



Commonwealth of Virginia
Office of Governor Bob McDonnell

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**Governor McDonnell Announces Major Mineral
Sands Mining Operation in Dinwiddie County**

*~Iluka Resources Advances \$67 million in New Investment;
Project Would Support 86 Direct New Jobs~*

RICHMOND ó Governor Bob McDonnell today announced that Iluka Resources (Iluka), a world leader in mineral sands exploration, mining, processing and marketing, is advancing a potential major expansion of its operations in Virginia with the development of a mineral sands mining operation in Dinwiddie County.

The proposed project, which is still subject to regulatory, environmental and Iluka Board approval, would include a \$67 million investment in machinery and equipment and personal property to create a mining and concentration operation in Dinwiddie County. This project will

support the creation of 86 new positions with highly-competitive wage and benefits packages, which is anticipated to result in a payroll impact of more than \$34 million over the next 11 years.

Additional development costs are expected to bring the total cost of the project to \$120 million. This investment could support nearly 490 construction and trade jobs in the community. Specifically, the proposed site would extract and concentrate titanium and zircon minerals. Iluka currently operates similar facilities in Greenville and Sussex Counties.

Speaking about today's announcement, Governor McDonnell said, "With three Virginia operations, Iluka Resources has remained a valued employer and partner to the Commonwealth for 16 years. This tremendous investment in Dinwiddie County to add a mineral sands mine and new equipment ensures the future viability of the operation, and is a great testament to the infrastructure and abundant natural resources the region offers. We also welcome 86 new jobs that will pay above the area's average prevailing wage and provide valuable employment opportunities."

"Iluka has continued to grow in Southern Virginia since establishing its first mineral sands operation in the region in 1997," said Jim Cheng, Virginia Secretary of Commerce and Trade. "An investment of this magnitude is significant for Dinwiddie County and the Commonwealth, and we look forward to the company's continued growth and success."

Iluka Resources (ASX: ILU) is involved in mineral sands exploration, project development, operations and marketing. With active operations in Australia and in the Commonwealth of Virginia, the company is the major producer of zircon globally and the largest producer of high-grade titanium dioxide products of rutile and synthetic rutile.

While the company was considering expansions in Virginia and North Carolina, company representatives indicated that the business-friendly environment in the Commonwealth helped them to place a priority on moving forward with Virginia's ahead of other projects.

"The Commonwealth of Virginia and Dinwiddie County have truly created a business environment that welcomes and encourages companies to grow and invest here. We appreciate the quick and thorough responses that have been provided by the elected and regulatory officials while we have conducted our due diligence. To date the company has committed approximately \$20 million to this project. We are confident that working together, we can clear the final hurdles that must be addressed to ensure this project comes to fruition," said Matthew Blackwell, President and General Manager, U.S. Operations, Iluka Resources.

The Virginia Economic Development Partnership worked with Dinwiddie County to secure the project for Virginia. Governor McDonnell has committed a \$300,000 performance-based grant from the Virginia Investment Partnership program, an incentive available to existing Virginia companies. The Virginia Tobacco Indemnification and Community Revitalization Commission also committed \$525,000 in Tobacco Region Opportunity Funds for the project. Through its Virginia Jobs Investment Program, the Virginia Department of Business Assistance would provide funding and services to support the company's recruitment, training and retraining activities.

“Over the last 16 years, Iluka has been an integral part of several Southside Virginia communities as both a premier employer and outstanding corporate citizen,” said Dr. Mark E. Moore, Chairman of the Dinwiddie County Board of Supervisors. “This announcement represents a significant investment in our community and workforce. We are pleased that such a highly regarded organization has chosen Dinwiddie County to expand their business.”

“I am very pleased that Iluka Resources has decided to invest an additional \$67 million in Dinwiddie County and that this expansion will include adding an additional 80+ jobs,” said Delegate Tommy Wright, a member of the Virginia Tobacco Indemnification and Community Revitalization Commission. “I am delighted that the Tobacco Commission was able to assist in this project by providing funding of \$525,000 to help recruit, train, and retain these employees. In these tough economic times, this type of continued investment in the Commonwealth is welcome and will certainly be extremely beneficial to the local economy.”

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