image resources

18 September 2018

20 METRE SHALLOW GOLD INTERSECTION AT IMAGE RESOURCES' ERAYINIA PROSPECT

Highlights

- **Encouraging initial results from EYRC01 20m @ 0.7g/t Au from 40m, Including 4m @ 1.2g/t Au from 48m and 4m @ 1.0g/t Au from 56m**
- **7km untested strike northwest of drillhole EYRC01. Follow-up 60 AC holes planned to map out gold enhanced supergene zone prior to deeper RC drilling**
- **At least 16 separate other enhanced gold enriched supergene zones identified for follow-up with deeper RC drilling**

Erayinia gold drilling

Image Resources is pleased to announce encouraging results from its first-pass drilling of 6 reverse circulation (RC) drill holes totalling 650 metres at Image's 100%-owned Erayinia prospect (E28/1845 and E28/2742 totalling 106.7 sq. km), located 130km ESE of Kalgoorlie and numerous other operating gold mines (Fig.1) The drill programme has been successful in identifying strike continuity of the King mineralisation (historically drilled by WMC in 1998-99 and Integra 2003-07*), which starts 350 metres to the south.

Image Resources' drilling (Figs.2, 3 and 4) show a number of gold mineralised zones within the first 3 southern RC holes (EYRC001, 2 and 3). The best intersection is **20m at 0.7g/t Au from 40m** (Table 1 and Table 2) within a sheared, bleached and silicified mafic unit. The mineralisation is interpreted to occur as west dipping stacked pyrite, quartz, and carbonate lodes within a package of Archaean mafic and sedimentary rocks.

A seven km strike length to the north of the King mineralisation remains virtually untested with only 3 deep RC holes (EYRC004, 5 and 6) completed 400m to the north by Image Resources, which intersected siliceous metasediments. Hole EYRC05 intersected a 16m zone of semi-massive sulphides from 47m in a brecciated cherty quartzite, however preliminary analyses are low and are being checked by a more rigorous fire assay method. This area shows a complex sigmoidal-shaped magnetic feature, interpreted to be a dolerite. Further air-core (AC) drilling is proposed to outline the extent of the mineralisation prior to deeper RC drilling.

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Future work will include 60 AC drill holes spaced 50m on 200m spaced lines and to a depth of 40m, to help identify and map the anomalous Au within the clay/bedrock interface where the supergene gold is present, prior to deeper RC drilling. The King mineralisation to the south is similar in style and all the RC drilling was sited on a supergene enhanced layer that was first identified by shallow AC drilling.

Further work is required elsewhere on the tenements to follow up on very encouraging positive results from shallow drilling and in some cases deeper RC. There are 16 anomalous Au zones identified mainly from previous AC drilling that will require follow up to ascertain potential Au extensions. These targets vary from 100ppb to 2860ppb (2.86g/t Au) as shown in Table 3.

Notwithstanding these encouraging early gold results at Erayinia, Image remains primarily focussed on exploration activities aimed at adding to the mineral sands mineral resources and ore reserves to increase the overall life-of-mine around the Boonanarring and Atlas Deposits. Plans include a further 119 drill holes totalling 2,872 metres to be drilled in October 2018. Other mineral sands related activities include plans for botanical surveys and drilling 23 holes totalling 900 metres at Bidaminna and Woolka, which are Image's leading potential upside projects.

Notes: * WAMEX Open File Report A61649 – WMC Annual Technical Report for the Karonie Project October 2000.
* WAMEX Open File Report A79824 – Integra Surrender Report for the Aldiss Project October 2008.

