ILUKA

Notice to the Australian Stock Exchange

5 November 2004

Exploration Results Confirm Significant Zircon Potential in the Eucla Basin

Iluka Resources Limited wishes to announce the discovery of the zircon-rich Jacinth mineral sands prospect in the South Australian sector of the Eucla Basin. The discovery is in the south-eastern half of Iluka's wholly owned Exploration Licence 2900 and is located approximately 200 kilometres north-west of Ceduna and 45 kilometres south of the transcontinental railway (see location map in attachment-1).

Sample assays from the discovery have confirmed the zircon endowment of this section of the Eucla Basin and the size, grades and low-clay content (8%) suggest that it has the potential to be economically developed. The initial laboratory results also suggest that the mineral has the potential to be treated by conventional mineral separation technology (see exploration results in attachment-1). In addition, significant quantities of rutile and secondary ilmenite are present in the discovery area.

Iluka's Managing Director, Mr Mike Folwell said "this discovery validates Iluka's strategy to preferentially target zircon and rutile".

He added that "based on the results from the discovery drill line the mineral assemblage of the Jacinth Prospect is very attractive with an average heavy mineral content of 10% which contains an average of 52% zircon, 7% rutile and 24% ilmenite. This compares very favourably with the mineral assemblage of the Eneabba mineral sands province in its heyday".

"Iluka is already the world's largest producer of zircon and rutile (accounting for 37% and 38% of global zircon and rutile market share respectively in 2003) and is well placed to maintain or expand this position with the Douglas project in the Murray Basin commencing production in the fourth quarter of 2005 and additional zircon and rutile production from the KWR and/or Euston projects planned for the second half of 2007".

"This discovery builds on the Company's successful exploration efforts in the Murray Basin and provides an opportunity for an additional future zircon and rutile production option in Australia. It also represents a significant potential value capture opportunity as the global supply of both products is expected to remain relatively tight in the foreseeable future", Mr Folwell said.

He added "the price outlook for rutile was positive and very positive in the case of zircon. Iluka recently finalised zircon pricing negotiations with its major customers for product sales in the 2005 calendar year. As a consequence, zircon prices will progressively increase from the current price of around US$500 per tonne to about US$600 per tonne in 2005."

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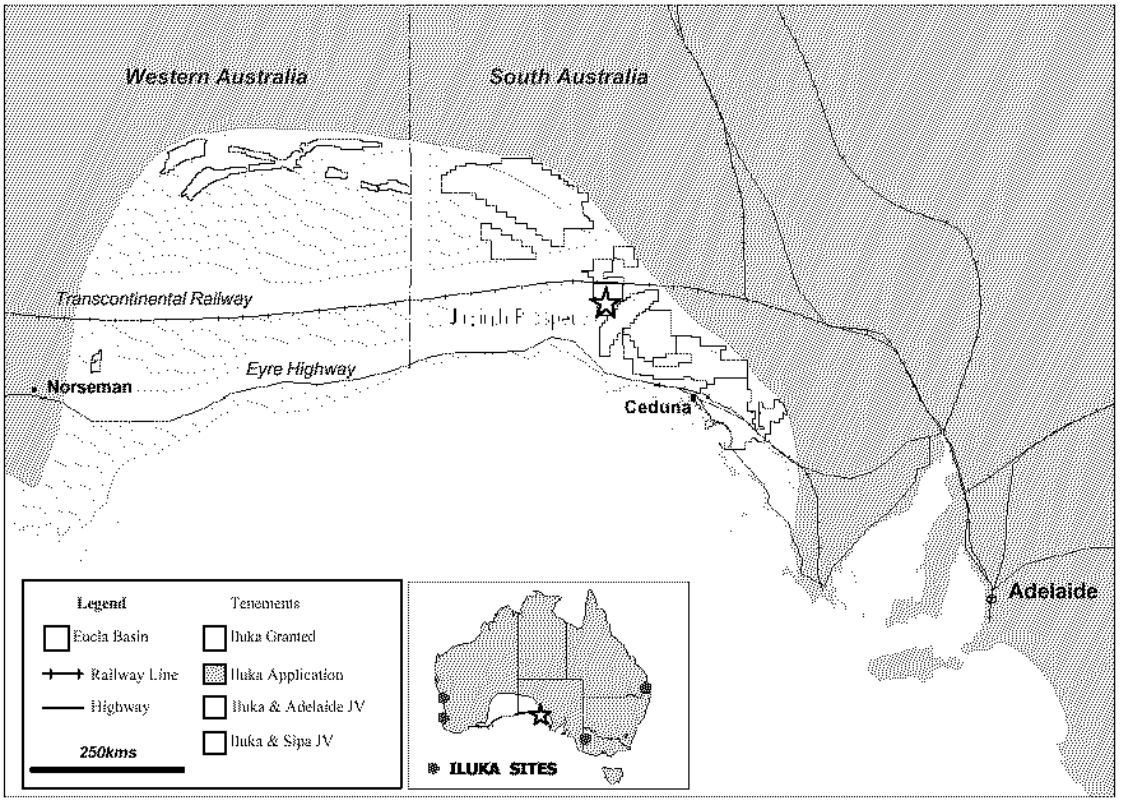
Attachment -1

Background

The Jacinth Prospect is believed to represent classic beach placer style mineralisation with a high grade "placer" core and associated overlying mineralised dunal sands with the mineralisation located along a buried, ancient shoreline.

