TZMI 2011 Congress

Iluka's Exploration & Resource Development Capability

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ILUKA

Disclaimer – Forward Looking Statements

Forward Looking Statements

This presentation contains forward-looking statements that are subject to risk factors associated with exploring for, developing, mining, processing and sale of minerals. Forward-looking statements include those containing such words as anticipate, estimates, should, will, expects, plans or similar expressions. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a range of variables and changes in underlying assumptions which could cause actual results or trends to differ materially. These include, but are not limited to: price and currency fluctuations, actual supply versus demand, production results, ore reserve and mineral resource estimates, loss of market, industry competition, environmental risks, physical risks, legislative and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Specific Risks & Sensitivities

The information contained in this presentation is subject to, but not exclusively to, the following:

- 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; and
- environmental or social pressures which impact license to operate.

All currency referred to is Australian denominated unless otherwise indicated.

Competent Person Statement

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Greg Jones and Chris Lee who are Members of the Australasian Institute of Mining and Metallurgy. Each of Messrs Jones and Lee is a full time employee of Iluka and has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Messrs Jones and Lee consent to the inclusion in this presentation of the matters based on their information in the form and context in which it appears.

Production Potential Assumptions

Production Potential on slide 26 is predominantly based on a combination of Proved and Probable Ore Reserves and Measured and Indicated Mineral Resources that have been subjected to project studies (Enhanced Production Project - EPP) using Iluka long term cost and pricing estimates and an assessment of risk including access, approval and development timing. A very small portion of the Production Potential is based on Inferred Mineral Resources totalling approximately zero to four per cent of the Production Potential.

ILUKA

"To create and deliver value for shareholders"

By:

"Discovering and commercialising Tier 1 and 2 ore bodies and finding economic extensions to existing ore bodies"

Contents

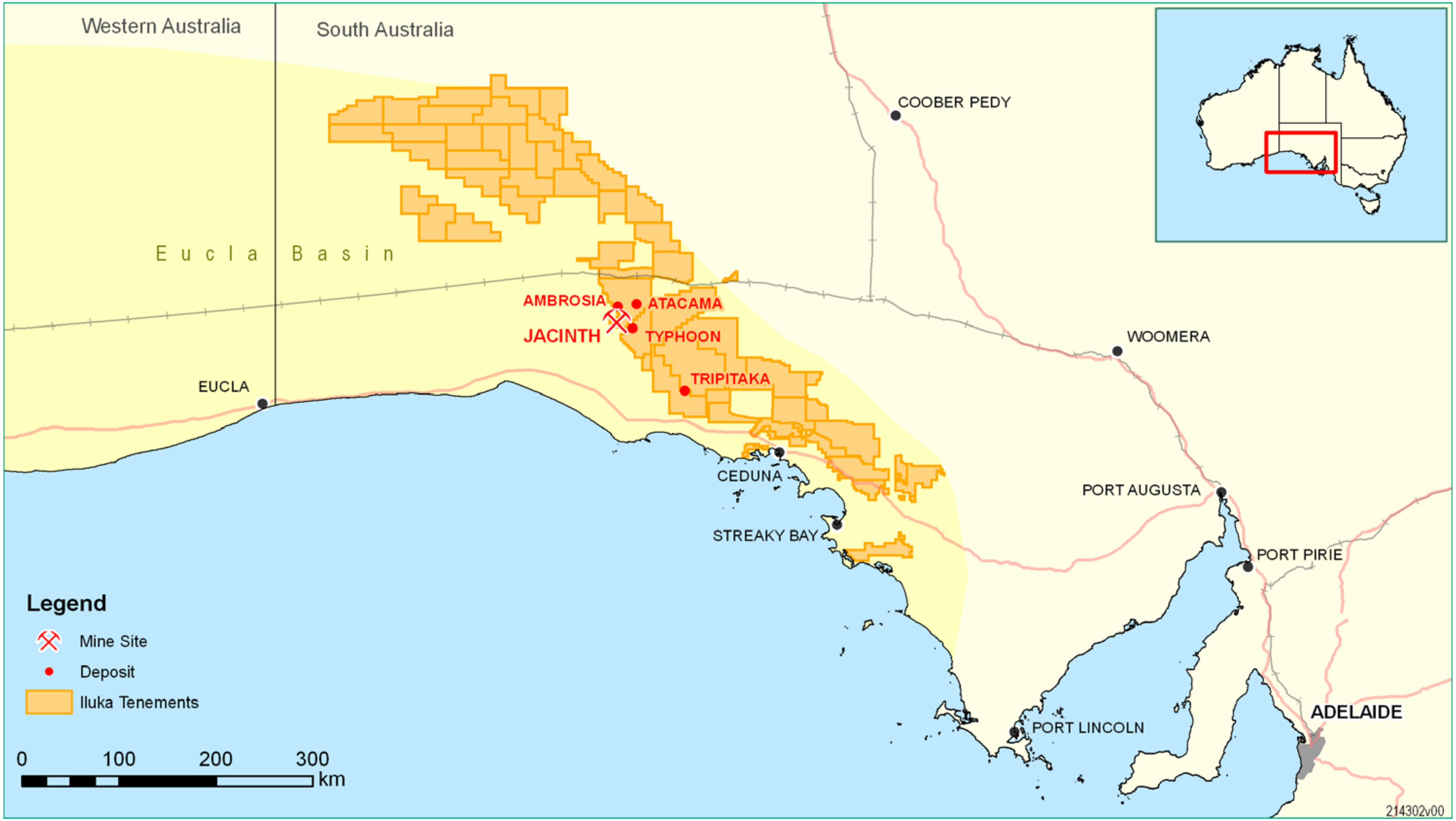
Iluka's Exploration Team

340+ years of experience

- 31 geologists
- 340 years of experience, 160 years of which is in mineral sands
- dedicated exploration teams in:
  - Eucla Basin
  - Murray Basin
  - Perth Basin
  - Americas
  - Project Generation
- "Explorer of the Year" in 2006 for the Tier 1 Jacinth-Ambrosia discovery

