ILUKA

Notice to the
Australian Stock Exchange

6 January 2004

TRIBUNAL APPROVES ILUKA'S PIPELINE APPLICATION

Iluka Resources Limited today welcomed the decision by the Victorian Civil and Administrative Tribunal (VCAT) to grant a Planning Permit Application for the construction of a 20km pipeline from Rocklands Reservoir to the Company's proposed Douglas mine site.

Iluka's Murray Basin General Manager, Peter Beilby said the pipeline is the last outstanding approval for the Douglas project. Subject to the successful outcome of the Detailed Feasibility Study and a final investment decision early in the second quarter of this year, we expect to commence construction of the mine, mineral separation plant and associated infrastructure around the middle of the second quarter of 2004.

The Tribunal was satisfied that Iluka had thoroughly surveyed the pipeline path and chosen a route with minimal impact on native vegetation.

The Tribunal also found that the objectors' concerns regarding environmental flows in the wider river system are not relevant considerations in granting a planning permit for the development and use of land for a pipeline in this case.

The Company is continuing work on the Detailed Feasibility Study to complete detailed engineering and design work and to further refine timing and capital cost estimates. Although subject to the DFS outcome, Iluka plans to invest approximately A$190 million to develop the Douglas mine, mineral separation plant and associated infrastructure. The Company plans to commence operation of the mining wet concentrator plant in the first quarter of 2005 and commissioning of the MSP in the second quarter of 2005.

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