk and gain market understanding
- Feasibility study for a fully integrated rare earths refinery underway
- Early engagement with range of external stakeholders
Rare Earths Diversification

RARE EARTH VALUE CHAIN

1. Exploration, development, mining

2. Concentrating

3. Cracking and leaching

4. Separation and finishing

5. Upgrading

6. Component manufacturing

Ore ➔ Monazite concentrate ➔ Rare earth mixtures ➔ Individual rare earth oxides ➔ Rare earth metals ➔ Permanent magnets, alloys, catalysts etc.

Eneabba Phase One
- Operational

Eneabba Phase Two
- Under construction

Potential further development
- Feasibility study
## Eneabba Production and Financial Parameters

<table>
<thead>
<tr>
<th></th>
<th>Phase 1</th>
<th>Phase 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capex</strong></td>
<td>&lt;$10 million</td>
<td>~$35 million</td>
</tr>
<tr>
<td><strong>Average annual production cash costs</strong></td>
<td>~$4 million</td>
<td>$35-40 million</td>
</tr>
<tr>
<td><strong>Payback period</strong></td>
<td>~6 months</td>
<td>&lt;1 year</td>
</tr>
<tr>
<td><strong>Average annual production</strong></td>
<td>~50ktpa 20% monazite-zircon concentrate</td>
<td>16-20ktpa 90% monazite concentrate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7-9ktpa zircon, ~20ktpa ilmenite, ~1ktpa HYTi90</td>
</tr>
<tr>
<td><strong>First production</strong></td>
<td>April 2020</td>
<td>H1 2022</td>
</tr>
<tr>
<td><strong>Project life</strong></td>
<td>2 years before transitioning to Phase 2</td>
<td>~10 years</td>
</tr>
<tr>
<td><strong>Pricing</strong></td>
<td>Fixed price offtake contract for 50ktpa for 2 years</td>
<td>Under negotiation with customers</td>
</tr>
<tr>
<td></td>
<td>Price received reflects contained monazite, less processing cost and margin for processor. Zircon component sold by Iluka</td>
<td></td>
</tr>
</tbody>
</table>

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.
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.

### Project Pipeline

<table>
<thead>
<tr>
<th>Region</th>
<th>Mineral Resource¹</th>
<th>ASSESS Scoping Study</th>
<th>SELECT Preliminary Feasibility Study</th>
<th>DEVELOP Definitive Feasibility Study</th>
<th>EXECUTE Project execution</th>
<th>PRODUCING Operate and maximise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eucla Basin</td>
<td>345Mt @ 4.8% HM for 16.6Mt In Situ HM</td>
<td></td>
<td>Atacama</td>
<td></td>
<td></td>
<td>Jacinth-Ambrosia</td>
</tr>
<tr>
<td>Murray Basin</td>
<td>195Mt @ 17.2% HM for 33.4Mt In Situ HM</td>
<td>Wimmera</td>
<td>Balranald</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid West / South West WA</td>
<td>986Mt @ 5.6% HM for 54.9Mt In Situ HM</td>
<td>South West Deposits</td>
<td>Eneabba (Phase 3)</td>
<td>SR1 Kiln Restart</td>
<td>Eneabba (Phase 2)</td>
<td>Eneabba (Phase 1)</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>715Mt @ 1.1% Rutile for 7.9Mt In Situ Rutile</td>
<td></td>
<td>Sembehun</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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

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](http://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.
**Project Pipeline**

**Eneabba, Western Australia**
The Eneabba project involves the extraction, processing and sale of a strategic stockpile rich in monazite (a mineral containing rare earth elements) and zircon.

Eneabba Phase 1 delivered and operating. Phase 2 in execute and due for completion H1 2022. Feasibility study for fully integrated rare earths refinery underway – key elements to be completed in late 2021.

**Balranald, New South Wales**
Balranald and Nepean are two rutile-rich deposits. Owing to their depth, Iluka is progressing a novel, internally developed, underground mining and backfilling technology.

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

**Wimmera, Victoria**
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. Iluka is sufficiently encouraged with results of its test work 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).

**Sembehun, Sierra Leone**
The Sembehun group of deposits are situated 20 to 30 kilometres northwest of the existing Sierra Rutile operations. Sembehun is one of the largest and highest quality known rutile deposits in the world.

A hydraulic mining trial is commencing in May. The results of this will help to determine the development pathway for the deposit.
For more information contact

Luke Woodgate, Group Manager Investor Relations and Corporate Affairs
Investor.relations@iluka.com