Contents

Eucla Basin



Western Australia
South Australia
Eucla Basin
COOBER PEDY
AMBROSIA
ATACAMA
JACINTH
TYPHOON
WOOMERA
TRIPITAKA
EUCLA
CEDUNA
PORT AUGUSTA
STREAKY BAY
PORT PIRIE
ADELAIDE
PORT LINCOLN
Legend
Mine Site
Deposit
Iluka Tenements
0
100
200
300
km
214302v00

Eucla Basin
2011

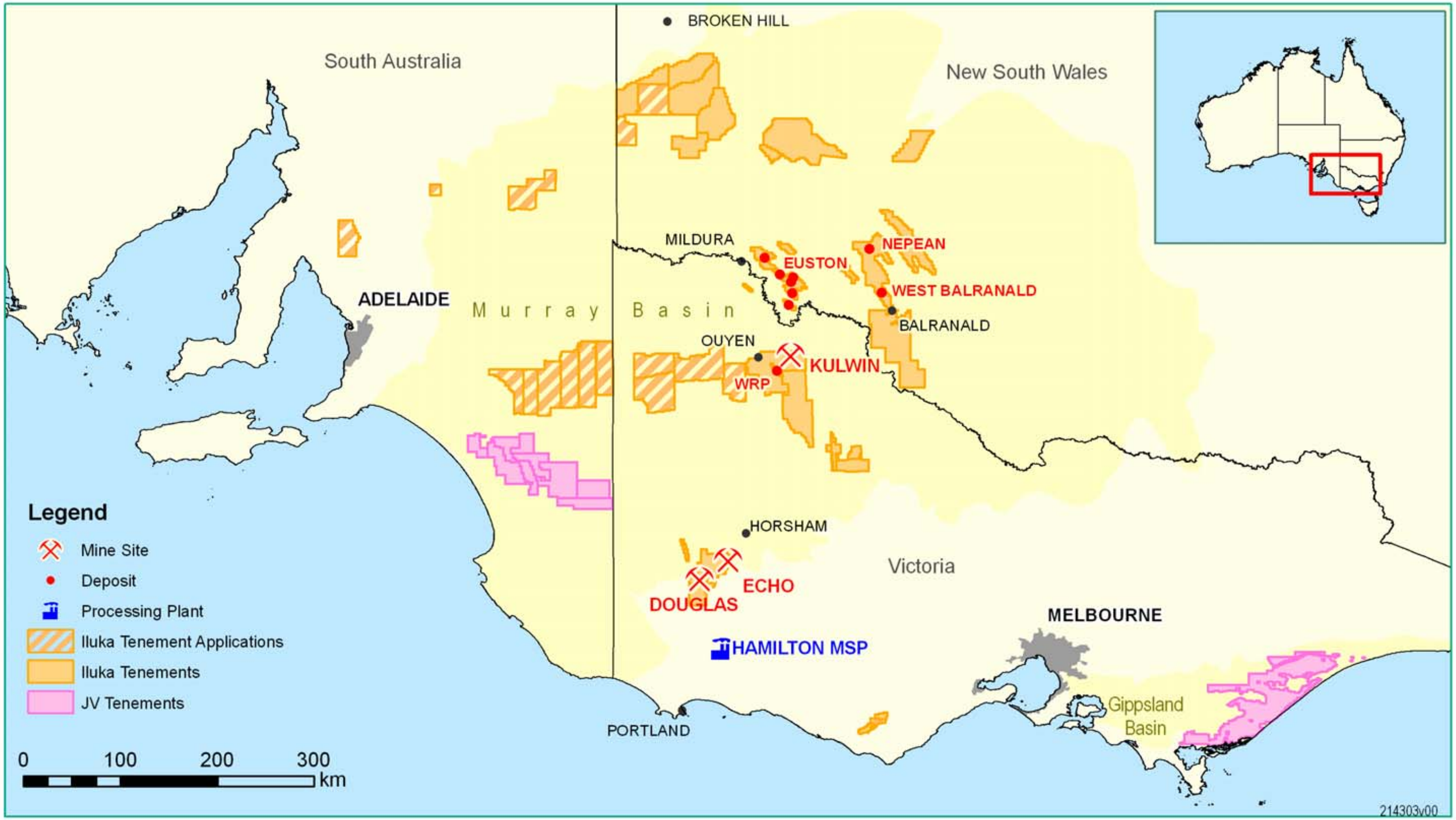
- 2011 expenditure: ~$9m
- 90,000m drilled
- Highlights:
  - Typhoon and Atacama;
  - discovery of Sonoran Prospect;
  - high zircon confirmed in the Maralinga area;
  - non HM targets identified in magnetic survey.

