



ILUKA

Iluka Resources Limited
(ASX:ILU)

Bank of America Global Metals, Mining and Steel Conference

17-19 May 2022

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All figures are expressed in Australian dollars unless stated otherwise.

A global critical minerals company

Iluka is a globally significant producer of zircon and high grade titanium feedstocks; and is set to become a globally material supplier of refined rare earths

Critical minerals for everyday life

Zircon, titanium and rare earths are used in an array of everyday applications and are critical for sustainable development, including global electrification

Operational experience

Over 70 years of critical minerals exploration, mining, processing, marketing and rehabilitation, with a pipeline of quality projects to meet growing demand



Sustainable supply chain

A safe, responsible and sustainable supplier of critical minerals, supporting the transition to a modern, low carbon economy

Iluka's evolution

4

Rare earths refinery approved

Risk sharing partnership with Australian Government

Global mineral sands operations

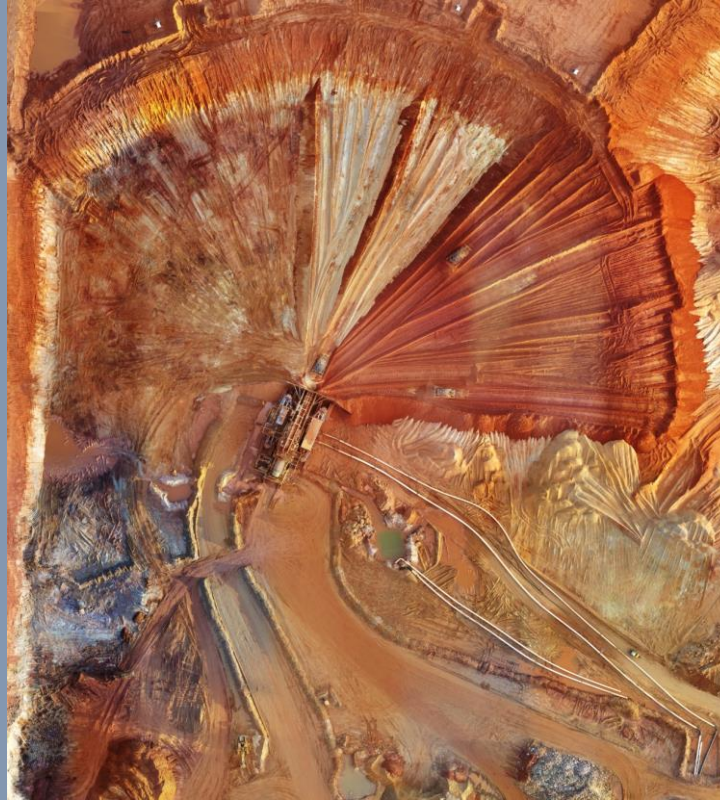
Australian and Sierra Leone mineral sands assets

Project pipeline execution

Technical development to deliver future production options

Deterra Royalties 20% stake

Provides additional financial strength and dividend stream



Iluka today

Iluka's future

Rare earths business

A globally competitive source of secure, sustainable rare earths

Australian operations focus

Sierra Leone assets demerged

Projects executed and pipeline replenished

Delivered with capital discipline and subject to market conditions

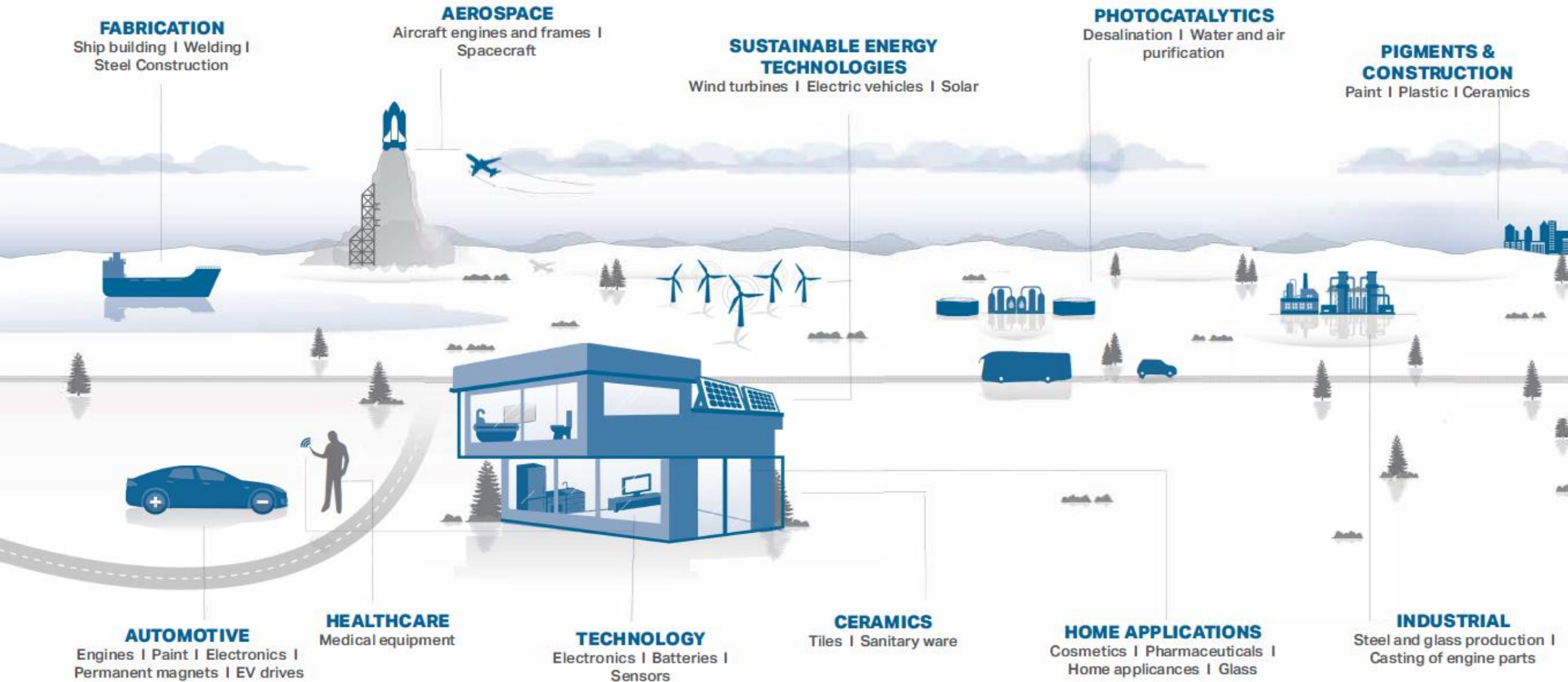
Deterra Royalties 20% stake

Provides additional financial strength and dividend stream



Critical minerals for everyday life

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Short term dynamics

Long term global trends

High grade titanium

(Iluka products: rutile and synthetic rutile)

- Downstream inventories low
- High grade increasing plant yields
- Jurisdictional supply risks



- New supply limited by few quality projects
- Urbanisation and rising living standards
- Move to high grade feed – less waste and cost

