

12 December 2017

ASX: ILU

## US REHABILITATION UPDATE

Iluka Resources Limited (Iluka) (ASX: ILU) advises that it expects to increase the rehabilitation provision for its closed US operations by US\$90 million, to be recognised as part of financial reporting for the year ending 31 December 2017. Iluka's closed US operations include Virginia and Florida.

Iluka noted in the September 2017 Quarterly Review that detailed rehabilitation planning for the Virginia operation had identified potential additional obligations relating to past rehabilitation; and various remediation alternatives were being considered. Iluka continues to engage proactively with regulatory agencies to assess the nature and extent of any change to its proposed rehabilitation programme.

The cost of rehabilitating the Virginia Operation will largely depend on the rehabilitation programme ultimately undertaken by Iluka, which can only be determined following what is expected to be extensive and ongoing engagement with the regulators. As the nature and extent of any change remains highly uncertain, the provision increase has been calculated on a probabilistic basis across a range of scenarios.

The increased provision will be subject to final audit review as part of the year-end financial reporting processes.

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