

QUARTERLY ACTIVITIES REPORT – for quarter ended 30 June 2019

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Issued Capital
 Shares – Quoted
 972,026,411
 As at 30 June 2019

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

HIGHLIGHTS

- **Second full quarter as operational mining company** at 100%-owned Boonanarring Mineral Sands Project located 80km north of Perth, WA.
- **Overall results exceeded budget expectations** including higher ore grade facilitating higher heavy mineral concentrate (HMC) production and higher HMC sales resulting in a strong cash balance. Although revenue was lower than expected due to a weaker market price for standard grade zircon, significantly lower project operating costs resulted in substantially lower unit costs and higher unit margins.
- **Summary Statistics**

	Q2	% of Budget	Y-T-D	% of Budget
EBITDA (Project) – A\$M	20.2*	95%*	29.5	127%
NPAT¹ – A\$M	5.7*	65%*	6.6	157%
HMC Production – dry metric tonnes	69.0	117%	137.8	138%
HMC Sales – dry metric tonnes	68.2	97%	116.2	101%
Ore Grade, %HM	9.3	121%	10.1	143%
Revenue – A\$M	42.5*	85%*	67.3*	92%*
Operating Costs – A\$M	22.4	78%	37.8	76%
Revenue, per DMT HMC²	623*	88%*	579*	91%*
Operating Costs, per DMT HMC²	329	68%	325	75%
Margin, per DMT HMC²	294	131%	254	125%
Cash – A\$M	25.7**	94%**		

Notes: 1 – Pre-audit and adjusted for tax at nominal 30% rate.

2 – Dry metric tonnes (DMT) heavy mineral concentrate (HMC) sold.

* – Lower than budget as budget included an increase in zircon price for Q2, whereas actual price for standard grade zircon was less than Q1 and Q2 budget.

** – Not including \$12.0M from the sale of HMC shipment No. 6 which sailed on 30 June 2019 and for which funds were received in early July.

- AUD:USD foreign exchange rate remained favourable ending the quarter below 0.70;
- Performance against expectations through June 2019, coupled with a more favourable AUD:USD exchange rate allows Image to adjust its guidance positively for calendar year 2019. Adjusted guidance will be announced separately following the release of this Quarterly Report.
- The Company had an unexpected win with the discovery in May of an ultra-high-grade ore zone just below the base of mineralisation and mined approximately 2,700 tonnes of potential direct shipping ore (DSO) containing 78% heavy minerals (HM) with 61% of the HM being zircon.
- Zero lost time accidents through construction, commissioning and first seven months of production.
- The benchmark market price for zircon remained unchanged during the quarter.
- HMC inventory at end of the quarter was 38K DMT with an estimated sales value of A\$22M.

ACTIVITIES REPORT

High Level Summary

The Company completed a successful second full quarter as an active mining company at its 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project located 80km north of Perth in the North Perth Basin in WA. This cements the Company's position as Australia's newest mineral sands mining company.

Overall, performance for the quarter and year-to-date was very positive with heavy mineral concentrate (HMC) production higher than budgeted, while project operating costs were substantially lower than budgeted. The net result being project operating margin and year-to-date EBITDA and provisional NPAT being significantly higher than budget expectations.

Another significant success was the sale of a nominal 70K tonnes of HMC across the last six weeks of the quarter, converting the majority of HMC inventory to cash. As a result, **the cash balance at the end of the quarter increased to \$25.7M with a further \$12.0M received in early July for shipment 6 which sailed on 30 June 2019. The net result of a second quarter of positive results allows annual guidance for 2019 to be adjusted positively** (to be announced separately).

In addition to operational successes, the Company discovered a hither-to unknown zone of ultra-high-grade or potentially direct shipping ore (DSO) located below the previously modelled bottom of mineralisation. Investigations continue into unlocking and optimising the value and extent of the ore mined from this zone.

Drilling through the end of June was focussed on the delineation of a high-grade core within the East Strand at Boonanarring with initial results being announced subsequent to the end of the Quarter (ASX 15 July 2019: IMA - Confirms High-Grade Core in Eastern Strand at Boonanarring). This infill delineation drilling will facilitate an upgrade of the Ore Reserve anticipated in late September 2019.

Subsequent to the end of the Quarter the Company also announced that access had been secured to the northern extension area (NEA) of the Boonanarring deposit located across the Brand Highway (ASX 16 July 2019: Boonanarring Northern Extension Drilling Access). Previously announced scout drilling results for the NEA (ASX 13 March 2017: Outstanding Results Confirm a 5.6km High Grade Extension at Boonanarring) indicate the high-grade core of the eastern strand of Boonanarring continues for up to 5.6km. Drilling in this area will be to delineate additional Ore Reserves and add to the overall Boonanarring mine life.

Photo 1 – Boonanarring Wet Concentration Plant at Night



Details

Safety

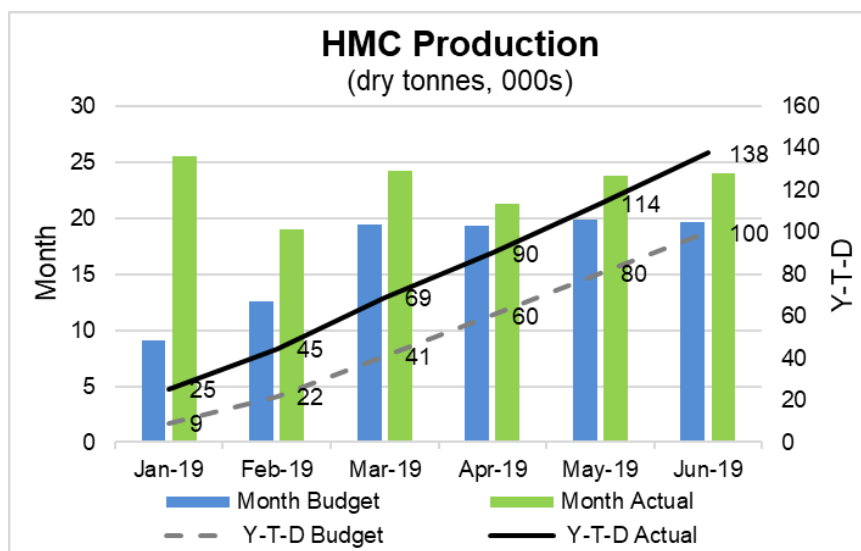
The Company has now completed a second quarter of mining and ore processing operations with **zero lost time injuries**. This completes 15 months site operations, including project construction, commissioning and seven months of operations, with no lost time injuries.

The Company remains committed to the promotion of a safety and wellness culture including safety programmes and procedures coupled with health and wellbeing programmes that together encourage job safety analysis and planning as well as active incident reporting for the purpose of continual improvement of the health, safety and well-being of all employees, contractors, visitors and members of the community as well as protection of the environment.

Operating Statistics

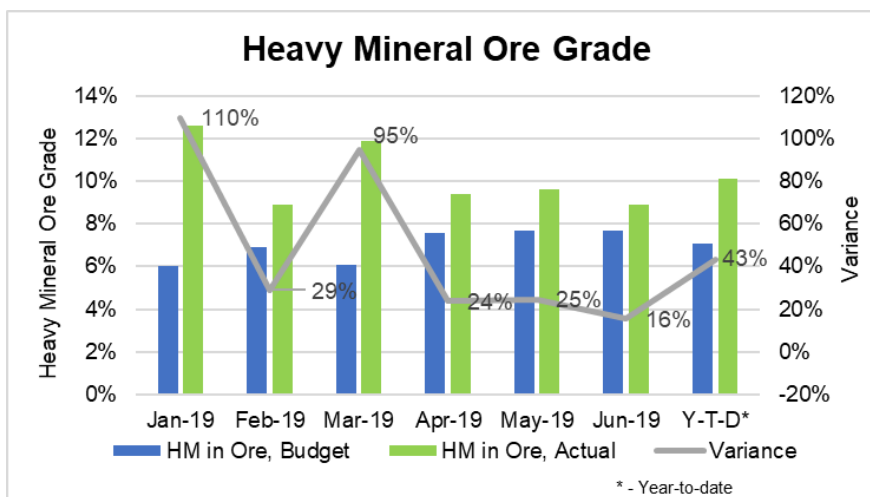
HMC Production: Heavy mineral concentrate (HMC) production for Q2 was 69K tonnes or 117% of budget. Y-T-D HMC production is 138K tonnes (138% of budget) or an average of 23K tonnes per month which continues to exceed the long-term, full-scale average monthly production rate of 20,000 tonnes (Figure 1).

