

QUARTERLY ACTIVITIES REPORT – for quarter ended 31 March 2018

Image Resources NL
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ASX Code
IMA

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Issued Capital
Shares – Quoted
861,289,987
As at 31 March 2018

Cash at end of quarter
\$25,792,000

Board Members
Robert Besley
(Non-Executive Chairman)
Patrick Mutz
(Managing Director)
Peter Thomas
(Non-Executive Director)
George Sakalidis
(Executive Director)
Chaodian Chen
(Non-Executive Director)
Eddy Wu
(Non-Executive Director)
Aaron Chong Veoy Soo
(Non-Executive Director)
Huang Cheng Li
(Non-Executive Director)

HIGHLIGHTS

- Image enters into Loan Note Subscription Agreement for AU\$50 million senior secured debt facility for Boonanarring project;
- AU\$25 million equity capital raising finalised;
- Boonanarring project construction commenced 14 March 2018 with start of construction of site entry road; and
- Zircon prices continue to rise.

Boonanarring Project Funding and Start of Construction

The Company's primary focus during the quarter was securing project capital funding and commencing construction at its 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project located 80km north of Perth in WA. First production is scheduled to occur in the 4th Quarter 2018.

Execution of Loan Note Security Agreement

On 7 March the Company entered into a Loan Note Subscription Agreement ("LNSA") with Pala Investments Limited ("Pala") and Castllake IV, L.P. and CL V Investment Solutions LLC which are entities controlled by Castllake L.P. (collectively, "Castllake") as the Loan Note Holders, to raise AU\$50M¹ from the issue of senior secured loan notes.

Drawdown of the loan notes under the LNSA is subject to certain conditions precedent which are on track to be satisfied in the 2nd Quarter 2018. Key terms include a single tranche drawdown of the full amount, 3-year loan term and interest rate of 14% for the first 15 months and 13% thereafter. Full details of the terms and conditions of the LNSA were disclosed in an ASX announcement on 8 March 2018.

Equity Raising

On 15 March 2018, the Company announced that it had closed its planned equity raising fully subscribed, to raise \$25 million (before costs) by the issue of 250 million Image shares at 10 cents per share. The equity raising was supported by Euroz Securities Limited and demand was filled by new and existing shareholders including new substantial shareholder Vestpro International Limited.

The funds are being applied to commencing construction of the mine and processing facility at the Boonanarring project, in advance of receipt of the balance of project capital funding to be provided as debt under the LNSA with Pala and Castllake.

Commencement of Construction at Boonanarring Project

In line with the ongoing commitment to fast-track the development of the Boonanarring Project, early in March the Company approved the expenditure of funds to commence site construction which formally began on 14 March with the start of construction of the site entry road.

Expenditure commitments were also made during March to a number of contractors for mobilisation of personnel and equipment for mining and civil construction at Boonanarring as well as preparations for relocation of the wet concentration plant and associated equipment from South Australia.

Rising Zircon Prices

Zircon prices continued to rise during the quarter. Tronox Limited increased the sales price for its premium grade zircon by 10% to US\$1,455 per tonne effective 1 January 2018.

Effective 1 April 2018, Iluka Resources increased its Zircon Reference Price by 14% to US\$1,410 per tonne. Similarly, the Iluka premium grade zircon reference price in China increased by 12% to US\$1,455 per tonne.

The Company anticipates a further zircon price rise prior to the start of production in the 4th Quarter 2018.

Exploration

The Company continued to control its exploration expenditures largely in accordance with minimum expenditure limits to conserve cash for the development of Boonanarring. Even so, results from the minimal drilling program continue to provide strong evidence of additional mineralisation on a number of fronts. Details provided below.

Corporate

Following participation in the \$25M equity raising to achieve a position on the share register of greater than 10% post-equity raising, Vestpro International of Hong Kong nominated Mr Huang Cheng Li as its nominated representative, and the Image Board appointed Mr Li as a Non-Executive Director effective 4 April 2018.

The Quarterly Activities and Cashflow Reports for the period ending 31 December 2017 were filed on 31 January 2018.

ACTIVITIES REPORT

Boonanarring Project Funding and Start of Construction

The Company has made substantial progress during this reporting period, towards its goal of fast-tracking the development of its 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project located 80km north of Perth in the North Perth Basin in WA. An agreement was executed with debt providers for the required project debt capital, the balance of required project capital was raised as equity and project construction has commenced. Processing plant construction is scheduled to be completed in six months and first production is scheduled to occur in the 4th Quarter 2018.

Execution of Loan Note Security Agreement

On 7 March the Company entered into a Loan Note Subscription Agreement ("LNSA") with Pala Investments Limited ("Pala") and Castllake IV, L.P. and CL V Investment Solutions LLC which are entities controlled by Castllake L.P. (collectively, "Castllake") as the Loan Note Holders, to raise AU\$50M¹ from the issue of senior secured loan notes.

Drawdown of the loan notes under the LNSA is subject to certain conditions precedent (CPs). Significant progress was made on satisfaction of the CPs during March and the Company is on track to finalise all remaining CPs and achieve drawdown of the loan notes during the 2nd Quarter 2018.

Key terms of the LNSA include a single tranche drawdown of the full amount of the loan notes, 3-year loan term and interest rate of 14% for the first 15 months and 13% thereafter. The loan is secured by the assets of the Company as is customary for a transaction of this nature.

Full details of the terms and conditions of the LNSA were disclosed in an ASX announcement on 8 March 2018.

Equity Raising

On 15 March 2018, the Company announced that it had closed its planned equity raising fully subscribed, to raise \$25 million (before costs) by the issue of 250 million Image shares at 10 cents per share.

The equity raising was announced on 12 March 2018, was conducted on 12-14 March and closed fully subscribed. It was supported by Euroz Securities Limited as sole lead manager and sole bookrunner. The offer was fully underwritten by Vestpro International Limited ("Vestpro") and existing shareholder Million Up Limited, both of Hong Kong.

Vestpro's support of the equity raising resulted in Vestpro becoming a substantial shareholder at 15.32% (post-raising) and as such, earning a right to nominate a representative to the Board of Directors. Vestpro nominated Mr Huang Cheng Li and as announced on 5 April 2018, Mr Li was appointed as a Non-Executive Director effective 4 April 2018.

Funds from the equity raising will be used to commence construction of the mine and processing facility at the Boonanarring project, in advance of receipt of the balance of project capital funding to be provided as debt under the LNSA with Pala and Castlelaide.

Commencement of Construction at Boonanarring Project

In line with the Company's ongoing commitment to fast-track the development of the Boonanarring Project, early in March the Board approved the expenditure of funds to commence site construction which formally began on 14 March with the start of construction of the site entry road. Contractor BMD Constructions Pty Ltd was awarded the contract to construct the main Boonanarring site entry road from Wannamal Road West to the proposed site for the wet concentration plant and maintenance and administration buildings.

Expenditure commitments were also made to a number of other contractors for mobilisation of personnel and equipment including Piacentini and Son Pty Ltd for site civil construction for the processing plant; ProjX Pty Ltd for overall project construction management; and LGM Industries Pty Ltd for relocation and reassembly of the wet concentration plant and associated equipment located in South Australia.

Expenditure commitments were also made during March to procure select replacement capital equipment being purchased to facilitate processing throughput, enhance operating efficiencies and/or reduce operating costs.

The current project construction schedule provides wet commissioning of the processing plant in October 2018 and first production before the end of the 4th Quarter.