Jacinth Prospect Location Map



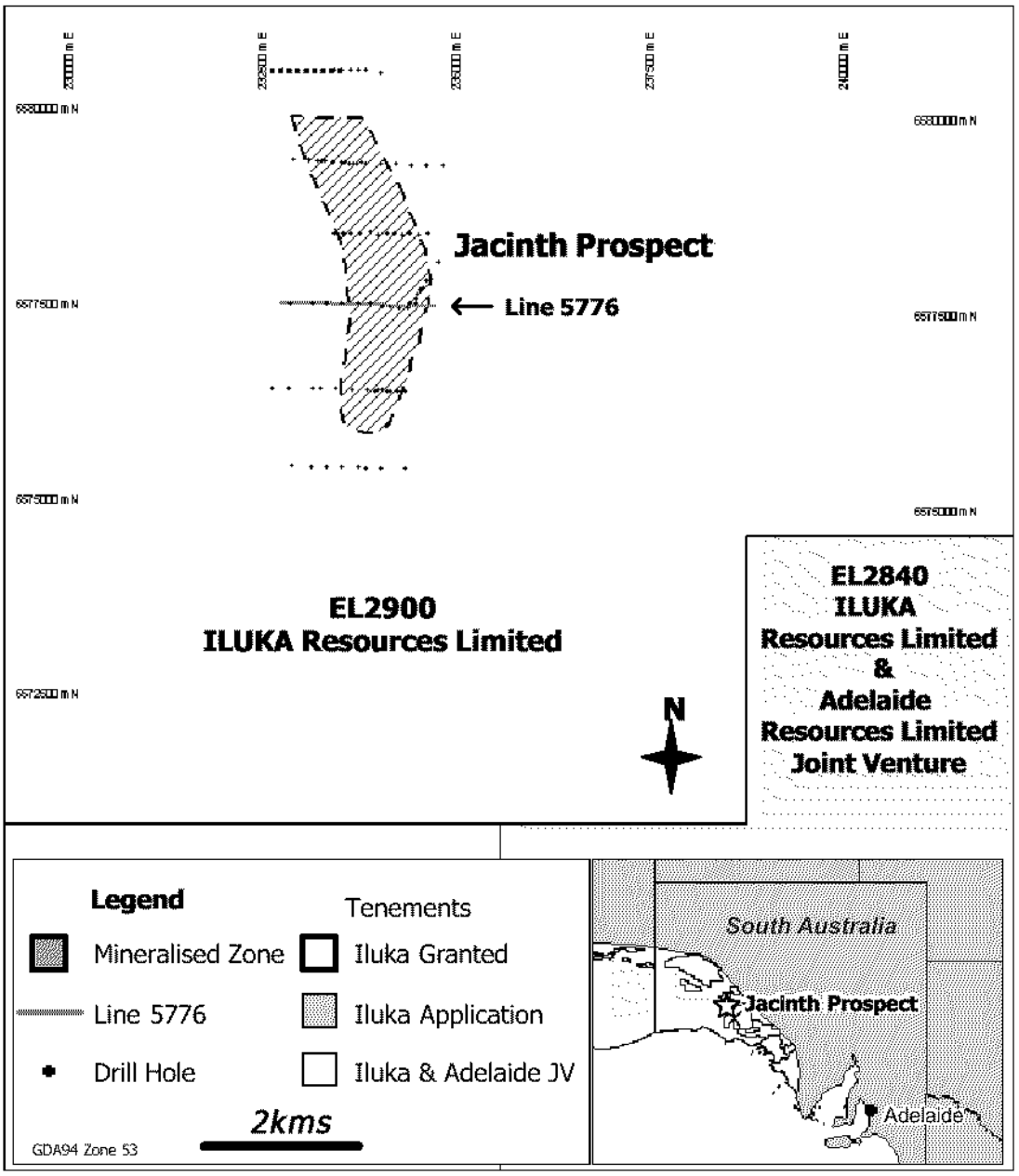
Exploration Results

Six reconnaissance traverses have been drilled across the Jacinth Prospect using one of the Company's air core drilling rigs. All holes were drilled vertically and sampled at 1.5 metre increments. The samples were logged by a Company geologist on site and the samples containing anomalous mineralisation were sent to the Company's laboratory for analysis.

