

QUARTERLY ACTIVITIES REPORT – for quarter ended 30 September 2018

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Issued Capital

Shares – Quoted
 952,743,446
 As at 30 September 2018

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

- Substantial progress on construction of Boonanarring Project with initial mine box-cut and processing facilities advancing to 88% complete at end of September while remaining on budget and on schedule with wet commissioning commencing in late October 2018;
- Recruitment of site-based personnel was well-advanced by the end of the quarter and the remaining positions were filled in October;
- A second HMC Off-Take Agreement was negotiated with Hainan Wensheng of China on the same terms, conditions and pricing as the original agreement;
- Benchmark zircon price for pricing Image heavy mineral concentrate (HMC) product increased a further 12% on 1 October 2018 to US\$1,625 per tonne; and
- The USD:AUD foreign exchange rate has further softened to below 0.71 in October compared to 0.75 used in the latest BFS update in June 2018.

Substantial Construction Progress at Boonanarring Project

During the reporting period, construction activities at the Boonanarring Project were substantially advanced in accordance with the fast-track project development schedule and wet commissioning commenced in October 2018 (refer ASX announcement dated 25 October 2018 confirming commencement of commissioning).

Construction of the processing plant advanced from 50% complete at the end of June to 88% complete at the end of September. Overall, project development costs remain in line with the approved project development budget.

At the end of September, re-assembly of the wet concentration plant (WCP), relocated from South Australia, was structurally complete and construction of the slimes thickener was complete. Assembly of the ore feed preparation plant (FPP) and other aspects of the project were well-advanced.

Overburden removal for the initial box cut for open-cut mining operations continued to ramp up through September. Mining contractor Piacentini and Son continued to add additional mining equipment and personnel throughout the quarter and first low-grade ore was exposed in September.

Recruitment of Site-based Personnel

Recruitment of site-based personnel advanced in accordance with the schedule and budget with 19 new permanent Image employees added during the reporting period. The required balance of 14 personnel were added by the middle of October.

Second HMC Off-Take Agreement

While 100% of HMC production from the Boonanarring Project has already been secured under an HMC Off-Take Agreement with SHANTOU NATFORT ZIRCONIUM AND TITANIUM CO., LTD (Natfort), Natfort agreed to allow HAINAN WENSHENG HIGH-TECH MATERIALS CO., LTD (Wensheng) to purchase 50% of HMC production from Image under a separate off-take agreement. The new agreement with Wensheng contains the same terms and conditions and pricing as the original agreement.

Benchmark Zircon Price Continues to Rise

Effective 1 October 2018, Iluka Resources increased its Zircon Reference Price by 12% to US\$1,580 per tonne (middle of range). Similarly, Image's benchmark zircon price (**Zircon**

Benchmark Price) to be used to price its HMC product, being the price quoted in China for Iluka premium grade zircon, increased by 12% to US\$1,625 per tonne (middle of range).

USD:AUD Foreign Exchange Rate

On 28 June 2018, the Company announced further enhanced project economics for the Boonanarring/Atlas Project based on an update of the project Bankable Feasibility Study (BFS) to include higher mineral sand commodity prices and a flat rate USD:AUD foreign exchange rate of 0.75. Since that announcement, the spot price of zircon increased on 1 October 2018 and in October the USD:AUD foreign exchange rate decreased to below 0.71. While the BFS has not been updated to reflect these recent developments, on a spot market basis the changes provide further improvement in the BFS project financial metrics.

Exploration

The newer Boonanarring West mineralisation target area, which is only 600m west of the Boonanarring Deposit has now been enlarged to a significant length of 10km and a programme of 48 additional holes is planned in the December Quarter.

Discussions are continuing with two landowners to allow drilling of the northernmost 2.6km of the Boonanarring Deposit Northern Extension.

The southern extension of the Atlas Deposit is being tested by a 34-hole programme looking for a potential 3km extension. Also, a 22-hole programme at Munbinia West is designed to test for new mineralisation over a 5km-long target area, and which is only 3km west of the Atlas Deposit.

At Erayinia, a 6-hole RC drilling programme totalling 625m was completed in August, testing for the northern extensions of the wide and extensive King gold mineralisation. The best gold intersection was 20m @ 0.7g/t Au from 40m including 4m @ 1.2g/t from 48 and 4m @ 1.0g/t. from 56m. A follow-up programme of 30 RC holes are planned to map out a gold-enhanced supergene zone prior to deeper RC drilling.

A large drill programme is planned in the December 2018 Quarter comprising 216 holes totalling 8,975m to follow-up numerous promising targets over a number of projects. 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.

Corporate

The Quarterly Activities and Cashflow Reports for the period ending 30 June 2018 were filed on 31 July 2018.

The Company is in the process of preparing detailed budgets for calendar year 2019 and is planning to provide Q1 2019 production, revenue and costs guidance in December 2018.

ACTIVITIES REPORT

Boonanarring Project Development

The Company made substantial progress during this reporting period, 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. The project is fully funded to positive cash flow, including corporate overhead and exploration, and construction is considered 88% complete as at the end of September 2018. Construction is advancing on budget and on schedule with project commissioning starting in October and first production on-track for 4th QTR 2018.

Boonanarring Project Construction

During the reporting period, construction activities at the Boonanarring Project were substantially advanced in accordance with the fast-track project development schedule, and despite numerous days lost to wet weather during the winter months, wet

commissioning commenced in October 2018 (refer ASX announcement dated 25 October 2018 confirming commencement of commissioning).

Construction of the processing plant, managed by ProjX and undertaken by LGM Industries, advanced from 50% complete at the end of June to 88% complete at the end of September. Overall, project development costs remain in line with the approved project development budget.

At the end of September, re-assembly of the wet concentration plant (**Photo 1**) relocated from South Australia, was structurally complete and construction of the slimes thickener was complete. Assembly of the ore feed preparation plant (**Photo 2**) and construction of the tailings disposal facilities, water storage ponds, HMC storage pad and a second water supply bore were all well-advanced.