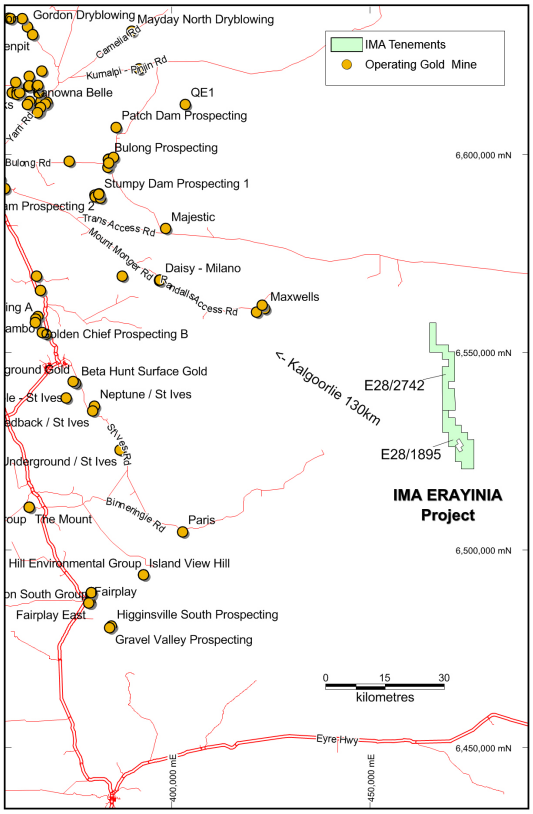

Figure 1 Location of Erayinia and operating gold mines in the Kalgoorlie region.