Rising Zircon Prices

Zircon prices continued to rise during the quarter. Tronox Limited increased the sales price for its premium grade zircon by 10% to US\$1,455 per tonne effective 1 January 2018 (source: www.ferroalloy.net).

Effective 1 April 2018, Iluka Resources increased its Zircon Reference Price by 14% to US\$1,410 per tonne. Similarly, the Iluka premium grade zircon reference price in China increased by 12% to US\$1,455 per tonne (source: www.ferroalloy.net).

Zircon represents approximately 70% of total projected revenue for the Boonanarring project and the current benchmark spot price for zircon to be used to determine the price of Boonanarring HMC product is now 12% higher than when the updated bankable feasibility study results were published on 27 November 2017.

A shortfall of zircon in the shorter term is emerging with the temporary suspension of production operations at RBM's Richards Bay project due to rioting and a decrease in zircon production by Iluka. The RBM operation typically produces 250,000 tonnes of zircon per year, which represents approximately 25% of world production.

The Company anticipates a further zircon price rise prior to the start of production at Boonanarring in the 4th Quarter 2018.

Corporate

Following participation in the \$25M equity raising to achieve a position on the share register of greater than 10% post-equity raising, Vestpro International of Hong Kong nominated Mr Huang Cheng Li as its nominated representative, and the Image Board appointed Mr Li as a Non-Executive Director effective 4 April 2018.

The Quarterly Activities and Cashflow Reports for the period ending 31 December 2017 were filed on 31 January 2018.

EXPLORATION HIGHLIGHTS

- Drilling in the March Quarter was completed over Bidaminna North, Bibby Springs, Regans Ford and Boonanarring West for 29 holes totalling 1269m.
- At Bidaminna further samples covering the upper mineralised zone have been submitted for assay. A potential 12.7km mineralised zone is shown up and further infill drilling and sampling is warranted to confirm this extension.
- At the Boonanarring Northern Extension initial contacts have been made with two land owners seeking access agreements to allow drilling part of the northern extension.
- New drilling in the southernmost extension of the eastern strand forming the Boonanarring Deposit strand outlines a potential 23km length. Further drilling is also planned over the next few months. Drilling on the 4km southernmost extension of the western strand forming the Boonanarring Deposit is also planned in the coming months.
- The new Boonanarring West mineralisation which has been drill tested over 3km also correlates with the western strand within the Gingin North Deposit which is 7km to the south. Infill drilling is being planned within the 7km intervening strip.
- A 124km, 100m spaced ground magnetic survey was completed over the Regans Ford deposit area. This outlined several parallel targets which have not previously been drilled, as well as infill targets on the historically reported (JORC 2004) Mineral Resource (see Table 1 below and note 4 to Table 1). The ground magnetics suggest the potential that some of the highest-grade mineralised zones may have been missed by previous historical drilling.
- A large drill programme is planned in the June 2018 Quarter comprising 262 holes totalling 9,565m to follow up the above and other promising targets.

Boonanarring North Extension

Two landowners have been contacted to arrange talks concerning access agreements for delineation drilling over the 2.6km northernmost section of the extension of the high-grade Boonanarring deposit announced on 13 March 2017. If access agreements are secured, 80 drillholes for 3840m on a 200m x 40m drill grid are likely required to convert the mineralisation in this area to Indicated Mineral Resources Category (Fig. 1).

This extension area is deemed to be within economic pumping distance of the planned location of the Boonanarring wet concentration plant.

The Company has confirmed that the Boonanarring high-grade northern extension area includes zircon grades ranging from 16.4% to 22.2% of the HM content, which included outstanding high-grade intersections of 8m @ 23.8% HM in drillhole IX00245, 8m @ 21.1% HM in IX00244 and 8m @ 16.3% HM in IX00250 (ASX release 26/06/2017). In addition, the northernmost part of the extension area has a lower strip ratio of around 3.2:1 as compared to a higher strip ratio for the currently planned Boonanarring mine area.

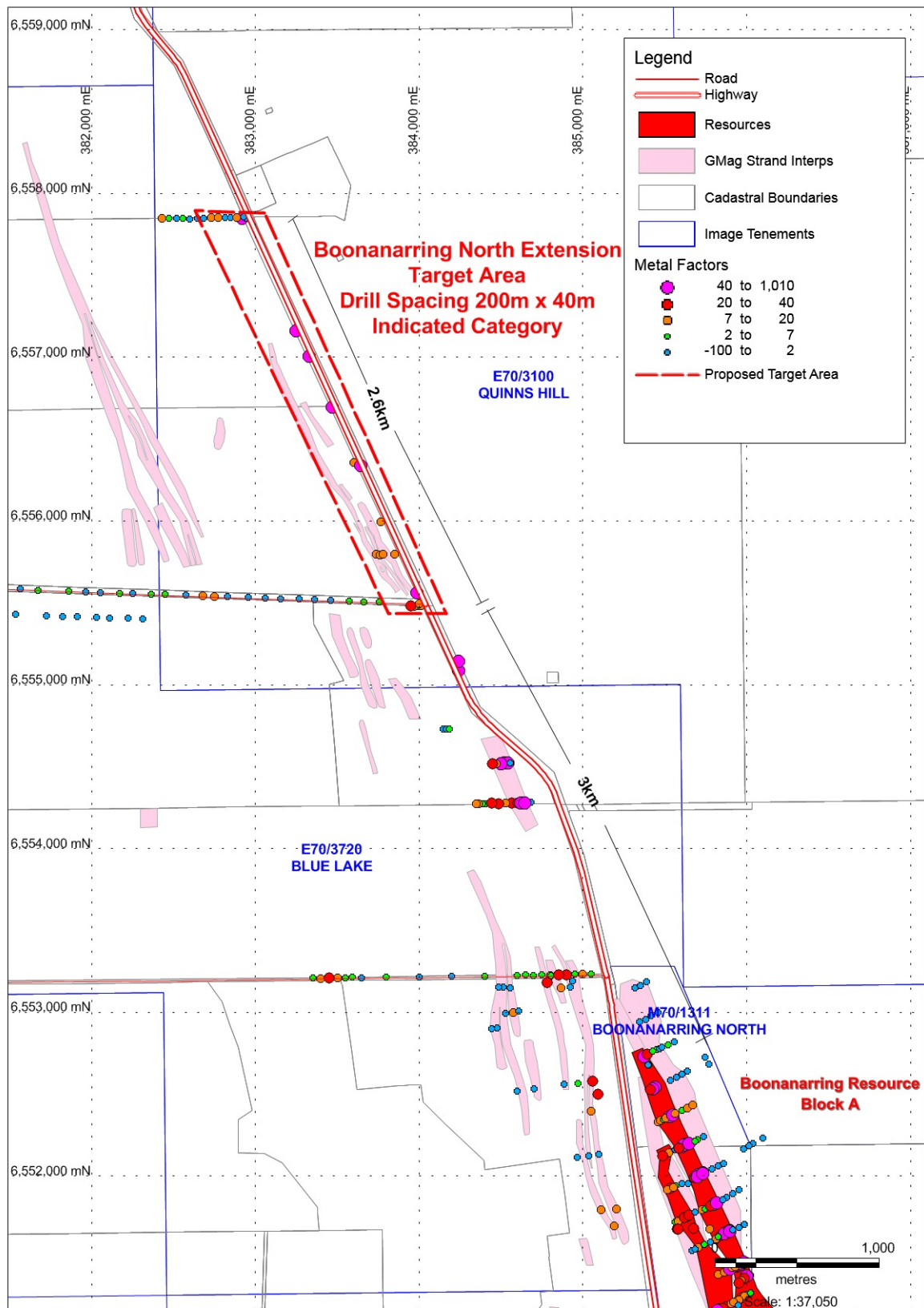


Figure 1. Boonanarring North Extension showing drilling area which is subject to access.