Photo 1: Wet Concentration Plant Construction – 22 October 2018



Photo 2: Feed Preparation Plant – Wobbler installation – 28 September 2018



Overburden removal for the initial box cut for open-cut mining operations continued to ramp up through September. Mining contractor Piacentini and Son continued to ramp up with additional mining equipment and personnel, including maintenance services, throughout the quarter. A second Hitachi 3600 excavator and additional CAT 785 and 777 haul trucks were added in July/August and first low-grade ore was exposed in September.

Other project construction and related activities include installation of permanent site administration offices; commencement of construction of the maintenance shop/warehouse/lab building; delivery of final long-lead equipment to enhance process effectiveness (e.g. **Photo 3**); and significant progress on construction of the Brand Highway upgrade.

Photo 3: Tails Stacker being moved into Position – 19 October 2018



Other Boonanarring Project Related Activities

In addition to the progress on construction related activities, significant progress was made on other project related activities including the following:

- A strategy for ore blending and feeding to control heavy mineral grade and a plan to feed up to 100,000 tonnes of lower grade ore during the plant commissioning phase;
- Selection and executing agreements with Braemar as ship broker and Mercantile Marine as shipping agent for the export of HMC;

- Construction by Qube Logistics of an HMC storage facility at Qube's Picton facilities;
- Settlement of the purchase of two parcels of land over the Boonanarring ore reserves being the Dewar Property and the Yukich Property, both to the north of the Boonanarring processing plant; and
- Installation of high voltage electricity grid connection to the Boonanarring site.

Recruitment of Personnel

Recruitment of suitably qualified site-based personnel advanced in accordance with the schedule and budget with 19 new permanent Image employees added during the reporting period. The required balance of 14 personnel were added by the middle of October. This brings the full complement of site-based full-time Image employees to 40 (**Photo 4**).

Over 40% of site-based positions have been recruited from within the shire of Gingin and surrounding areas and the Company has been successful in attracting a great team of experienced people capable of successfully taking the Boonanarring project through the commissioning process to full production.

Photo 4: Image Personnel at the Wet Concentration Plant – 2 October 2018



Second HMC Off-Take Agreement

While 100% of HMC production from the Boonanarring Project has already been secured under an HMC Off-Take Agreement with SHANTOU NATFORT ZIRCONIUM AND TITANIUM CO., LTD (Natfort), Natfort agreed to allow HAINAN WENSHENG HIGH-TECH MATERIALS CO., LTD (Wensheng) to purchase 50% of HMC production from Image under a separate off-take agreement. The new agreement with Wensheng contains the same terms and conditions and pricing as the original agreement with Natfort and both Wensheng and Natfort must take up to 100% of HMC production in the event the other is unwilling or unable to purchase any or all of its 50% portion of production. This dual arrangement serves to reduce Image's risk of any delays in the receipt of revenue.

Zircon Price Continues to Rise

Effective 1 October 2018, Iluka Resources increased its Zircon Reference Price by 12% to US\$1,580 per tonne. Similarly, Image's benchmark zircon price (Zircon Benchmark Price) to be used to price Image's Heavy Mineral Concentrate product being the price quoted in China for Iluka premium grade zircon increased by 12% to US\$1,625 per tonne (middle of range). The price in China for Tronox Limited's premium grade zircon price is even higher at US\$1,645 per tonne (middle of range).

Due to decreasing zircon production across the past year from existing producers, mineral sands industry experts predict a shortfall in the zircon supply out to at least 2022 underpinning predictions of strong zircon prices at current levels or higher for the foreseeable future.

Exploration Update

- Discussions are continuing with landowners, seeking access agreements to allow drilling of the northernmost 2.6km of the Boonanarring Deposit's Northern Extension.
- The newer Boonanarring West mineralisation target area, which is only 600m west of the Boonanarring Deposit has now been enlarged to a significant 10km in length and a programme of 48 holes is planned in the December Quarter.
- At Bidaminna, a 100kg bulk sample of drill cuttings from the mineralised zone across two lines of drill holes across the deposit, was composited and processed through wet and dry mineral separation testing, to determine the preliminary quality of potential Leucoxene products. Results are pending further analysis. A large 30km environmental survey is being carried out in October to allow further drilling mainly to the north of the existing Bidaminna Deposit and to assist in upgrading and increasing the JORC Resource.
- The southern extension of the Atlas Deposit (6.5km) is being tested by a 34-hole programme looking for a potential 3km extension. Also, a 22-hole programme at Munbinia West is designed to test for new mineralisation over a 5km-long target area, which is only 3km west of the Atlas Deposit.
- The Woolka dredge target area is very large being 10km² in size and has potential for a very large resource. A 7km environmental survey is being carried out to allow future infill drilling on a 400m spacing which will be sufficient to calculate a JORC Resource. This will be followed with a 20-hole 900m drilling programme in the December Quarter.
- At Erayinia, a 6-hole RC programme totalling 625m was completed in August, testing for the northern extensions of the wide and extensive King gold mineralisation. The best gold intersection was 20m @ 0.7g/t Au from 40m including 4m @ 1.2g/t from 48 and 4m @ 1.0g/t. from 56m. A follow-up programme of 30 RC holes are planned to map out gold-enhanced supergene zone prior to deeper RC drilling.
- Overall, a large drill programme is planned in the December 2018 Quarter comprising 216 holes totalling 8,975m to follow-up numerous promising targets over numerous projects. (Table 1). Image remains primarily focussed on exploration activities aimed at adding to the mineral sand's mineral resources and ore reserves to increase the overall life-of-mine around the Boonanarring and Atlas Deposits.

Table 1. Drilling programme proposed November 2018

Tenement	Project	# Holes	Metres
E28/1895	Erayinia	30	1800
E70/3032	Gingin	20	600
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:	216	8975

Boonanarring Northern Extension

The Company is in discussions with two landowners regarding 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 drill holes for 3,840m on a 200m x 40m drill grid are likely required to convert the mineralisation in this area to an Indicated Mineral Resources Category (Fig. 1).

The Boonanarring high-grade northern extension area has been confirmed from previous roadside drilling and includes very high zircon grades ranging from 16.4% to 22.2% of the heavy mineral (HM) content, which includes outstanding HM high-grade intersections of 8m @ 23.8% HM in drill hole 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. This extension area is deemed to be within economic pumping distance of the planned location of the Boonanarring wet concentration plant.