Figure 1 – HMC Production



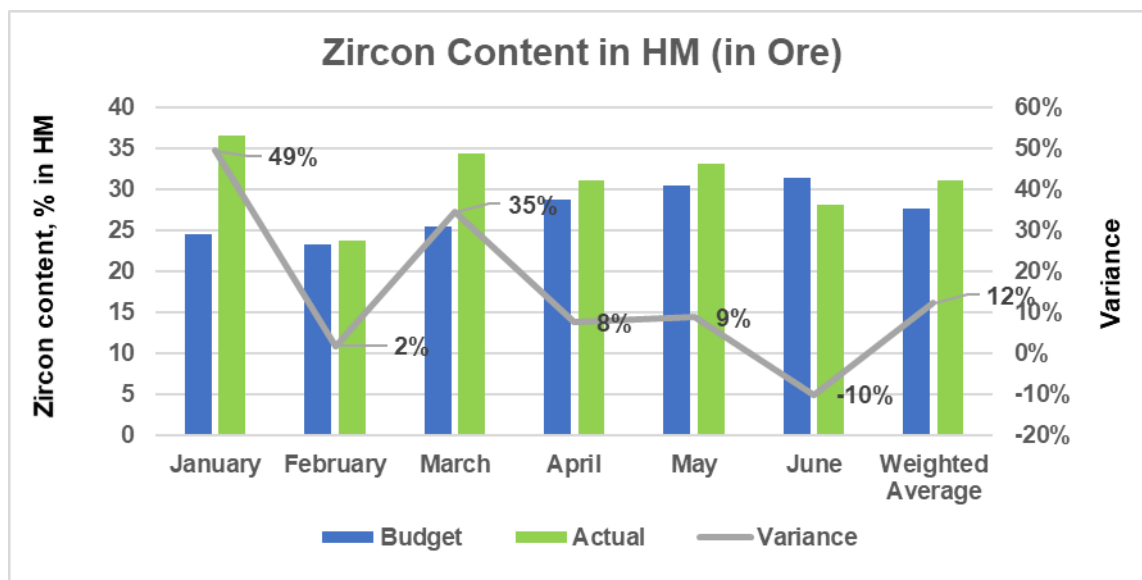
Ore Grade: The primary reason for higher HMC production continues to be substantially higher than expected ore grade. Average ore grade for Q2 was 9.3% heavy minerals (HM) or 121% of the 7.7%HM budget. Y-T-D average ore grade was 10.1% HM or 143% of budget (Figure 2).

Figure 2 – Ore Grade



Zircon Grade: In addition to higher than expected HM ore grade, the zircon content in the HM continues to be higher than estimated in the Ore Reserve. On average the zircon grade for Q2 was 102% of Ore Reserve estimate at 30.8% of the HM, and 112% of the Ore Reserve estimate on a Y-T-D basis at 31.1% in the HM (Figure 3). Higher than expected zircon grade is significant to overall project economics as zircon in the HMC represented 88% of revenue for Q2 and 86% for Y-T-D.

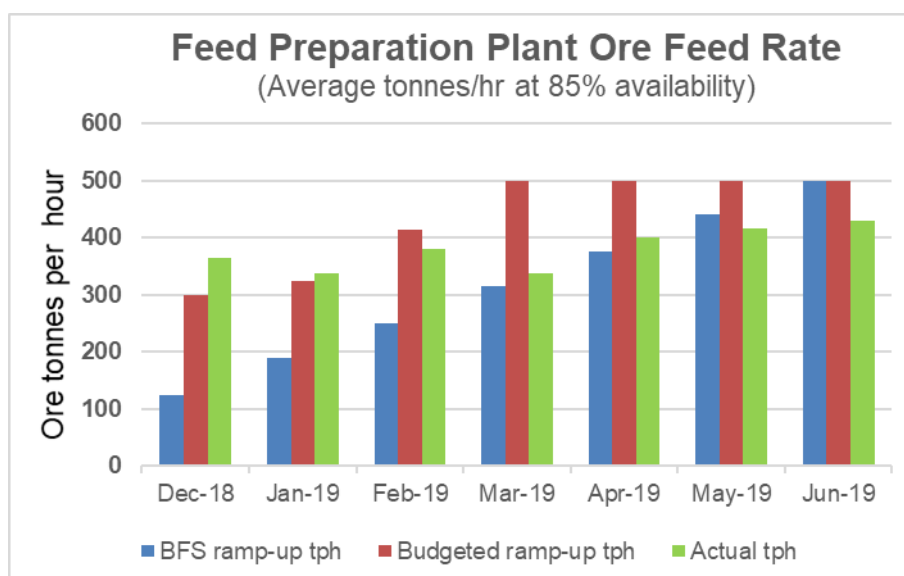
Figure 3 – Zircon Content in Ore HM



Ore Feed Rate: The ore processing rate to the feed preparation plant (FPP) was generally lower than budgeted for Q1 and Q2 (Figure 4), due in part to higher than expected HM ore grade and higher than designed HMC production rate. Q2 ore processing rate was 416 tonnes per hour (tph) or 83% of the budgeted target rate of 500 tph. The Y-T-D ore processing rate was 383 tph or 84% of budget. Total ore processed in Q2 was 787K tonnes or 85% of budget and 1,451Kt or 86% of budget on a Y-T-D basis.

Capital improvements have been approved and are being implemented to 1) expand the HMC cleaning and dewatering circuit to accommodate higher ore grades, and 2) enhance oversize screening at the ore feed preparation plant. Improvements are tentatively scheduled for implementation in Q3 2019.

Figure 4 – Ore Feed Rate



Operating Summary: Overall operating statistics were mixed with continued higher operating availability, HM ore grade and HMC production, but lower ore tonnes processed and lower HM recovery and HMC grade (Table 1). HM recovery and HMC grade continue to be a point of focus for the optimisation of recovery and quality

Table 1 – Operating Statistics

Item	Unit	Q2 2019			Y-T-D 2019		
		Actual	Budget	Variance	Actual	Budget	Variance
FPP/WCP runtime	hrs.	1,891	1,856	2%	3,787	3,691	3%
Availability	%	86.6	85.0	2%	87.2	85.0	3%
FPP Ore Feed	Kt	787	926	-15%	1,451	1,692	-14%
FPP Ore Feed	tph	416	500	-17%	383	458	-16%
Ore HM grade	%	9.3	7.7	21%	10.1	7.1	43%
HMC produced	Kt	69.0	58.9	17%	137.8	100.0	38%
HMC HM grade	%	87.9	92.0	-4%	90.2	91.2	-1%
HM Recovery	%	82.6	86.3	-4%	85.8	84.7	1%
Notes: FPP = Ore Feed Preparation Plant							
WCP = Wet Concentration Plant							
HMC = Heavy Mineral Concentrate							
HM = Heavy Mineral							
Variance = (Actual - Budget)/Budget							

Mining

Overburden removal and ore mining by contractor Piacentini & Son progressed broadly in accordance with the mine schedule. Ore was mined from both the western and eastern strandlines (Photo 2). Due to the extreme ore grade variability (2% to 45+% HM), ore blending continues to be a key element of mine scheduling and control. Solar cell construction activities were substantially reduced during the quarter with the successful implementation of co-disposal of the slimes tailings with the sand tailings in the mine. Co-disposal has also significantly reduced overall fresh water consumption and improved the clarity of the water throughout the hydraulic loop in the WCP.

Photo 2: Boonanarring Mine looking South – June 2019



HMC Sales

A total of three bulk shipments of HMC were completed during Q2 for a total of 68.2K dry metric tonnes (DMT) or 97% of budgeted sales. Y-T-D sales of 116.2K tonnes of HMC is 101% of budget (Refer Table 2). All sales were completed under the existing HMC off-take agreements and reflected market pricing for the 30-day period leading up to the time of each shipment.

HMC inventory at the end of Q2 was approximately 38K DMT at an estimated sales value of \$22 million. In early July the Company confirmed shipment 7 for a nominal 20K DMT scheduled to sale the final week of July.

Photo 3: Boonanarring HMC Stockpiles – June 2019



Table 2 – HMC Shipping

Shipment ID	Ship Date	Dry Tonnes	Vessel	ZrO2	TiO2
IMA-NAT-005	22-May-19	19,924	Thetis	21.5%	29.5%
IMA-NAT-005	16-Jun-19	29,035	Bari - Star	22.9%	27.6%
IMA-WS-001	30-Jun-19	19,283	Fools Gold	22.7%	28.3%
Q2 Totals		68,242		22.4%	28.4%
Q1 Totals		47,947		18.1%	32.7%

Revenue

Total revenue for Q2 was AU\$42.5M, representing only 85% of budgeted revenue. The key difference from budget was that the budget assumed a zircon price increase in Q2 which did not happen, and the market price for standard grade zircon has remained lower than budgeted since the beginning of 2019. On the positive side, the zircon content of the HMC for Q2 improved significantly from Q1 (see Table 2) resulting in an increase in average HMC pricing from AU\$517/DMT in Q1 to AU\$623/DMT in Q2.

Y-T-D revenue was AU\$67.3M and 92% of budget.

Operating Costs

Project operating costs remained low for Q2 at only 78% of budget at \$22.4M, and Y-T-D costs at \$37.8M are only 76% of budget.

Similarly, project operating 'unit' costs are significantly lower than budget at \$329/DMT HMC sold for Q2 and \$325/DMT HMC on Y-T-D basis, or 68% and 75% of budget respectively.

Operating costs were lower than budget due to mining and processing of fewer ore tonnes due to the higher than anticipated HM ore grade, but also due to lower than budgeted costs in most areas.

Operating Margin and EBITDA

The operating margin for Q2 was \$294/DMT HMC sold or 131% of budget; and on a Y-T-D basis the margin was \$254/DMT or 125% of budget. As a result, Project EBITDA for Q2 was substantially higher than Q1 at \$20.2M and was \$29.5m on a Y-T-D basis which is 127% of budget.

As a result of the continued higher than budgeted HMC production, lower operating costs, higher operating margins and higher Project EBITDA, annual guidance for 2019 will be positively adjusted (to be announced separately).