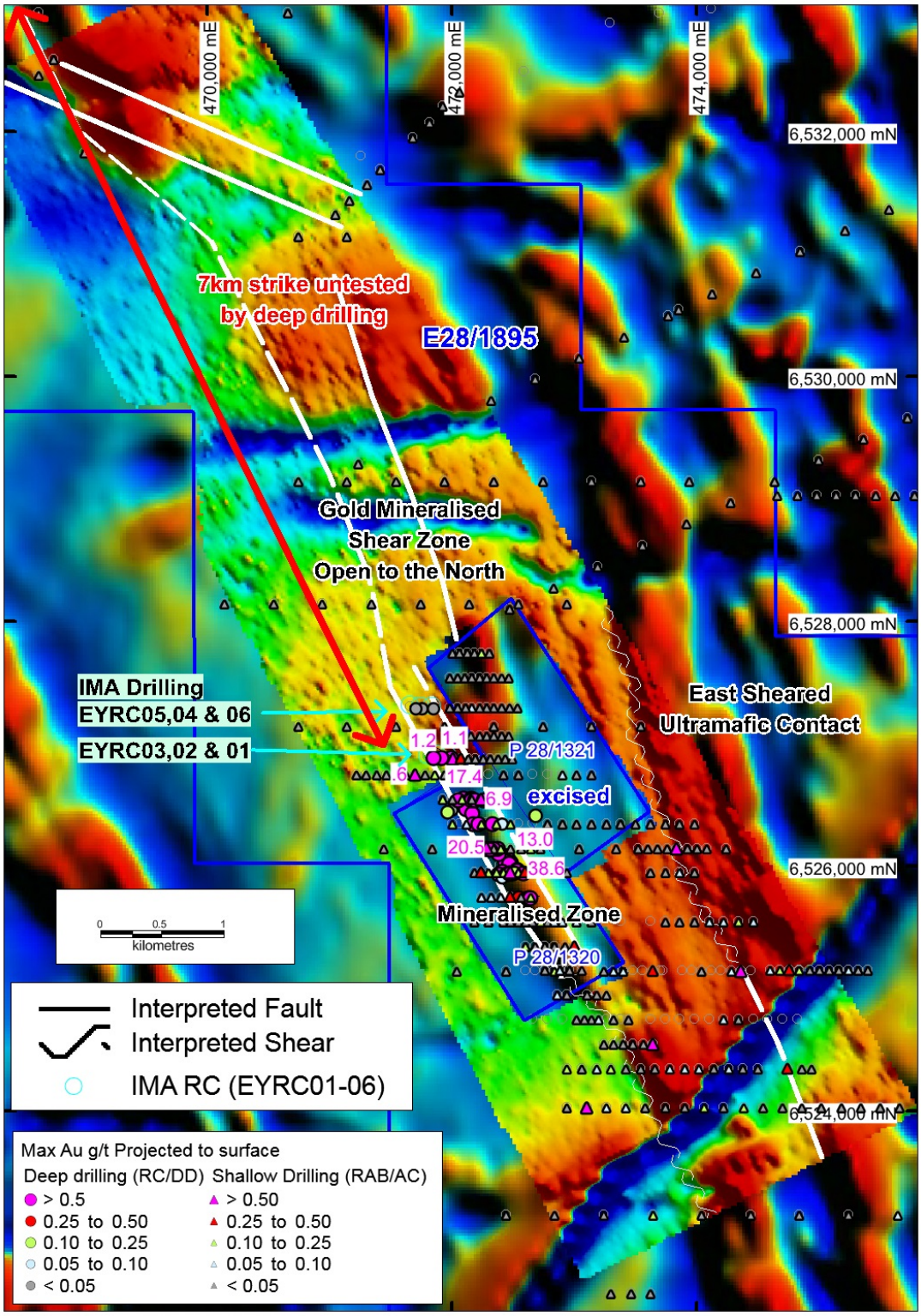

Figure 2. Ground Magnetics merged with Aeromagnetic Image with current RC drilling and historical AC and RC holes.

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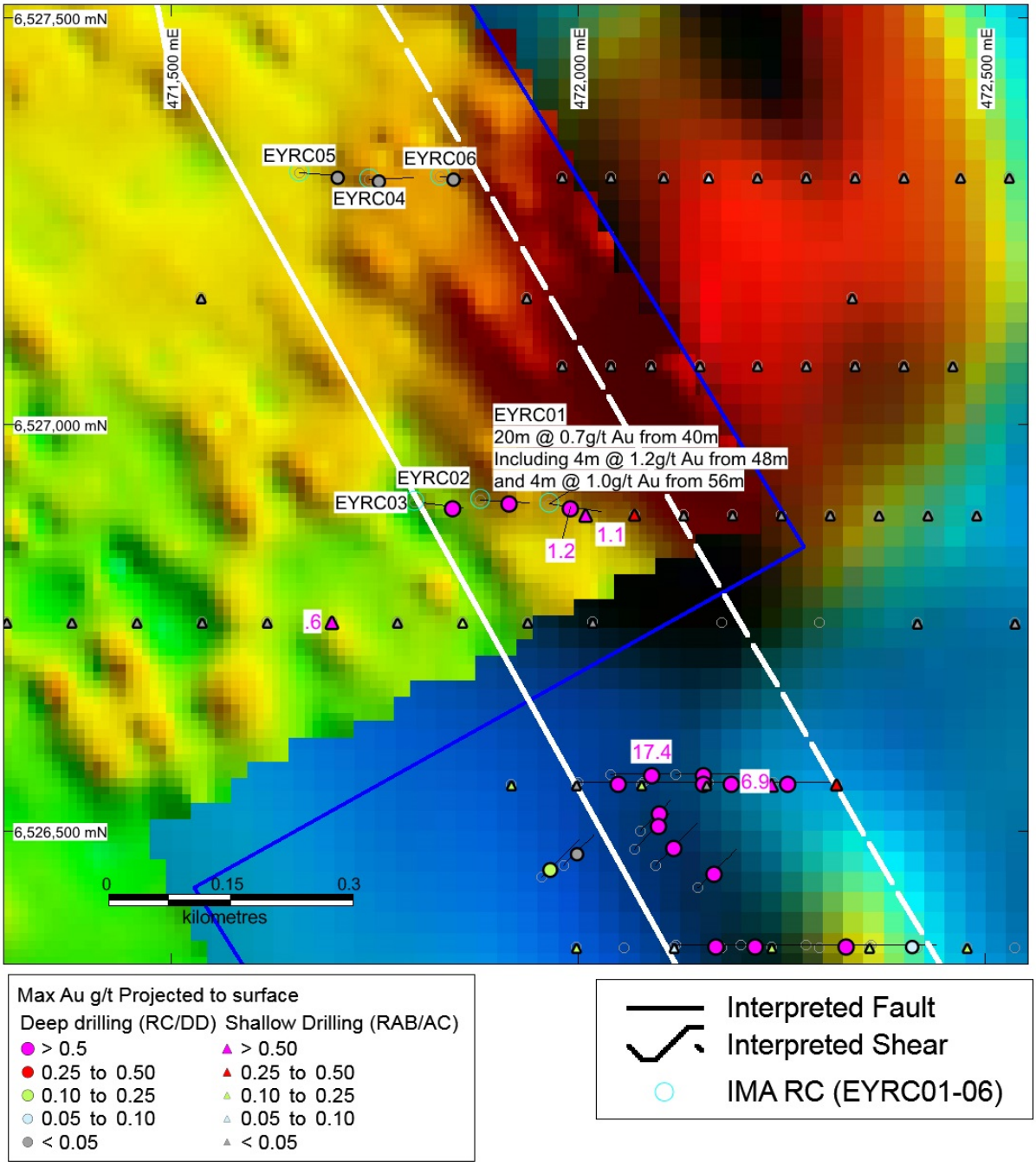