Zircon

- Supply tightness and disruption
- Solid demand fundamentals
- Increasing cost of substitutes



- New supply limited by few quality projects
- Urbanisation and rising living standards
- Increasing array of applications

Rare earths

(Iluka future production: high value neodymium, praseodymium, dysprosium, terbium)

- Growing demand for EVs
- Security of supply chain



- Global electrification and renewable energy
- Secure and sustainable supply chains

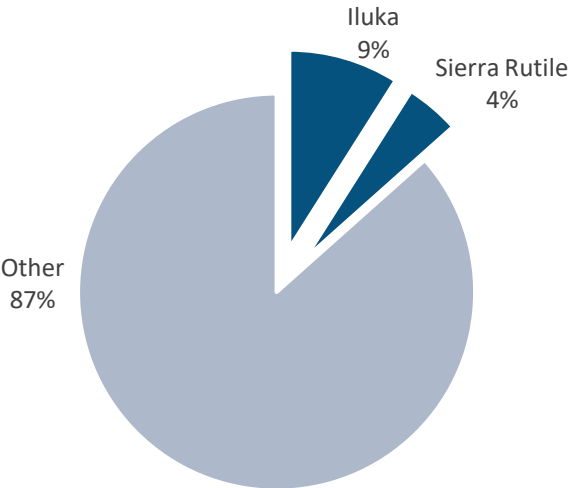
Iluka is one of the world’s largest producers of zircon and a significant supplier of high grade titanium feedstocks; the company’s rare earths diversification is expected to make a meaningful contribution to the sustainable supply of rare earths from 2025

High grade titanium

(Iluka products: rutile and synthetic rutile)



2021 global high grade titanium supply¹
(total market = 2.8mt TiO₂)

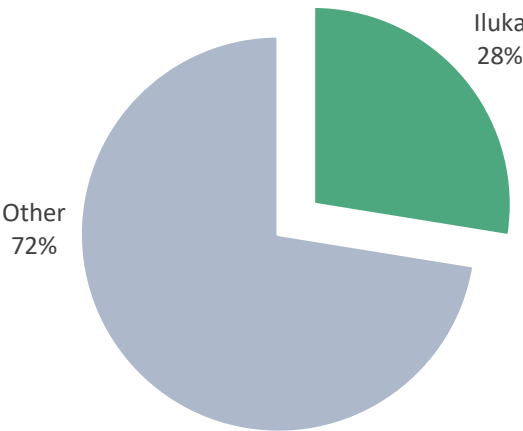


1. Includes rutile, synthetic rutile, chloride slag and UGS.
Source: Iluka and TZMI

Zircon



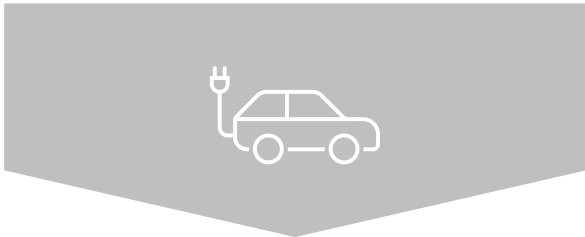
2021 global zircon supply
(total market = 1.2mt)



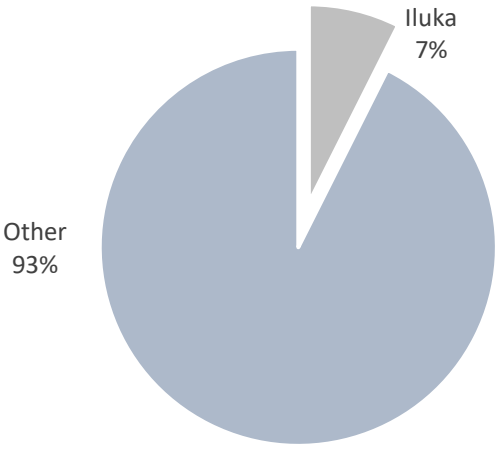
Source: Iluka and TZMI

Rare earths

(Iluka future production: includes high value neodymium, praseodymium, dysprosium, terbium)

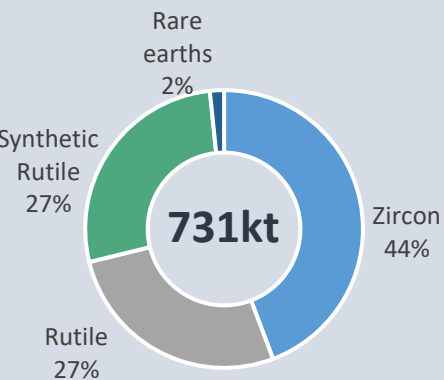


2021 global TREO supply pro-forma to include Eneabba refinery²
(total market = 236kt)



2. Iluka share indicative based on Eneabba plant at 17.5ktpa TREO; if the refinery was at maximum capacity it would produce 22.5ktpa TREO
Source: Iluka and Adamas

2021 group production



2021 key financials

A\$1.5bn revenue
43% EBITDA margin
A\$366m NPAT
A\$295m net cash

Narngulu processing



Jacynth Ambrosia mine



Eneabba rare earths



Sierra Leone



Cataby mine



Capel processing



Iluka to demerge Sierra Rutile to establish a West African focused mineral sands company¹

Strong strategic rationale

Allows focus on distinct strategies of each business while maximizing the potential of Sierra Rutile's assets, providing shareholders flexibility and delivering value recognition of Sierra Rutile's quality assets

Quality assets

Sierra Rutile established with current producing assets as well as globally significant Sembehun project



Experienced Board and management team



Greg Martin,
Chairman

Over 40 years experience
in mining, utilities, financial
services and energy.

Former Chairman of Iluka
(2013-22).



Theuns de Bruyn,
Managing
Director, CEO

Over 25 years experience
in African minerals sector,
including roles at BHP.

Joined Sierra Rutile 2019.

