Notice to the
Australian Stock Exchange

11 December 2003

ILUKA DECIDES NOT TO SELL MINING AREA C ROYALTY

Mining Area-C is an iron ore mining operation located in the Pilbara region of Western Australia and operated by BHP Billiton. It was officially opened in late October this year with initial capacity of 15 million tonnes per annum by Q1 2004.

Under the terms of an agreement inherited from the acquisition of RGC in 1998, Iluka is entitled to a 1.25% royalty on iron ore sales from Mining Area C plus a once-off capacity payment of A$1 million for each one million tonne increase in annual production above 5 million tonnes.

Iluka instigated a competitive sale process in August this year which resulted in the Company receiving a number of offers, ranging from cash bids through to the establishment of a structured royalty fund. The purpose of this process was to assist the Company in its deliberations on whether to maintain, sell or restructure its entitlement.

Iluka has now completed its assessment of the options for the Mining Area-C royalty entitlement and has decided not to sell its current interest at this point in time.

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