Figure 3. Ground Magnetics merged with Aeromagnetic Image with current RC drilling and historical AC and RC holes.

Table 1. RC Drillhole Locations

Hole ID	Easting MGAz51	Northing MGAz51	Depth(m) Metres	Dip Degrees	Azimuth Degrees
EYRC01	471965	6526902	120	-58	98
EYRC02	471880	6526907	120	-60	94
EYRC03	471799	6526904	120	-60	96
EYRC04	471743	6527301	109	-60	88
EYRC05	471658	6527309	99	-60	94
EYRC06	471831	6527305	57	-60	94

Table 2. RC Drilling Assays > 0.2g/t Gold

Hole ID	From Metres	To Metres	Width Metres	Gold ppm
EYRC01	40	44	4	0.694
EYRC01	44	48	4	0.398
EYRC01	48	52	4	1.152
EYRC01	56	60	4	1.04
EYRC01	76	80	4	0.203
EYRC02	68	72	4	0.567
EYRC02	104	108	4	0.43
EYRC02	112	116	4	0.541
EYRC03	92	96	4	0.633
EYRC03	96	100	4	0.338

Table 3. Follow up – Untested with Deep Drilling Anomalous Gold Intercepts

Hole ID	**Hole Type**	**EOH Depth Metres**	**Easting MGAz51**	**Northing MGAz51**	**From Metres**	**To Metres**	**Max Gold ppm**
SISC1466	AC	56	468844	6540483	55	56	0.13
SISC1483	AC	49	468750	6539840	32	36	0.25
ISRC1029	RC	184	468669	6539513	106	107	1.76
SISC1235	AC	52	469031	6538991	48	51	0.23
SISC1236	AC	42	468975	6538937	32	36	0.24
ROE0968	AC	54	469641	6538647	32	34	0.35
SISC1581	AC	24	469074	6537465	16	20	0.1
ROE1234	AC	30	469240	6534300	24	26	1.28
ROE0339	AC	40	471697	6526757	34	36	0.61
KRR019	RAB	10	473837	6526157	7	8	0.84
KRR071	RAB	37	474357	6525157	18	22	0.96
ROE0345	AC	57	474677	6525157	22	24	0.19
ROE0346	AC	45	474757	6525157	40	42	0.34
ROE0347	AC	49	474837	6525157	22	24	0.23
ROE0700	AC	51	473637	6524557	28	30	2.86
KRR136	RAB	37	474737	6524357	24	30	0.39
ROE0356	AC	47	473097	6524037	30	32	1.36