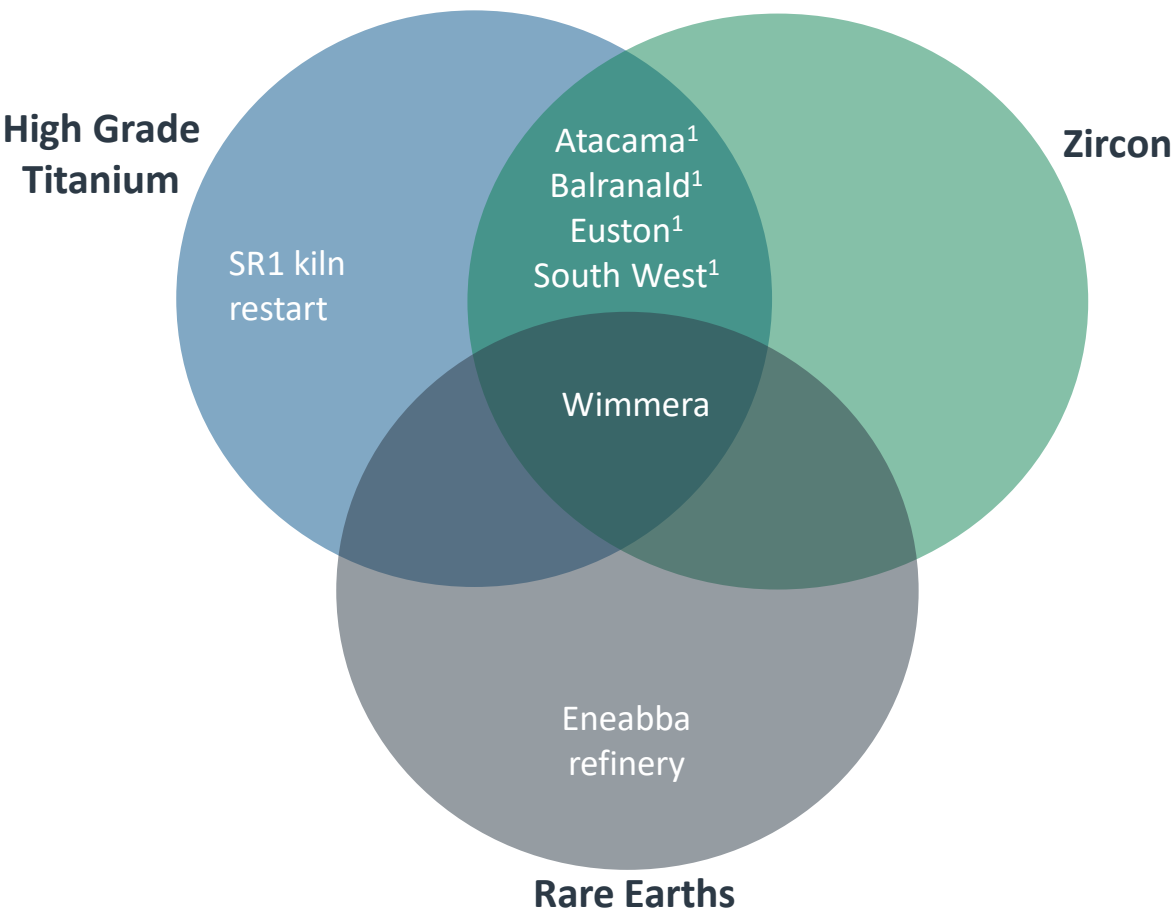


Martin Alciaturi,
Finance Director

Over 40 years experience
across investment banking,
corporate finance, and as a
mining executive, including
at Aquila and 29Metals.

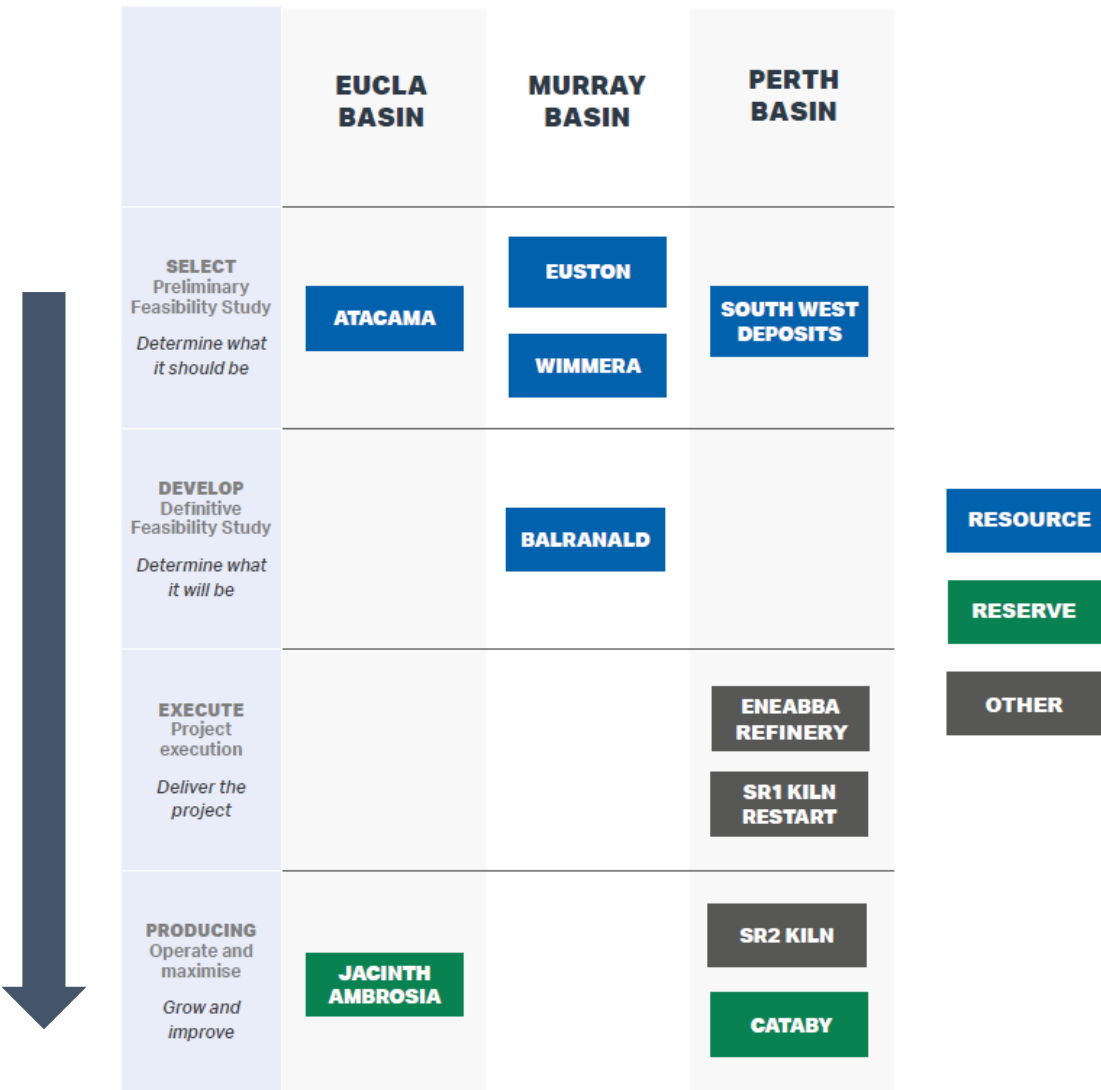
1. Demerger subject to final Board, regulatory and shareholder approvals.

Breadth across mineral sands and rare earth product suite ...



1. These potential deposits will contribute, to a greater or lesser extent, monazite and xenotime to the rare earths business (refer 2021 Annual Report, including the Mineral Resource and Ore Reserve Statement, released to the ASX on 24 February 2022 for additional information).

