

15 December 2016

Dear Shareholder

Image Resources NL - Non-Renounceable Rights Offer

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to confirm that it will be conducting a non-renounceable rights offer to Eligible Shareholders on the basis of five (5) New Shares for every twelve (12) Shares held on the Record Date at an issue price of A\$0.04 per New Share to raise approximately A\$6.325 million (before costs) (**Offer**). Refer ASX Announcement of 14 December 2016.

In addition to being able to apply for New Shares as detailed in the Offer, Shareholders who subscribe for their full Entitlement will also have the opportunity to apply for, and be allocated, additional Top Up Shares that are not subscribed for under the Offer, subject to the limitations set out in the Offer.

The Offer is fully and unconditionally underwritten by Million Up Pty Ltd. Shareholders who hold Shares at 5:00pm (WST) on 19 December 2016, and have a registered address in Australia or New Zealand, will be eligible to participate in the Offer (Eligible Shareholders). Eligible Shareholders will be sent a copy of the Offer Document and personalised Application Form.

Indicative Timetable

Event	Date
Announcement of rights issue	14 December 2016
Lodgement date (Offer Document and Appendix 3B)	14 December 2016
Notice sent to shareholders	15 December 2016
Record date	19 December 2016
Opening date & dispatch of Offer Document to shareholders)	22 December 2016
Last day to extend offer closing date	9 January 2017
Closing date	12 January 2017
Notify ASX of shortfall	17 January 2017
Issue of new shares	19 January 2017
New shares and commence trading	20 January 2017

Image Resources Limited
Letter to Shareholders – Entitlement Offer
15 December 2016

The dates in the table above are indicative only and the Company reserves the right to vary them in accordance with the requirements of the ASX Listing Rules.

Use of Funds from Entitlement Offer

Funds raised will be used to:

- Update the Bankable Feasibility Study for the development of the Boonanarring and Atlas projects;
- Purchase land critical to the development of Boonanarring;
- Undertake additional exploration activities; and
- For working capital purposes.

Eligible Shareholders

It has been determined that it is unreasonable to make the Offer to shareholders who have a registered address in a country outside of Australia or New Zealand having regard to the number of shareholders in such places, the number and value of the New Shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions. Accordingly, the New Shares to which Excluded Shareholders would otherwise be entitled will form part of the Shortfall.

Eligible Shareholders holding Shares on behalf of persons who are resident outside of Australia or New Zealand are responsible for ensuring that subscribing for the New Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will constitute a representation that there has been no breach of such regulations. Where the Offer Document is received by persons domiciled in a country outside Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the Offer, the Offer Document and accompanying Application Form are provided for information purposes only.

For further information relating to the Offer Document, please contact the Company Secretary on (08) 9389 2111.

Yours faithfully

Patrick Mutz
Managing Director