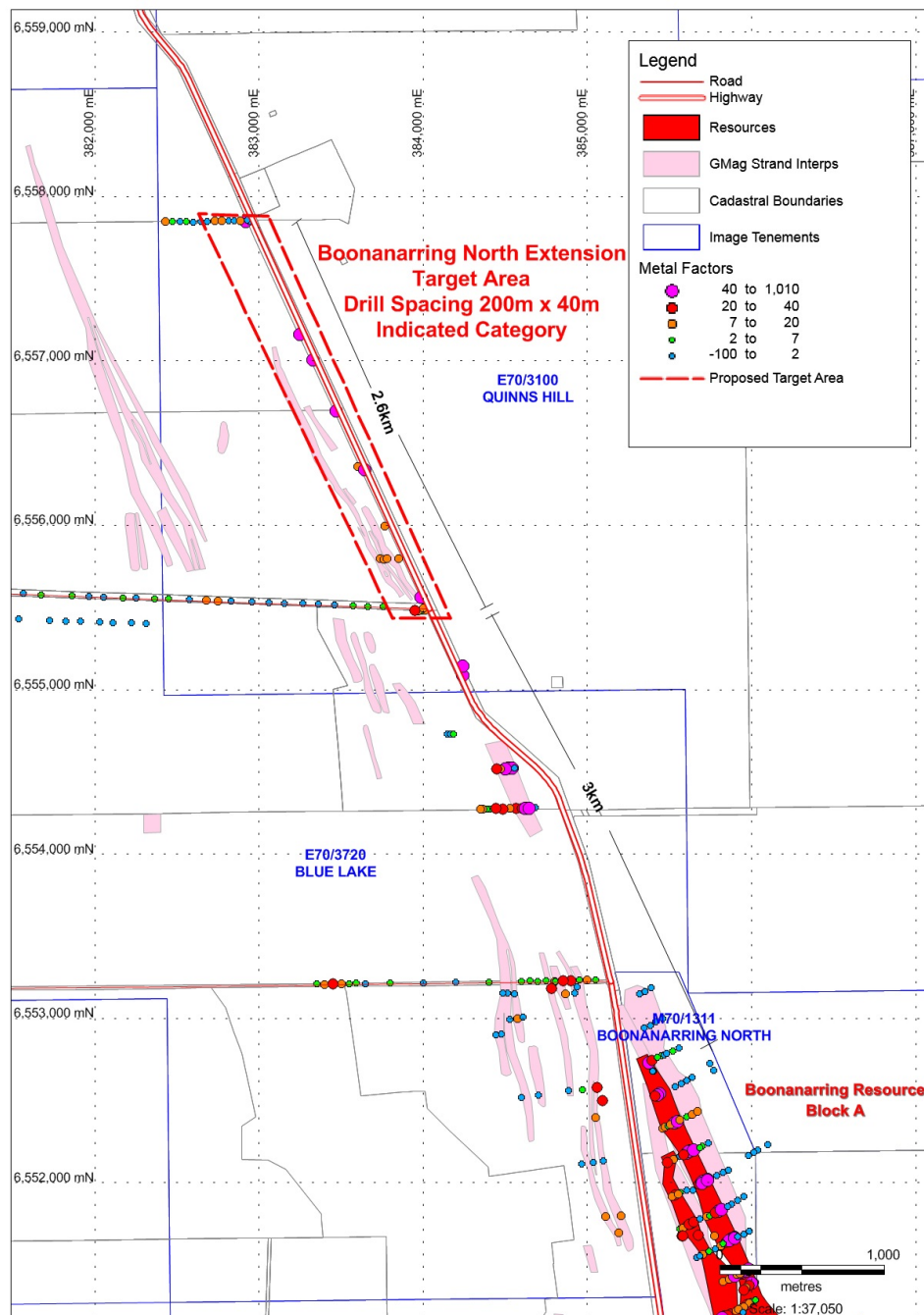


Figure 1. Boonanarring North Extension Target area showing proposed drilling subject to access

Boonanarring West

After drilling at Boonanarring West and further ground magnetic interpretation, a much larger target is outlined being **10,000m x 300m and is only 600m west of the Boonanarring Resource**. This has positive ramifications for the mine life of the Boonanarring Deposit. A further 44 holes are planned in the December Quarter mainly on the southern part of the Boonanarring West mineralisation extension. The mineralisation intersected is open to the south and is at a lower RL of 50–55 ASL compared to 65–70 ASL for the Boonanarring deposit (Fig. 2).