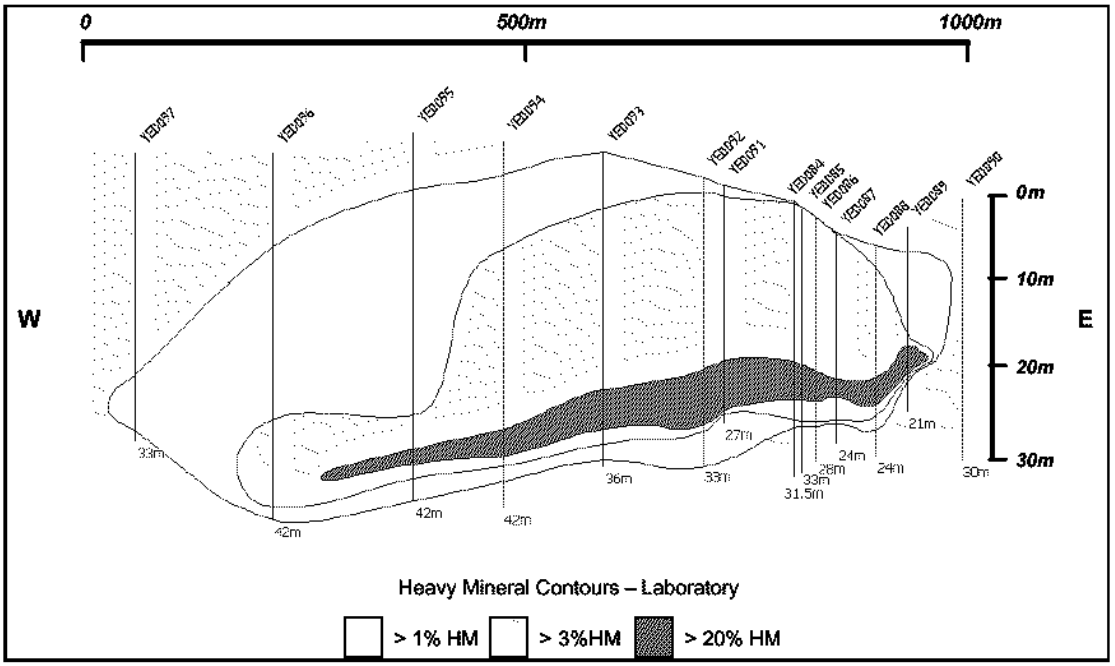
At this stage laboratory results have only been received for Line 5776 and the remaining samples are being processed at Iluka's laboratory. The visual indications for the other reconnaissance lines suggest that anomalous mineralisation extends across an extensive area and all mineralisation detected occurs in unconsolidated sands above the water table.

The reconnaissance traverses across the prospect and laboratory results received to date support the initial interpretation. In addition ongoing exploration in the region continues to intersect anomalous mineralisation along strike.

Detailed overview of the Jacinth Prospect



Jacinth Prospect – Line 5776 Cross Section



A listing of the significant intersections encountered on Line 5776 is shown below in Table 1.

Table 1: Significant Intersections (+3% HM) Line 5776

Hole	From (m)	To (m)	Interval (m)	% HM	% Clay (- 53 microns)
YE089	13.5	16.5	3.0	28.1	2.5
YE095	33.0	40.5	7.5	16.8	4.1
YE092	1.5	28.5	27.0	13.5	10.2
YE091	1.5	25.5	24.0	12.5	9.3
YE088	3.0	19.5	16.5	10.7	7.3
YE094	13.5	37.5	24.0	10.6	5.8
YE084	0.0	25.5	25.5	10.5	11.0
YE086	0.0	25.5	25.5	9.9	13.0
YE096	31.5	40.5	9.0	9.4	6.7
YE085	0.0	25.5	25.5	8.3	10.6
YE087	0.0	21.0	21.0	7.9	11.6
YE093	6.0	33.0	27.0	7.0	8.1

Composite samples from Line 5776 have been also analysed to determine an average indicative mineralogy and grain size. The results are listed in Table 2 below and confirm the expected enriched zircon levels and suggest the material can be treated by conventional separation technology. Sizing analysis shows zircon grain size with a d50 of 90 microns and the ilmenite reporting a d50 of 100 microns.

Whilst considerable additional work is required to accurately determine mineralogy distribution across the prospect and to predict potential product qualities, the results are very encouraging and indicate that the material has the potential to generate market acceptable products using conventional processing technology

As a consequence of this success, Iluka is planning for a considerable increase in exploration expenditure in 2005.

Table 2: Jacinth Prospect Indicative Mineralogy – Line 5776

% Zircon	% Rutile	% Ilmenite
52	7	24

The description of the exploration results is based on information compiled by Iluka staff under the review of Peter McGoldrick who is a member of The Australian Institute of Mining and Metallurgy and a full time employee of Iluka. Peter McGoldrick has sufficient experience which is relevant to this style of mineralisation to qualify as a Competent Person as defined in the 1999 Edition of the JORC code and consents to the inclusion in the report of the matters based on information in the form and context in which it appears.