

**ILUKA****Notice to the
Australian Stock Exchange****15 January 2004****DECEMBER QUARTER 2003 PRODUCTION REPORT****Iluka Group production and sales for the quarter ended December 31 2003 and full year are summarised in the following table.**

Product (tonnes)	Quarter 4 2003	Quarter 4 2002	Full year 2003	Full year 2002
Rutile				
production	33,488	45,374	141,641	167,774
sales	40,290	71,699	167,324	172,124
Syn Rutile				
production	119,055	131,717	471,776	447,463
sales	148,952	157,781	466,721	516,598
Ilmenite				
production ¹	386,817	372,035	1,450,552	1,362,793
sales	244,730	183,588	740,423	672,807
Zircon				
production	101,156	97,515	405,685	360,591
sales	151,102	116,072	409,266	363,622
Leucoxene/Hyti				
production ²	3,137	2,855	13,702	11,320
sales ³	15,966	7,279	50,711	47,467
Coal				
production	259,484	238,752	1,036,775	1,012,490
sales	249,544	242,262	1,030,000	1,032,433

Notes

- 1 Includes ilmenite used to manufacture synthetic rutile
- 2 Hyti 91 only
- 3 Sales include Leucoxene, Hyti 91 and Hyti 70
- 4 Group production and sales numbers include 50% of Narama Coal and 100% of Consolidated Rutile Limited's production and sales

Overview of Group Production and Sales

- Group production of ilmenite, zircon, leucoxene/hyti and coal increased in the fourth quarter of 2003 compared with the corresponding period in 2002. The main factor influencing higher mineral sands production in the quarter was the improved overall production performance of the USA operations compared with their performance in the fourth quarter of 2002. Coal production was in line with full year contractual commitments.
- Group sales of ilmenite, zircon, leucoxene/hyti and coal increased in the fourth quarter of 2003 compared with the corresponding period in 2002. Conversely sales of synthetic rutile and rutile decreased compared with the same period in 2002. The decrease in sales was primarily as a result of lower grades in the case of rutile and planned lower full year SR sales (the record SR sales in 2002 were assisted by inventory sales).

ILUKA RESOURCES LIMITED

ABN 34 008 675 018

Level 23, 140 St Georges Terrace, Perth WA 6000 GPO Box U1988, Perth WA 6845

Telephone : +61 8 9360 4700 Facsimile : +61 8 9360 4777

Production for the quarter and full year from each of Iluka's key regional operations are summarised in the following table.

Product (tonnes) & Location	Quarter 4 2003	Quarter 4 2002	Full year 2003	Full year 2002
Rutile				
WA	16,438	23,686	69,713	90,260
USA	5,872	7,967	25,698	21,684
Syn Rutile				
WA	119,055	131,717	471,776	447,463
Ilmenite¹				
WA	274,945	282,492	1,051,247	1,053,800
USA	81,652	64,620	276,129	215,620
Zircon				
WA	69,922	70,017	301,131	259,376
USA	23,840	17,091	74,122	62,063
Hyti 91				
WA	3,137	2,855	13,702	11,320
Coal				
NSW	259,484	238,752	1,036,775	1,012,490

Notes

1 - Ilmenite includes Hyti 70 in WA and Leucoxene in the USA. 2 - NSW refers to Iluka's 50% interest in the Narama Coal Joint Venture. 3 - WA Ilmenite production includes ilmenite used to manufacture SR

Consolidated Rutile Limited production (100%) for the quarter and full year is summarised in the following table (for more details see CRL's quarterly production report dated 13 January 2004).

Product (tonnes)	Quarter 4 2003	Quarter 4 2002	Full Year 2003	Full year 2002
Rutile	11,178	13,721	46,230	55,830
Ilmenite	30,220	24,923	123,201	94,373
Zircon	7,394	10,407	30,433	39,152

Review of Regional Performance in the Quarter

WA

- Ilmenite and zircon production were similar to the levels achieved in the corresponding period of 2002. Lower rutile production levels reflect declining grades in the mid-west. In the case of SR, production was impacted by reduced throughput levels in the SR4 and SR2 kilns in the mid-west and south-west, respectively.

USA

- Higher ilmenite and zircon production levels reflect the improved performance of the Old Hickory operations in Virginia (where MnM projects and other operational improvements have resulted in increases to production rates some 10% higher than optimisation project levels) and the improved performance of the mobile concentrator (MC1) in Florida.

Qld

- Rutile and zircon production levels were lower as a result of Yarraman dredge repairs and recommissioning (a return to full capacity was achieved in November) and lower dredge grades at both mines. The impact on production from Yarraman and lower grades was partially offset by supplementary dry mining at both the Ibis and Yarraman mine sites. Production of ilmenite at the Pinkenba Mill increased in response to higher demand.

NSW

- Coal production and sales were slightly higher and remain in line with full year contractual requirements.

Iluka's sales revenue, capital and exploration expenditure for the quarter and full year is summarised in the following table.

	Quarter 4 2003	Quarter 4 2002	Full year 2003	Full year 2002
Sales Revenue				
WA	176.4	205.3	584.1	607.5
USA	30.7	36.9	106.4	105.7
Qld	18.4	27.6	62.2	88.2
NSW	8.3	7.7	33.1	31.7
Total (A\$m)	233.8	277.5	785.8	833.1
Capex (A\$m)	38.7	31.9	132.8	123.3
Exploration (A\$m)	3.0	1.5	12.4	6.8

Notes

All revenues shown include any hedging gains and are based on 50% of Narama Coal and 100% of Consolidated Rutile Limited's revenues. Exploration is shown as cash expenditure. All financials remain subject to audit confirmation.

Exploration Results and Highlights

- Exploration in the Murray Basin continued on tenements in New South Wales (NSW) and Victoria, including air core drilling of regional and specific targets and additional evaluation drilling on the KWR and Douglas projects.
- Drilling in Western Australia (WA) continued to focus on and about operational sites. Ongoing assessment of the Company's tenement portfolio in the Perth Basin also led the relinquishment of several tenements as listed below.
- The Company commenced exploration on the Farafangana prospect on the east coast of Madagascar. This resource has the potential to be a source of high quality ilmenite suitable for use as a SR feedstock in Western Australia in the longer-term.
- Work in the USA continued on areas near existing operations in Florida/Virginia as well as the Lulaton project area. An RC (air-core) rig was mobilised to test exploration and development targets.
- Drilling Activity - Perth Basin 28,717 metres, Murray Basin 9,896 metres, USA 3,730 metres, Madagascar 2,458 metres.
- Tenement Relinquishments - P70/212-213, RLA70/16 and MLA70/423 – Bullsbrook, WA, E70/2042, 2117 and 2133-2134 – Hill River, WA, M70/838-841 and 1096 – Nambung, WA, E70/2201 – Eneabba, WA, EL4294 – Victoria
- Tenement Applications - EL 70/2634 – Eneabba WA, ELA 4787 – NSW, Eight new tenements (17,500sq.km) applied for in the eastern Eucla Basin in South Australia.

2003 Full Year Profit Outlook

Iluka's full year sales and product shipments were in line with internal expectations and management expects to achieve a 2003 full year after tax profit result within the previously advised range of A\$80 to A\$90 million.

Mike Folwell
Managing Director and CEO