

**ILUKA**

Australian Securities Exchange Notice

29 November 2016

SRL MERGER UPDATE

Further to the announcement of 22 November 2016 relating to the statutory merger between Sierra Rutile Limited (SRL) and Iluka Investments (BVI) Limited under section 170 of the BVI Business Companies Act (Merger), Iluka Resources Limited (Iluka) provides the following update on the Merger.

Iluka has given SRL notice under the Merger Implementation Agreement dated 31 July 2016 (MIA) of the non-fulfilment of the material adverse change condition precedent due to geotechnical risks of SRL's tailings dams. In accordance with the MIA, Iluka will consult with SRL regarding this matter. If following consultation the parties cannot agree within 5 business days after the long stop date (being 30 November 2016) whether to extend the long stop date, then either party may terminate the MIA. Accordingly, the Merger will not close on 29 November 2016 as previously announced.

Iluka will provide a further update in due course.

Investor and media enquiries

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