

**QUARTERLY REPORT – for the quarter ended 30 September 2014**

## Highlights

**Image Resources NL**  
ABN 57 063 977 579

**ASX Code**  
IMA

**Contact Details**  
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**Issued Capital**  
*Shares – Quoted*  
157,590,129  
*Options – Unquoted*  
5,040,000 (various terms)

**Cash at end of quarter**  
\$1.528 million

**Board & Management**  
John Jones  
(NED Chairman)  
  
Peter Thomas  
(Non-Executive Director)  
  
George Sakalidis  
(Exploration Director)  
  
Collis Thorp  
(Chief Executive Officer)  
  
Jeff Williams  
(Non-Executive Director)

### Corporate

- During September The Company announced that it had raised \$1.2 million (before costs) through a placement of 10.43 million shares at \$0.115 each, primarily to a number of sophisticated and institutional investors.

The placement was managed by Morgan's Corporate Limited and was completed in one tranche; The new shares were allotted pursuant to the Company's existing capacity under Listing Rule 7.1. This Capital raising was consistent with the Company's strategy of strengthening its shareholder base and increasing its profile in financial markets.

The funds raised will strengthen Image's financial position allowing it to:

(i) kick off its fully funded resources extension drilling programme at the North Perth Basin Project ("NPB" or "the Project") (refer June Quarterly Activities Report lodged with the ASX on 31 July 2014);

(ii) finalise the review and representation of the base case feasibility study;

(iii) undertake additional studies indicated as required or prudent by the review;

(iv) support the delivery of increased JORC Compliant resources at the Boonanarring Project.

- The Company held cash at bank of \$1.528 million at 30 September 2014
- On 2 October 2014, the Company announced that Mr Collis Thorp had been appointed as Chief Executive Officer.
- On the 29 October 2014 the company announced John Jones as the new Chairman and Peter Thomas as Non-Executive Director
- We are in early stage confidential discussions with a number of third parties with the intention to be able to bring the North Perth Basin Project into production as quickly and cost effectively as practicable. Proposals are currently incomplete and negotiations are continuing.

### Operational activities

- The Minister for Environment has granted environmental approval under Part IV of the Environmental Protection Act 1986 for Image Resources' Boonanarring Mineral Sands Project, located north-west of Gingin. The project involves open cut mineral sands mining, processing through primary and secondary concentration plants to produce heavy minerals concentrate and further treatment through a dry mill to produce ilmenite, rutile, zircon and leucoxene.

The Minister's approval extends to the construction and operation of associated mine infrastructure such as offices, workshops, fuel storage, roads, solar drying cells and water bores, and to the modification to the intersection of Brand Highway with Wannamal West Road to provide safe access to and from the project site.

### Exploration activities

- Despite several days delay due to heavy rain, the Stage 1 257 hole air core drilling programme is due to commence within November. This programme is designed to make Boonanarring a standalone operation and concurrently expand other areas into potential parallel operations for Image or other producers. All holes planned in this programme will be within the Red Gully-Boonanarring-Gingin-Chandala region.
- Results are pending for the recently undertaken botanic surveys completed at locations on the Woolka, Winooka, Chandala, Munbinea and Red Gully tenements in preparation for the Stage 2 air core drilling programmes.
- A mineral resource estimate JORC compliance review has been completed to ensure that our resource reporting is kept updated and ready for review by any potential funding institution as we move towards financing the construction of the project. This will be ongoing as we add further resources as a result of our planned exploration programs.
- Ground magnetic surveys have been completed on the Munbinia West, Mullering and Harris Bridge tenements and the results have been incorporated into regional models for further exploration assessment.
- Land access negotiations with the landowners throughout the project area have been progressing during the quarter and will be ongoing as we further move to secure our land position for the project and for the Stage 2 drilling programme.

