

1 December 2016

## **ILUKA TAPIRA EVALUATION TERMINATED**

Iluka Resources Limited (Iluka) advised on 4 June 2014 that it entered into a Joint Development Agreement (JDA) and Intellectual Property Agreement (IPA) with Vale S.A. for the staged evaluation and development of the major titanium mineral bearing deposit located at Tapira in Minas Gerais State, Brazil (the Tapira complex).

The Tapira complex is host to large volumes of titanium-bearing minerals which occur in association with Vale's existing phosphate mining operations. The agreement provided Iluka with the opportunity to undertake geological and metallurgical studies with a view to develop a titanium feedstock operation at the site.

Iluka advises that the Tapira Joint Venture with Vale has now been terminated following the Phase 1 investigations over the last two years. Following a detailed review of the findings both companies have decided not to proceed with the Joint Development Agreement. Due to the complex geological nature of the deposit, and contained mineral assemblage, a method to produce a market acceptable titanium dioxide feedstock was not identified using currently known conventional or alternative technological routes.

The total Iluka expenditure on the Tapira project has been approximately A\$6 million and has been expensed as part of Iluka's resources development expenditure.

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