Boonanarring West

After recent drilling at Boonanarring West a new target area has been outlined being 3000m x 300m and is only 600m west of the Boonanarring Resource (Fig. 2 and 3). This has potential positive ramifications for the mine life of the Boonanarring Deposit. A small program of approximately 10 drillholes is planned in August 2018. The mineralisation intersected in November 2017 & February 2018 is open to the E, W and S and is at a lower RL of 50–55 ASL compared to 65–70 ASL for the Boonanarring Resource (Fig. 3).

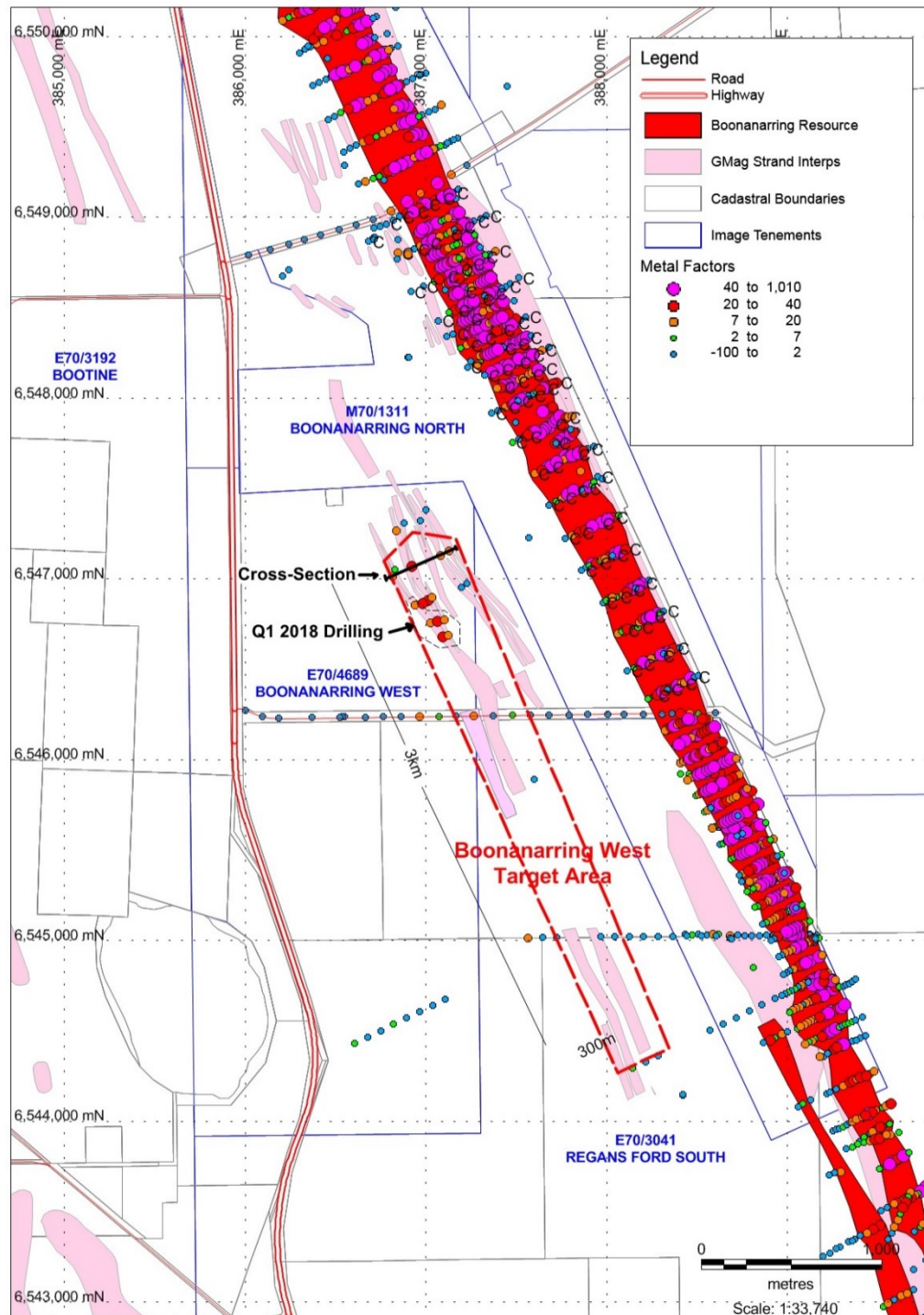


Figure 2. Boonanarring West Target Area with holes drilled in the March 2018 Quarter

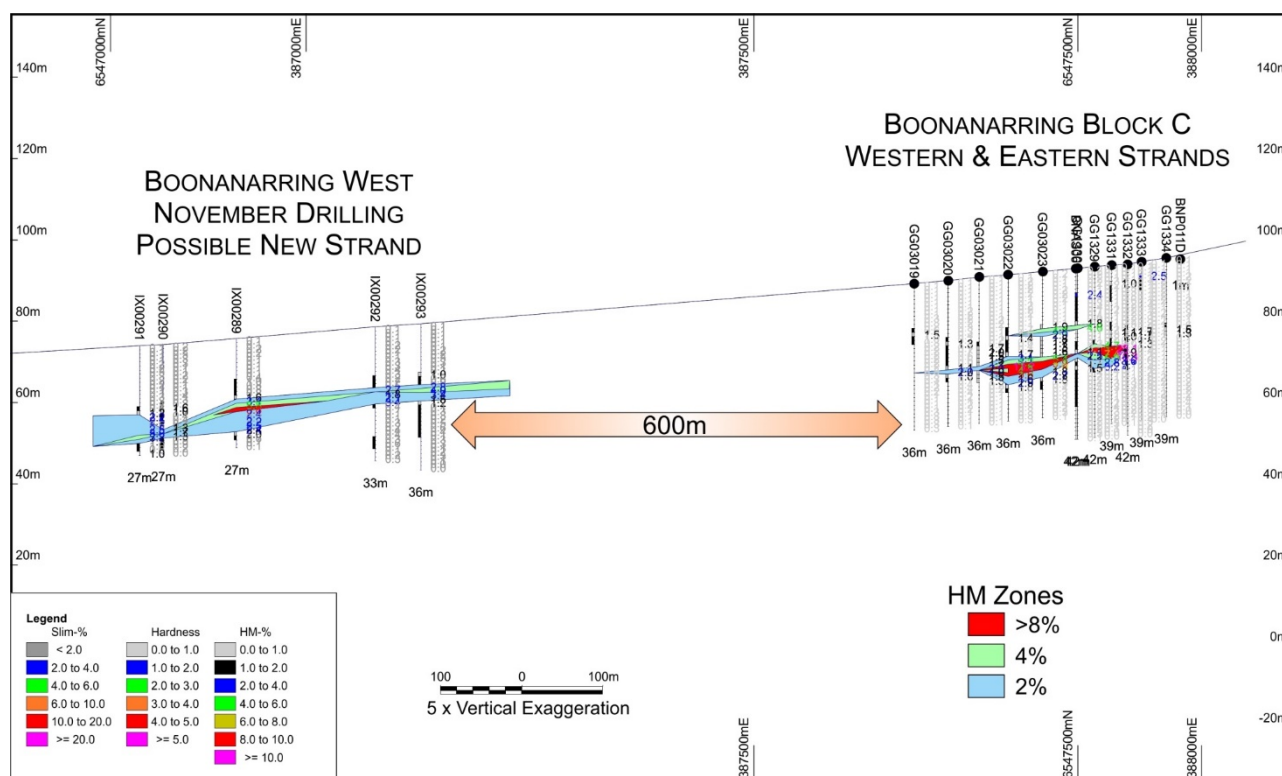


Figure 3 Boonanarring West Cross section showing potential for link up with the Boonanarring Deposit.