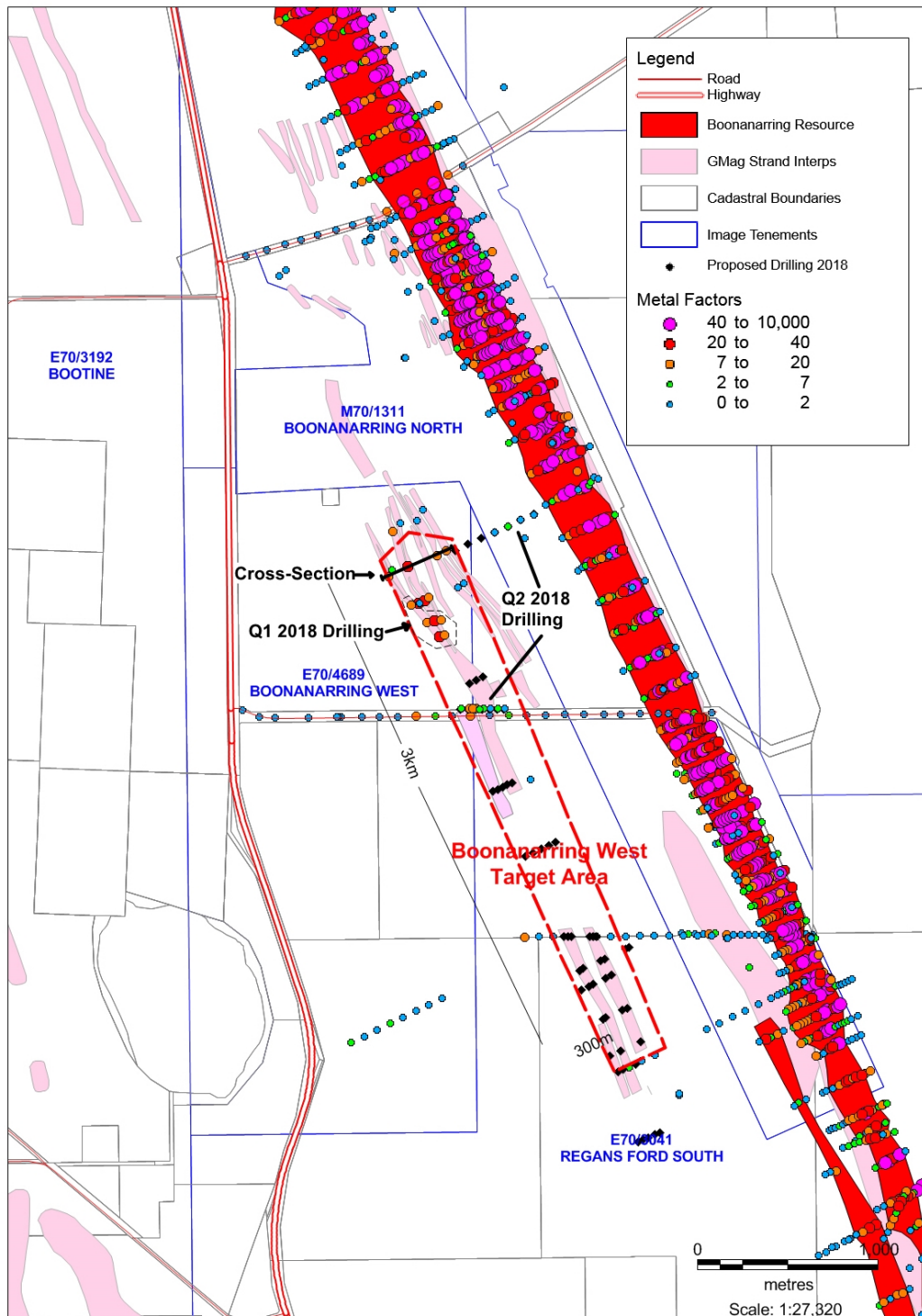


Figure 2. Boonanarring West Target Area showing proposed drilling in the December Quarter

Bidaminna Mineral Resources and Northern Extension

The Bidaminna Project is unusual as the heavy mineral assemblage contains significant quantities of higher value Leucoxene. The pricing of Leucoxene can vary and can be 3 to 4 times the value of Ilmenite. The Leucoxene content in the current Mineral Resources (JORC 2004) area over 3 separate lines varies from 28% Leucoxene in the HM in the southernmost part of the Mineral Resources area, up to 69% in the northernmost part of the Mineral Resources area.

A bulk sample of 100kg of drill cuttings from the mineralised section of the deposit was composited and processed through wet and dry mineral separation testing to determine a preliminary determination of the quality of potential Leucoxene products. The bulk sample was composited from two lines of drilling located just north of the Bidaminna Mineral Resources area. Results of the testing is pending further analysis. Large drilling programmes are planned in 2019 (Fig. 3) following an extensive 30km environmental survey (botanical, banksia, dieback and heritage) completed in early October 2018.