For more information visit [imageres.com.au](http://imageres.com.au)

Please direct enquiries to:

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**Collis Thorp**  
*Chief Executive Officer*

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### COMPETENT PERSON'S STATEMENT – EXPLORATION RESULTS AND MINERAL RESOURCES AND RESERVES

The information in this report that relates to Exploration Results, Mineral Resources and Mineral Reserves is based on information compiled by George Sakalidis BSc (Hons) who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results, Mineral Resources and Mineral Reserves were compiled, George Sakalidis was a director of Image Resources NL. He 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.

## Tenement Schedule in accordance with ASX Listing Rule 5.3.3

### Tenements held at the end of the Quarter

Location	Tenement	Nature of Interest	Project	Equity (%) held at start of Quarter	Equity (%) held at end of Quarter
WA	E28/1895	Granted	KING (ERAYINIA JV)	16.1% diluting	16.1% diluting
WA	E28/2071	Granted	TALC LAKE (ERAYINIA JV)	16.1% diluting	16.1% diluting
WA	E69/2034	Granted	SERPENTINE LAKES	100%	100%
WA	E70/2636	Granted	COOLJARLOO	100%	100%
WA	E70/2742	Granted	CHANDALA (Derby Mines JV)	Earned 80%	Earned 80%
WA	E70/2825	Granted	BIDAMINNA STH	100%	100%
WA	E70/2844	Granted	BIDAMINNA NTH	100%	100%
WA	E70/2898	Granted	COOLJARLOO	100%	100%
WA	E70/3032	Granted	GINGIN	100%	100%
WA	E70/3041	Granted	REGANS FORD SOUTH	100%	100%
WA	E70/3086	Granted	GABY'S PEAK	100%	100%
WA	E70/3100	Granted	QUINNS HILL	100%	100%
WA	E70/3192	Granted	BOOTINE	100%	100%
WA	E70/3292	Granted	COOLJARLOO (Matilda Minerals JV)	Earning 70%	Earning 70%
WA	E70/3298	Granted	BIDAMINNA -PARK	90%	90%
WA	E70/3328	Granted	VERNE HILL (COOLJARLOO)	100%	100%
WA	E70/3411	Granted	REGANS FORD	100%	100%
WA	E70/3418	Granted	BELL	100%	100%
WA	E70/3494	Granted	BRYALANA	100%	100%
WA	E70/3720	Granted	BLUE LAKE	100%	100%
WA	E70/3892	Granted	CHAPMAN HILL	100%	100%
WA	E70/3966	Granted	REGANS FORD WEST	100%	100%
WA	E70/3997	Granted	MUNBINIA	100%	100%
WA	E70/4077	Granted	DARLING RANGE	100%	100%
WA	E70/4129	Granted	MULLERING SOUTH	100%	100%
WA	E70/4130	Granted	MULLERING NORTH	100%	100%
WA	E70/4244	Granted	WOOLKA	100%	100%
WA	E70/4245	Granted	WINOOKA	100%	100%
WA	E70/4549	Granted	HARRIS BRIDGE	100%	100%
WA	M70/0448	Granted	GINGIN SOUTH	100%	100%
WA	M70/1192	Granted	RED GULLY	100%	100%
WA	M70/1193	Granted	GINGIN NORTH	100%	100%
WA	M70/1194	Granted	BOONANARRING	100%	100%
WA	P70/1516	Granted	COOLJARLOO	100%	100%
WA	P70/1540	Granted	CADDA SPRINGS	100%	100%
WA	M70/1311	Granted	BOONANARRING	100%	100%
WA	G70/0250	Granted	BOONANARRING	100%	100%
WA	R70/0051	Granted	COOLJARLOO NORTH	100%	100%
WA	R69/0001	Granted	SERPENTINE LAKES	100% pending grant	100%
WA	M70/1305	Application	ATLAS	100% pending grant	100% pending grant
WA	P70/1520	Application	COOLJARLOO	100% pending grant	100% pending grant
WA	E70/4572	Application	YARDARINO	100% pending grant	100% pending grant
WA	E70/4583	Application	TUTUNUP	100% pending grant	100% pending grant
WA	E70/4631	Application	MUNBINIA WEST	-	100% pending grant
WA	E70/4656	Application	WINOOKA NORTH	-	100% pending grant
WA	E70/4663	Application	BIBBY SPRINGS	-	100% pending grant