Cash

Cash at the end of the quarter was \$25.7M, not including \$12M, from the sale of HMC shipment No. 6 which sailed on 30 June 2019 with receipt of funds from the related letter of credit delayed until early July.

Foreign Exchange Rate

AUD:USD foreign exchange rate (FX) remained favourable ending the quarter below 0.70. The 2019 budget is based on an assumed FX of 0.74. Adjusted guidance will likely use a forecast FX of 0.72 for the remainder of 2019.

Zircon Pricing

The premium grade zircon market price, used as a benchmark to determine the standard grade price for Image's zircon in its HMC product, remained steady with Iluka Resources announcing it would maintain its current published pricing for six months from 31 March 2019. The Q2 budget assumed this benchmark price would increase slightly. In addition, the market price for standard grade zircon also remained relatively stable during Q2 at US\$1,425-1,475/t, which is lower than originally budgeted. However, the medium and longer-term outlook for zircon pricing based on the underlying fundamentals of supply/demand remain positive, particularly with delays in any new projects achieving production.

Corporate

The Quarterly Activities and Cashflow Reports for the period ending 31 March 2019 were filed on 30 April 2019.

EXPLORATION

Exploration Highlights

Discussions are continuing with three landowners, seeking access agreements to allow drilling of the northernmost 2.6km of the Boonanarring Deposit's Northern Extension Area (NEA). Subsequent to the end of Q2, Image announced it had received access to one of the land positions in the NEA.

A close-spaced infill drilling program commenced with a total of 14,750m (68%) completed out of a total of 21,600m of planned air-core (AC) drilling. All of drilling in Block C has been completed and 55% of the assays have been received and are summarised in this report. These initial results from Block C close-spaced (5m) infill drilling are very positive and appear to corroborate mining and processing results from the 2019 March Quarter indicating the actual heavy mineral (HM) ore grade was substantially higher than estimated in the Mineral Resources and Ore Reserves.

At Erayinia, promising results have been followed up with 9 RC holes totalling 1038m. This programme has several reasonable intersections including 4m at 2g/t from 80m in hole EYRC19, 4m at 1g/t from 84m in hole EYRC22, 8m at 1.4g/t from 92m in EYRC18 and 4m at 1.3g/t from 92m in EYRC17. A number of 1m splits of the anomalous zones have been sent off to the laboratory for further analyses and these results will form the basis of a further drilling programme.

Boonanarring Mine Drilling

Close-spaced infill drilling has confirmed the existence of a very high-grade core within the eastern strand of Image's 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project located 80 km north of Perth in the infrastructure-rich North Perth Basin in Western Australia.

This confirmation of the high-grade core in the eastern strand comes from initial assay results for drilling in Block C at Boonanarring (current mining block). These results are only part of a larger drilling program designed to re-assess the Mineral Resources and Ore Reserve at Boonanarring, as announced to the ASX on 14 March 2019 (Targeting Ore Reserve Upgrade at Boonanarring in Response to Higher than Expected Ore Grades). The full drilling program will include close-spaced, infill drilling to delineate the full extent of the high-grade core in the eastern strand across Blocks A, B, C and D.

The close-spaced infill drilling program commenced on 2 April 2019 and has continued through to the end of June, with a total of 14,750m (68%) completed out of a total of 21,600m of planned air-core (AC) drilling. All of drilling in Block C has been completed and 55% of the assays have been received and are summarised in this report.

These initial results from Block C close-spaced (5m) infill drilling are very positive and appear to corroborate mining and processing results from the 2019 March Quarter indicating the actual heavy mineral (HM) ore grade was substantially higher than estimated in the Mineral Resources and Ore Reserve. These results also support the Company's belief that the high-grade core was not adequately delineated by the routine 15-20m drill hole spacings used for the determination of Mineral Resources and Ore Reserve, and that the Ore Reserve may have been understated.

Results from this initial set of assays is presented by means of five cross-sections showing assay results from the initial Ore Reserve drilling and the updated assay results from the infill drilling. The locations of the five cross-sections are shown in Figure 1 which is a grade-thickness map generated from the original Ore Reserve drilling and which shows the presence of a high-grade core running largely the full length of the eastern strand of the Boonanarring deposit.

These cross-section comparisons (Figures 2-6) showing HM grades before and after the infill drilling, clearly show the presence of substantial high and very high-grade core material that was not identified in the initial Ore Reserve drilling results. Field assays (HM panning) indicate similar comparisons in other sections of the deposit, however laboratory assays are required to confirm these results.

These initial results should not be considered to be representative of results for the balance of the deposit as other parts of the deposit could be materially different, and these initial results should not be used to imply any potential quantitative change to the Mineral Resources and Ore Reserve. The target date for re-estimation of the Mineral Resources and Ore Reserve has been extended due to additional infill drilling requirements. The current estimate for completion is late in the September Quarter 2019.

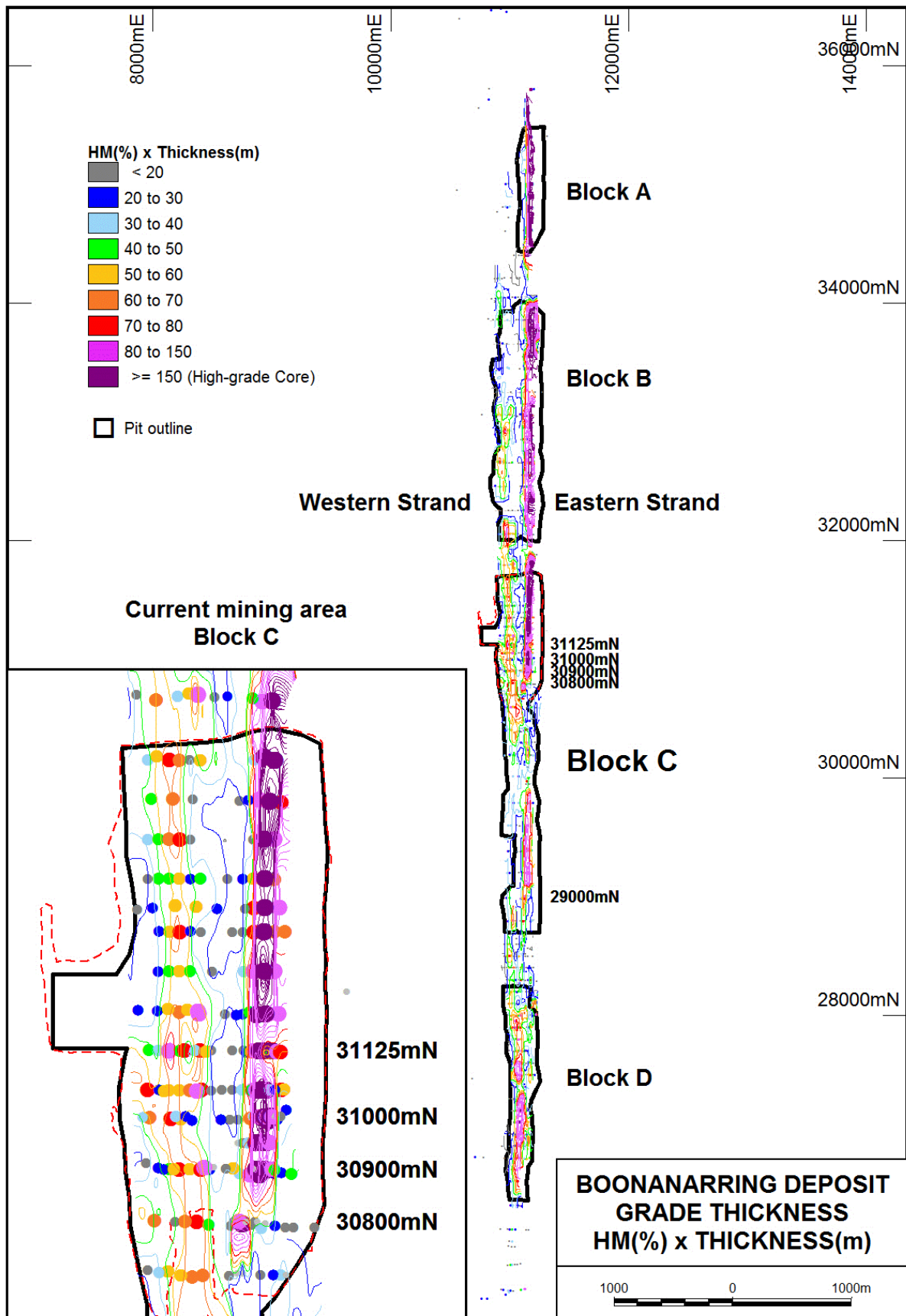


Figure 1. Boonanarring Deposit showing grade-thickness contours, mining Blocks and locations of cross-sections.