Boonanarring South

Recent drilling has confirmed the Boonanarring Resource potentially continues southwards up to 4.1km (Fig. 4). A drill programme of up to 49 holes totalling 1,350 metres is likely necessary to convert the mineralisation to an Inferred Mineral Resource category, which will add to the existing Boonanarring global Mineral Resource. A further two access agreements are expected to be signed covering the intervening areas that have not yet been drilled.

We have identified from the latest drilling, that the Eastern Boonanarring Strand that forms part of the Boonanarring Deposit is potentially 23km in length. The Western Boonanarring Strand has not been drill tested over the above 4.1km and this is planned for the ensuing months.

Also, we have identified a further strand at the 57RL which comes close to surface and correlates with the newly identified mineral strand at Boonanarring West.

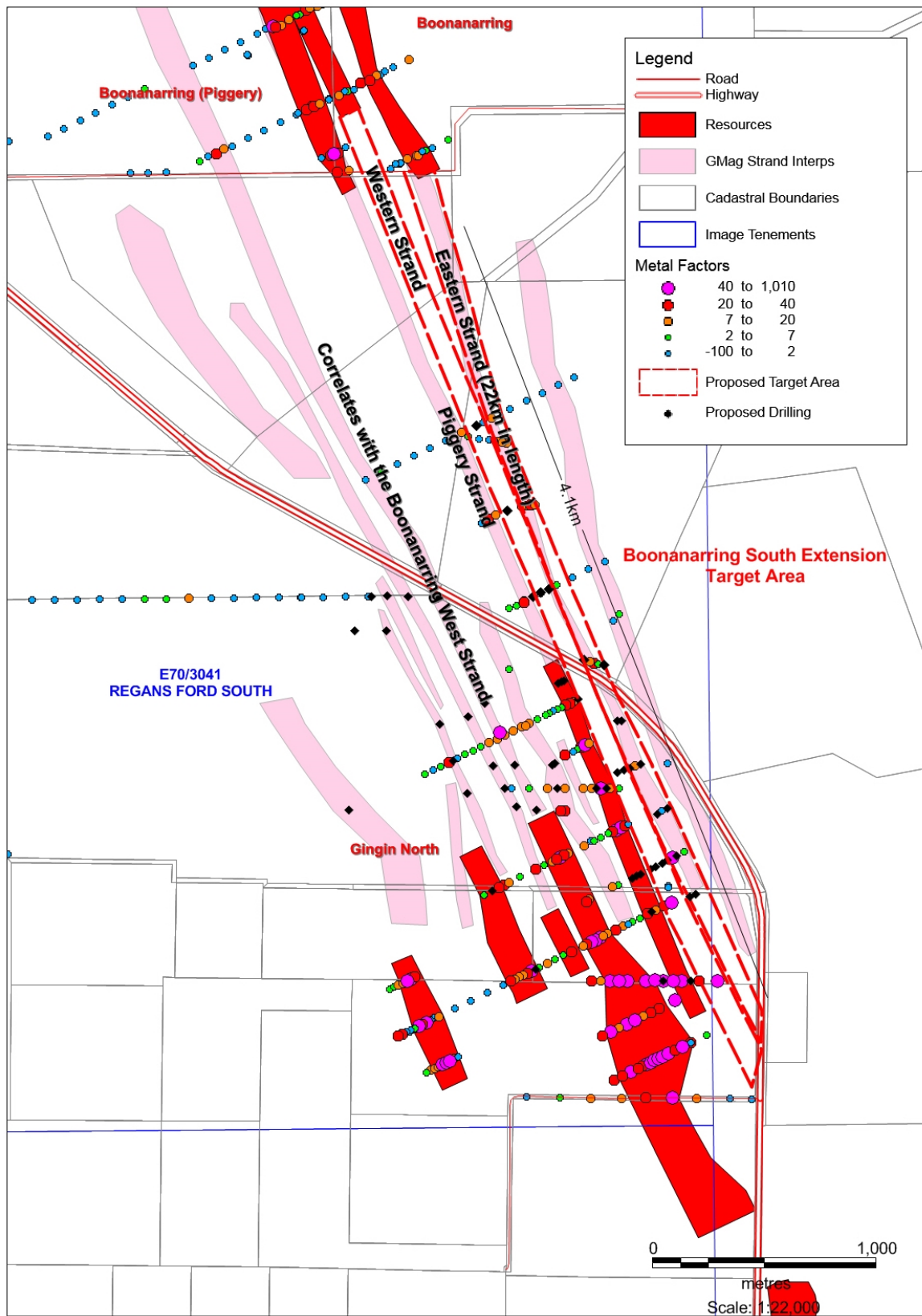


Figure 4. Boonanarring South Extension showing the potential link up with eastern strand forming part of the Boonanarring Deposit and the western strand that correlates with the Boonanarring West Target Area.

Regans Ford Deposit

A 124km, 100m spaced ground magnetic survey was completed over the Regans Ford deposit area. This outlined a number of parallel targets that had not previously been drilled as well as infill targets within previously identified Mineral Resources (JORC 2004) areas. The ground magnetics suggest that some of the highest-grade mineralisation may have been missed by previous historical drilling

As shown in Table 1 below, historical reports of mineralisation show Regans Ford Deposit is a high-grade deposit of 9.9Mt @ 9.6% HM as prepared and first disclosed under the JORC Code 2004. This mineral estimate has not been updated to comply with the JORC Code 2012 on the basis that the information on which the estimation is based has not materially changed since it was last reported.

