

28 February 2019

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## HIGH GRADE GOLD INTERSECTIONS INCLUDING 3M AT 11.5 G/T AT ERAYINIA PROJECT

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### Highlights

Fire assay results on 1m splits identify three, high grade anomalous gold zones not previously defined by 4m composite sample chemical assays, and include gold intercepts of:

- **3m at 11.5 g/t** from 92m including **2m at 16.6 g/t** from 93m in hole EYRC03;
- **2m at 9.9g/t** from 56m in hole EYRC01; and
- **3m at 2.4g/t** from 47m in hole EYRC01

### Erayinia Gold Project

Image Resources is pleased to announce high grade gold results from fire assay analysis of 1m splits at its 100%-owned Erayinia Project E28/1895 and E28/2242 (Figure 1), located 130 kilometres SE of Kalgoorlie. The fire assay results were much higher than the preliminary wet chemistry assays conducted on 4m composites, analysed by the aqua regia method (see ASX Release 19 September 2018 for preliminary results). Fire assay results on the 1m composites compared to the 4m composites analysed by aqua regia are presented in Table 2 and can be summarized as follows:

- **3m at 11.5 g/t Au from 92m including 2m at 16.6 g/t Au from 93m (fire assays) compared to the 4m composite at 0.63 g/t Au (aqua regia assays) from 92m in hole EYRC03;**
- **2m at 9.9g/t Au from 56m (fire assays) compared to the 4m composite at 1.04 g/t Au (aqua regia assays) from 56m in hole EYRC01; and**
- **3m at 2.4g/t Au from 47m (fire assays) compared to the 4m composite at 0.40 g/t Au (aqua regia assays) from 44m in hole EYRC01.**

As a result of these upgraded gold results, more anomalous zones will be analysed by fire assay over the 1m split intervals and a follow-up programme of 10 RC holes for 1,360m will be conducted soon. This drill programme is designed to test the extent of the above high-grade zones (Figures 2, 3 and Table 3) and includes 4 additional drill lines over a 500m strike length, to test for the potential NNW extent of this high-grade gold mineralisation.

The recently completed RC drilling programme of 7 RC holes (EYRC07 to EYRC13) totaling 337m is now considered of limited effectiveness as some of the holes drilled only went to a vertical depth of around 45m (Table 1), which is too shallow to pick up the above high-grade gold zones, which start around 50m and are expected to deepen going to the north. The next drill programme will be to an average depth of 136m (Table 3). The most southern drill line will start adjacent to the King mineralisation to the south (Figure 2) which was drilled by WMC in 1998-99 and Integra 2003-07\*.

The intersections in EYRC01 are 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.

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.

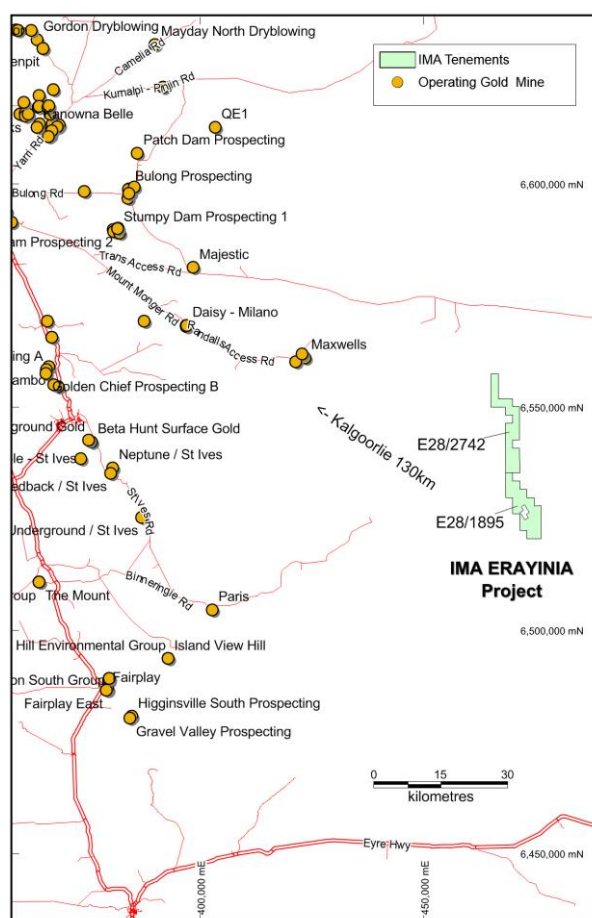


Figure 1 Location of Erayinia and operating gold mines in the Kalgoorlie region.

