

HIGHLY SIGNIFICANT NEW TARGETS OVER 30 KM SOUTH OF BOONANARRING

HIGHLIGHTS

- * Recently Image Resources NL (ASX: IMA) announced the appointment of industry identity, Mr Collis Thorp, as its COO following the addition to the board of Mr Jon O'Callaghan as interim Managing Director.
- * Mr Thorp has focused on reviewing the study results released to the market on 16 July 2013, as updated by release dated 4 November 2013. A key recommendation of Mr Thorp is that a larger resource than presently identified at Boonanarring would be desirable. A further 500,000 tonnes plus resource would, in all probability, accelerate the Company in its ambition to commercialise its holdings in the North Perth Basin. Mr Thorp believes a larger resource base is fundamental, in the current market, to securing offtake and finance to support a stand-alone operation.
- * An internal technical review by Image's Exploration Director, Mr George Sakalidis, has established a number of highly significant untested targets over 30 km (shown in blue over the attached Figures 1, 2, 3, 4). The Company has completed a major tenement rationalisation programme with only high priority target areas retained.
- * Drilling has started in accordance with a staged drilling programme directed at delineating additional high quality and high-grade resources within the vicinity of Boonanarring and at Bidaminna.
- * Over the past couple of years the Company has undertaken numerous studies with a view to these studies forming part of a bankable feasibility study. The Company is currently reviewing all of these studies and populating those of value into a recognisable and useable bankable feasibility format document. Additional studies are required to complete a bankable feasibility study, with additional financial studies having been identified.

OVERVIEW OF TARGETS

The Boonanarring Resource of 21.5Mt @8.3% HM covers circa 11 km of strand lines and contains 1.8Mt of concentrate (Table 1). A previous release (dated 14 January 2014) described about 7 km of untested targets north of Boonanarring heading towards the Red Gully Resource.

The current Boonanarring Reserves (refer ASX Release dated 16 September 2013) contain high in ground value per tonne of mineral sands at 8.3% HM, with 24.5% of the HM consisting of high value zircon (Table 1). **Any potential strike or resource extensions at Boonanarring would, therefore, add significant economic value to the NPB Project.**