Eucla Basin
2012 Areas of Focus

2012 focus areas:

- 66% greenfields drilling, focussing:
  - within 100km of JA and Tripitaka; and
  - the Maralinga area.
- Tripitaka & Atacama resource upgrade drilling
- 33% expenditure increase to ~$12m
- 33% increase in metres to ~120,000m

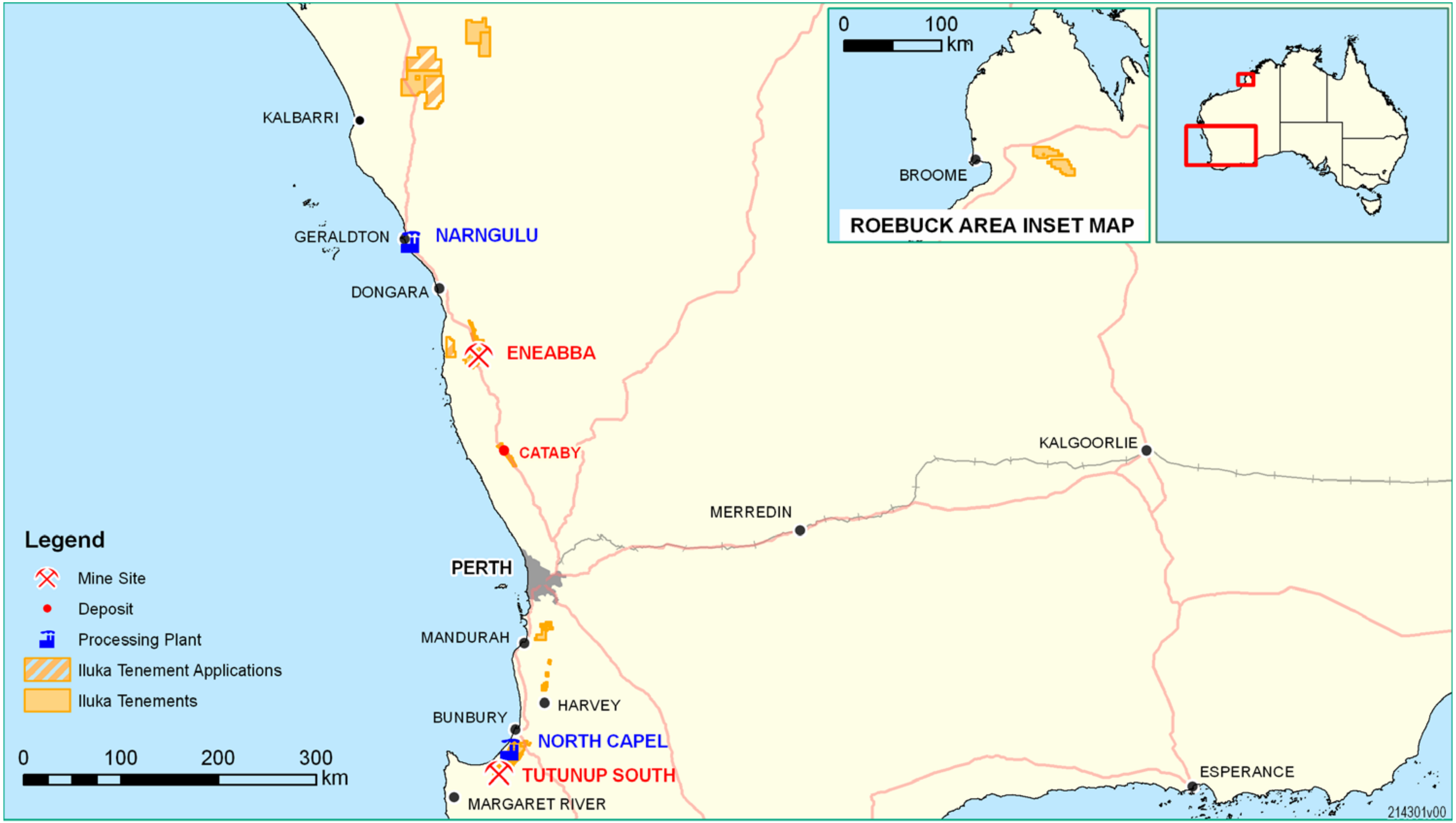
Murray Basin



Murray Basin
2012 Areas of Focus

- 66% greenfields drilling, focussing:
  - new search spaces Gippsland & Otway Basin
  - Central region of Murray Basin
- Focus around existing resources to define any remaining potential e.g. Balranald / Nepean region
- 28% expenditure increase to ~$8m
- 40% increase in metres to ~100,000m

Perth Basin



KALBARRI
GERALDTON
NARNGULU
DONGARA
ENEABBA
CATABY
PERTH
MANDURAH
HARVEY
BUNBURY
NORTH CAPEL
TUTUNUP SOUTH
MARGARET RIVER
MERREDIN
KALGOORLIE
ESPERANCE
0 100 km
BROOME
ROEBUCK AREA INSET MAP
Legend
Mine Site
Deposit
Processing Plant
Iluka Tenement Applications
Iluka Tenements
0 100 200 300 km
214301v00