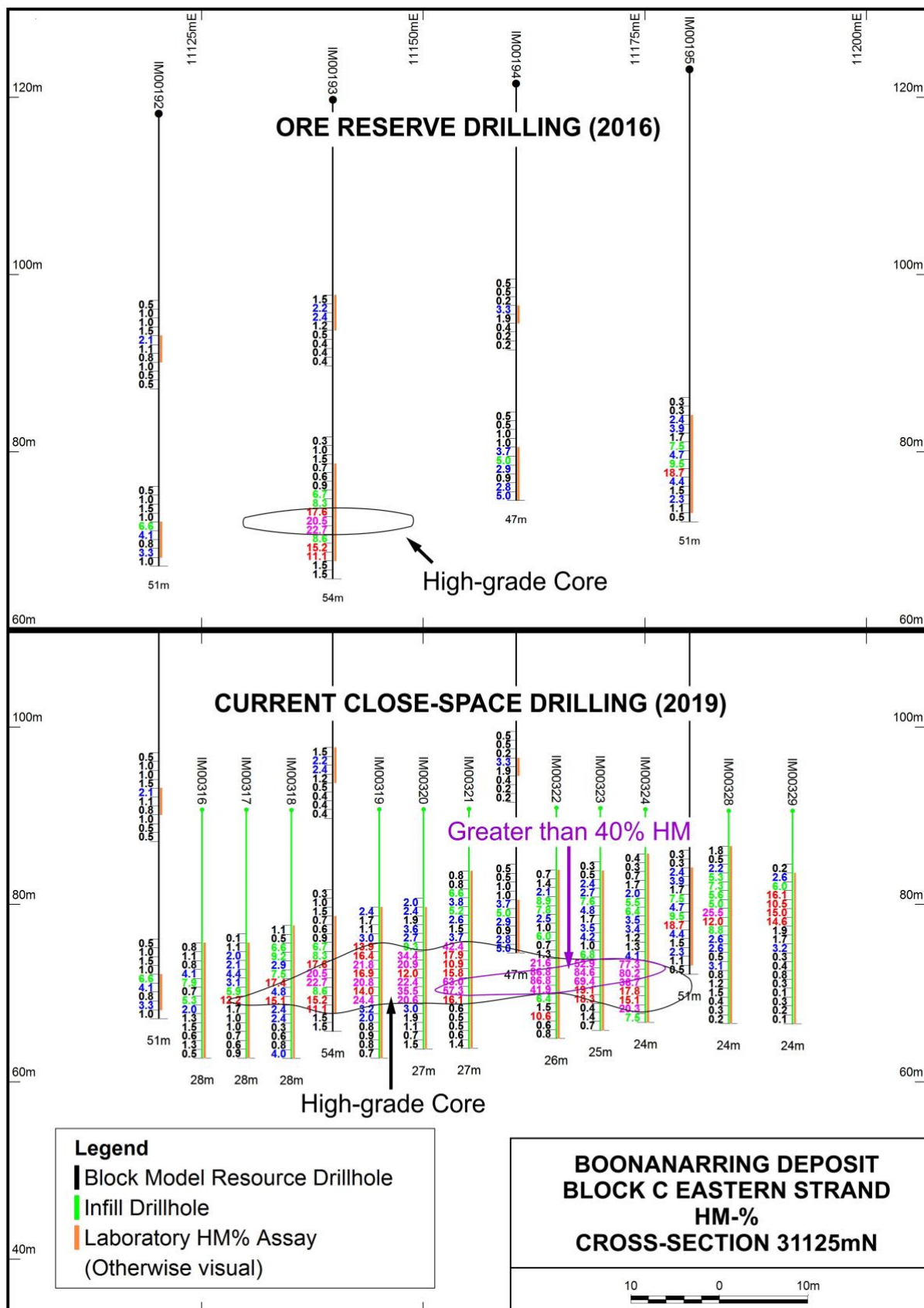


Figure 2. Section 31125mN Eastern Strand comparison of before and after infill drilling showing greater extent of high-grade core.

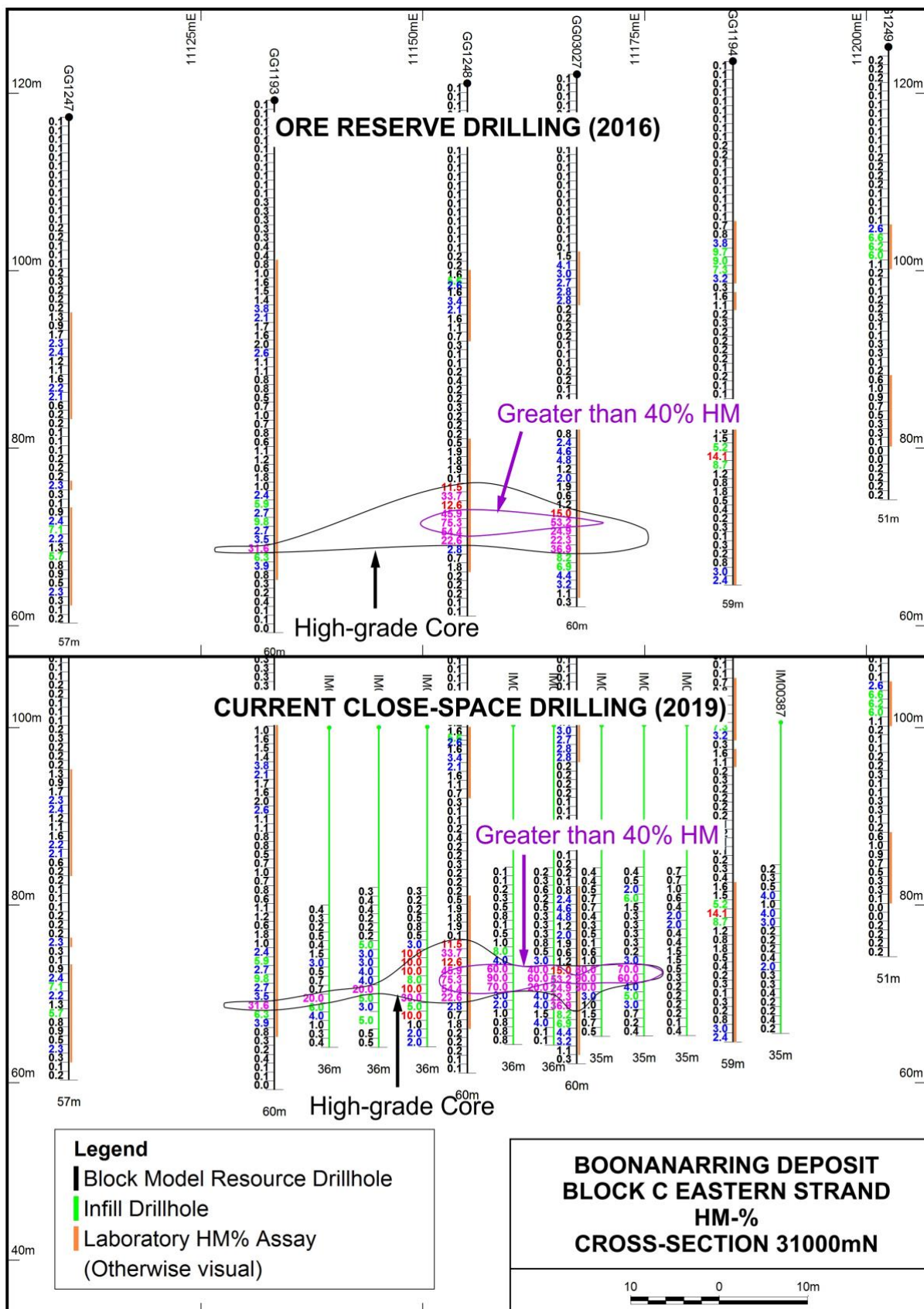


Figure 3. Section 3100mN Eastern Strand comparison of before and after infill drilling showing greater extent of high-grade core.