... and depth at various stages of execution

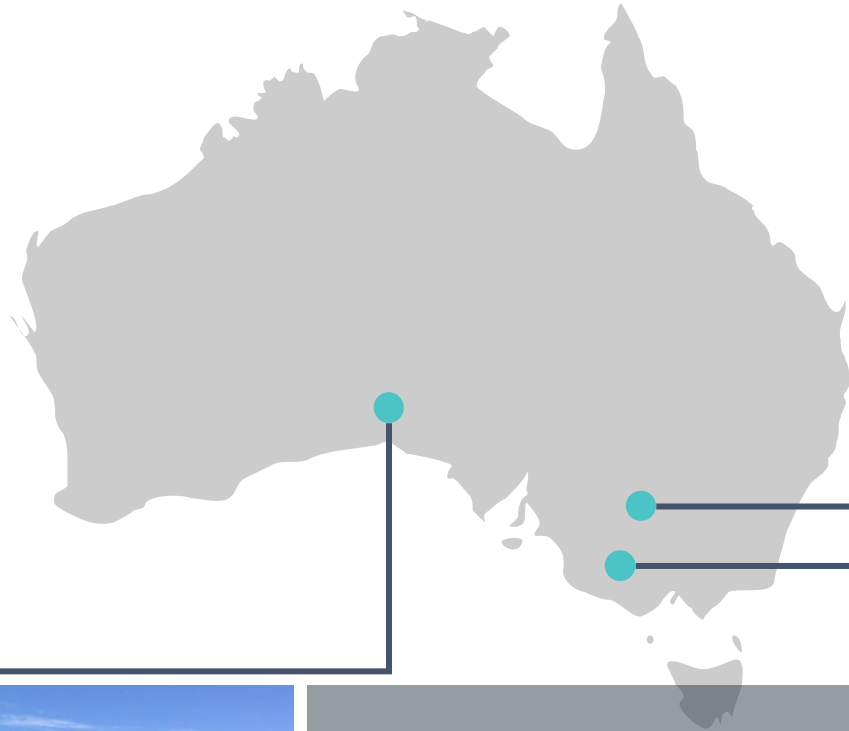


Refer to the 2021 Annual Report, including the Mineral Resource and Ore Reserve Statement, released to the ASX on 24 February 2022 for additional information.

Project pipeline – leveraging technology

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Leveraging technical and development expertise to deliver commercial outcomes for Australian Resources



Balranald,
New South
Wales



Mining: rutile, zircon, ilmenite

High grade, rutile rich deposit at depth of ~50 metres.

Technology focus: low impact, underground mining technology to access deposits at depth

Wimmera,
Victoria



Mining and processing: rare earths, rutile, zircon, ilmenite

Large, long life source of rare earths, zircon and rutile. Fine grained deposits in the region have zircon impurities - unmarketable to most customers.

