



Notice to the Australian Stock Exchange

5 April 2006

Wet Concentrator Plant Commissioned at Iluka's Douglas Operations Update on Mineral Separation Plant Completion

Iluka Resources Limited (Iluka) advises that following the completion of commissioning trials, Iluka has taken over the operation of the mining unit plant (MUP) and the wet concentrator plant (WCP) at its Douglas mineral sands operations in the Murray Basin, Victoria. The MUP and WCP were constructed by Roche Mining Pty Ltd (Roche) under a largely fixed price, lump sum engineering, procurement and construction contract (EPC Contract). The EPC Contract also includes the provision of a mineral separation plant (MSP) at Hamilton in Victoria. The MSP is still under construction.

To date, approximately 800,000 tonnes of heavy mineral ore has been mined, of which approximately 260,000 tonnes has been processed including for commissioning activities, producing 14,000 tonnes of heavy mineral concentrate. 540,000 tonnes of heavy mineral ore is stockpiled adjacent to the WCP.

The completion of commissioning represents an important stage in the project. Iluka is now in a position to produce heavy mineral concentrate ready for final processing to saleable product at the MSP.

The MUP provides dry and wet screening processes to prepare ore for slurry pump transfer to the centrally located WCP. The nominal capacity of the MUP is 580 tonnes per hour (tph) of run of mine ore. The WCP includes gravity processes to concentrate the heavy mineral contained in the ore. The WCP is designed to treat up to 400 tph of slurry feed. The non-magnetic heavy mineral concentrate produced at the WCP is dewatered and stockpiled ready for transport to the MSP located at Hamilton.

In relation to the expected completion and hand over of the MSP, Iluka's most recent advice, on the basis of its own assessment, has been for a practical completion in the third quarter of 2006. Roche has recently advised the company that it now expects practical completion to occur on 23 September 2006. This advice supersedes earlier advice received from Roche that practical completion of the MSP would occur at the end of June 2006.

Iluka will continue to keep the market informed of the likely completion of the MSP based on its assessment of the progress of the project and advice from Roche.

Investment Market & Media Enquiries:

Dr Robert Porter

General Manager, Investor Relations

Phone: + 61 8 9360 4751 Mobile: + 0407391829

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