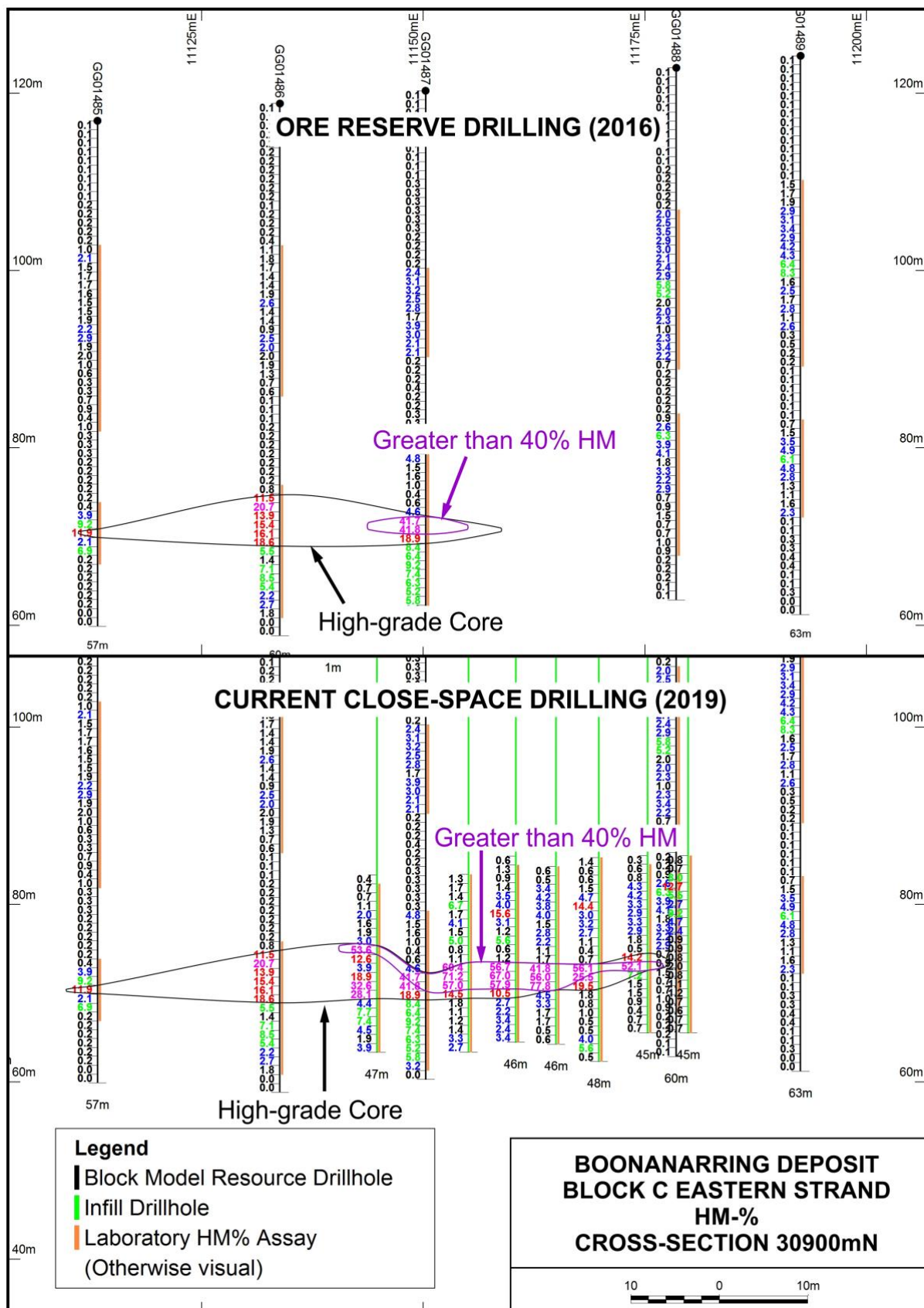


Figure 4. Section 30900mN Eastern Strand comparison of before and after infill drilling showing greater extent of high-grade core

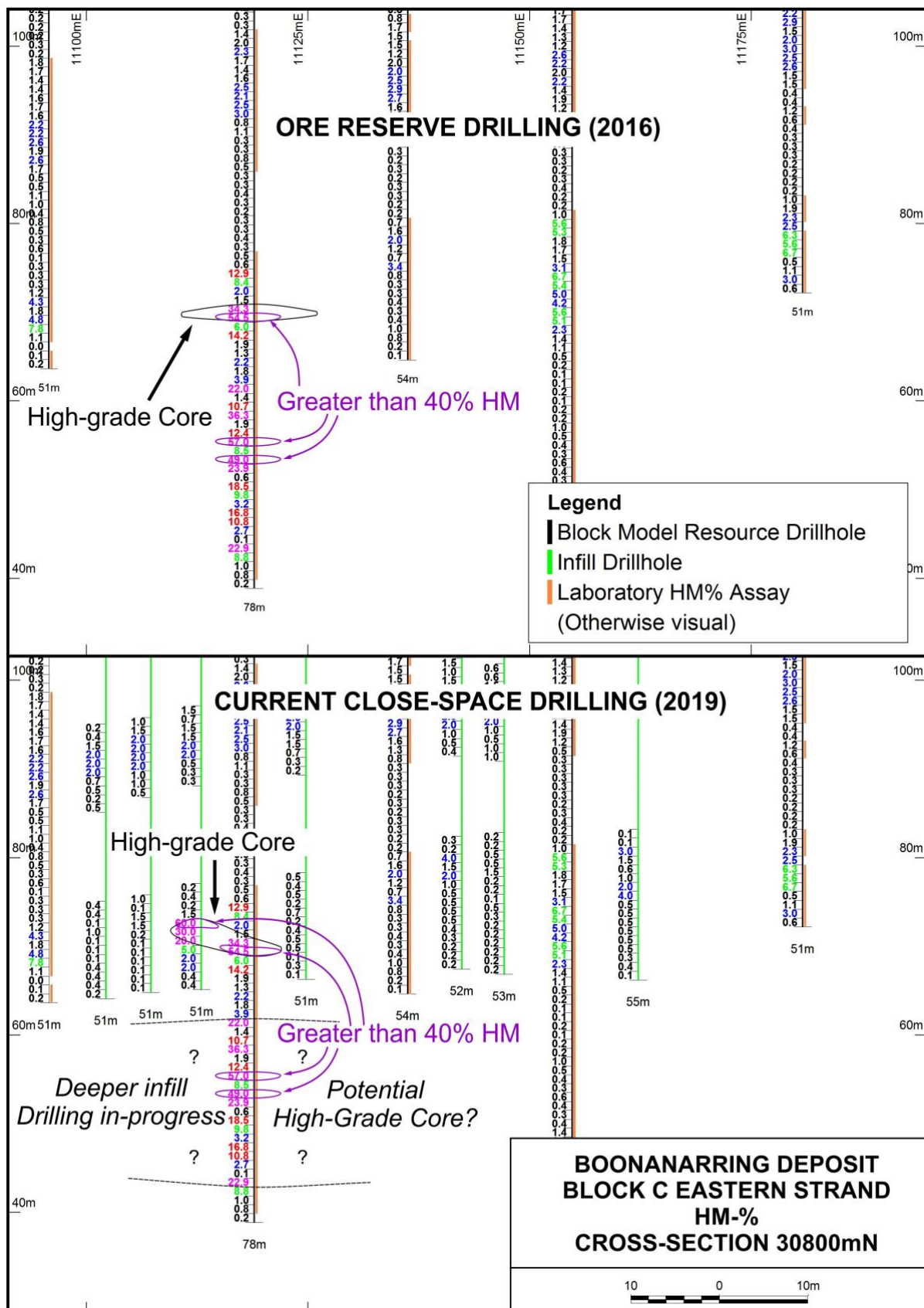


Figure 5. Section 30800mN Eastern Strand comparison of before and after infill drilling showing greater extent of high-grade core.

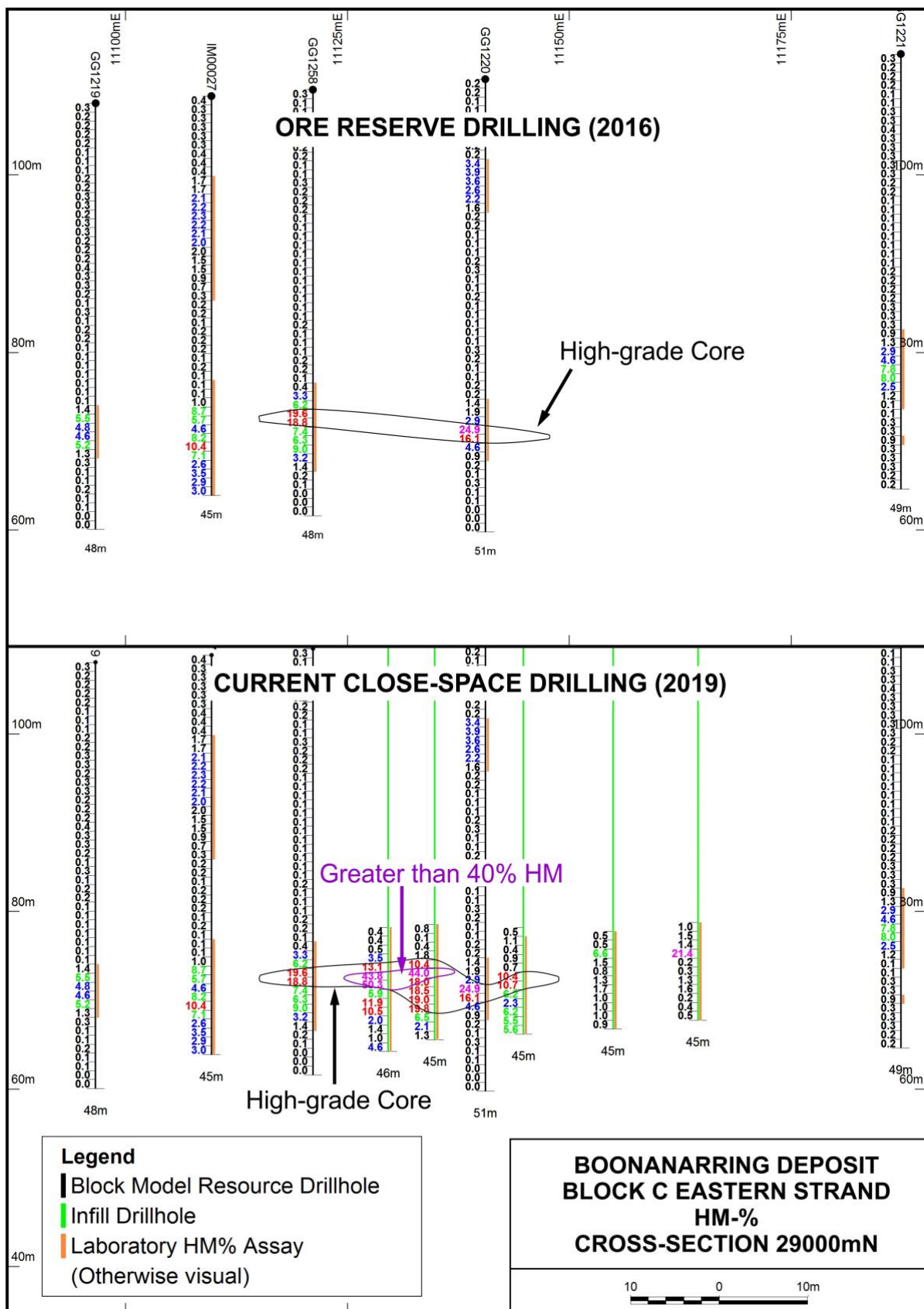


Figure 6. Section 29000mN Eastern Strand comparison of before and after infill drilling showing greater extent of high-grade core.

