

16 August 2017

MEDIA REPORTING ON SIERRA RUTILE REGULATORY INVESTIGATIONS

Iluka Resources Limited (Iluka) refers to media reporting in the Australian Financial Review on 16 August 2017 regarding the company's Sierra Rutile operation, which is located in Sierra Leone. Iluka did not provide information for the article.

The media article refers to voluntary reporting undertaken by Iluka following the completion of its post-acquisition review of Sierra Rutile. These are confidential matters under investigation by regulatory authorities in Sierra Leone (Anti-Corruption Commission) and the UK (Serious Fraud Office).

In his address at the 2017 Annual General Meeting (28 April 2017), Iluka's Chairman, Greg Martin, noted that some aspects of pre-acquisition conduct at Sierra Rutile were inconsistent with Iluka's Code of Conduct. Mr. Martin's remarks at that time also made it clear that Iluka did not consider these matters to be financially material. The company's position is unchanged. Furthermore, the company does not anticipate any impact on its operations as a result of these matters.

Consistent with the Chairman's address, Iluka notes the following:

1. the conduct under investigation occurred prior to Iluka taking control of the operation on 7 December 2016;
2. consistent with standard practice, upon taking control, Iluka undertook a review of Sierra Rutile with the assistance of external accountants and lawyers to identify any inappropriate conduct;
3. following this review, the company reported various incidents to the appropriate regulatory authorities;
4. Iluka does not tolerate this type of conduct and has implemented a range of initiatives since taking control of Sierra Rutile to ensure it will not occur in future;
5. Iluka appreciates the positive engagement the company has had on this issue with the Sierra Leonean Government; and
6. in the event Iluka becomes aware of conduct of this nature in any operating jurisdiction, the company will deal with it in the same way.

Iluka's Managing Director, Tom O'Leary, said "Iluka is committed to conducting its business in accordance with the highest standards of corporate governance and has a zero tolerance for bribery and corruption."

Given these matters remain the subject of investigation by regulatory authorities, it would be inappropriate for Iluka to comment further at this time.

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