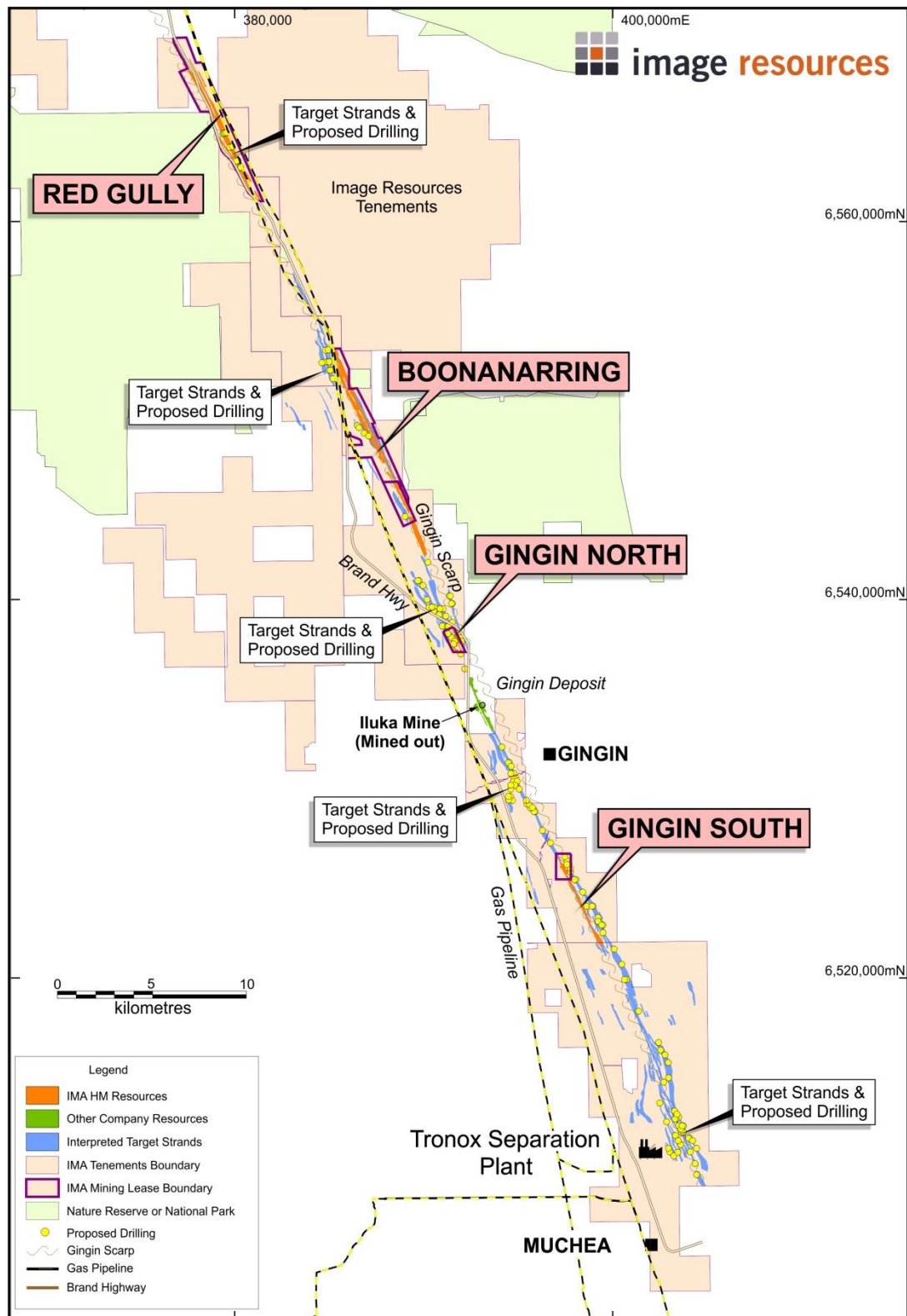


Figure 1 Target and Resource Summary Boonanarring, Gingin and Chandala Region

The study, initiated by the current board, has looked at the southern extension from the Boonanarring Resource and identified **target strandlines (often multiple parallel strands) over some 30 km (Fig 1)**. These targets are ready for drilling subject to access and approvals. They offer **highly significant tonnage potential**. These targets have been interpreted from a combination of topography, existing drilling (both by the Company and others), ground magnetics as well as recently reprocessed and interpreted aeromagnetics.

It is possible that the presently drilled out Boonanarring deposit (covering 11km) extends all the way to Chandala to the south (**overall 46km**), noting that the Iluka Gingin mine (covering 3km) forming part thereof has already been mined out.

Significantly, there appears to be a direct 5km southern extension to the Boonanarring Resource extending to the Gingin North Resource. The Gingin North Resource extends over 1.4km and contains 140,000 tonnes of concentrate (Table 1) and is covered by Image's Mining Lease M70/1193 (Fig 2).

The Company is buoyed by the magnetic intensity and continuity of a good percentage of the described target strands. Moreover, many of the parallel strands are wider than those exhibited at Boonanarring which augurs well for the scale of the potential resource. And, what is more, the strands here are abundant, with at least 6 separate parallel strands interpreted to have an aggregate width of 400m within a 600m wide zone.

Based on the Company's experience in the district over the last decade, it is confident that a significant proportion of the target strandlines will convert to resources, subject to access and further evaluation.

Image's highly efficient and effective exploration endeavour in the Red Gully to Chandala line (65km) has demonstrated that past explorers have often failed to drill far enough to the east, thus failing to test a number of parallel strands in the region e.g. Boonanarring (which Image has tested and established a high grade resource to the east of past work) and Gingin South (which Image plans to drill). Also a number of the holes drilled by past explorers directly south of the Boonanarring Resource are interpreted by Image as not having been drilled to the correct RL (depth) and redrilling of these areas is planned (Fig 2).