Table 1 shows 168 intersections greater than 10%HM from previous drilling in Block C and used for the Mineral Resources and Ore Reserve and Table 2 shows an additional 52 intersections greater than 10%HM from the current close-spaced infill drilling program.

These initial results returned numerous very high-grade laboratory assays from Block C. Out of 965 assays received to date, **158 assays are >10% HM including 41 >30% HM, 31 >40% HM, 24 >50% HM, 12 >60% HM, 8 >70% HM and 4 >80% HM.**

Table 1. Pre infill Drilling Block C- Significant Intersection > 10% HM

Hole ID	Northing m	Easting m	From m	To m	width m	Lab HM %
GG1173	31595	11192	40	42	2	30.3
GG1174	31600	11151	43	49	6	20.1
GG1178	31786	11157	42	48	6	13.7
GG1182	31395	11141	47	49	2	15.8
GG1183	31396	11189	41	44	3	18.3
GG1186	31193	11146	45	51	6	21.9
GG1189	31194	11187	43	46	3	19.3
GG1191	30994	11095	30	31	1	10.0
GG1193	30996	11133	50	51	1	31.6
GG1194	30994	11185	44	45	1	14.1
GG1206	30191	11163	27	29	2	19.8
GG1207	30189	11202	21	23	2	13.5
GG1212	29788	11156	24	31	7	12.1
GG1213	29786	11199	23	24	1	12.9
GG1215	29383	11111	37	38	1	15.6
GG1216	29383	11145	37	40	3	23.3
GG1220	28985	11141	39	41	2	20.5
GG1229	31790	10956	36	37	1	12.4
GG1230	31796	10996	36	37	1	12.8
GG1231	31800	11035	37	39	2	27.4
GG1232	31801	11018	37	39	2	16.9
GG1235	31787	11175	42	48	6	34.9
GG1237	31599	11130	44	45	1	13.2
GG1240	31396	11162	43	50	7	23.0
GG1244	31194	11163	41	42	1	12.7
			48	51	3	46.8

Hole ID	Northing m	Easting m	From m	To m	width m	Lab HM %
GG1248	30998	11155	45	52	7	36.6
GG1252	30192	11150	24	28	4	19.6
GG1253	30190	11185	9	10	1	11.2
GG1254	29790	11137	24	25	1	23.8
GG1255	29787	11173	28	29	1	22.5
GG1256	29382	11132	36	39	3	23.6
GG1257	29384	11166	38	41	3	20.3
GG1258	28985	11121	36	38	2	19.2
GG1260	31598	11171	42	51	9	40.6
GG1265	31401	10992	36	37	1	12.8
GG1266	31397	11031	36	38	2	18.6
GG1269	30997	10944	35	37	2	12.6
GG1270	30995	10983	38	39	1	19.4
GG1277	30596	11013	34	38	4	13.5
GG1278	30596	11052	35	39	4	14.5
GG1282	30192	11005	25	26	1	13.8
GG1287	29791	11034	24	25	1	19.5
GG1288	29790	11079	24	25	1	31.4
GG1296	28986	11019	35	36	1	18.5
GG1302	28794	11115	36	41	5	13.4
GG1305	28792	11177	36	37	1	10.2
GG1306	28799	11196	35	36	1	39.2
GG1308	29197	10983	37	38	1	10.2
GG1313	29207	11104	39	40	1	10.3
GG1314	29200	11125	36	39	3	16.5
GG1315	29201	11146	36	42	6	20.2
GG1316	29195	11163	39	41	2	41.0
GG1317	29198	11190	34	36	2	18.7
GG1325	29601	11130	29	32	3	16.9
GG1326	29597	11153	31	36	5	22.0
GG1331	29996	11158	20	23	3	13.4
GG1336	30398	11123	21	22	1	10.1

Hole ID	Northing m	Easting m	From m	To m	width m	Lab HM %
GG1339	30387	11064	34	36	2	16.7
GG1340	30379	11045	34	35	1	14.7
GG1341	30404	11142	18	21	3	12.3
			35	39	4	12.4
GG1342	30411	11164	22	23	1	11.1
GG1343	30417	11182	35	36	1	11.5
GG1344	30397	11211	33	34	1	10.3
GG1353	30801	11032	38	40	2	15.0
GG1355	30796	11119	42	48	6	19.0
			49	50	1	14.2
			55	65	10	22.3
GG1355	30796	11119	66	71	5	11.8
			73	74	1	22.8
GG1362	31197	11000	38	40	2	18.3
GG1363	31194	11036	39	42	3	19.1
GG1365	30802	10952	30	31	1	11.0
GG01480	31601	10947	34	35	1	14.4
GG01481	31601	10988	35	37	2	17.6
GG01483	30899	11057	41	42	1	12.1
GG01485	30892	11113	46	47	1	11.9
GG01486	30889	11134	44	50	6	16.0
GG01487	30890	11150	48	51	3	34.1
GG01492	30801	11011	38	39	1	14.3
			40	41	1	10.9
GG01493	30795	11055	38	40	2	14.9
GG01494	30699	11044	37	39	2	12.3
GG01495	30696	11024	37	40	3	12.0
GG01496	30699	11003	36	37	1	19.9
GG01497	30698	11073	43	44	1	11.1
GG03002	30700	11190	44	45	1	11.0
GG03007	30411	11002	31	32	1	10.1
GG03008	30403	11023	33	35	2	12.7

Hole ID	Northing m	Easting m	From m	To m	width m	Lab HM %
GG03010	30801	11119	46	50	4	18.1
			61	65	4	14.7
GG03011	30298	11167	34	35	1	10.1
GG03012	30299	11142	30	34	4	15.5
GG03015	29199	11153	40	43	3	21.7
GG03016	30197	11005	25	26	1	18.3
GG03017	30193	11024	25	26	1	15.3
GG03022	30010	11031	22	23	1	13.2
GG03025	31399	10993	35	36	1	13.1
GG03027	30992	11167	49	54	5	30.5
GG3040	31203	10978	38	39	1	12.3
GG3041	31203	11015	36	37	1	11.7
GG3042	31200	11035	37	38	1	10.0
			41	44	3	10.4
GG3045	30482	11171	40	41	1	11.2
GG3046	30481	11113	30	31	1	14.9
GG3048	30299	11191	12	14	2	12.2
GG3057	28799	11027	37	40	3	21.9
GG3058	31799	11035	37	40	3	22.7
GG3059	31787	11174	44	49	5	17.3
GG10046	29603	10988	30	31	1	10.4
GG10048	29600	11008	30	31	1	18.1
IM00023	30998	10930	35	36	1	11.2
IM00024	30995	11003	40	41	1	11.6
IM00027	28986	11110	39	40	1	11.2
IM00104	30596	11035	37	38	1	12.0
IM00106	30707	10979	34	35	1	10.6
IM00118	31682	10958	35	36	1	13.1
IM00119	31675	10980	35	38	3	11.4
IM00120	31675	11000	36	37	1	20.6
IM00122	31675	11040	37	39	2	15.4
IM00127	31680	11160	42	50	8	22.9

Hole ID	Northing m	Easting m	From m	To m	width m	Lab HM %
IM00128	31675	11180	37	41	4	16.9
			46	49	3	35.7
IM00130	31525	10960	33	35	2	12.2
IM00131	31525	10980	33	36	3	12.8
IM00132	31525	11000	33	36	3	17.0
IM00138	31525	11140	47	48	1	11.1
IM00139	31525	11160	42	50	8	31.8
IM00140	31525	11180	39	49	10	12.4
IM00143	31450	10960	34	35	1	12.5
IM00145	31450	11000	34	36	2	12.9
IM00147	31450	11040	36	38	2	14.9
IM00151	31450	11120	44	45	1	10.4
IM00152	31450	11140	44	45	1	18.9
IM00153	31450	11162	43	50	7	36.9
IM00154	31450	11180	40	42	2	16.7
			48	49	1	16.0
IM00158	31350	10982	34	36	2	12.5
IM00159	31350	11000	36	38	2	16.2
IM00166	31350	11140	47	49	2	13.7
IM00167	31350	11160	39	40	1	10.4
			44	50	6	41.6
IM00168	31350	11180	41	44	3	14.7
IM00169	31350	11200	43	44	1	21.9
IM00172	31275	10980	35	37	2	11.7
IM00173	31275	11000	36	37	1	13.6
IM00174	31275	11020	38	39	1	14.7
IM00179	31276	11140	43	50	7	12.0
IM00180	31275	11160	45	53	8	32.4
IM00181	31275	11180	41	45	4	19.5
IM00186	31125	10980	37	39	2	35.5
IM00187	31124	11000	39	40	1	13.8
IM00189	31125	11038	39	42	3	20.5

