

24 April 2018

ASX: ILU

CLASS ACTION UPDATE

On 23 April 2018 Iluka Resources Limited (Iluka) was served with an originating application and statement of claim in respect of a shareholder class action filed in the Federal Court of Australia naming Iluka Resources Limited as respondent (proceedings).

The proceedings are brought by a group of Iluka shareholders with respect to alleged breaches of Iluka's continuous disclosure obligations and misleading and deceptive conduct in relation to disclosures Iluka made to the market between the period April to July 2012.

Although the proceedings have been commenced, the applicant's third party litigation funder, Harbour Fund II L.P., has not determined whether to unconditionally fund the proceedings. These matters are explained in the attached letter from the applicant's lawyers.

Iluka denies liability in respect of the allegations and will defend the proceedings should they proceed.

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Our Ref: ACA001

23 April 2018

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Dear Colleagues

NSD576 of 2018 James Bonham as Trustee for Aucham Super Fund v Iluka Resources Ltd

Please find **enclosed** by way of service an originating application and statement of claim filed in the Federal Court against Iluka Resources Limited. The first case management hearing for the proceeding has been set down for 15 May 2018.

Although the applicant has filed this proceeding, the applicant's third party litigation funder, Harbour Fund II L.P., is still determining whether to unconditionally fund the proceeding. The proceeding has been filed prior to the funder confirming its position in order to protect group member claims from arguments arising from the passing of any applicable limitations period.

To avoid incurring unnecessary costs in the event that the funder decides that it will not fund the proceeding (in which case the applicant will most likely seek to discontinue it), we request that Iluka Resources takes no action in relation to the proceeding until the funder has confirmed its position. We will notify you of the funder's position as soon as possible, and by no later than 11 May 2018. We confirm that we will not take any point concerning your client's inactivity prior to it being informed that funding is confirmed.

In the circumstances, we think it is appropriate to delay the first case management conference until your client is provided a reasonable opportunity, after confirmation of the funder's position, to consider the pleading and (if your client so desires) to engage with our client as to potential settlement. We suggest that the parties approach the Court for a date in the week commencing 28 May 2018.

ACA LAWYERS

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Please let us know if you agree with this approach.

Yours faithfully
ACA Lawyers

A handwritten signature in black ink, appearing to read 'CA', is positioned above the typed name.

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Principal
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