Technology focus: separation of fine grained minerals – resolved

Technology focus: zircon purification processing solution

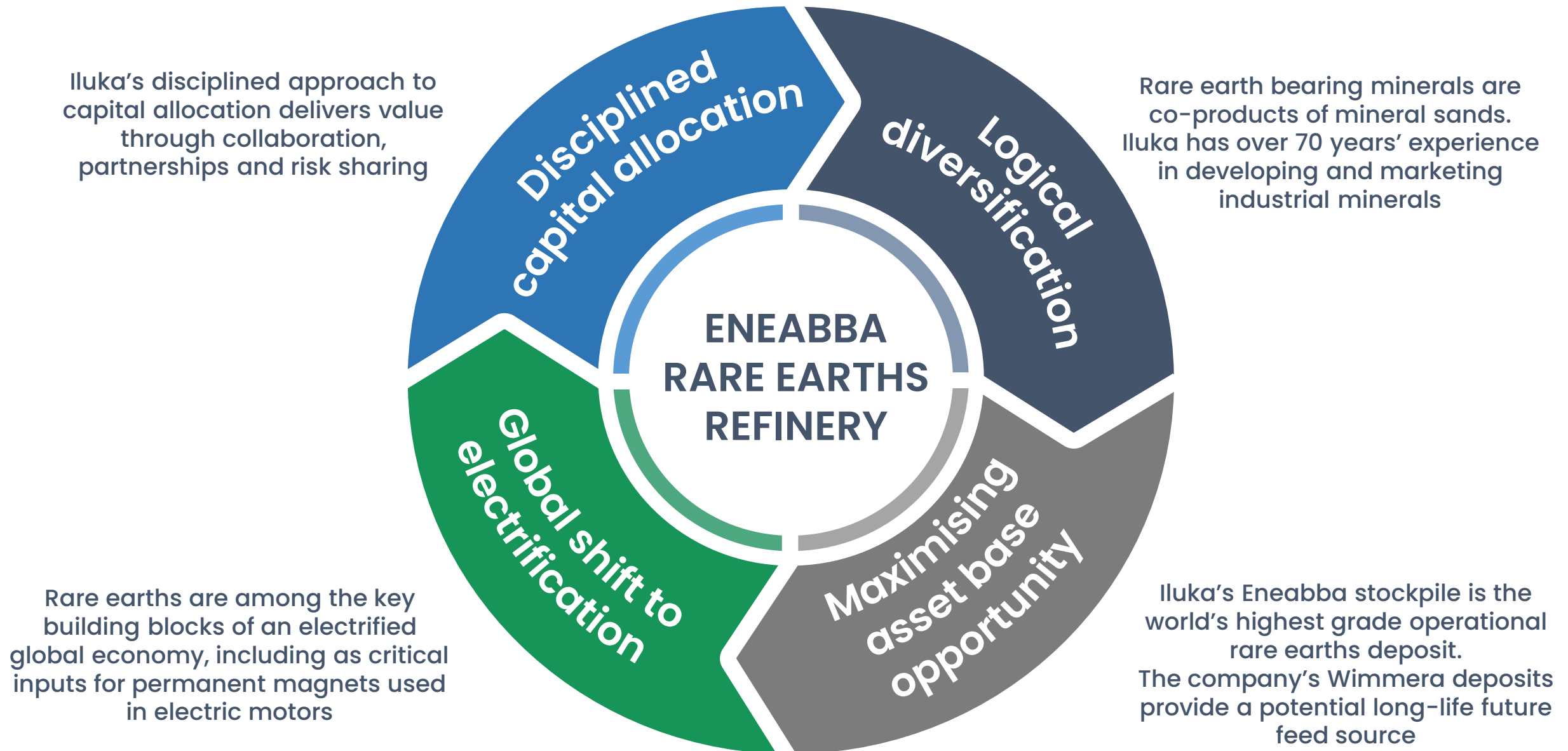
Atacama,
South
Australia



Mining and processing: zircon, ilmenite, rutile

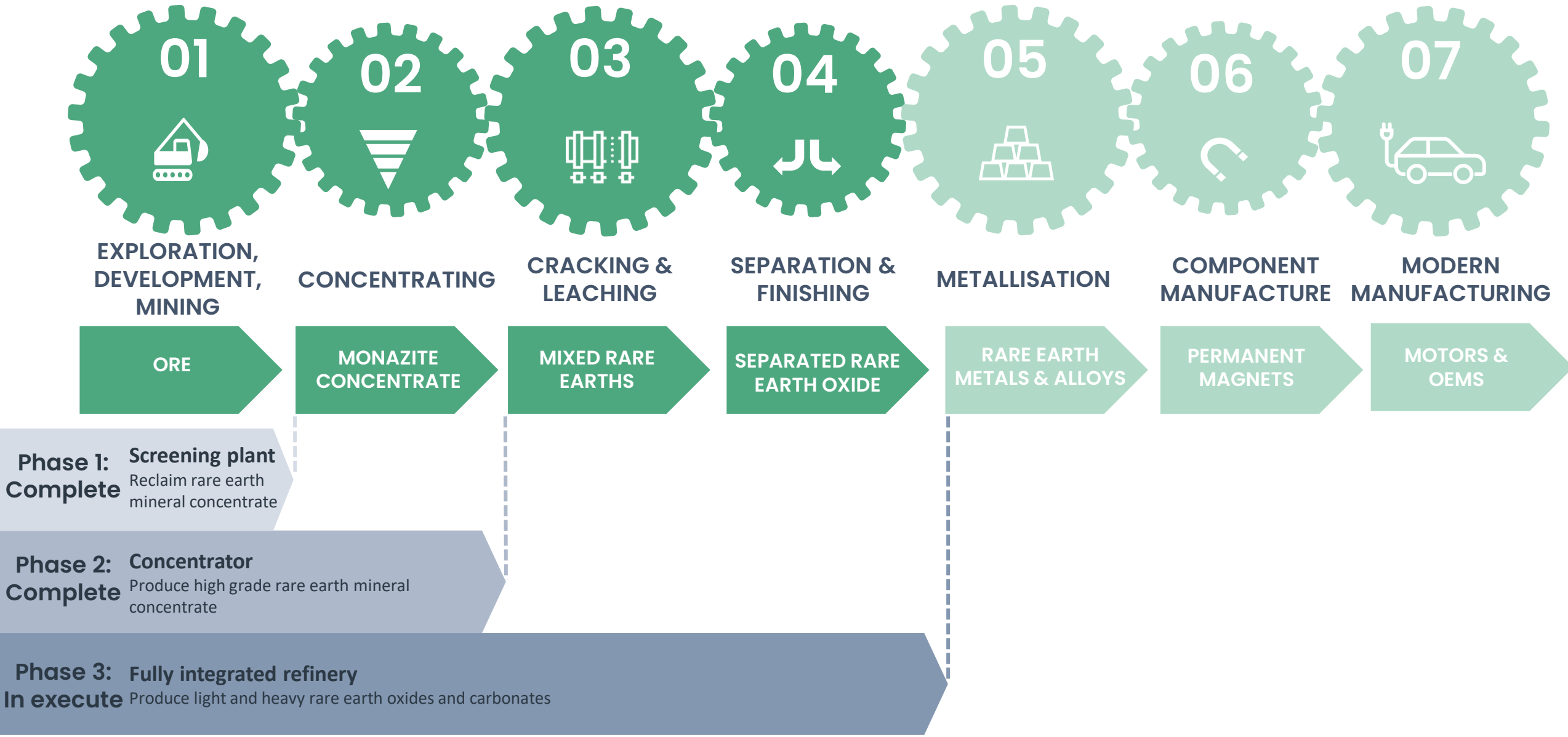
Potential source of zircon and synthetic rutile kiln feed.

Technology focus: processing solution to remove ilmenite contaminants



Eneabba – a fully integrated rare earths refinery

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Eneabba refinery fully funded – partnership with Australian Government

Refinery funding: risk sharing arrangement

Iluka Contribution

Equity-like contribution of Eneabba stockpile + \$200 million cash equity

Stockpile contribution includes funds deployed of \$70 million for Phase 1 and Phase 2 plant and Phase 3 feasibility study

Iluka to receive royalty payment of \$81 million p.a. ranking alongside scheduled repayments

Australian Government Contribution

\$1.25 billion non-recourse loan facility

Loan includes risk sharing mechanisms to support RefineryCo resilience in the face of potential technical, operating and/or market based challenges

Refinery cash flow waterfall priorities

1

Refinery operating and capital costs

2

Critical Minerals Facility loan interest payments¹

3

Critical Minerals Facility loan scheduled repayments¹ | Iluka Eneabba stockpile royalty payments

Available funds applied to scheduled repayments and accumulated royalty.

Iluka royalty accrues from 1 July 2022.

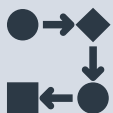
If scheduled repayments not up to date, funds split in equal priority and annual royalty payment capped at \$81 million p.a.

4

Additional cash distributed 50:50 Critical Minerals Facility loan and Iluka²

1. Interest and loan repayment obligations only commence post project completion. In addition, the Critical Minerals Facility loan has various risk sharing mechanisms in place including the ability to accrue obligations from one period to the next if RefineryCo has insufficient funds.
2. Residual cash flows distributable 50:50 between accelerated Critical Minerals Facility loan repayments and Iluka distributions, subject to RefineryCo minimum cash requirements and financial ratio tests.

Refinery advantaged by fully integrated design and Eneabba brownfields location, enabling minimal environmental impact



Integrated refinery

Roasting and leaching, purification and finishing at one integrated site



Brownfield site

Iluka has operated at Eneabba since the 1970s



Utilities

Site has access to major utilities – power, water, gas, roads, rail



Feed optionality

Internal feedstock options and capability to process third party feed



Permanent waste disposal

Facilities constructed inside previous mining voids without rehandle



Your partner for Rare Earths

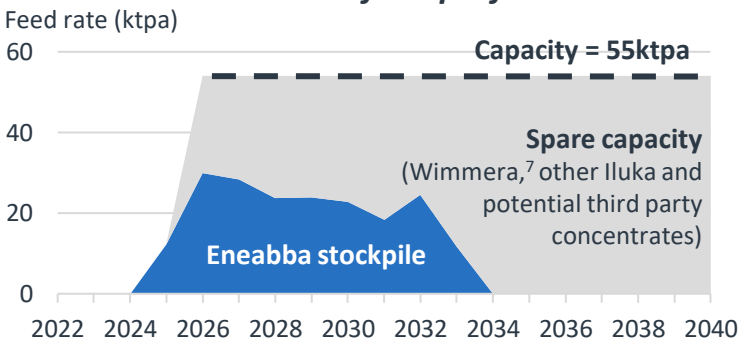
Industry experts embedded with owner's team

Using only the Eneabba stockpile, refinery cash flows³ provide a solid economic return, with significant upside potential associated with the refinery's longevity beyond the Eneabba stockpile

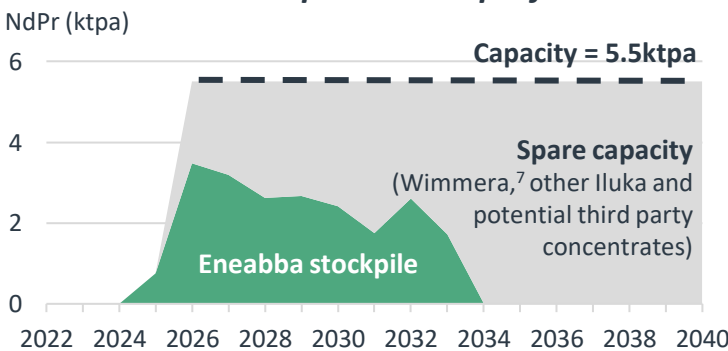
Illustrative refinery economics (Eneabba stockpile only)