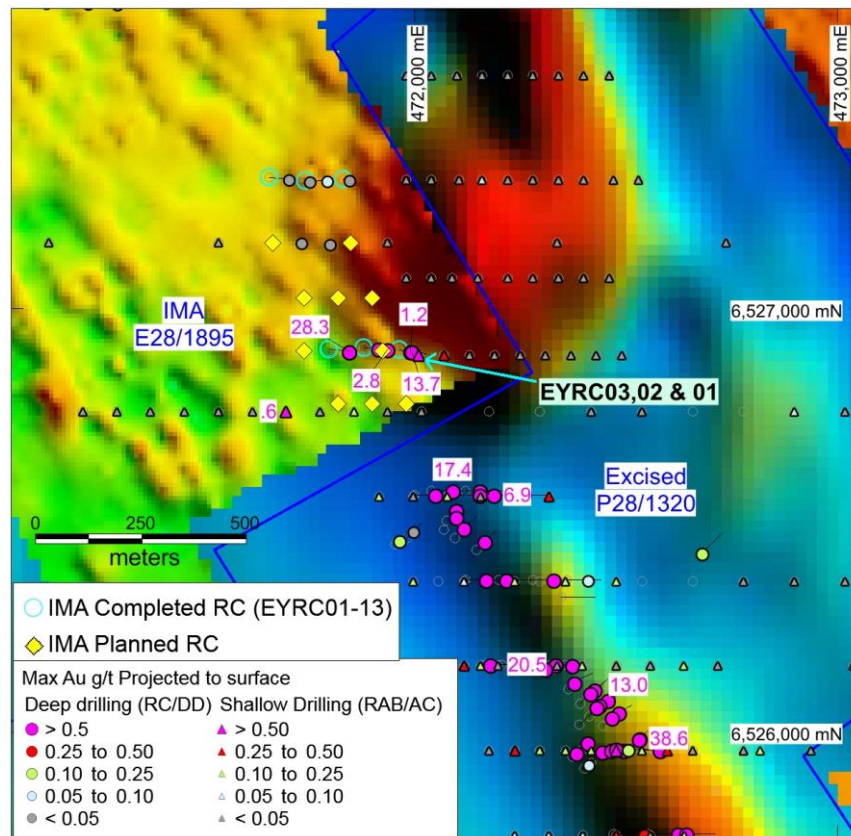


Figure 2. Ground Magnetics merged with Aeromagnetic Image with current RC drilling and historical AC and RC holes.

