



**ILUKA**

**Notice to the  
Australian Stock Exchange**

**10 February 2004**

**ILUKA USA OPERATIONS UPDATE**

Iluka Resources Limited wishes to advise that excellent progress has been made over the past two months with a US\$36 million project to develop a new mine, mineral concentrator and associated infrastructure in Lulaton, Georgia.

The construction program has been completed and commissioning of the mineral concentrator is underway. First heavy mineral concentrate has been produced and the Company plans to increase production to full commercial rates during February, two months ahead of the previously advised schedule. The Lulaton mineral concentrator (post-commissioning) will have a name-plate feed-rate capacity of 1,000 tonnes per hour, which is similar to the large concentrators utilised in Iluka's dry mining operations in Western Australia.

Good progress has also been made on a US\$3 million business improvement project to upgrade the MC1 mobile mineral concentrator in Florida. The project involved a three week shutdown for modifications to increase the feed-rate capacity from 350 to 500 tonnes per hour and improve the overall productivity of the unit. Recommissioning is about to commence.

With respect to the dredging operations at Green Cove Springs in Florida, the Company wishes to advise that operations have been extended beyond the planned finish date of mid-January 2004 and will now cease late in the first quarter of 2004. Planning for the decommissioning of the dredge and floating minerals concentrator is underway.

The ongoing benefits from cost reductions and operational improvements together with Lulaton, the improved performance of MC1 and the expanded Old Hickory operations in Virginia, are expected to deliver a significant improvement in performance and underpin the return to profitability of the USA operations.

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