Production life	9 years (to 2033)
Average NdPr production	2.7ktpa
LOM avg NdPr price (2021, real) ⁴	US\$106/kg
EFA loan repaid in full	By 2032
Project NPV ⁶	A\$524m

Illustrative feed profile⁵



Illustrative production profile⁵



Notes: 1. TREO plant capacity is 23ktpa with all circuits fully utilised. Modelled plant capacity based on various feed blends is 17.5ktpa. 2. The refinery circuits will produce Nd, Pr, didymium oxides (a mixed NdPr oxide product). NdPr plant capacity is 5.5ktpa. 3. Subject to price forecasts. 4. Adamas price forecasts set out on slide 20. 5. Illustrative Eneabba only production life only – flexibility to extend production life subject to securing additional feedstock sources. 6. Project NPV (8.25% post tax nominal WACC) assesses post tax free cash flows prior to financing charges and distributions. Excludes any terminal or option value for utilisation of the Eneabba refinery post production from Eneabba feedstock. Based on Adamas price forecasts set out on slide 20. TREO basket price of US\$36/kg (LOM average 2021 real) 7. Wimmera is currently subject to a PFS, which is expected to be complete in late 2022. Additional feedstock sources are illustrative only.

1 Mineral sands business + Deterra Royalties stake (20%)

- Strong cash flow generation from mineral sands operations to fund project pipeline
- Net cash of \$295 million as at 31 December 2021
- Multi Option Facility Agreement (MOFA) provides funding headroom
 - total facilities \$512 million (as at 31 December 2021), maturity July 2024

Debt framework

No net debt through the cycle

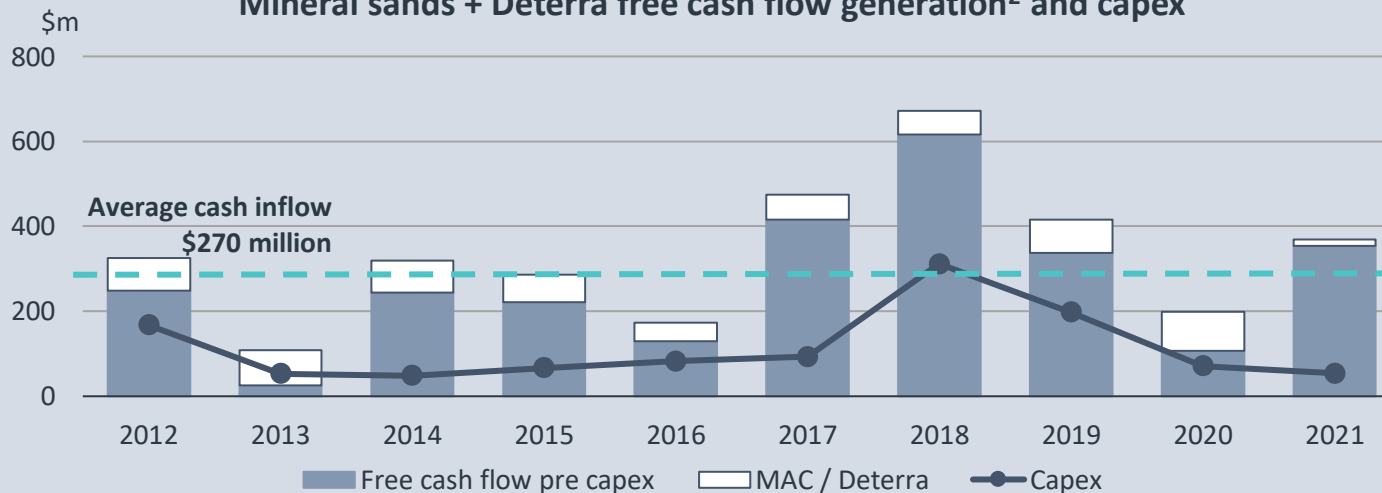
Dividend framework

100% of dividends received from Deterra Royalties; and a minimum of 40% of mineral sands free cash flow not required for investing or balance sheet activity

20% stake Deterra Royalties

Deterra (ASX:DRR) market cap ~A\$2.4bn¹. Provides additional financial strength

Mineral sands + Deterra free cash flow generation² and capex



2 Rare earths business

- Facility term up to 16 years
- Loan is non-recourse to Iluka
- Maximum debt \$1.25bn
- Peak debt expected ~2025
- Iluka's royalty and additional cash distributions are expected to deliver attractive cash flows to Iluka
- Potential Iluka dividend framework for RefineryCo cash flows will be reviewed and announced closer to commissioning



Strong cash flow generation to fund mineral sands projects



Deterra royalty stream set to benefit from production growth at BHP's Mining Area C South Flank³



Eneabba refinery fully funded in partnership with Australian Government



Rare earths diversification does not put mineral sands business at risk

1. Market capitalisation as at 9 May 2022
 2. Free cash flow excludes acquisition cost of Sierra Rutile Limited.
 3. Subject to iron ore prices and AUD:USD exchange rate

Iluka's purpose is to deliver sustainable value
Our goal is to be a safe, responsible and sustainable supplier of critical minerals

Trusted by our people and communities



To build the capability of Iluka's workforce and embed a consistent and open approach to the relationships Iluka has with the communities in which it operates

Responsible for our environment



To be cognisant of the impact of Iluka's operations on the environment and maximise the efficiency in how the company operates

Operate in and provide products for a low carbon world



To recognise that the manner in which Iluka operates and evolves its business can reduce the company's carbon footprint and provide opportunities to support the transition to a low carbon economy



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Iluka Resources Limited (ASX:ILU)