The old Iluka Mine north of Gingin has been mined out and is currently being rehabilitated. Image's interpretation shows a direct southern extension linking this Mine to Gingin South (Fig 3) and potentially all the way to Chandala (Fig 4) totalling 26km in length. A good proportion of access agreements required to access freehold land affected by the targets have been secured already and further access agreements will be sought to cover all prospective areas.

Image is extremely encouraged by the upside potential of the extensive southern strands interpreted along 30 km of the Gingin Scarp close to major infrastructure which auger well for the economic potential of this Red Gully-Boonanarring-Gingin-Chandala 65km strip.

Boonanarring-Gingin North

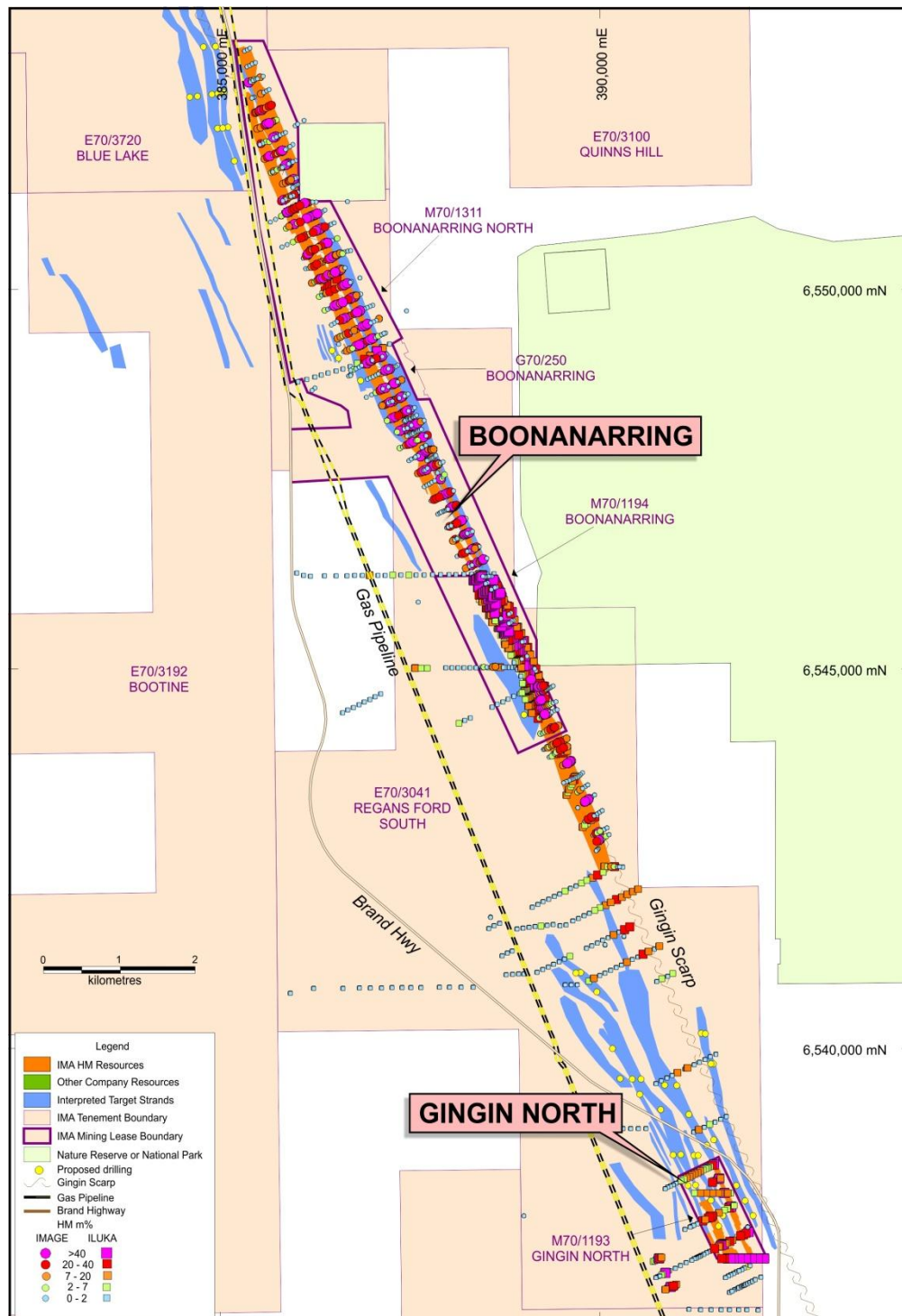


Figure 2 Boonanarring to Gingin North Summary

Gingin-Gingin South

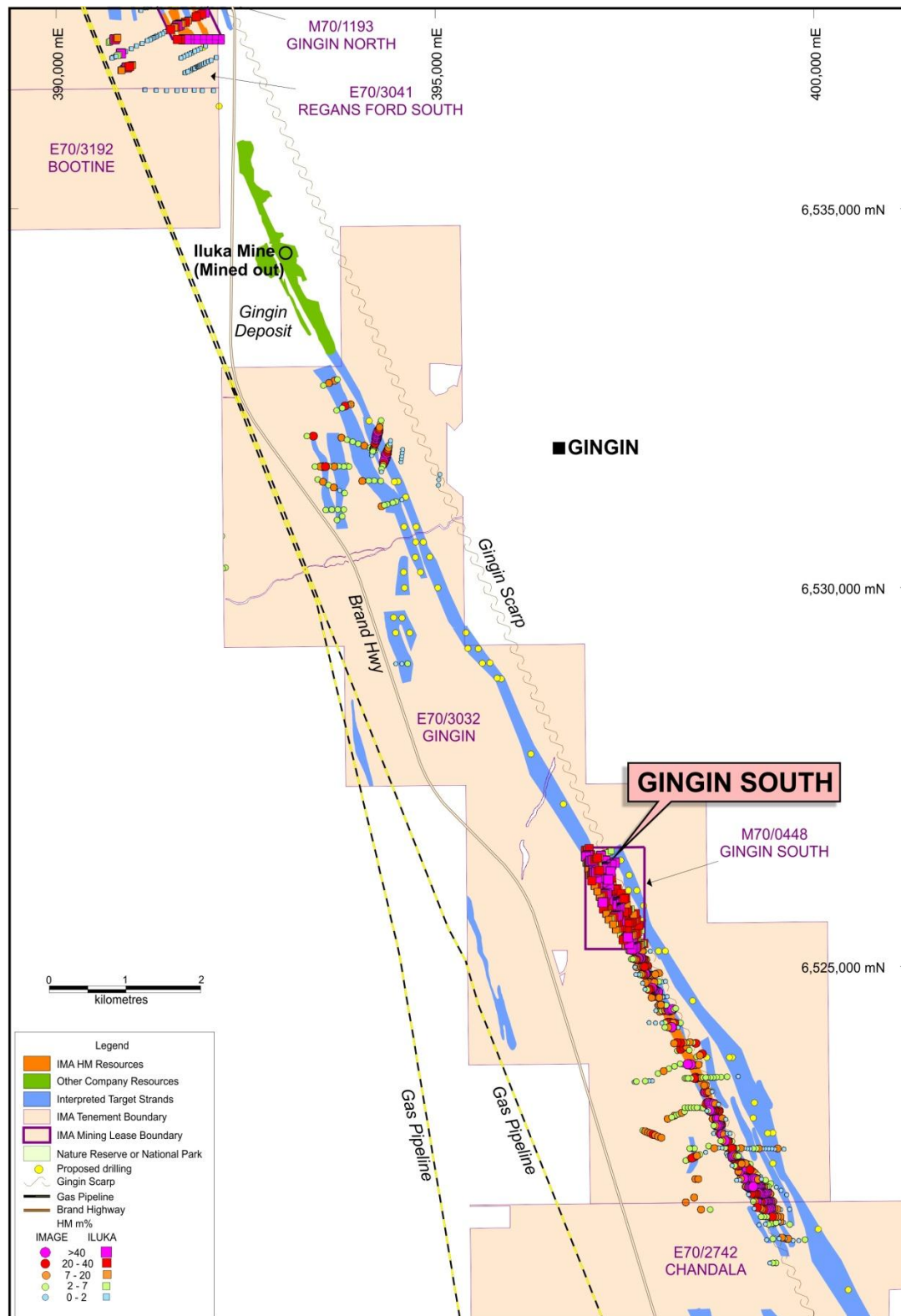