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International Presence

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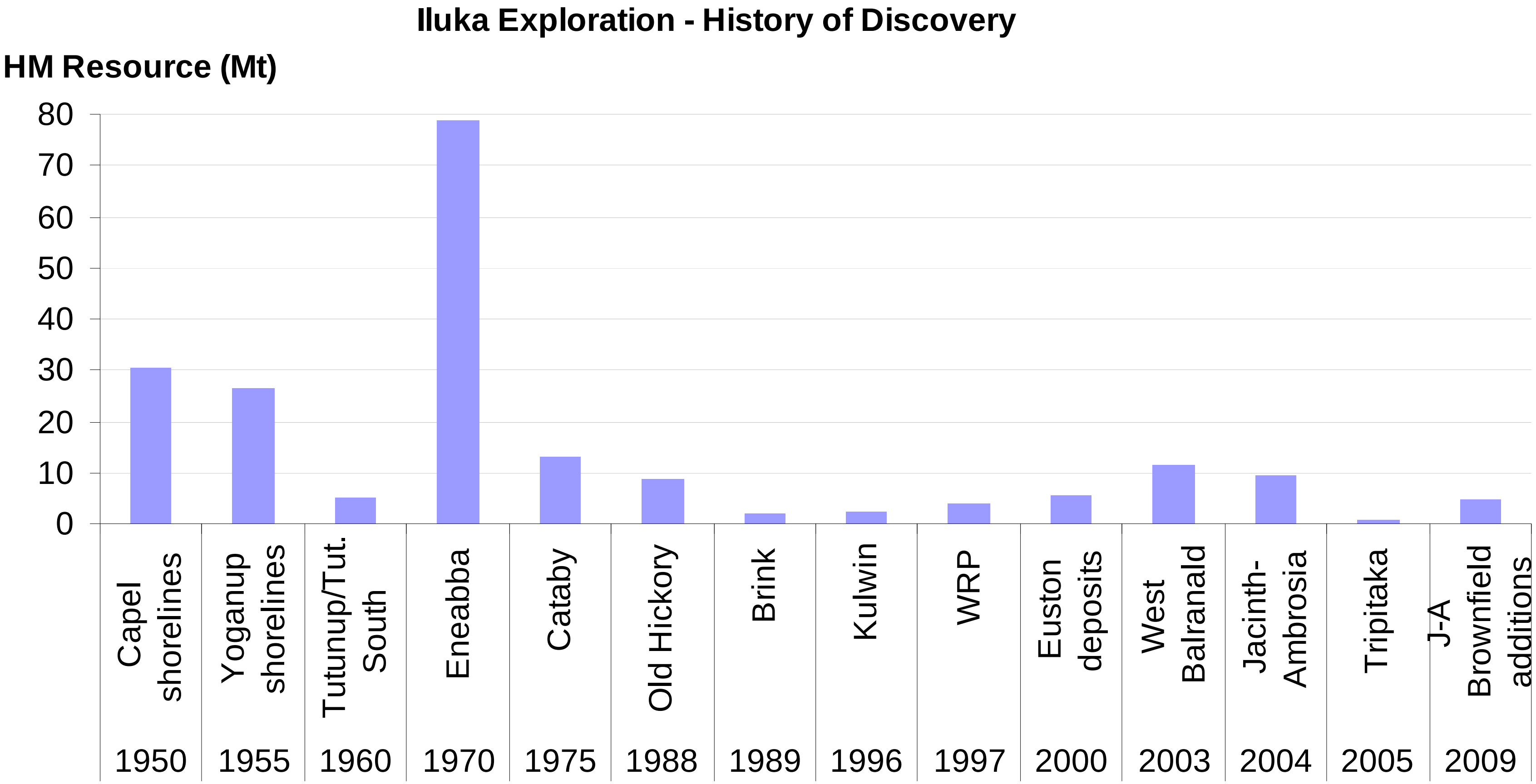
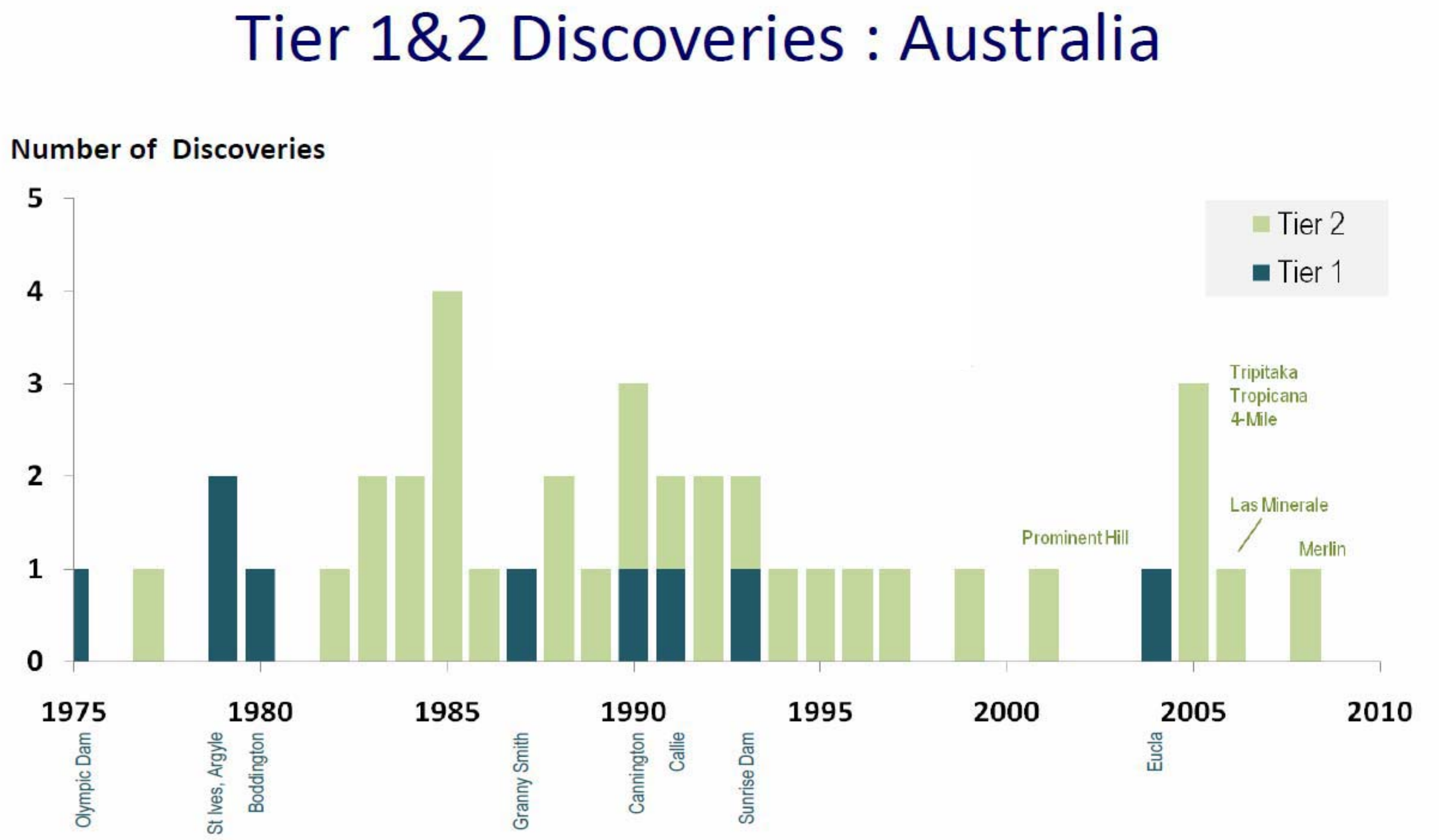
Iluka Exploration
A History of Discovery