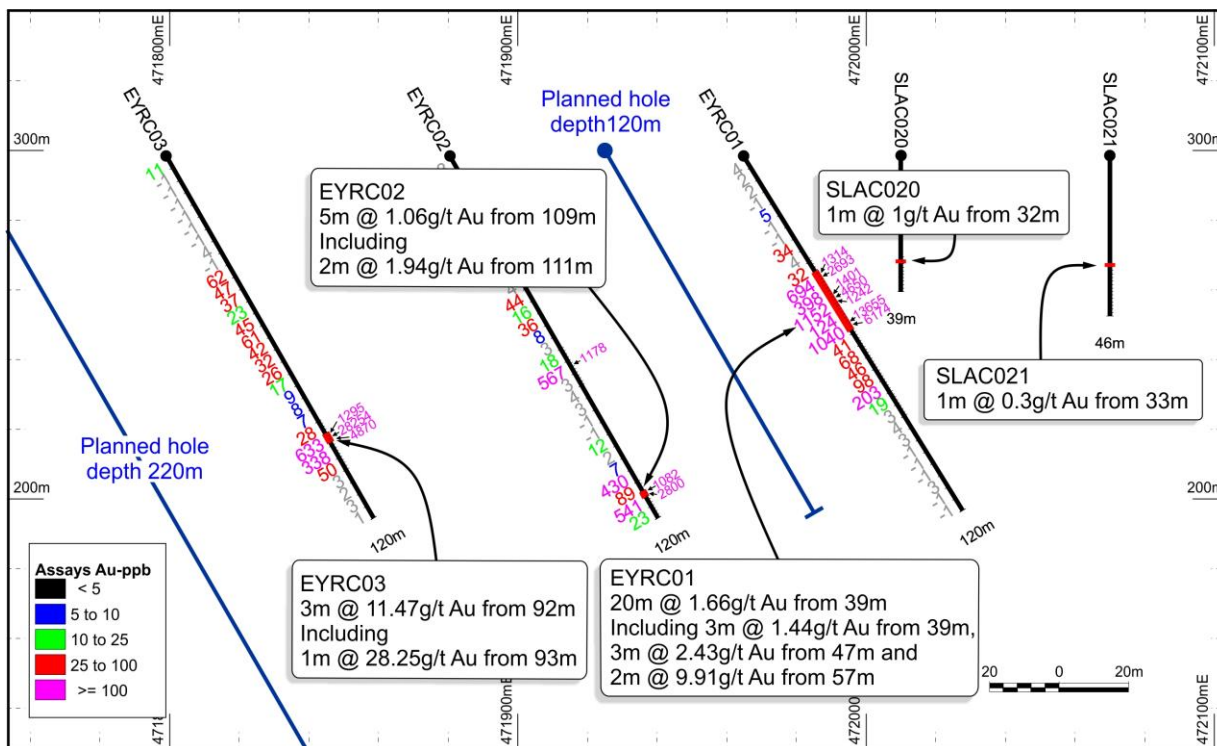


Figure 3. Cross section showing IMA RC Intercepts from 1m assays and historical (Integra 2004) air-core drilling and planned RC drilling.

**Table 1. RC Drillhole Locations**

Hole_ID	Easting MGAz51	Northing MGAz51	Depth m	Dip degrees	Azimuth degrees	Date Drilled
EYRC01	471965	6526902	120	-60	90	July'18
EYRC02	471880	6526907	120	-60	90	July'18
EYRC03	471799	6526904	120	-60	90	July'18
EYRC04	471743	6527301	109	-60	90	July'18
EYRC05	471658	6527309	99	-60	90	July'18
EYRC06	471831	6527305	57	-60	90	July'18
EYRC07	471796	6527153	53	-60	90	Dec'18
EYRC08	471717	6527156	45	-60	90	Dec'18
EYRC09	471447	6527731	53	-60	90	Dec'18
EYRC10	471376	6527730	42	-60	90	Dec'18
EYRC11	471297	6527720	48	-60	90	Dec'18
EYRC12	471211	6527722	48	-60	90	Dec'18
EYRC13	471128	6527723	48	-60	90	Dec'18

\*See ASX Release 18/09/2018 20m Shallow Gold Intersection at IMA Erayinia Prospect

**Table 2. RC Drilling 4m and 1m Assays > 0.2g/t Gold**

Hole_ID	From m	To m	Width M		Gold ppm
EYRC01	40	44	4		0.69
EYRC01	39	40		1	1.31
EYRC01	40	41		1	0.30
EYRC01	41	42		1	2.69
EYRC01	42	43		1	0.40
EYRC01	44	48	4		0.40
EYRC01	47	48		1	1.40
EYRC01	48	52	4		1.15
EYRC01	48	49		1	4.65
EYRC01	49	50		1	1.24
EYRC01	50	51		1	0.27
EYRC01	51	52		1	0.40
EYRC01	56	60	4		1.04
EYRC01	56	57		1	13.66
EYRC01	57	58		1	6.17
EYRC01	76	80	4		0.20
EYRC01	78	79		1	0.56
EYRC02	68	72	4		0.57
EYRC02	69	70		1	1.18
EYRC02	104	108	4		0.43
EYRC02	109	110		1	0.71
EYRC02	111	112		1	1.08
EYRC02	112	116	4		0.54
EYRC02	112	113		1	2.80

EYRC02	113	114		1	0.65	
EYRC03	92	96	4		0.63	*
EYRC03	92	93		1	1.30	
EYRC03	93	94		1	28.25	
EYRC03	94	95		1	4.87	
EYRC03	96	100	4		0.34	*
EYRC03	97	98		1	0.94	

\*See ASX Release 18/09/2018 20m Shallow Gold Intersection at IMA Erayinia Prospect