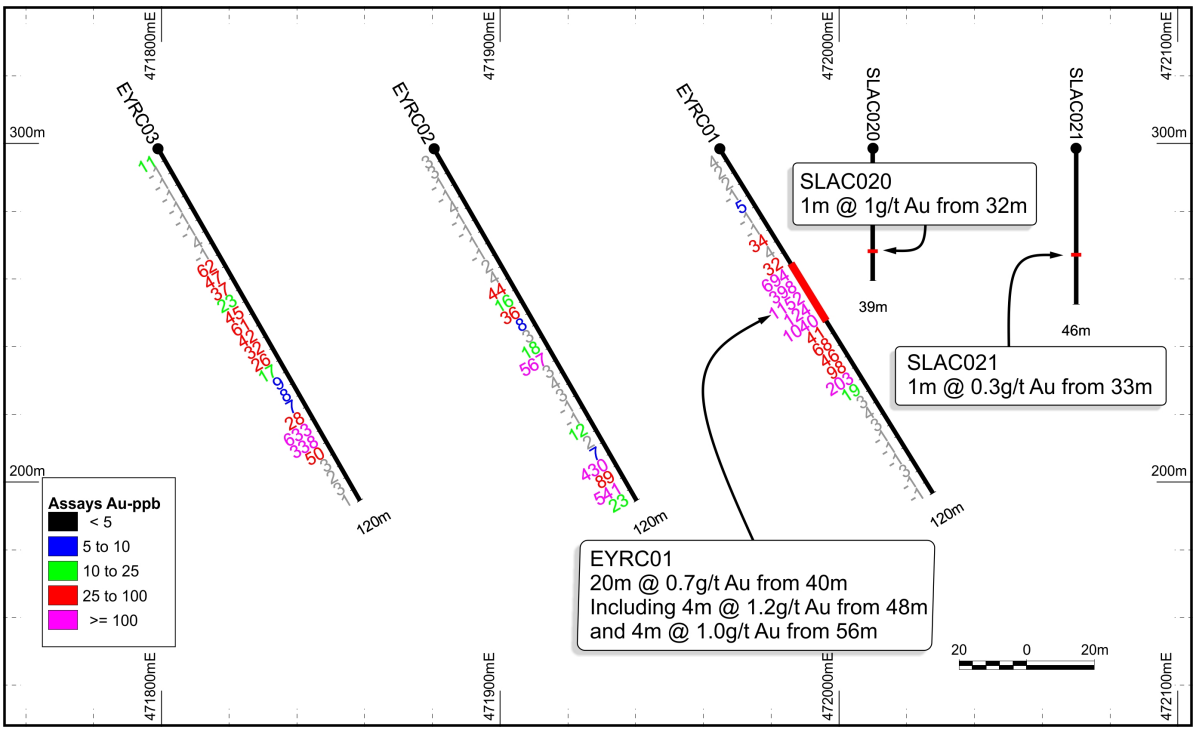

Figure 4. Cross section showing IMA RC and historical (Integra 2004) air-core drilling

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

The information in this report is based on information compiled by 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.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

JORC Code, 2012 Edition – Table 2 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• Sampling and QAQC procedures are carried out using Image's protocols as per industry sound practice. • RC drilling was used to obtain bulk 1 metre samples from which composite 4m samples were prepared by spear sampling of the bulk 1m samples. 3kg of the composite sample was pulverized to produce a 10g charge for aqua regia/ICPMS determination for gold and pathfinder elements. The analytical results of the composite samples are used to determine which 1m samples from the rig's cyclone and splitter are selected for fire assay.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Reverse circulation (RC) drilling was carried out using a face sampling hammer with a nominal diameter Wheel of Fortune. No duplicate samples of 140mm.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• RC recoveries are visually estimated qualitatively on a metre basis. • Various drilling additive (including muds and foams) have been used to condition the RC holes to maximize recoveries and sample quality. • Insufficient drilling and geochemical data is available at the present stage to evaluate potential sample bias. Drill samples are sometimes wet which may