Figure 3. Gingin to Gingin South Summary

Gingin South-Chandala

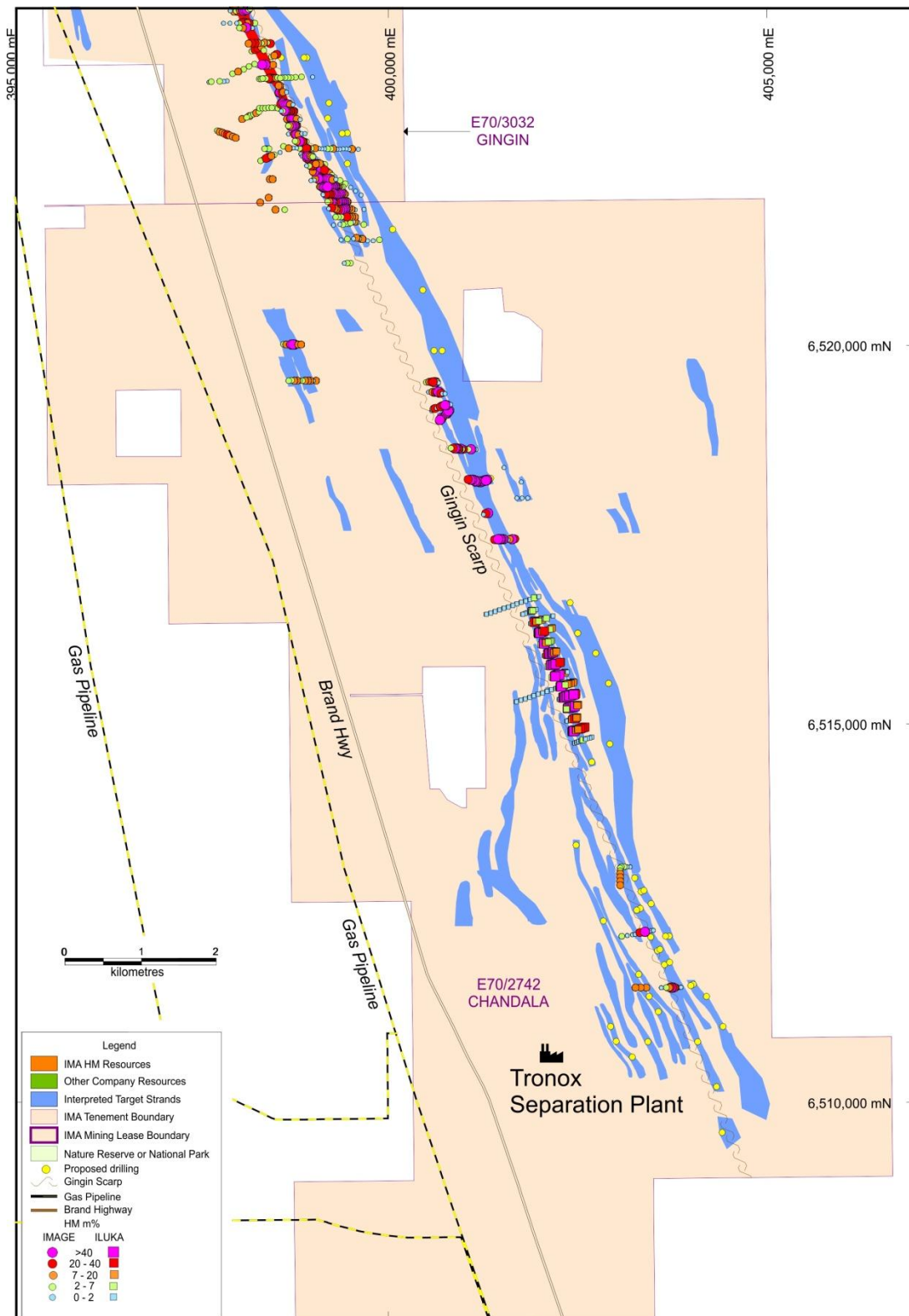


Figure 4. Gingin South to Chandala Summary

For more information visit www.imageres.com.au

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Competent Person's Statement

The information in this report that relates to exploration results is based on information compiled or reviewed by Mr George Sakalidis BSc (Hons) who is a member of the Australasian Institute of Mining and Metallurgy. George Sakalidis is a director of Image Resources NL. George Sakalidis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. George Sakalidis consents to the inclusion of this information in the form and context in which it appears in this report.

Forward Looking Statements

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding prices, exploration or development costs and other operating results, growth prospects and