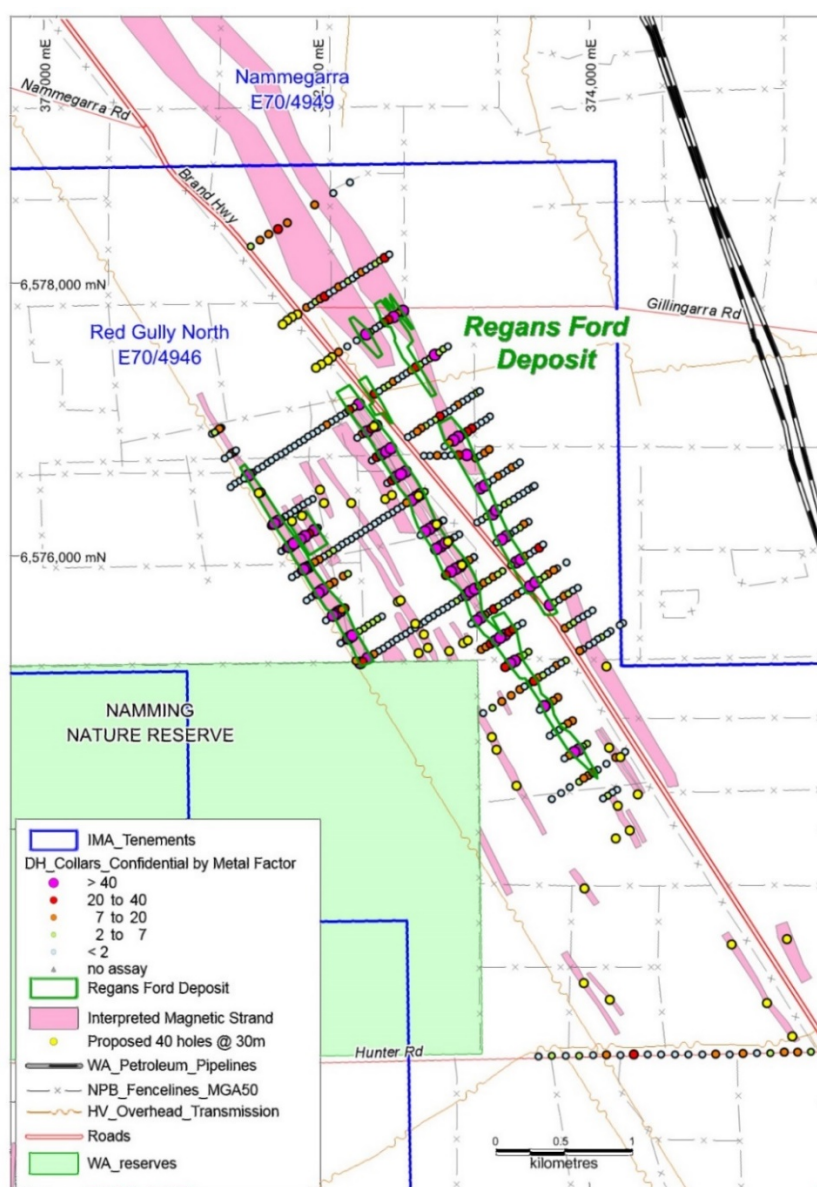


Figure 5 Regans Ford Deposit showing numerous new potential mineralised trends and future drilling programme.

Image is planning an initial 54-hole drill programme initially, mainly aimed at infill holes, extension holes and twinned holes. The twinned holes will be used to upgrade the Mineral Resource to JORC Code (2012). At this stage the timing of the drilling programme is subject to the negotiation of access agreements.

Table 1: Regans Ford deposit Mineral Resource as at 3 August 2017

Historic Deposit - Strand deposit											
Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM	Ilmenite	Leucoxene	Rutile	Zircon
							(%)	(%)	(%)	(%)	(%)
Regans Ford ⁴	Indicated	4,505,285	9,024,226	9.9	16.8	893,398	94.3	70.0	10.0	4.3	10.0
Regans Ford ⁴	Inferred	455,933	918,536	6.5	18.5	59,705	90.5	68.3	7.7	4.4	10.1
Regans Ford Total		4,961,218	9,942,762	9.6	17.0	953,103	94.1	69.9	9.9	4.3	10.0

NOTE: 4. HISTORIC INFORMATION - REGANS FORD DEPOSIT The information in the table above that relates to tonnes, grades and mineral assemblage is based on historic information published by Iluka Resources Limited in accordance with the former JORC code. The relevant references are from Iluka Resources Limited, 2007, Annual Report on Group C107/2002 Tenements for the period 1/3/2006 to 28/2/2007, South Gingin, Boonanarring, Red Gully, Regans Ford and Cataby; Iluka Technical Report ILUKA-TR-T15138: Geological Survey of Western Australia, WAMEX Report A74900 and Iluka Resources Limited, 2006, 2005 Regans Ford Resource Model estimation; Iluka Technical Report ILUKA-TR-T15039

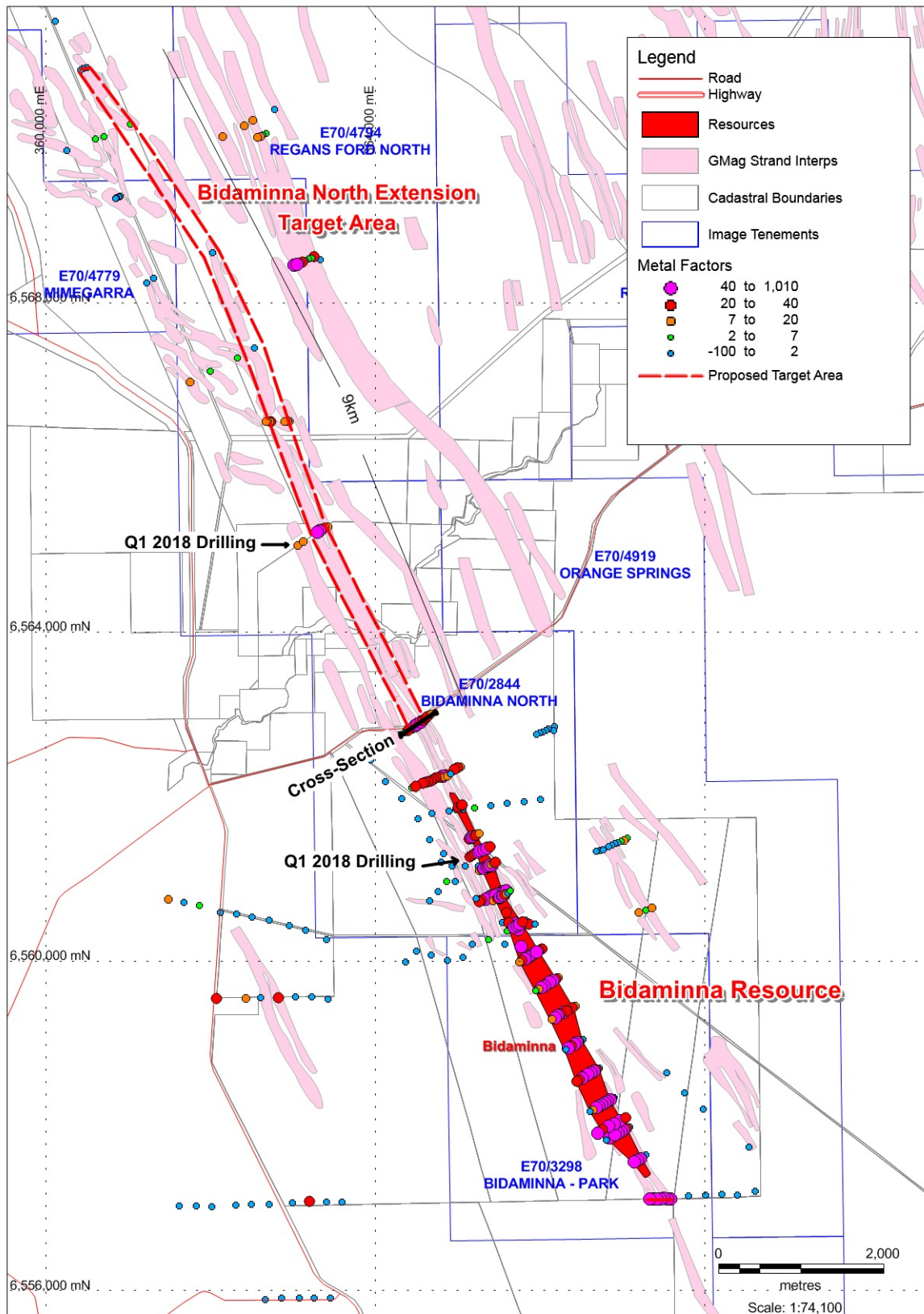
Bidaminna Mineral Resources and Northern Extension

The Bidaminna Project is unusual as the heavy mineral assemblage is dominated by the higher-value Leucoxene, rather than Ilmenite. The pricing of Leucoxene varies compared to the other mineral sands products but is typically 3 to 4 times the value of Ilmenite. Leucoxene content in the current Mineral Resources (JORC 2004) area varies from 28% Leucoxene in HM from the southernmost part of the Mineral Resources area, up to 69% on the northernmost part of the Mineral Resources area.