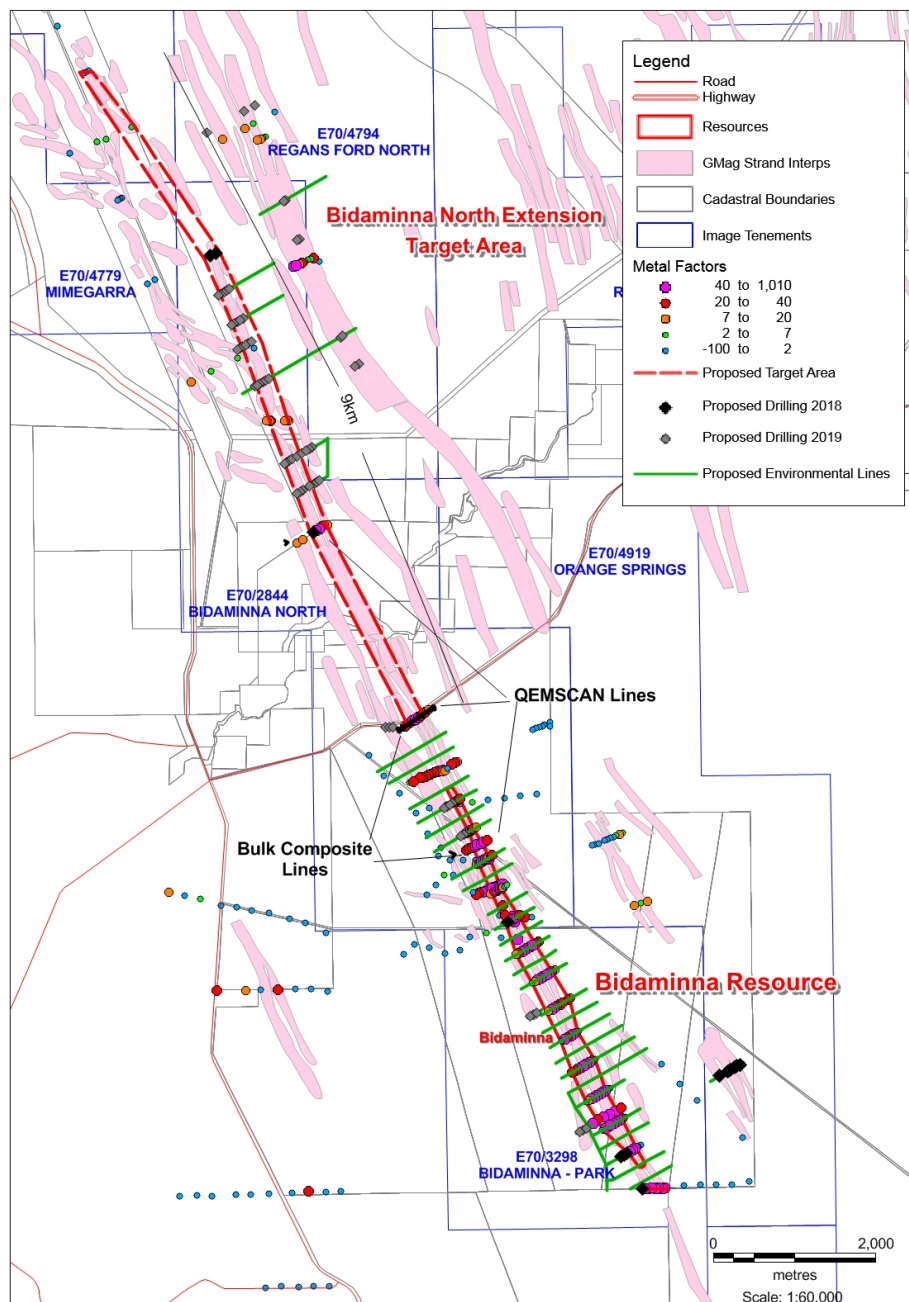


Figure 3. Bidaminna Deposit and potential northern extension showing holes planned in 2019

Atlas Southern Extension drilling at Munbinia and Munbinia West and dredge target drilling at Woolka

The southern extension of the Atlas Deposit (6.5km) is being tested by a 34-hole programme over a potential 3km extension. Also, a 22-hole programme at Munbinia West is designed to test for new mineralisation over a 5km-long target area, which is only 3km west of the Atlas Deposit (Fig. 4).

The Woolka Dredge Target area is very large being 10km² and has potential for a very large resource. A 20-hole 900m drilling programme is planned in the December Quarter. A 7km environmental survey is being carried out to allow future infill drilling on a 400m spacing, which will be sufficient for a JORC Resource. Mineralisation is in a favourable position underneath clay layers in low slimes and is below the water table. Mineralisation is adjacent to and on direct strike with Tronox's Cooljarloo West dredging proposal area. It also has similar depth and mineralisation grade.

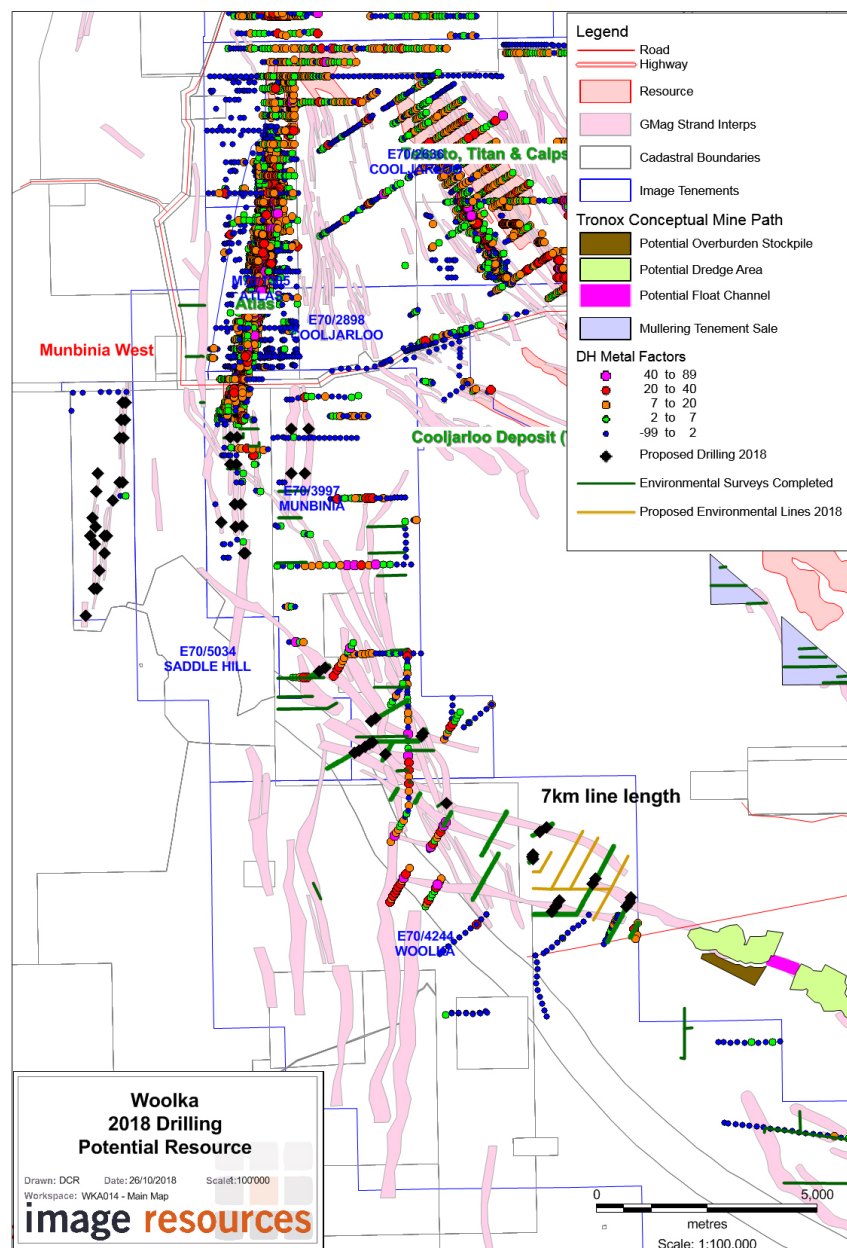


Figure 4. Atlas South Extension drilling at Munbinia and Munbinia West and dredge drilling at Woolka

Erayinia Initial Gold Drilling

Encouraging results were obtained from first-pass drilling of 6 reverse circulation (RC) drill holes totalling 650m at Image's 100%-owned Erayinia prospect (E28/1845 and E28/2742 totalling 106.7km²), located 130km ESE of Kalgoorlie where there are numerous operating gold mines (Fig. 5) The drill programme has been successful in identifying strike continuity of the King mineralisation), which starts 350m to the south.