the outlook of Image's operations contain or comprise certain forward looking statements regarding Image's operations, economic performance and financial condition. Although Image believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties, fluctuations in prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Image undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

High Grade Resources @ 2.5% HM Cut-off

Resource	Resource Category	BCM	TONNES	% HM	% SLIMES	HM TONNES	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Atlas	Indicated	520,000	1,080,000	3.2	19.2	34,000	74	53	8	7	6
Atlas	Measured	4,810,000	9,700,000	8.5	15.3	820,000	76	52	5	8	11
Total		5,330,000	10,780,000	7.9	15.7	854,000	76	52	5	8	10
Boonanarring	Inferred	2,100,000	4,200,000	6.5	17.4	270,000	83	51	8	7	18
Boonanarring	Indicated	7,000,000	14,300,000	9	17.2	1,270,000	80	49	6	3	22
Boonanarring	Measured	1,680,000	3,000,000	7.8	10.1	230,000	70	49	1	3	17
Total		10,780,000	21,500,000	8.3	16.2	1,770,000	79	49	6	4	21
Gingin Nth	Indicated	680,000	1,320,000	5.7	15.7	80,000	75	57	9	3	5
Gingin Nth	Inferred	580,000	1,090,000	5.2	14	60,000	78	57	11	4	6
Total		1,260,000	2,410,000	5.5	15	140,000	77	57	10	3	6

Gingin Sth	Inferred	400,000	730,000	6.5	8.4	48,000	92	67	8	6	11
Gingin Sth	Indicated	3,240,000	5,820,000	6.5	7.1	380,000	91	68	10	5	8
Gingin Sth	Measured	870,000	1,530,000	4.4	7.2	67,000	79	51	15	6	8
Total		4,510,000	8,080,000	6.1	7.3	495,000	89	65	10	5	8
Helene	Indicated	5,600,000	11,500,000	4.6	18.6	520,000	84	70	1	3	11
Hyperion	Indicated	1,800,000	3,700,000	7.8	19.3	290,000	71	56	0	6	9
Red Gully	Indicated	1,930,000	3,410,000	7.8	11.5	270,000	90	66	8	3	12
Red Gully	Inferred	1,455,000	2,570,000	7.5	10.7	190,000	90	66	8	3	12
Total		3,385,000	5,980,000	7.7	11.2	460,000	90	66	8	3	12
Grand Total		32,665,000	63,950,000	7.1	13.9	4,529,000	80	57	6	5	13