For more information contact

Luke Woodgate, Group Manager, Investor Relations and Corporate Affairs

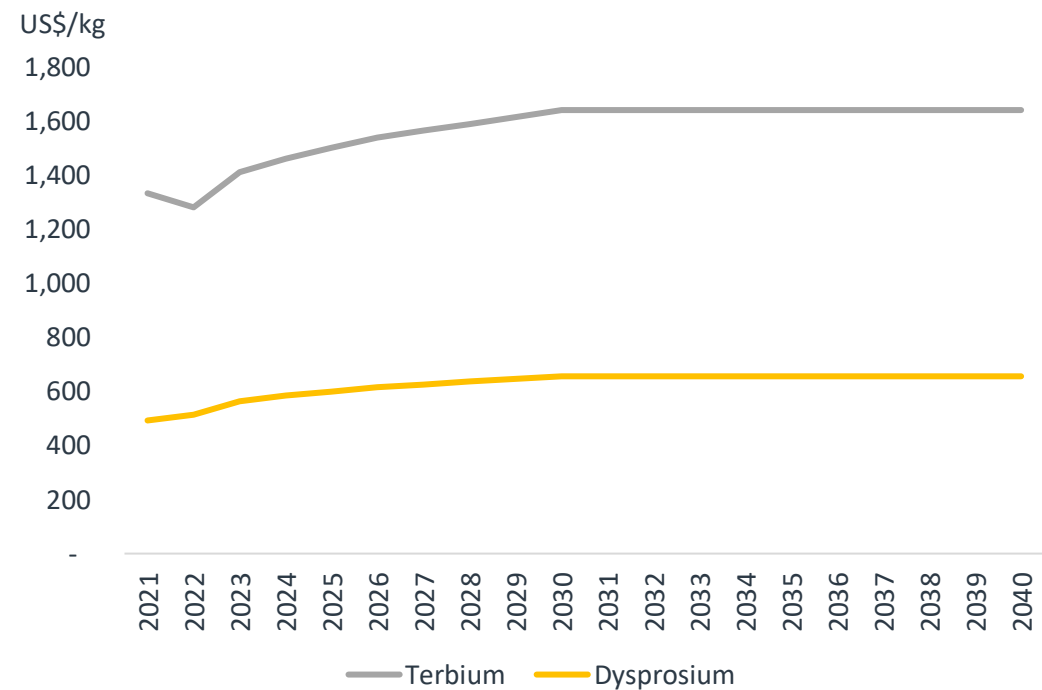
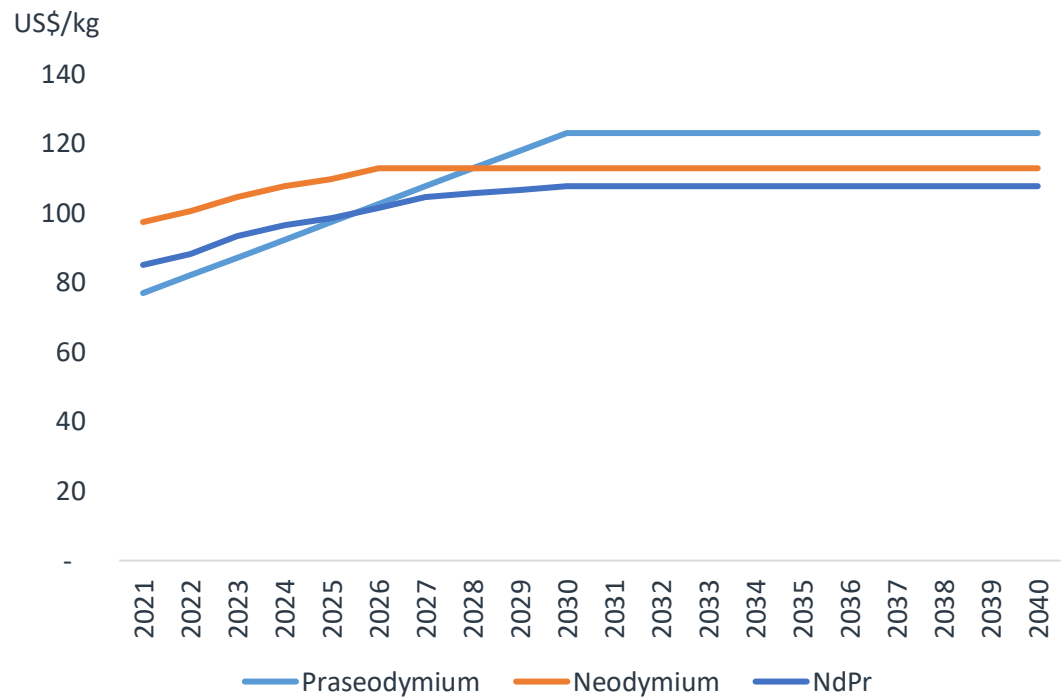
investor.relations@iluka.com



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Supplementary information





Notes: Prices shown are US\$/kg real 2021 incl VAT

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.

The Mineral Resource estimate for Iluka’s Wimmera Deposits was presented in an announcement released by the ASX on 30 November 2021 “Wimmera Mineral Resource Estimate” which is available to view at www.iluka.com/investors-media/asx-disclosures.

The Mineral Resource estimate for Iluka’s MSP By-products Stockpile is extracted from the announcement dated 24 July 2019 "Eneabba Mineral Sands Recovery Project Update" which is available to view at www.iluka.com/investors-media/asx-disclosures. Updates to the Mineral Resource estimates for MSP By-products Stockpile, Iluka's Annual Report for 2020, released 25 February 2021 and Iluka's Annual Report for 2021, released 24 February 2022 which are available to view 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 the original market announcements and updates in the Annual Reports and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements and updates in the Annual Reports continue to apply and have not materially changed.

Deposit	Mineral Resource Category ⁽¹⁾	Material Tonnes mt	In Situ HM Tonnes kt	HM Grade (%)	Clay Grade (%)	HM Assemblage ⁽²⁾				
						Ilmenite Grade (%)	Zircon Grade (%)	Rutile Grade (%)	Monazite Grade (%)	Xenotime Grade (%)
MSP By-Product Stockpile	Measured	682	573	84.0	3.1	32.4	26.4	-	20.2	1.2
	Indicated	237	186	78.5	3.7	35.3	32.6	-	12.9	1.7
	Inferred	62	43	69.4	4.7	38.2	28.5	-	12.1	1.1
Total ⁽⁴⁾		981	802	81.8	3.3	33.4	28.0	-	18.1	1.3

Deposit	Ore Reserve Category ⁽³⁾	Ore Tonnes kt	In Situ HM Tonnes kt	HM Grade (%)	Clay Grade (%)	HM Assemblage ⁽²⁾				
						Ilmenite Grade (%)	Zircon Grade (%)	Rutile Grade (%)	Monazite Grade (%)	Xenotime Grade (%)
MSP By-Product Stockpile	Proved	689	584	84.7	3.0	32.2	26.7	-	20.4	1.2
	Probable	221	173	78.3	3.7	35.1	33.2	-	12.7	1.7
Total ⁽⁴⁾		910	756	83.1	3.2	32.9	28.2	-	18.6	1.3

Deposit	Mineral Resource Category ⁽¹⁾	Material Tonnes mt	In Situ HM Tonnes kt	HM Grade (%)	Clay Grade (%)	HM Assemblage ⁽²⁾				
						Ilmenite Grade (%)	Zircon Grade (%)	Rutile Grade (%)	Monazite Grade (%)	Xenotime Grade (%)
WIM100	Indicated	339	15,870	4.7	13.0	33.0	17.0	6.0	2.2	0.5
	Inferred	99	3,370	3.4	14.0	35.0	17.0	6.0	2.2	0.5
WIM50	Inferred	360	14,820	4.1	11.8	38.3	16.0	7.4	1.8	0.4
WIM50 North	Inferred	577	33,120	5.7	14.2	29.0	14.6	4.0	1.8	0.4
Indicated Total		339	15,870	4.7	13.0	33.0	17.0	6.0	2.2	0.5
Inferred Total		1,036	51,310	5.0	13.3	32.1	15.2	5.1	1.8	0.4
Total ⁽⁴⁾		1,375	67,180	4.9	13.3	32.3	15.6	5.3	1.9	0.4