Criteria	JORC Code explanation	Commentary
		result in sample bias because of preferential loss/gain of fine/coarse material.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• RC chips and chip trays are being geologically logged. • Lithology, alteration and veining is recorded and imported into the Image Resources central database. The logging is considered to be of sufficient standard to support a geological resource. • Logging of RC drillholes records lithology, mineralogy, mineralisation, weathering and colour, and is qualitative in nature. • All drillholes were logged in full.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representation of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• RC samples were dispatched to MinAnalytical laboratory in Perth where the samples were pulverized and a 10g sub sample analysed using an aqua regia digest and determination of Au (lower limit of detection 1ppb), Ag, As, Bi, Cu, Mo, Ni, Pb, Sb, Te, W and Zn by ICPMS. Aqua regia will dissolve most oxides, sulphides and carbonates but will not totally digest refractory and silicate minerals. In a weathered, oxidized environment aqua regia digestion is considered adequate for exploration purposes. QA/QC measures included repeat analyses and the use of internal

Criteria	JORC Code explanation	Commentary
		lab standards which indicated acceptable levels of accuracy and precision although in rare cases there is some indication of the presence of coarse gold. • Industry standard standards and duplicates are used by the NATA registered laboratory conducting the analyses.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Where duplicate analyses of individual samples were made the analytical results were averaged. • No twin holes have been drilled. • Primary data is entered into an in-house database and checked by the database manager. • No adjustment of assay data other than averaging of repeat and duplicate assays.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• RC drill collars were located using a hand-held GPS with an accuracy of +- 4m. • Grid system: GDA94 • Topographic control using regional DEM data.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• RC drilling was carried out at 80m spacings on two lines 400m apart. • Not for ore resource estimation. • 4m compositing was applied
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Drilling of inclined (-60deg) RC holes 90° to east or orthogonal to the target strike.
Sample security	• The measures taken to ensure sample security.	• Samples were taken to the laboratory Kalgoorlie depot prior to dispatch to Perth using a commercial freight company.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• The sampling techniques and results have not been subject to audit.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Erayinia is situated on exploration licence E28/1895 and E28/2242 108.6sqkm and is held by Image Resources NL. The licence is granted with no known impediments to obtaining a licence to operate.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	The King prospect area has been subject to systematic surface sampling by previous explorers mainly including WMC and Integra. Air-core drilling was carried out by WMC Resources and a total of 129 holes for 5402 m were drilled at the King and K5 prospects. Integra drilled 25 RC holes for 2860m and 43 AC holes totalling 1600m between 2003-2007 in the King Prospect. Available historical data has been compiled over all the tenements and the main companies include Goldfields (201 AC & 22 RC), Integra (427 AC & 35 RC) and Newmont (52 AC).
Geology	• Deposit type, geological setting and style of mineralisation.	Erayinia is underlain by a moderate to strongly foliated, mafic volcano-sedimentary sequence intruded by differentiated dolerites and variably metamorphosed to upper amphibolite facies conditions. Numerous felsic porphyries also intrude the sequence. These Archaean rocks are overlain by sedimentary rocks of Proterozoic to Cainozoic age. The Proterozoic rocks are part of the Woodline Beds and are characterized by carbonate-pyrite-bearing quartz pebble conglomerates.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including	A total of 6 RC holes (EYRC01 to EYRC06 totaling 625m) were drilled at Erayinia. The

Criteria	JORC Code explanation	Commentary
	a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	details of material drillholes are reported in Table 1 and Table 2.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No weighting or cutting of gold values, other than averaging of duplicate and repeat analyses. • No metal equivalents have been used.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Not applicable.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Refer to text.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced, to avoid misleading reporting of	• Anomalous ranges used are stated in the text.

Criteria	JORC Code explanation	Commentary
	Exploration Results.	
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Ground Magnetic survey by Image Resources.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Detailed air-core drilling is planned on a 400mx50m grid over the prospective areas mainly north of hole EYRC01.