Positive results could lead to a significant dredge mining prospect of up to 18km in length and with low slimes (less than 5%). The two mineralised zones (upper and lower) are up to 35m thick and are below the water table. The historical estimates of mineralisation are 44Mt at 3% HM @ 1% HM cut-off and extends over a 6km length. The area is believed to have the potential for significant additional mineralisation and has been designated with an Exploration Target of 125–150Mt at 2–3% HM @ 0.5% cut off. Drilling programmes are expected to allow efficient conversion of mineralisation to Mineral Resources based on the interpreted ground magnetics and very wide spaced drilling completed to-date. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Additional samples have been submitted for assay. The aim of the March 2018 Quarter drilling (Figures 6 and 7) and future drilling programmes are to identify coincident upper and lower mineralised layers and to allow the conversion of mineralisation to Mineral Resources. In addition, a mini bulk sample will be taken to allow pilot testing to determine the quality of potential Leucoxene products.

Additional drill programmes would likely be delayed into 2019 as major environmental surveys (botanical, banksia, dieback and heritage), which are seasonal in nature, are required prior to any drilling. These surveys will be planned to be completed in October–November 2018.



Bidaminna Drilling Cross Section showing recent assay results

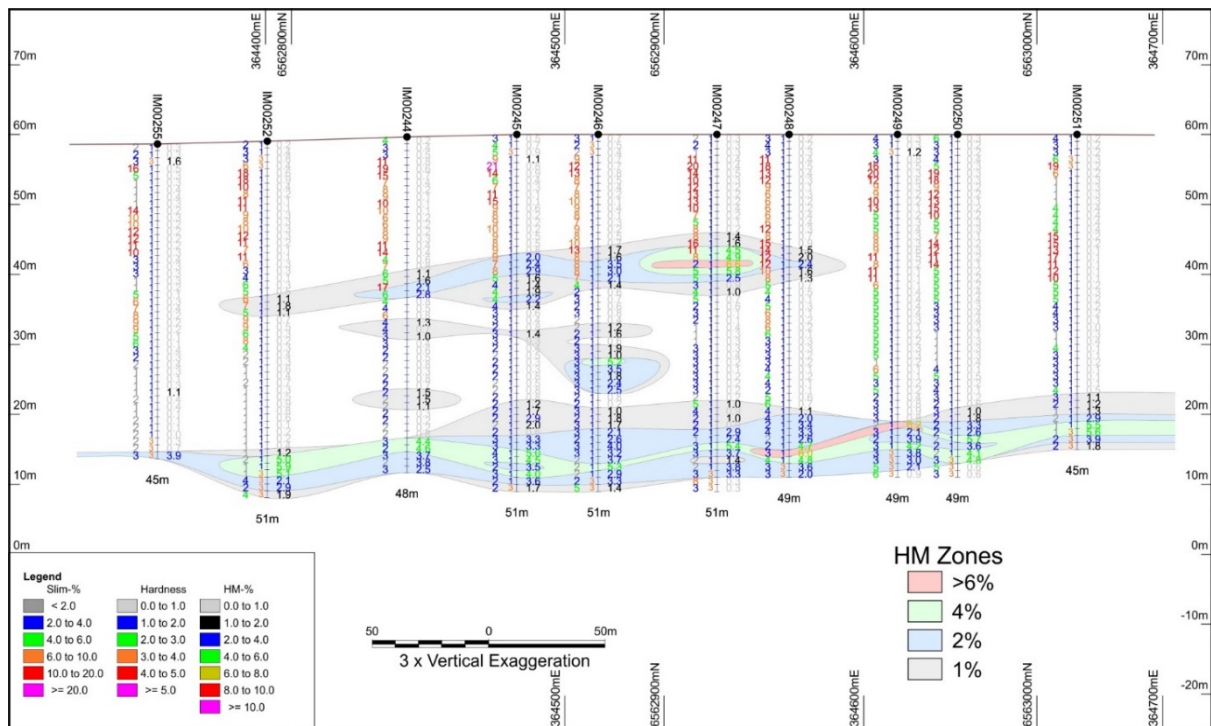


Figure 7 Bidaminna Drilling Cross Section showing recent assay results showing the upper and lower mineralised layers coincident

Table 2 - Drilling March quarter

HoleID	Type	Depth	MGA_N	MGA_E	RI	Dip	Azimuth	Date	Tenement	Project
IX00348	AC	30	6632851	333218	91.7	-90	0	04-Mar-18	E70/4663	Bibby Springs
IX00349	AC	30	6632860	333458	96.1	-90	0	04-Mar-18	E70/4663	Bibby Springs
IX00350	AC	30	6632865	333378	94.7	-90	0	04-Mar-18	E70/4663	Bibby Springs
IX00351	AC	30	6632863	333298	92.6	-90	0	04-Mar-18	E70/4663	Bibby Springs
IX00352	AC	30	6632858	333138	90.6	-90	0	04-Mar-18	E70/4663	Bibby Springs
IM00256	AC	54	6561273	365146	58.0	-90	0	08-Feb-18	E70/2844	Bidaminna North
IM00257	AC	55	6561292	365175	58.0	-90	0	08-Feb-18	E70/2844	Bidaminna North
IM00258	AC	54	6561307	365211	58.0	-90	0	08-Feb-18	E70/2844	Bidaminna North
IM00259	AC	54	6561329	365253	58.0	-90	0	08-Feb-18	E70/2844	Bidaminna North

HoleID	Type	Depth	MGA_N	MGA_E	RI	Dip	Azimuth	Date	Tenement	Project
								18		
IM00260	AC	54	6561344	365277	58.0	-90	0	08-Feb-18	E70/2844	Bidaminna North
IM00261	AC	55	6561359	365323	58.0	-90	0	08-Feb-18	E70/2844	Bidaminna North
IM00262	AC	56	6561378	365356	58.3	-90	0	09-Feb-18	E70/2844	Bidaminna North
IM00263	AC	51	6561397	365396	58.7	-90	0	09-Feb-18	E70/2844	Bidaminna North
IX00338	AC	51	6565279	363432	65.6	-90	0	10-Feb-18	E70/2844	Bidaminna North
IX00339	AC	51	6565275	363393	65.8	-90	0	10-Feb-18	E70/2844	Bidaminna North
IX00340	AC	51	6565253	363362	65.8	-90	0	10-Feb-18	E70/2844	Bidaminna North
IX00341	AC	66	6565228	363329	66.0	-90	0	10-Feb-18	E70/2844	Bidaminna North
IX00342	AC	66	6565210	363293	66.7	-90	0	02-Mar-18	E70/2844	Bidaminna North
IX00343	AC	57	6565100	363130	66.5	-90	0	03-Mar-18	E70/2844	Bidaminna North
IX00344	AC	60	6565053	363061	64.8	-90	0	03-Mar-18	E70/2844	Bidaminna North
IX00332	AC	27	6546854	386940	74.4	-90	0	07-Feb-18	E70/4689	Boonanarring West
IX00333	AC	30	6546756	387027	74.7	-90	0	07-Feb-18	E70/4689	Boonanarring West
IX00334	AC	27	6546766	387066	75.3	-90	0	07-Feb-18	E70/4689	Boonanarring West
IX00335	AC	30	6546774	387102	75.8	-90	0	07-Feb-18	E70/4689	Boonanarring West
IX00336	AC	30	6546682	387095	74.5	-90	0	07-Feb-18	E70/4689	Boonanarring West
IX00337	AC	30	6546687	387123	74.8	-90	0	07-Feb-18	E70/4689	Boonanarring West
IX00345	AC	39	6570371	368904	76.6	-90	0	03-Mar-18	E70/3411	Regans Ford
IX00346	AC	36	6569809	369149	75.7	-90	0	03-	E70/3411	Regans Ford

