

10 January 2017

EXERCISE OF LAND PURCHASE OPTION

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to announce it has exercised its option to purchase 550 hectares of land situated over a key section of its 100%-owned, high-grade **Boonanarring Mineral Sands Project** located 120 km north of Perth in the **North Perth Basin**. The option was exercised on 6 January 2017 and the sale is scheduled to be completed on or about 13 February 2017.

Managing Director Mr Patrick Mutz stated “**the exercise of this purchase option is a key step for Image and demonstrates the Company’s commitment to the development of the Boonanarring project on a fast-track basis**”.

The Company is currently updating its 2013 feasibility study to a bankable standard and incorporating the use of the recently acquired wet concentration processing plant (WCP). The study is scheduled to be completed at the end of March 2017. Assuming sufficiently positive feasibility results (as anticipated), Image will progress to project capital raising followed by relocation and assembly of the WCP and all associated and ancillary capital equipment currently located in South Australia. **The Company is targeting first production in February-March 2018.**

The land to be acquired with the exercise of this purchase option is an area designated by Image as Block ‘C’ and encompass the initial box-cut for open pit mining operations and will provide ore for the first two years of processing operations. The wet concentration plant, offices, warehouse and all associated services including mining contractor operations centre will also be located within Block ‘C’.

The funds required to complete the purchase will be sourced from funds raised in the currently open, fully underwritten, non-renounceable rights issue scheduled to close on 19 January 2017.

For further information, please contact:

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