**Table 3. Planned RC Drilling**

Site_ID	Easting MGAz51	Northing MGAz51	Depth m	Dip degrees	Azimuth Degrees
IXRC01	471820	6526775	140	-60	90
IXRC02	471900	6526775	120	-60	90
IXRC03	471980	6526775	120	-60	90
IXRC04	471740	6526900	220	-60	90
IXRC05	471925	6526900	120	-60	90
IXRC06	471740	6527025	140	-60	90
IXRC07	471820	6527025	120	-60	90
IXRC08	471900	6527025	120	-60	90
IXRC09	471665	6527155	140	-60	90
IXRC10	471850	6527155	120	-60	90

#### About Image Resources

Image Resources is Australia's newest mineral sands mining company focusing on mining, ore processing and the production of heavy mineral concentrate (HMC) at its 100%-owned Boonanarring Mineral Sand Project located 80km north of Perth in the infrastructure-rich North Perth Basin. Image commenced production at Boonanarring on 1 December 2018 and has quickly advanced to the sale of HMC and receipt of first revenue in January 2019 and anticipates achieving positive cashflow in the March Quarter 2019. Image transitioned from project development to active mining company at a time of rapidly rising zircon pricing due to a zircon supply deficit forecast to continue to 2023.

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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 Information in this report that relates to:

1. ASX Release 18/09/2018 - 20m Shallow Gold Intersection at IMA Erayinia Prospect.

All of which are available on [www.imageres.com.au](http://www.imageres.com.au)

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
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Sampling and QAQC procedures are carried out using Image's protocols as per industry sound practice.</li> <li>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.</li> </ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Reverse circulation (RC) drilling was carried out using a face sampling hammer with a nominal diameter Wheel of Fortune. No duplicate samples of 140mm.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>RC recoveries are visually estimated qualitatively on a metre basis.</li> <li>Various drilling additive (including muds and foams) have been used to condition the RC holes to maximize recoveries and sample quality.</li> <li>Insufficient drilling and geochemical data is available at the present stage to evaluate potential sample bias. Drill samples are sometimes wet which may result in sample bias because of preferential loss/gain of fine/coarse material.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Logging</i>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>RC chips and chip trays are being geologically logged.</li> <li>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.</li> <li>Logging of RC drillholes records lithology, mineralogy, mineralisation, weathering and colour, and is qualitative in nature.</li> <li>All drillholes were logged in full.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>RC samples are assayed using a 50g charge and a fire assay method with an AAS finish which is regarded as appropriate. The technique provides an estimate of the total gold content. QA/QC measures included repeat analyses and the use of internal lab standards which indicated acceptable levels of accuracy and precision although in rare cases there is some indication of the presence of coarse gold.</li> <li>Industry standard standards and duplicates are used by the NATA registered laboratory conducting the analyses.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage</li> </ul>	<ul style="list-style-type: none"> <li>Where duplicate analyses of individual samples were made the analytical results were averaged.</li> <li>No twin holes have been drilled.</li> <li>Primary data is entered into an in-house database and checked by the database</li> </ul>

Criteria	JORC Code explanation	Commentary
	(physical and electronic) protocols. <ul style="list-style-type: none"> <li>Discuss any adjustment to assay data.</li> </ul>	manager. <ul style="list-style-type: none"> <li>No adjustment of assay data other than averaging of repeat and duplicate assays.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>RC drill collars were located using a hand-held GPS with an accuracy of +/- 4m.</li> <li>Grid system: GDA94</li> <li>Topographic control using regional DEM data.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>RC drilling was carried out at 75m spacings on two lines 400m apart.</li> <li>Not for ore resource estimation.</li> <li>4m compositing was applied</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Drilling of inclined (-60deg) RC holes 90° to east or orthogonal to the target strike.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples were taken to the laboratory Kalgoorlie depot prior to dispatch to Perth using a commercial freight company.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>The sampling techniques and results have not been subject to audit.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<i>Exploration done by other</i>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	The King prospect area has been subject to systematic surface sampling by previous

Criteria	JORC Code explanation	Commentary
<i>parties</i>		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).
<i>Geology</i>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	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.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	A total of 7 RC holes (EYRC07 to EYRC13 totaling 337m) were drilled at Erayinia. The details of material drillholes are reported in Table 1 and Table 2.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>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.</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>No weighting or cutting of gold values, other than averaging of duplicate and repeat analyses.</li> <li>No metal equivalents have been used.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to text.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>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 Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Anomalous ranges used are stated in the text.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Ground Magnetic survey by Image Resources.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Detailed air-core drilling is planned on a 400mx50m grid over the prospective areas mainly north of hole EYRC01.</li> </ul>