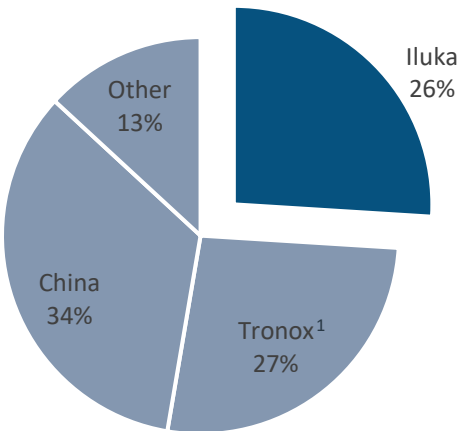
Rare earth oxide assemblage		
	Eneabba assemblage	Wimmera assemblage
Lanthanum	22%	18%
Cerium	45%	37%
Praseodymium	5%	4%
Neodymium	17%	16%
Promethium	0%	0%
Samarium	3%	3%
Europium	0%	0%
Gadolinium	1%	2%
Terbium	0%	0%
Dysprosium	1%	2%
Holmium	0%	0%
Erbium	0%	1%
Thulium	0%	0%
Ytterbium	0%	1%
Lutetium	0%	0%
Scandium	0%	0%
Yttrium	6%	14%

1. Mineral resources are inclusive of Ore Reserves
2. Mineral assemblage is reported as a percentage of in situ HM component.
3. Ore Reserves are a sub-set of Mineral Resources.
4. Rounding may generate differences in the last decimal place. The aggregated totals may appear to reflect a greater degree of precision than individual deposits to maintain consistency in reporting.

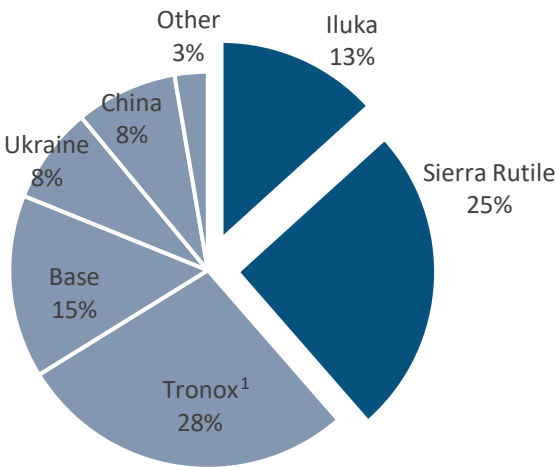
High grade titanium



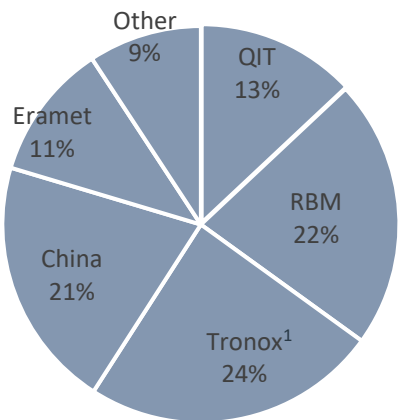
2021 global synthetic rutile supply
(700kt TiO₂)



2021 global rutile supply
(500kt TiO₂)



2021 global chloride slag supply
(1,300kt TiO₂)

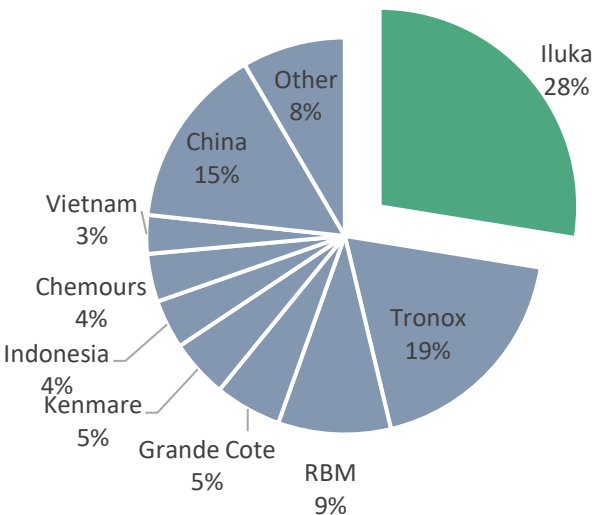


2021 UGS global supply
(240kt TiO₂)
100% QIT

Zircon



2021 global zircon supply
(1,200kt)



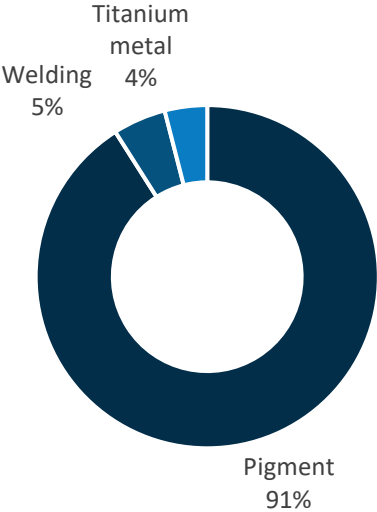
1. Tronox is a vertically integrated mining and inorganic chemicals business.
Source: Iluka and TZMI

Titanium feedstocks

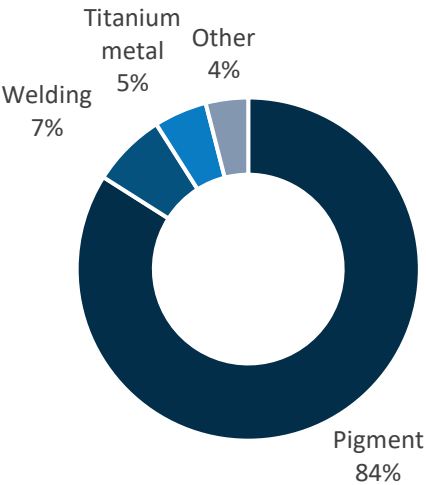
(Iluka products: rutile, synthetic rutile and ilmenite)



Industry demand



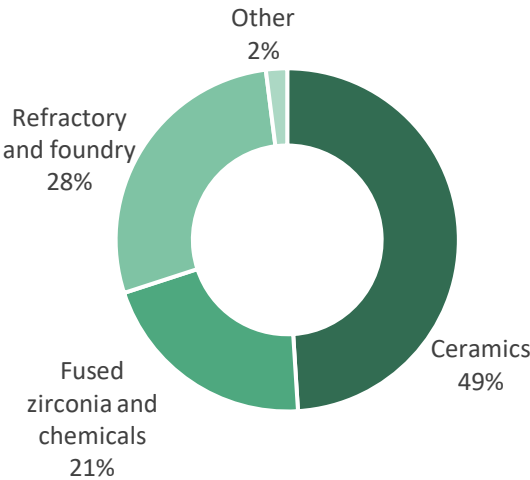
Iluka sales



Zircon



Industry demand



Iluka sales