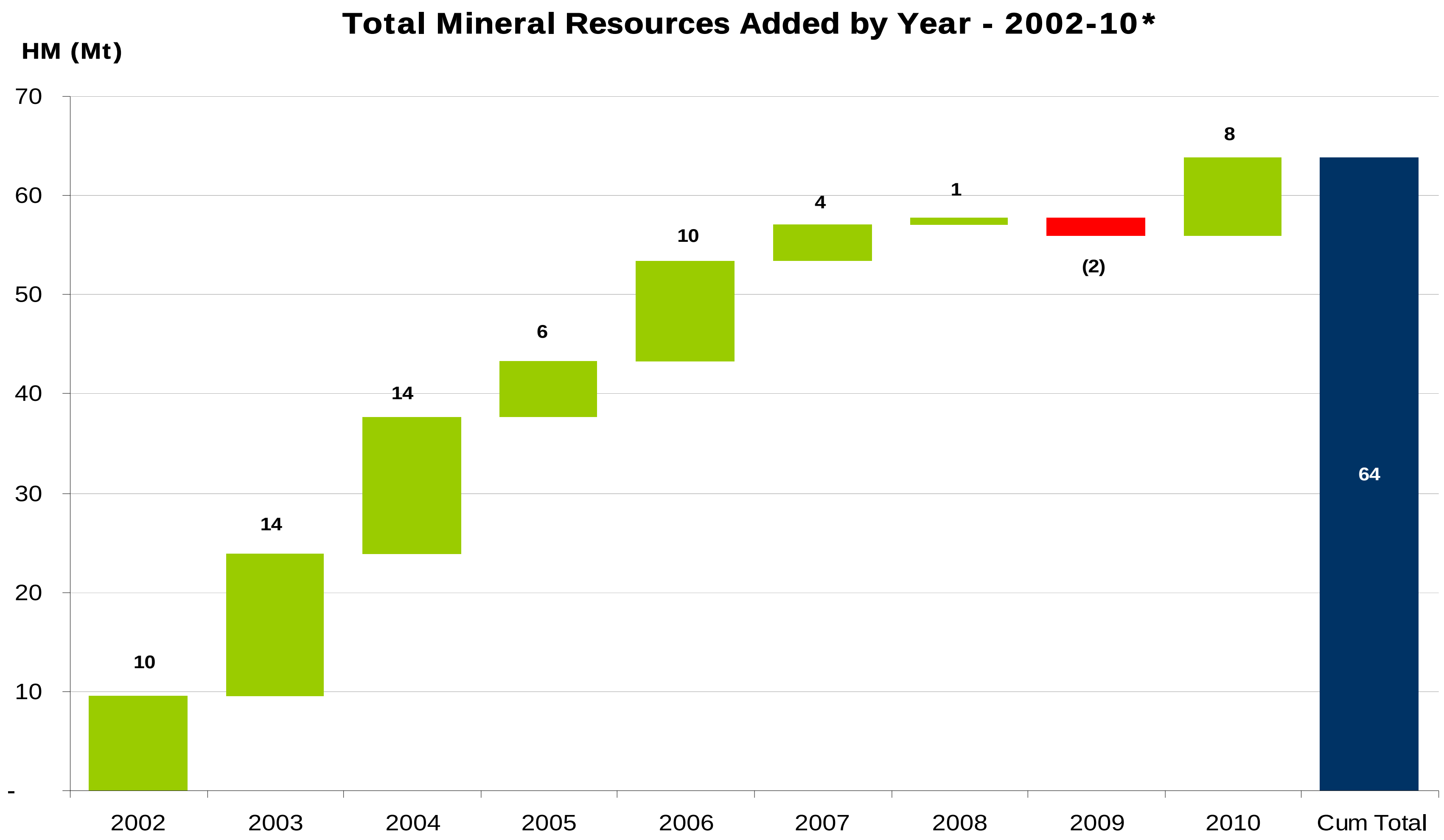
- Only significant discoveries shown
- For simplicity only Heavy Mineral (HM) shown
- Economics dependent on grade, assemblage, overburden & distance from infrastructure



Tier 1 = "Company Making" Mines. They are large, long life and low cost
Tier 2 = "Significant" Deposits. Has some, but not all, of the characteristics of a Tier 1