Hole ID	Northing m	Easting m	From m	To m	width m	Lab HM %
IM00193	31125	11140	46	52	6	16.0
IM00195	31125	11180	45	46	1	18.9
IM00197	31050	10940	34	36	2	14.9
IM00199	31050	10980	38	39	1	19.3
IM00200	31050	11000	39	40	1	22.2
IM00201	31050	11020	39	40	1	25.8
IM00202	31050	11042	39	42	3	15.6
IM00206	31050	11119	46	48	2	12.8
IM00207	31050	11140	45	51	6	20.5
IM00208	31050	11160	41	53	12	18.2
IM00212	30900	10980	38	39	1	12.7
IM00213	30900	11000	34	39	5	10.7
IM00214	30900	11020	39	40	1	19.9
IM00215	30900	11040	39	42	3	18.0

Table 2. Infill Drilling Block C - Significant Intersection > 10% HM

Hole ID	North m	East m	From m	To m	Width m	HM_Lab %
IM00303	31047	10971	32	33	1	10.7
IM00304	31048	11033	26	32	6	13.7
IM00305	31050	11135	26	27	1	15.0
IM00306	31050	11145	25	32	7	15.0
IM00307	31050	11150	25	32	7	23.7
IM00308	31050	11155	24	31	7	27.7
IM00309	31050	11165	25	30	5	19.8
IM00310	31050	11170	31	32	1	11.7
IM00311	31050	11176	19	20	1	11.2
			28	30	2	39.5
IM00312	31051	11185	21	22	1	11.0
IM00313	31051	11193	20	24	4	16.7
IM00314	31050	11198	20	23	3	15.6

Hole ID	North m	East m	From m	To m	Width m	HM_Lab %
IM00317	31123	11130	21	22	1	12.2
IM00318	31123	11135	19	22	3	12.4
IM00319	31124	11145	15	22	7	18.3
IM00320	31124	11150	16	22	6	24.3
IM00321	31124	11155	15	22	7	31.9
IM00322	31124	11165	17	24	7	36.5
IM00323	31123	11170	17	22	5	48.7
IM00324	31125	11175	17	23	6	41.2
IM00325	31125	11010	19	21	2	17.0
IM00327	31123	11050	18	20	2	18.6
IM00328	31123	11184	11	13	2	18.7
IM00329	31122	11192	9	13	4	14.1
IM00332	30899	10990	30	31	1	11.4
IM00333	30900	11170	30	31	1	14.4
			37	40	3	33.7
IM00334	30900	11160	31	32	1	15.5
			37	41	4	48.0
IM00335	30900	11155	37	41	4	50.8
IM00336	30900	11145	35	41	6	24.9
IM00338	29406	11154	35	38	3	33.9
IM00339	29406	11148	33	35	2	25.9
IM00340	30902	11102	41	43	2	21.4
IM00343	30903	11047	38	40	2	28.7
IM00344	30899	11165	37	40	3	58.5
IM00345	30900	11175	36	38	2	33.2
IM00346	30899	11180	28	29	1	12.7
IM00349	29205	11159	40	43	3	36.0
IM00350	29205	11155	41	46	5	18.0
IM00351	29205	11150	40	45	5	18.1
IM00352	29400	11171	42	43	1	10.8
IM00353	29000	11130	36	42	6	22.6
IM00354	29000	11135	36	42	6	21.6

Hole ID	North m	East m	From m	To m	Width m	HM_Lab %
IM00355	29000	11145	38	40	2	10.5
IM00357	29001	11165	37	38	1	21.4
IM00358	28800	11180	36	37	1	11.1
IM00359	28800	11185	35	36	1	15.4
IM00360	28800	11190	35	36	1	11.2
IM00363	29971	11153	20	23	3	20.5

Boonanarring Northern Extension Area Access

Subsequent to the end of the Quarter, Image has secured access for drilling to assess the heavy mineral grade and quality in a 1.3km section of the 5.6km northern extension area (NEA) at the Company's 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project located 80 km north of Perth in the infrastructure-rich North Perth Basin in Western Australia.

Access to this 1.3km section of the NEA (see Figure 7) was secured by means of a purchase option agreement in respect of the land, between Image and the landowner on terms customary for agreements of this nature, whereby:

- Image can immediately access the land to conduct drilling and assessment of the mineralisation for a period of up to six months; and
- Image may exercise an option to purchase the land during this six-month period, subject to Foreign Investment Review Board approval, if required.

Exercise of the purchase option is at Image's election and there are no other material conditions precedent to the exercise. Image has paid an option fee and if it elects to exercise the option is liable to pay the purchase price for the land. The funds required for the option fee fall within the budget for additional land access already approved by the Board. The purchase option period expires 11 January 2020.

Drilling is to commence in this 1.3km section of the NEA as soon as the exploration programme of work is approved by the Department of Mines, Industry, Regulation and Safety (DMIRS). The objective of drilling and assessment of the mineralisation in the NEA is to verify the presence of economic mineralisation and add to the Boonanarring Ore Reserves to increase overall mine life.

For perspective, the full 5.6km strike length of the NEA can be compared to the 13.2km strike length of the original Boonanarring Ore Reserve (Figure 7) which had an original estimated mine life of 5.5 years. This purchase option agreement covers 1.3km strike length within the 5.6km NEA and negotiations for access to other parts of the NEA are ongoing.

There is no certainty additional access will be granted and some areas of the NEA are significantly challenged by existing infrastructure including natural gas pipelines, powerlines and the Brand Highway.

Boonanarring Northern Extension Area background

Preliminary scout drilling results that identified the northern extension of mineralisation at Boonanarring and indicating high heavy mineral grades, were announced to the ASX on 13 March 2017 (OUTSTANDING DRILL RESULTS CONFIRM A 5.6KM HIGHGRADE EXTENSION OF BOONANARRING DEPOSIT). A follow-on announcement on 26 June 2017 (ZIRCON ENRICHMENT CONFIRMED FOR 5.6KM HIGH-GRADE EXTENSION OF BOONANARRING DEPOSIT) confirmed the heavy mineral content of the mineralisation in the NEA was enriched in zircon similar to the Boonanarring Ore Reserve.

In early April 2018, Image commenced a drilling programme to delineate a high-grade core of the eastern strand of the current Boonanarring Ore Reserve for the purpose of upgrading the Ore Reserve. Details of the evidence of this high-grade core and

drilling programme were presented in an ASX announcement dated 14 March 2018 and titled IMAGE RESOURCES TARGETING ORE RESERVE UPGRADE AT BOONANARRING IN RESPONSE TO SUBSTANTIALLY HIGHER THAN EXPECTED ORE GRADES. Scout drilling results in the NEA strongly indicated the high-grade core of the eastern strand of Boonanarring extends into the NEA, and therefore the drilling programme in the NEA will include close-spaced drilling in anticipation of the presence of a high-grade

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.

Drilling of the 1.3km Boonanarring Northern extension to Indicated Status would consist of 39 drill holes for 1,750m on a 200m x 40m drill grid covering a 1.3km stretch, with closer spacing across the eastern strand to delineate the high-grade core. Discussions for access for the remaining 1.3km of the 2.6km stretch is currently occurring with two separate landowners.

