

**ILUKA**

Australian Securities Exchange Notice

3 October 2013

SRI LANKA TENEMENT ACQUISITION

Iluka Resources Limited (Iluka) advises that it has successfully acquired all of the issued share capital in PKD Resources (Pvt) Ltd (PKD), a Sri Lankan domiciled company which owns an exploration tenement located near the city of Puttalam in the North Western Province of Sri Lanka.

This advice is subsequent to Iluka's ASX announcement of 5 August 2013, which advised that Iluka had agreed to acquire, pursuant to conditional binding term sheets, all the issued capital of PKD, as well as having been granted four exploration tenements within Sri Lanka.

A large mineral sand resource is contained within the tenements acquired through this acquisition and the grant of exploration tenements detailed in the 5 August release in accordance with the JORC 2012 reporting requirements. The heavy mineral resource represents a 46 per cent increase in Iluka's total resource inventory at the end of 2012.

While subject to feasibility study work and all necessary Sri Lankan regulatory and Iluka approvals, it is expected that the deposit located on the tenements may deliver a capital-efficient, financially attractive investment opportunity for shareholders.

Iluka intends to commence feasibility work shortly in relation to the potential development of the deposit and is progressing the appointment of a project development team, as well as continuing engagement with Sri Lankan officials to secure all necessary approvals.

Investment market and media enquiries

Dr Robert Porter
General Manager, Investor Relations and Corporate Affairs
Direct (Melbourne): +61 (3) 9225 5008
Mobile: +61 (0) 407 391 829