Source: MinEx Consulting May 2010

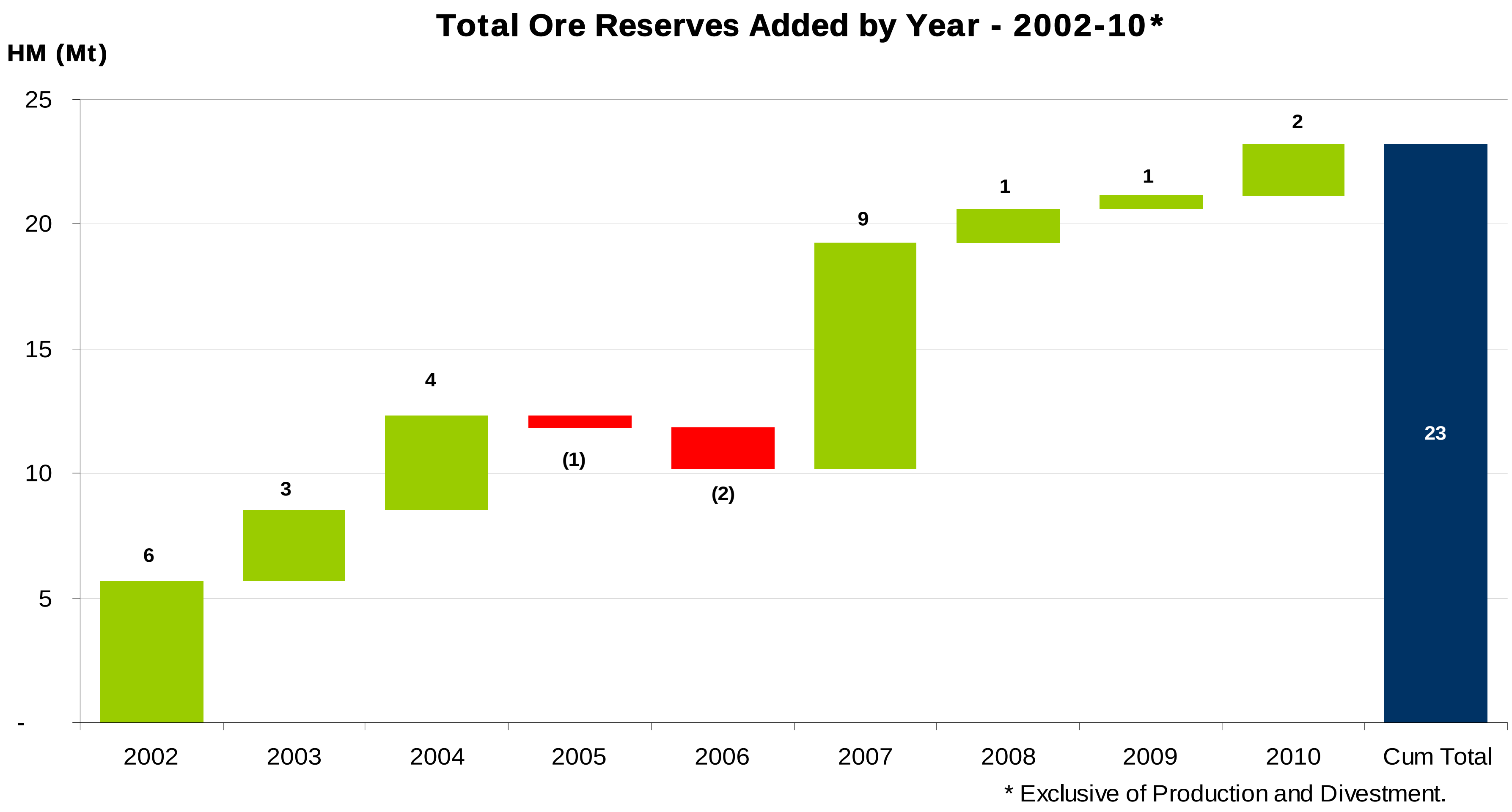
Mineral Resources Additions



* Exclusive of Production and Divestment

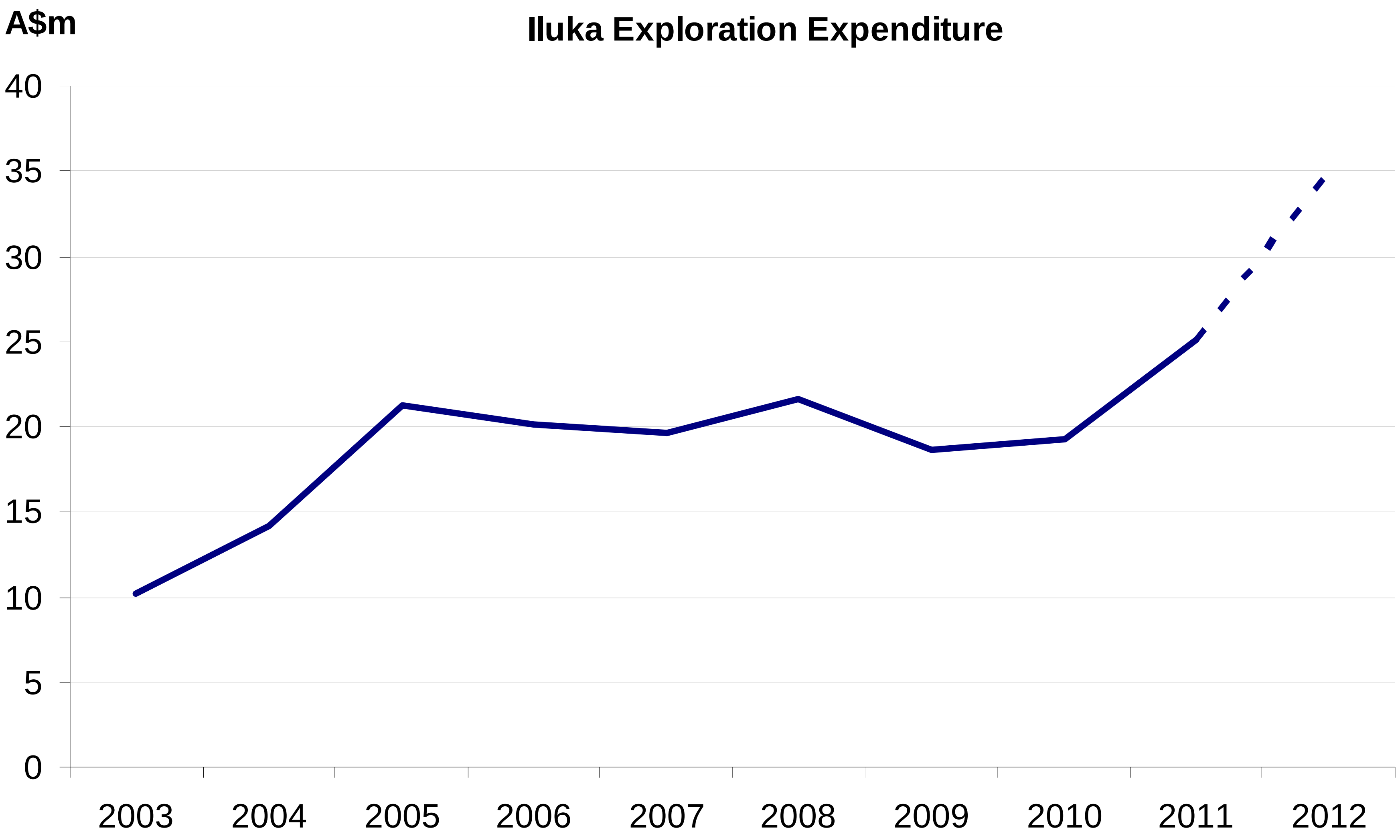
- Refer to the Iluka website www.iluka.com for ASX releases and investor presentations