HoleID	Type	Depth	MGA_N	MGA_E	RI	Dip	Azimuth	Date	Tenement	Project
								Mar-18		
IX00347	AC	36	6569818	369246	76.0	-90	0	03-Mar-18	E70/3411	Regans Ford

Table 3 - Drilling programme proposed June 2018 quarter:

Tenement	Project	# Holes	Metres
E28/1895	Erayinia	26	1040
E70/3032	Gingin	20	600
E70/3041	Regans Ford South	50	1350
E70/3100	Quinns Hill	40	1920
E70/3298	Bidaminna Park	5	250
E70/3494	Bryalana	8	260
E70/3720	Blue Lake	14	670
E70/3892	Chapman Hill	15	585
E70/3997	Munbinia	40	1440
E70/4244	Woolka	20	900
E70/4631	Munbinia West	18	320
E70/4656	Winooka North	6	230
	Total:	262	9565

Table 4 - Drilling programme completed March 2018 quarter:

	Project	# Holes	Metres
E70/2844	Bidaminna North	15	834
E70/3411	Regans Ford	3	111
E70/4663	Bibby Springs	5	150
E70/4689	Boonanarring West	6	174
	Total:	29	1269

COMPETENT PERSON'S STATEMENTS – EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES

Information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves (other than Boonanarring and Atlas Mineral Resources and Ore 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 Ore 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.

The information in this report that relates to the estimation of Mineral Resources for the Boonanarring and Atlas Projects is based on information compiled by Mrs Christine Standing, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Mrs Standing is a full-time employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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'. Mrs Standing consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

The information in this report that relates to the estimation of Ore Reserves for the Boonanarring and Atlas Projects has been compiled in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code – 2012 Edition). The Ore Reserves have been compiled by Jarrod Pye, Mining Engineer and previously a full-time employee of Image Resources, under the direction of Andrew Law of Optiro, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Law has sufficient experience in Ore Reserves estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Law consents to the inclusion in the report of the matters compiled by him in the form and context in which it appears."

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.

Attachments: Table 5. Tenement Schedule in accordance with ASX Listing Rule 5.3.3
 Table 6. Mineral Resources and Ore Reserves as at 3 August 2017

Table 5 – Tenement Schedule

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	ERAYINIA	100%	100%
WA	E70/2636	Granted	COOLJARLOO	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	E70/3100	Granted	QUINNS HILL	100%	100%
WA	E70/3192	Granted	BOOTINE	100%	100%
WA	E70/3298	Granted	BIDAMINNA -PARK	90%	90%
WA	E70/3411	Granted	REGANS FORD	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	E70/3997	Granted	MUNBINIA	100%	100%
WA	E70/4077	Granted	DARLING RANGE	100%	100%
WA	E70/4244	Granted	WOOLKA	100%	100%
WA	E70/4245	Granted	WINOOKA	100%	100%
WA	M70/0448	Granted	GINGIN SOUTH	100%	100%
WA	M70/1192	Granted	RED GULLY	100%	100%
WA	M70/1194	Granted	BOONANARRING	100%	100%
WA	P70/1516	Granted	COOLJARLOO	100%	100%
WA	M70/1311	Granted	BOONANARRING NORTH	100%	100%
WA	G70/0250	Granted	BOONANARRING	100%	100%
WA	R70/0051	Granted	COOLJARLOO NORTH	100%	100%
WA	M70/1305	Application	ATLAS	100% pending grant	100% pending grant
WA	P70/1520	Application	COOLJARLOO	100% pending grant	100% pending grant
WA	E70/4631	Granted	MUNBINIA WEST	100%	100%
WA	E70/4656	Granted	WINOOKA NORTH	100%	100%
WA	E70/4663	Granted	BIBBY SPRINGS	100%	100%
WA	E70/4689	Granted	BOONANARRING WEST	100%	100%
WA	E70/4779	Granted	MIMEGARRA	100%	100%
WA	E70/4794	Granted	REGANS FORD NORTH	100%	100%
WA	E70/4795	Application	BIDAMINNA SOUTH	100% pending grant	100% pending grant
WA	E70/4919	Granted	ORANGE SPRINGS	100%	100%
WA	E70/4946	Granted	RED GULLY NORTH	100%	100%
WA	E70/4949	Granted	NAMMEGARRA	100% pending grant	100%
WA	E28/2742	Application	MADOONIA DOWNS	-	100% pending grant
Mining Tenements acquired during the Quarter					
WA	E28/2742	Application	MADOONIA DOWNS	-	100% pending grant
Mining Tenements disposed during the Quarter					
Nil					