#### Mining Tenements acquired during the Quarter

WA	E70/4631	Application	MUNBINIA WEST	-	100% pending grant
WA	E70/4647	Application	WINOOKA	-	-
WA	E70/4656	Application	WINOOKA NORTH	-	100% pending grant
WA	E70/4663	Application	BIBBY SPRINGS	-	100% pending grant

#### Mining Tenements disposed during the Quarter

WA	E70/4647	Withdrawn	WINOOKA	-	-
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**Table 1 – North Perth Basin Resources**

Reserve Summary											
Project Area	Category	Volume	Tonnes	% HM	% SLIMES	HM Tonnes	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring	Probable	7,160,000	14,420,000	8.3%	17.0%	1,190,000	80.3%	46.9%	5.5%	3.3%	24.5%
Atlas	Probable	4,760,000	9,600,000	8.1%	15.5%	780,000	74.1%	55.0%	1.0%	7.0%	11.0%
<b>Total NPB Reserve</b>		<b>11,920,000</b>	<b>24,020,000</b>	<b>8.2%</b>	<b>16.4%</b>	<b>1,970,000</b>	<b>77.8%</b>	<b>50.1%</b>	<b>3.7%</b>	<b>4.8%</b>	<b>19.1%</b>
Mining Inventory (incl Inferred)		13,330,000	26,880,000	8.0%	16.5%	2,135,000	78.3%	50.1%	4.2%	5.1%	19.0%

High Grade Resources @ 2.5% HM Cut-off											
Resource	Resource Category	BCM	TONNES	% HM	% SLIMES	HM TONNES	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Atlas	Measured	4,810,000	9,700,000	8.5	15.3	820,000	76	52	5	8	11
Atlas	Indicated	520,000	1,080,000	3.2	19.2	34,000	74	53	8	7	6
<b>Atlas Total</b>		<b>5,330,000</b>	<b>10,780,000</b>	<b>7.9</b>	<b>15.7</b>	<b>854,000</b>	<b>76</b>	<b>52</b>	<b>5</b>	<b>8</b>	<b>10</b>
Boonanarring	Measured	1,680,000	3,000,000	7.8	10.1	230,000	70	49	1	3	17
Boonanarring	Indicated	7,000,000	14,300,000	9	17.2	1,270,000	80	49	6	3	22
Boonanarring	Inferred	2,100,000	4,200,000	6.5	17.4	270,000	83	51	8	7	18
<b>Boonanarring Total</b>		<b>10,780,000</b>	<b>21,500,000</b>	<b>8.3</b>	<b>16.2</b>	<b>1,770,000</b>	<b>79</b>	<b>49</b>	<b>6</b>	<b>4</b>	<b>21</b>
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
<b>Gingin Nth Total</b>		<b>1,260,000</b>	<b>2,410,000</b>	<b>5.5</b>	<b>15</b>	<b>140,000</b>	<b>77</b>	<b>57</b>	<b>10</b>	<b>3</b>	<b>6</b>
Gingin Sth	Measured	870,000	1,530,000	4.4	7.2	67,000	79	51	15	6	8
Gingin Sth	Indicated	3,240,000	5,820,000	6.5	7.1	380,000	91	68	10	5	8
Gingin Sth	Inferred	400,000	730,000	6.5	8.4	48,000	92	67	8	6	11
<b>Gingin Sth Total</b>		<b>4,510,000</b>	<b>8,080,000</b>	<b>6.1</b>	<b>7.3</b>	<b>495,000</b>	<b>89</b>	<b>65</b>	<b>10</b>	<b>5</b>	<b>8</b>
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
<b>Cooljarloo Nth Total</b>		<b>7,400,000</b>	<b>15,200,000</b>	<b>5.3</b>	<b>18.7</b>	<b>810,000</b>	<b>79</b>	<b>64</b>	<b>0</b>	<b>4</b>	<b>9</b>
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
<b>Red Gully Total</b>		<b>3,385,000</b>	<b>5,980,000</b>	<b>7.7</b>	<b>11.2</b>	<b>460,000</b>	<b>90</b>	<b>66</b>	<b>8</b>	<b>3</b>	<b>12</b>
<b>Grand Total</b>		<b>32,665,000</b>	<b>63,950,000</b>	<b>7.1%</b>	<b>13.9%</b>	<b>4,529,000</b>	<b>80</b>	<b>57</b>	<b>6</b>	<b>5</b>	<b>13</b>