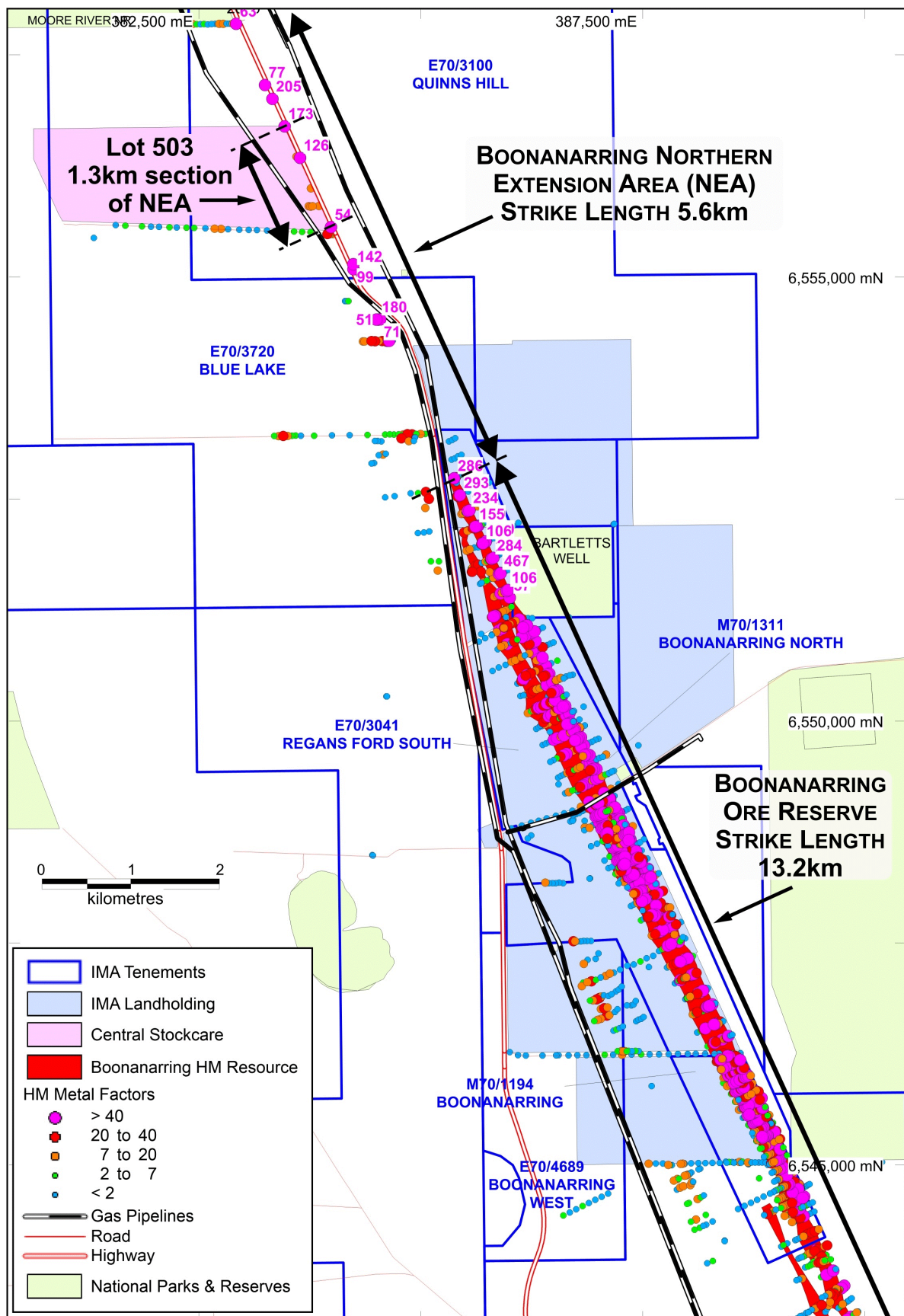


Figure 7 Boonanarring North Extension area showing 1.3km Lot 503 where access for drilling has been secured.

Erayinia Gold Drilling

High-grade gold results were obtained from fire assay analysis of 1m splits (Fig 8) 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. The drill programme has been successful in identifying strike continuity of the King mineralisation, which starts 350m to the south. A prospective shear zone is interpreted to extend the King mineralisation within the excised Prospecting Licences (P28/1320–21) to the north within Image Resource's tenement (E28/1895). The mineralisation within the adjoining P28/1320–21 is over 1km in length and is within a 150m-wide zone with maximum 1m gold intervals projected to surface.

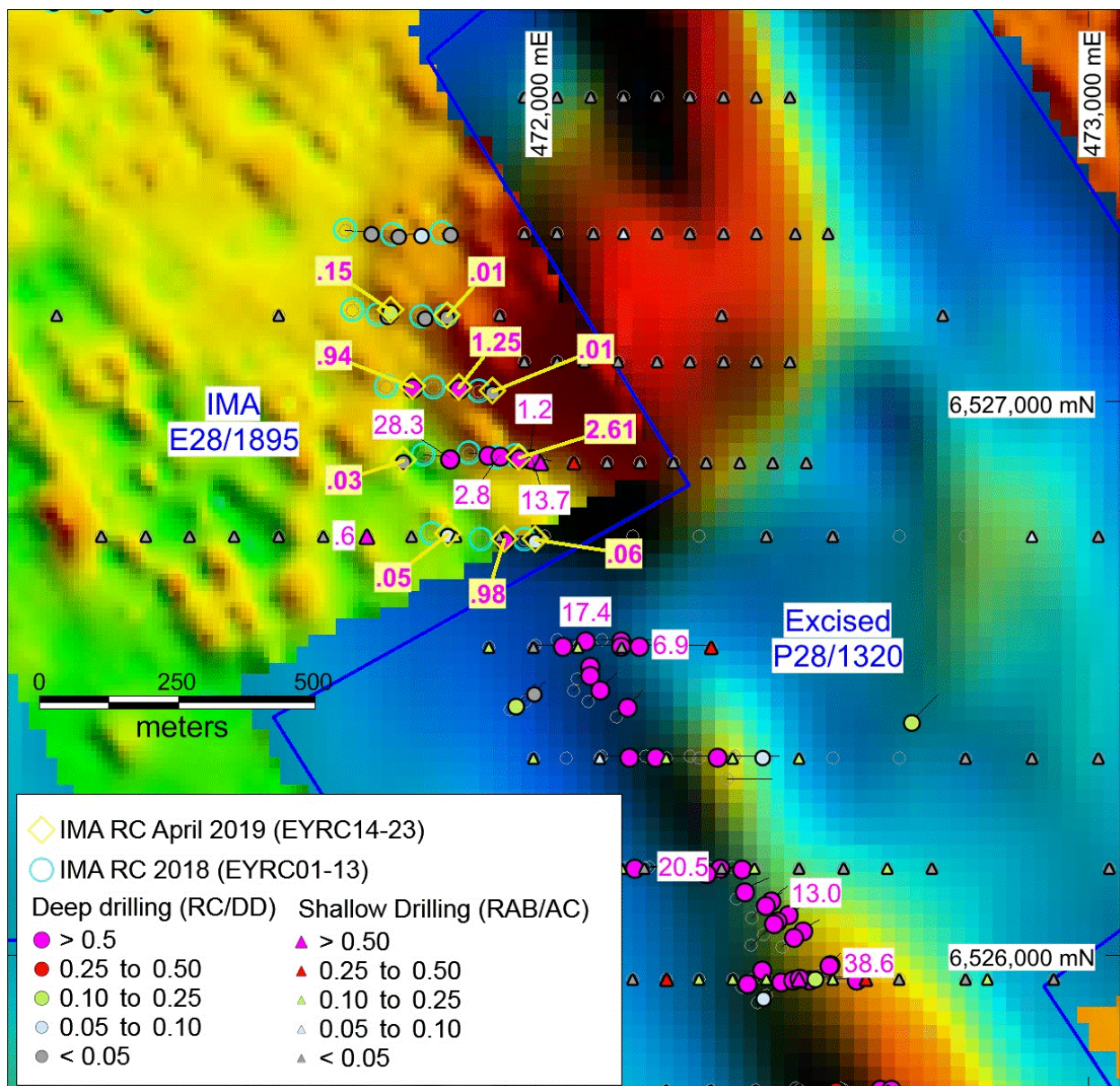


Figure 8. Ground Magnetism merged with Aeromagnetism, RC drilling, previous RC holes and historical AC holes

The fire assay results (see IMA ASX Release 28 February 2019 show high grade gold intersections including 3m at 11.5g/t, which were much higher than the preliminary wet chemistry assays conducted on 4m composites, analysed by the aqua regia method (see IMA ASX Release 19 September 2018 for preliminary results).

The fire assay results on the 1m composites compared to the 4m composites analysed by aqua regia can be summarized as follows:

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

These promising results have been followed up with 9 RC holes totalling 1038m. This programme has several reasonable intersections including 4m at 2g/t from 80m in hole EYRC19, 4m at 1g/t from 84m in hole EYRC22, 8m at 1.4g/t from 92m in EYRC18 and 4m at 1.3g/t from 92m IN EYRC17. A number of 1m splits of the anomalous zones have been sent off to the laboratory for further analyses and these results will form the basis of a further drilling programme. The mineralised zone appears to be trending in a more NW direction rather than NNW and appear to be getting deeper heading northwards. Further drilling of this promising gold target is being planned.

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 3. Tenement Schedule in accordance with ASX Listing Rule 5.3.3
 Table 4. Mineral Resources and Ore Reserves as at 3 August 2017

Table 3 – Tenement Schedule

Tenement Schedule in accordance with ASX Listing Rule 5.3.3

Location	Tenement	Nature of Interest	Project	Equity (%) held at start of Quarter	Equity (%) held at end of Quarter
WA	E28/1895	Granted	ERAYINIA	100%	100%
WA	E70/2636	Granted	COOLJARLOO	100%	100%
WA	E70/2844	Granted	BIDAMINNA NTH	100%	100%
WA	E70/2898	Granted	COOLJARLOO	100%	100%
WA	E70/3032	Granted	GINGIN	100%	100%
WA	E70/3041	Granted	REGANS FORD SOUTH	100%	100%
WA	E70/3100	Granted	QUINNS HILL	100%	100%
WA	E70/3192	Granted	BOOTINE	100%	100%
WA	E70/3298	Granted	BIDAMINNA -PARK	90%	90%
WA	E70/3494	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%	100%
WA	E28/2742	Granted	MADOONIA DOWNS	100%	100%
WA	E70/5192	Application	WINOOKA SOUTH	100% pending grant	100% pending grant

WA	E70/5193	Granted	CHAPMAN HILL NORTH	100%	100%
WA	E70/5213	Application	GINGINUP HILL	100% pending grant	100% pending grant
WA	E70/5268	Application	WOOLKA SOUTH	-	100% pending grant

Mining Tenements acquired during the Quarter

WA	E70/5268	Application	WOOLKA SOUTH	-	100% pending grant
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Mining Tenements disposed during the Quarter

WA	E70/3411	Granted	REGANS FORD	100%	-
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Table 4 – 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).

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
Bidamina ³	Inferred	26,260,000	44,642,000	3.0	3.6	1,339,260	96.8	83.11	7.2	1.0	5.5	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.