Table 6 – Mineral Resources and Ore Reserves as at 3 August 2017

High Grade Ore Reserves - Strand Deposits; in accordance with the JORC Code (2012)											
Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM	Ilmenite	Leucoxene	Rutile	Zircon
							(%)	(%)	(%)	(%)	(%)
Boonanarring ²	Proved	5,008,000	9,344,000	8.6	14.3	803,771	76.081	48.9	1.8	2.2	23.2
Boonanarring ²	Probable	5,565,000	10,514,000	5.9	17.6	622,429	78.653	52.3	1.8	2.7	21.9
Total Boonanarring		10,573,000	19,858,000	7.2	16.1	1,426,200	77.203	50.4	1.8	2.4	22.7
Atlas ²	Probable	5,000,000	9,477,000	8.1	15.5	767,637	73.3	50.7	4.5	7.5	10.6
Total Atlas		5,000,000	9,477,000	8.1	15.5	767,637	73.3	50.7	4.5	7.5	10.6
Total Ore Reserves		15,573,000	29,335,000	7.5	15.9	2,193,837	75.8	50.5	2.7	4.2	18.4
High Grade Mineral Resources - Strand Deposits; in accordance with the JORC Code (2012) @ 2.0% HM Cut-off											
Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM	Ilmenite	Leucoxene	Rutile	Zircon
							(%)	(%)	(%)	(%)	(%)
Boonanarring ¹	Measured	6,359,359	11,799,213	8.0	14	942,167	74.3	48.3	1.7	2.2	22.0
Boonanarring ¹	Indicated	11,802,047	22,265,400	4.9	18.3	1,081,208	71.7	49.2	2.2	2.5	17.8
Boonanarring ¹	Inferred	4,987,703	9,420,449	4.5	21	422,507	68.8	50.0	3.5	3.4	11.9
Boonanarring Total		22,886,875	43,485,062	5.6	18	2,445,882	72.2	49.0	2.2	2.6	18.4
Atlas ¹	Measured	5,210,526	9,900,000	7.9	16.1	782,000	71.0	49.1	4.2	7.2	10.5
Atlas ¹	Indicated	3,368,421	6,400,000	3.7	17.3	237,000	56.5	41.6	3.4	4.7	6.8
Atlas ¹	Inferred	947,368	1,800,000	4.0	19.9	72,000	41.5	29.0	3.3	4.4	4.8
Atlas Total		9,526,316	18,100,000	6.0	16.9	1,091,000	65.9	46.1	4.0	6.5	9.3
Sub-Total Atlas/Boonanarring		32,413,191	61,585,062	5.7	17.7	3,536,882	70.3	48.1	2.8	3.8	15.6
Previously Reported Mineral Resources - Strand Deposits; in accordance with JORC Code (2004) @ 2.5% HM Cut-off											
Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM	Ilmenite	Leucoxene	Rutile	Zircon
							(%)	(%)	(%)	(%)	(%)
Gingin Nth ³	Indicated	680,175	1,318,642	5.7	15.7	75,163	75.4	57.4	9.3	3.2	5.5
Gingin Nth ³	Inferred	580,000	1,090,000	5.2	14.0	57,116	78.4	57.3	11.3	3.7	6.0
Gingin Nth Total		1,260,175	2,408,642	5.5	15.0	132,279	76.7	57.3	10.2	3.4	5.7
Gingin Sth ³	Measured	872,830	1,526,122	4.4	7.2	67,149	79.4	50.7	15.3	5.6	7.8
Gingin Sth ³	Indicated	3,241,835	5,820,480	6.5	7.1	377,167	90.6	67.6	9.8	5.1	8.1
Gingin Sth ³	Inferred	398,573	732,912	6.5	8.4	47,566	91.6	67.4	7.5	5.8	10.9
Gingin Sth Total		4,513,238	8,079,514	6.1	7.3	491,882	89.2	65.3	10.3	5.2	8.3
Helene ³	Indicated	5,568,110	11,466,106	4.6	18.6	522,854	88.7	74.6	0.0	3.6	10.5
Hyperion ³	Indicated	1,786,781	3,742,471	7.7	19.3	286,673	69.4	55.8	0.0	6.3	7.3
Cooljarloo Nth Total		7,354,891	15,208,577	5.3	18.8	809,528	81.9	67.9	0.0	4.6	9.4
Red Gully ³	Indicated	1,930,000	3,409,768	7.8	11.5	265,962	89.7	66.0	8.3	3.1	12.4
Red Gully ³	Inferred	1,455,000	2,565,631	7.5	10.7	192,422	89.0	65.4	8.2	3.0	12.3
Red Gully Total		3,385,000	5,975,399	7.7	11.2	458,384	89.4	65.7	8.2	3.1	12.4
Sub-Total Other		16,513,304	31,672,132	6.0	14.1	1,892,073	85.2	66.0	5.4	4.3	9.6
Historic Deposit - Strand deposit											
Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM	Ilmenite	Leucoxene	Rutile	Zircon
							(%)	(%)	(%)	(%)	(%)
Regans Ford ⁴	Indicated	4,505,285	9,024,226	9.9	16.8	893,398	94.3	70.0	10.0	4.3	10.0
Regans Ford ⁴	Inferred	455,933	918,536	6.5	18.5	59,705	90.5	68.3	7.7	4.4	10.1
Regans Ford Total		4,961,218	9,942,762	9.6	17.0	953,103	94.1	69.9	9.9	4.3	10.0

Previously Reported Mineral Resources - Dredge deposits; in accordance with JORC Code (2004) @ 1.0% HM Cut-off

Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM (%)	Ilmenit (%)	Leucoxen (%)	Rutile (%)	Zircon (%)
Titan ³	Indicated	10,335,053	21,163,741	1.8	22.1	378,831	86.0	71.9	1.5	3.1	9.5
Titan ³	Inferred	58,517,775	115,445,391	1.9	18.9	2,205,007	85.9	71.8	1.5	3.1	9.5
Total Titan	Total	68,852,828	136,609,132	1.9	19.4	2,583,838	85.9	71.8	1.5	3.1	9.5
Telesto ³	Indicated	1,716,328	3,512,204	3.8	18.4	134,499	83.3	67.5	0.7	5.6	9.5
Calypso ³	Inferred	27,113,647	51,457,008	1.7	13.7	854,186	85.6	68.1	1.6	5.1	10.8
Bidamina ³	Inferred	26,260,000	44,642,000	3.0	3.6	1,339,260	96.8	83.11	7.2	1.0	5.5
Total Dredge		123,942,803	236,220,344	2.1	15.2	4,911,783	88.7	74.1	3.1	2.9	8.6

1. COMPLIANCE STATEMENT Boonanarring/Atlas Resource

The information in this report that relates to the estimation of Mineral Resources is based on information compiled by Mrs Christine Standing, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Mrs Standing is a full-time employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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'. Mrs Standing consents to the inclusion in this report of the matters based on her information in the form and context in

2. COMPLIANCE STATEMENT Boonanarring/Atlas Reserve

The Ore Reserves statement has been compiled in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code – 2012 Edition). The Ore Reserves have been compiled by Jarrod Pye, Mining Engineer and full-time employee of Image Resources, under the direction of Andrew Law of Optiro, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Law has sufficient experience in Ore Reserves estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Law consents to the inclusion in the report of the matters compiled by him in the form and context in which it appears.

3. COMPETENT PERSON'S STATEMENT – MINERAL RESOURCE ESTIMATES

The information in this presentation that relates to Mineral Resources is based on information compiled by Lynn Widenbar BSc, MSc, DIC MAusIMM MAIG employed by Widenbar & Associates who is a consultant to the Company. Lynn Widenbar 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 2004 edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Lynn Widenbar consents to the inclusion of this information in the form and context in

4. HISTORIC INFORMATION - REGANS FORD DEPOSIT

The information in this presentation that relates to tonnes, grades and mineral assemblage is based on historic information published by Iluka Resources Limited and indicating the mineral resources were compiled in accordance with the JORC Code (2004).

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

IMAGE RESOURCES NL

ABN

Quarter ended ("current quarter")

57 063 977 579	31/03/2018
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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7	7
1.2 Payments for		
(a) exploration & evaluation	(392)	(392)
(b) development	-	-
(c) production	-	-
(d) staff costs	(440)	(440)
(e) administration and corporate costs	(722)	(722)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,547)	(1,547)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1,660)	(1,660)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,660)	(1,660)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	25,000	25,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(388)	(388)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(36)	(36)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	24,576	24,576

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,423	4,423
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,547)	(1,547)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,660)	(1,660)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	24,576	24,576
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	25,792	25,792

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	25,778	25,778
5.2	Call deposits	14	14
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	25,792	25,792

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	169
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	1
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	4,000	4,000
8.2	Credit standby arrangements	55	55
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	400
9.2	Development	6,300
9.3	Production	-
9.4	Staff costs	500
9.5	Administration and corporate costs	300
9.6	Other – Project Insurances	800
9.7	Total estimated cash outflows	8,300

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Refer Quarterly Report			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Refer Quarterly Report			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which
comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: *"Signed electronically"* Date: 30 April 2018
(Director/Company secretary)

Print name: Dennis Wilkins

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

+ See chapter 19 for defined terms