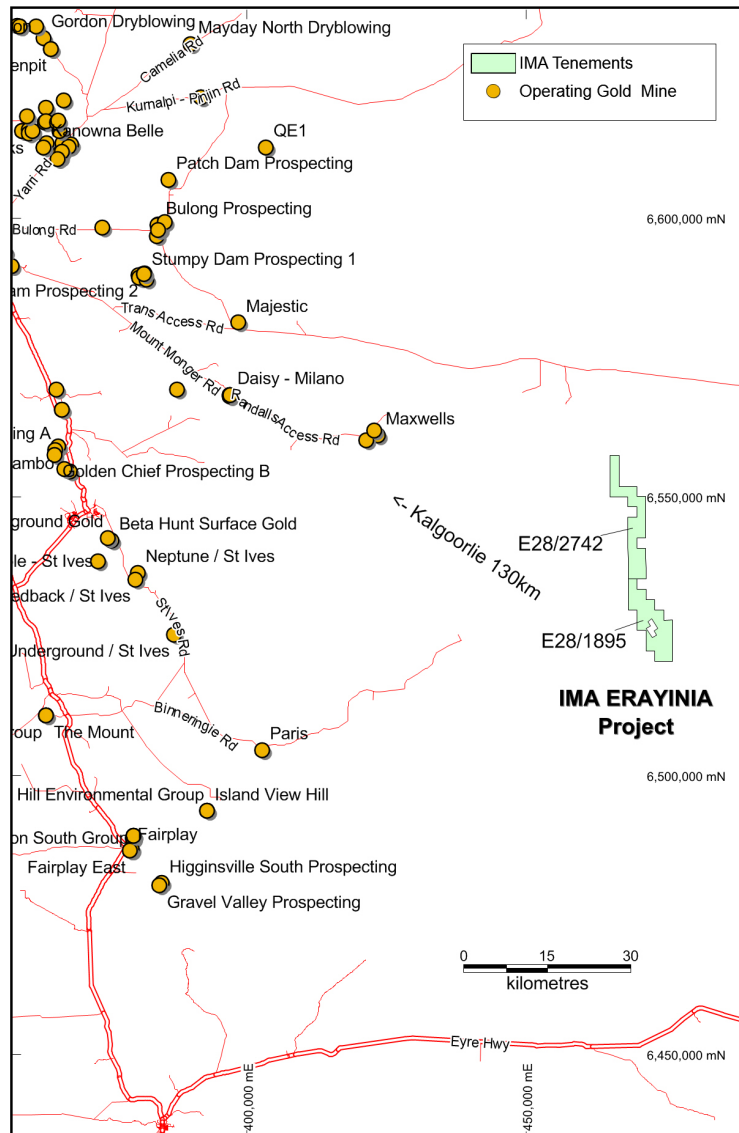


Figure 5. Location of Erayinia and operating gold mines in the Kalgoorlie region

Image Resources' drilling (Figs 6 to 8) 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** (Tables 2 and 3) 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 Archean mafic and sedimentary rocks.

A 7km strike length to the north of the King mineralisation remains virtually untested with only 3 deep RC holes (EYRC004, 6 and 7) 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 in gold content 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.