**Table 2 – North Perth Basin Reserves**

Dredge Resources at 1.0% HM cut-off															
Project Area	Resource Category	Volume	TONNES	% HM	% Slime	HM TONNES	VHM %	Ilmenite %	Leucoxene %	Rutile %	Zircon %	Ilmenite	Leucoxene	Rutile	Zircon
Titan	Indicated	10,300,000	21,200,000	1.8	22.1	380,000	84.4	71.9	2.0	1.0	9.5	270,000	7,000	5,000	36,000
Titan	Inferred	58,500,000	115,400,000	1.9	18.9	2,210,000	84.3	71.8	2.0	1.0	9.5	1,592,000	45,000	22,000	210,000
<b>Titan</b>	<b>Total</b>	<b>68,800,000</b>	<b>136,600,000</b>	<b>1.9</b>	<b>19.4</b>	<b>2,590,000</b>	<b>84.4</b>	<b>71.9</b>	<b>2.0</b>	<b>1.0</b>	<b>9.5</b>	<b>1,862,000</b>	<b>52,000</b>	<b>27,000</b>	<b>246,000</b>
Telesto	Indicated	1,700,000	3,500,000	3.8	18.4	130,000	82.6	67.5	3.4	2.2	9.5	100,000	5,000	3,000	13,000
Calypso	Inferred	27,100,000	51,500,000	1.7	13.7	850,000	84.6	68.8	3.5	1.6	10.6	585,000	30,000	14,000	90,000
<b>Sub Total</b>	<b>Indicated</b>	<b>12,000,000</b>	<b>24,700,000</b>	<b>2.1</b>	<b>21.6</b>	<b>510,000</b>	<b>86.1</b>	<b>72.5</b>	<b>2.4</b>	<b>1.6</b>	<b>9.6</b>	<b>370,000</b>	<b>12,000</b>	<b>8,000</b>	<b>49,000</b>
<b>Sub Total</b>	<b>Inferred</b>	<b>85,600,000</b>	<b>166,900,000</b>	<b>1.8</b>	<b>17.3</b>	<b>3,060,000</b>	<b>84.6</b>	<b>71.1</b>	<b>2.5</b>	<b>1.2</b>	<b>9.8</b>	<b>2,177,000</b>	<b>75,000</b>	<b>36,000</b>	<b>300,000</b>
<b>Cooljarloo Total</b>		<b>97,600,000</b>	<b>191,600,000</b>	<b>1.9</b>	<b>17.8</b>	<b>3,570,000</b>	<b>84.8</b>	<b>71.3</b>	<b>2.4</b>	<b>1.2</b>	<b>9.8</b>	<b>2,547,000</b>	<b>87,000</b>	<b>44,000</b>	<b>349,000</b>
Bidaminna	Inferred	26,300,000	44,600,000	3.0	3.6	1,350,000	96.0	82.4	7.2	1.0	5.4	1,113,000	97,000	13,000	73,000
<b>Total Dredge</b>		<b>123,900,000</b>	<b>236,200,000</b>	<b>2.1</b>	<b>15.1</b>	<b>4,920,000</b>	<b>84.3</b>	<b>65.6</b>	<b>4.6</b>	<b>2.9</b>	<b>11.3</b>	<b>3,660,000</b>	<b>184,000</b>	<b>57,000</b>	<b>4,323,000</b>