Ore Reserves Additions



- Refer to the Iluka website www.iluka.com for ASX releases and investor presentations

Exploration Expenditure



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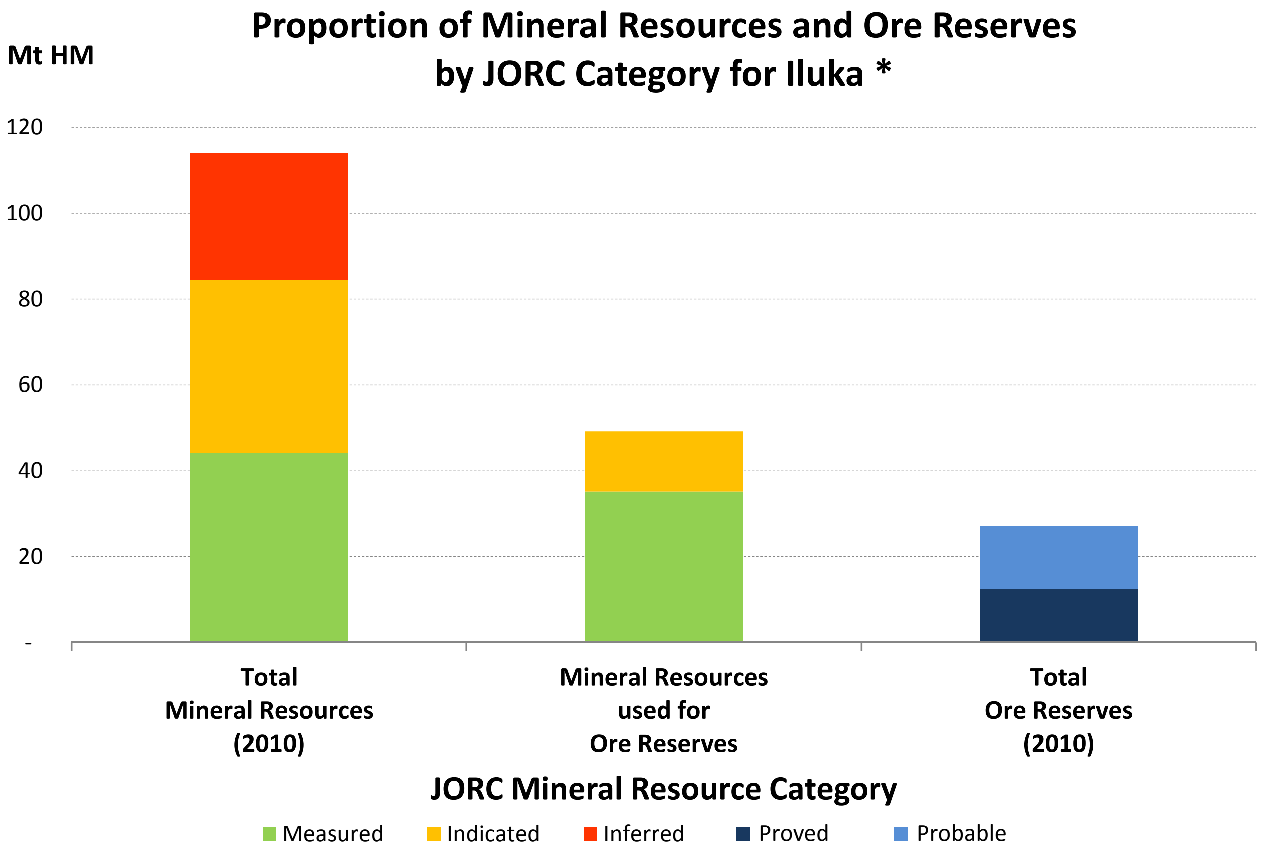
ILUKA