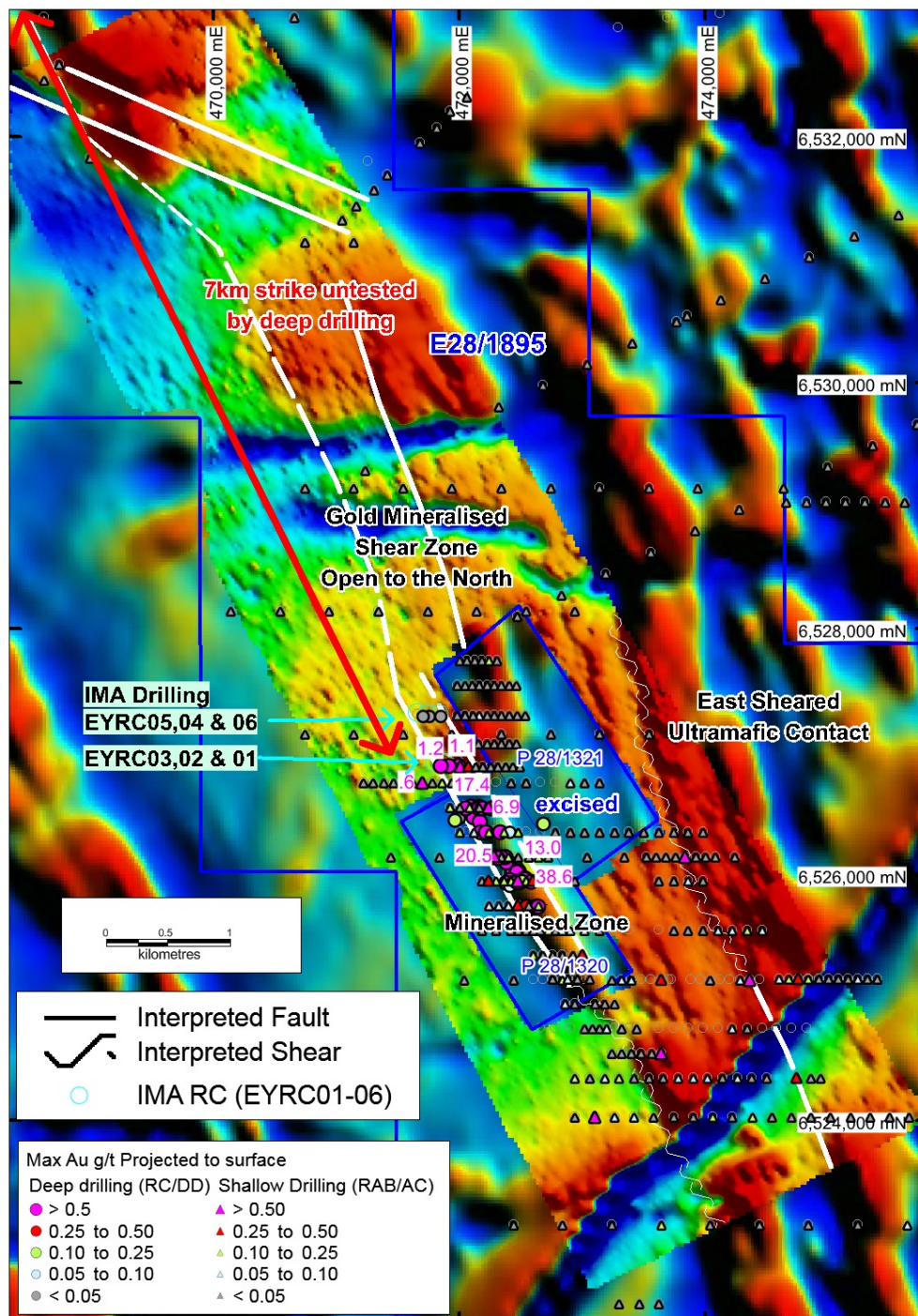


Figure 6. Ground Magnetic & Aeromagnetic Image with current RC drilling and historical AC and RC holes

Future work will include 30 RC drill holes spaced 50m on 200m spaced lines and to a depth of 60m, 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 also 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 Au (2.86g/t Au) as shown in Table 4.

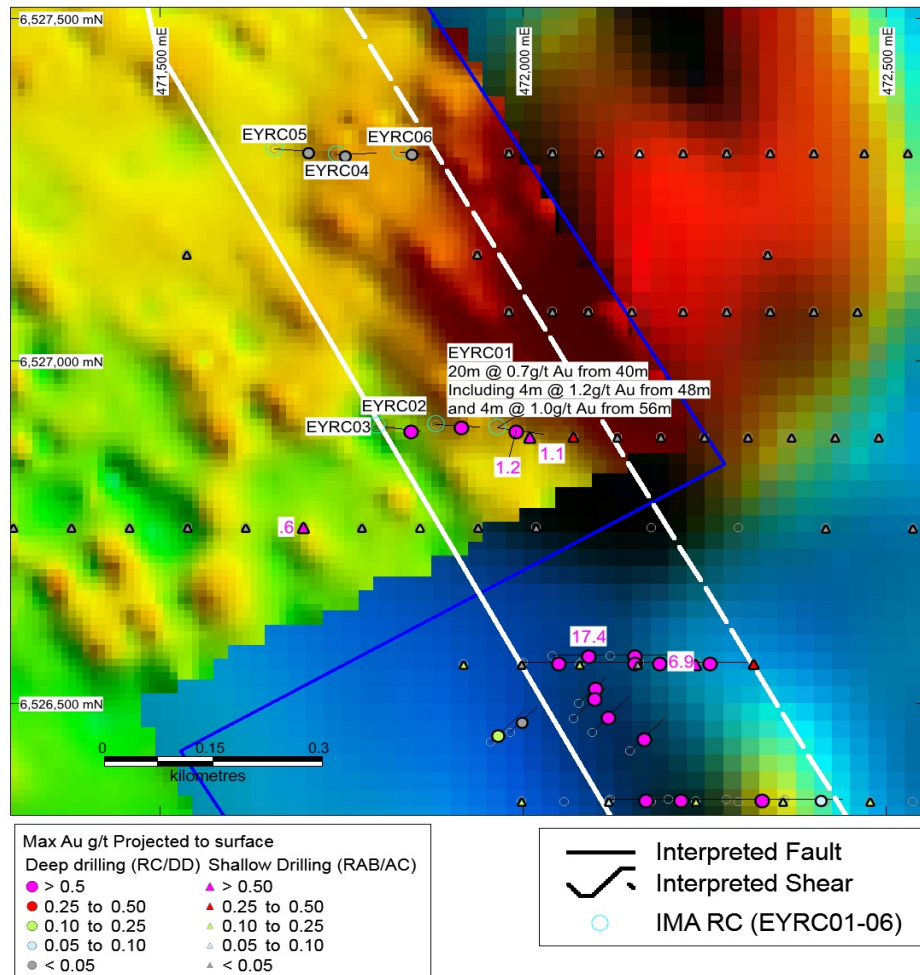


Figure 7. Ground Magnetic & Aeromagnetic image with current RC drilling and historical AC and RC holes

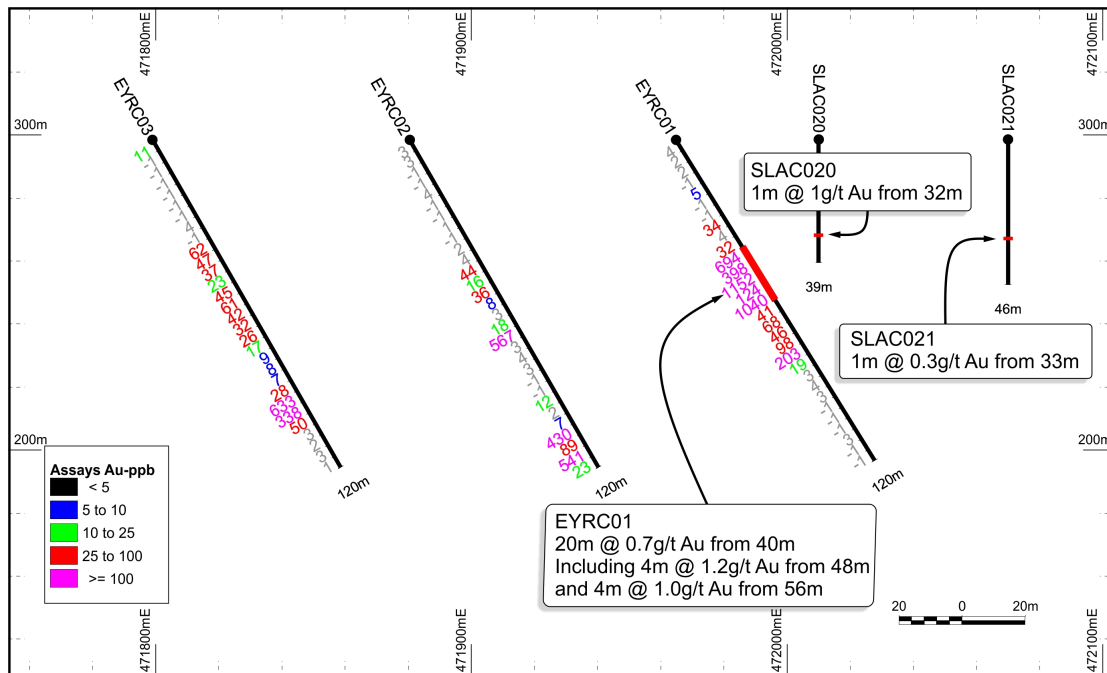


Figure 8. Cross section showing Image RC and historical (Integra 2004) air core drilling

Table 2. RC Drillhole Locations

HoleID	Easting	Northing	Depth(m)	Dip	Azimuth
	MGAz51	MGAz51	Metres	Degrees	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 3. RC Drilling Assays > 0.2g/t Gold

HoleID	From	To	Width	Gold
	Metres	Metres	Metres	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 4. Follow up – Untested with Deep Drilling Anomalous Gold Intercepts

Hole_ID	Hole Type	EOH Depth	Easting	Northing	From	To	Max Gold
		Metres	MGaz51	MGaz51	Metres	Metres	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

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	BIDAMINNANTH	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	100% pending grant
WA	E70/5192	Application	WINOOKA SOUTH	-	100% pending grant
WA	E70/5193	Application	CHAPMAN HILL NORTH	-	100% pending grant
WA	E70/5213	Application	GINGINUP HILL	-	100% pending grant

Mining Tenements acquired during the Quarter

WA	E70/5192	Application	WINOOKA SOUTH	-	100% pending grant
WA	E70/5193	Application	CHAPMAN HILL NORTH	-	100% pending grant
WA	E70/5213	Application	GINGINUP HILL	-	100% pending grant

Mining Tenements disposed during the Quarter

WA	E70/5186	Application	CHAPMAN HILL	100% pending grant	Application Withdrawn
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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 ¹	Proved	5,008,000	9,344,000	8.6	14.3	803,771	76.081	48.9	1.8	2.2	23.2
Boonanarring ¹	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 ¹	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 ²	Measured	6,359,359	11,799,213	8.0	14	942,167	74.3	48.3	1.7	2.2	22.0
Boonanarring ²	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 ²	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 ²	Measured	5,210,526	9,900,000	7.9	16.1	782,000	71.0	49.1	4.2	7.2	10.5
Atlas ²	Indicated	3,368,421	6,400,000	3.7	17.3	237,000	56.5	41.6	3.4	4.7	6.8
Atlas ²	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; in accordance with JORC Code (2004)											
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

1. COMPLIANCE STATEMENT - Boonanarring/Atlas Ore Reserves

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.

2. COMPLIANCE STATEMENT - Boonanarring/Atlas Mineral Resources

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 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 which it appears.

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).

Grand Totals	53,887,713	103,199,956	6.2	6,382,058	78.3	56.7	4.6	4.0	13.0
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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	Ilmenite	e	Rutile	Zircon	Ilmenite	Leucoxen	Rutile	Zircon	VHM
							(%)	(%)	(%)	(%)	(%)					
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	272,493	5,720	11,782	35,875	325,870
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	1,583,857	33,737	67,253	208,814	1,893,660
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	1,856,350	39,457	79,034	244,689	2,219,530
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	90,776	968	7,519	12,791	112,054
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	581,701	13,667	43,564	92,252	731,184
Bidaminna 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	1,113,000	97,000	13,000	73,000	1,296,000
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	3,641,826	151,092	143,116	422,732	4,358,767

3. COMPETENT PERSON’S STATEMENT – 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 which it appears.

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

57 063 977 579

Quarter ended ("current quarter")

30/09/2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	7
1.2	Payments for		
	(a) exploration & evaluation	(409)	(1,120)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(439)	(1,426)
	(e) administration and corporate costs	(282)	(1,154)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	191	268
1.5	Interest and other costs of finance paid	-	(100)
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	(939)	(3,525)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(27,087)	(47,004)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-

+ See chapter 19 for defined terms

1 September 2016

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	2
	(b) tenements (see item 10)	-	-
	(c) investments	-	15
	(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) Term Deposits greater than 90 days matured	10,176	-
2.6	Net cash from / (used in) investing activities	(16,911)	(46,987)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	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	(12)	(1,471)
3.5	Proceeds from borrowings	-	52,018
3.6	Repayment of borrowings	-	(47)
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	(12)	75,500

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	47,273	4,423
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(939)	(3,525)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16,911)	(46,987)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(12)	75,500
4.5	Effect of movement in exchange rates on cash held	526	526
4.6	Cash and cash equivalents at end of period	29,937	29,937

+ See chapter 19 for defined terms

1 September 2016

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	19,273	10,764
5.2 Call deposits	10,664	36,509
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)	29,937	47,273

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	189
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	-
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	

+ See chapter 19 for defined terms

1 September 2016

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

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.

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

57,815

57,815

55

55

-

-

2 Loans are held as follows:

- Murray Zircon Pty Ltd – A\$4,000,000. Interest rate is 5% paid six monthly in arrears.
- A senior secured debt facility with Pala Investments Limited (“Pala”), Castelake IV, L.P. and CL V Investment Solutions LLC - US\$38,850,000 (A\$53,814,733 at 30 September 2018). Interest rate is 14% for the first fifteen months following draw down and 13% thereafter for the balance of the loan. Interest for the first fifteen months is added to the loan amount and thereafter paid quarterly in arrears. Further details can be found in the announcement lodged with the ASX on 8 March 2018.

9. Estimated cash outflows for next quarter

\$A'000

9.1 Exploration and evaluation

500

9.2 Development

12,200

9.3 Production

3,200

9.4 Staff costs

500

9.5 Administration and corporate costs

300

9.6 Other – Project Insurances

-

9.7 Total estimated cash outflows

16,700

**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

+ See chapter 19 for defined terms

1 September 2016

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:
(Director/Company secretary)

Date: 31 October 2018

Print name: Dennis Wilkins - Company Secretary

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.