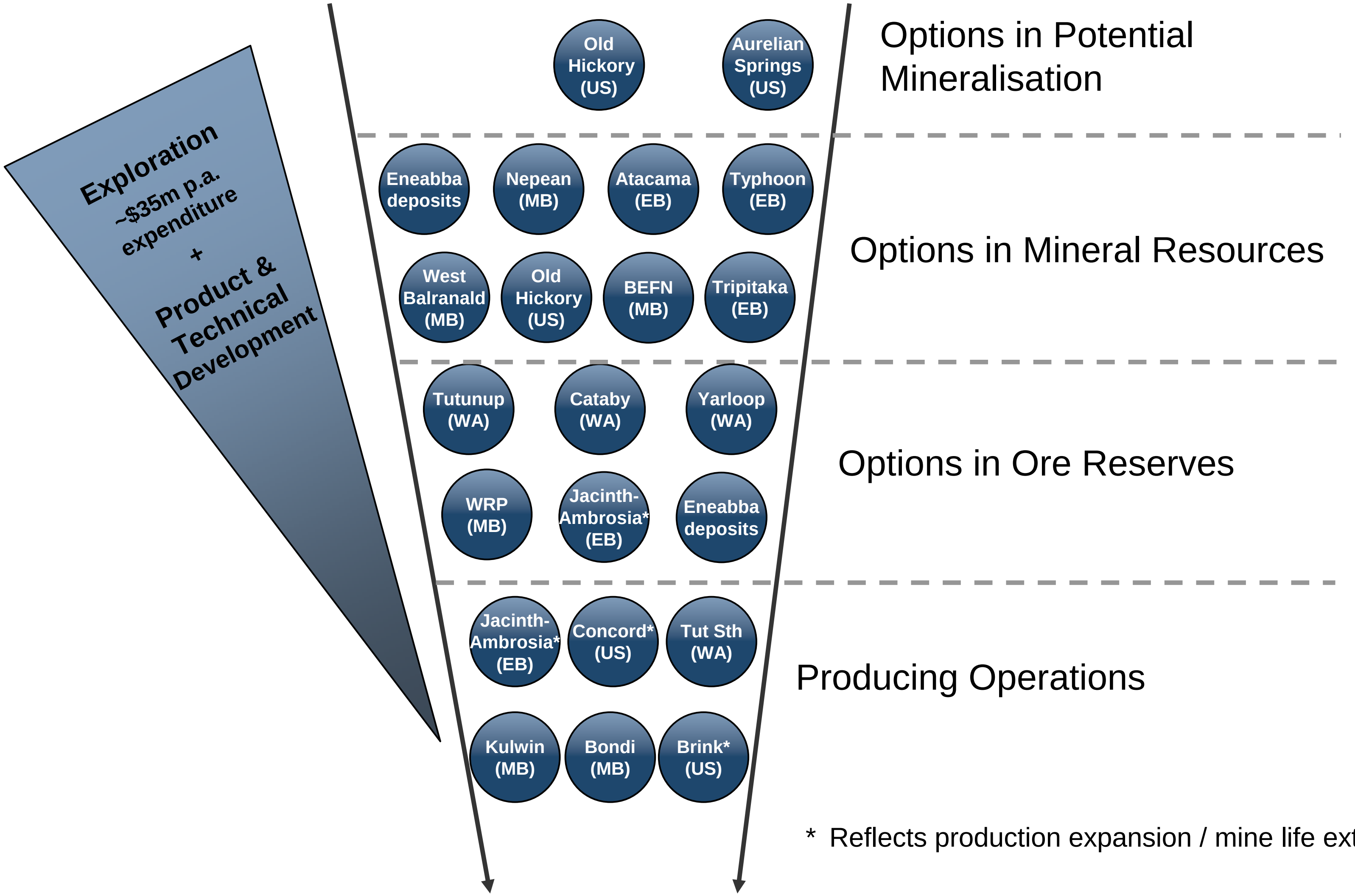
Conversion of Mineral Resources to Ore Reserves

- Breakdown of Mineral Resources for Iluka*
- Breakdown of those Mineral Resources used for conversion to Ore Reserves*



* Refer to the Iluka Resources Limited Concise Annual Report, 2010

Iluka's Production Potential



* Reflects production expansion / mine life extension opportunities

Key Focus of Iluka's Production Options

Alignment with objective: create and deliver value for shareholders

Financial metrics - IRR, payback period, unit costs/margins, ROC, NPV

and

Market considerations – assessment of implications for supply/demand under various scenarios

Options available:

Extend economic life of some deposits and/or

Increase near to medium term production

Enhanced Production Overview

- Extensive assessment of production response options
  - 30+ opportunities identified
  - 10+ subject to detailed evaluation
- Focus on zircon and rutile
- Further work on technical, regulatory and other delivery risk factors required
- Decision on higher production vs longer economic lives
- Supply & demand outlook factored in

Potential Implications for Ilmenite Production and SR Kilns

- Subject to the economics of RZ expansion options, Iluka has the potential to produce sufficient ilmenite to support a 4 kiln operation*
- Additional chloride ilmenite available for expansion of upgrading capacity and sulphate ilmenite for external sales if warranted
- SR production volume and product mix optionality available
- 1 or more kilns potentially devoted to producing high grade sulphate pigment feedstock

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Conclusion

- Large, very experienced exploration team with a global focus
- A track record of discovery
- Exploring in ‘Elephant Country’ for RZ deposits (eg. Eucla and Murray Basins)
- Significant ramp up in activity levels planned (~$35m - $40m in 2012)
- Iluka has a very large Mineral Resource base (114Mt HM)
- Iluka has the ability to respond to anticipated future supply deficits

Iluka Resources Limited

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