image resources

Quarterly Report – for the quarter ended 31 December 2014

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ASX Code
IMA

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Issued Capital

Shares – Quoted
157,590,129

Options – Unquoted
5,040,000 (various terms)

Cash at end of quarter
$775,000

Board & Management

John Jones
(NED Chairman)

Peter Thomas
(Non-Executive Director)

George Sakalidis
(Exploration Director)

Collis Thorp
(Chief Executive Officer)

Jeff Williams
(Non-Executive Director)

Highlights

Operational activities

- The main focus of operational activities has been directed towards developing an operating strategy for the exploitation of our resources. As previously reported we have negotiations taking place that hopefully will lead to the commencement of production at Boonanarring in late 2015 or early 2016. These discussions are focused on existing producers with synergistic requirements, however they are incomplete and "commercially in confidence" and accordingly at this stage we are unable to fully describe the details of these possible transactions
- Azure Capital have been appointed to assist in negotiations
- As part of this strategy second hand plants have been inspected.

Exploration activities

- The Stage 1 drilling programme commenced in November 2014 and 116 holes totalling 4,254 metres have been drilled out of the 257 holes planned for this phase. Initial assay results for 52 of these holes have been received to date and results are very promising with a new parallel strand, named the East Gingin North strand, delineated by initial drilling over a 1.5 km strike length.
- Planning for the remainder of Stage 1 drilling is progressing with Image having Department of Mines and Petroleum (Environment) approval to drill a further 155 holes. Drilling is expected to restart in early February 2015.
- A representative composite of drill sample material from the first three years production from the Boonanarring resource is being prepared in order to produce a Heavy Mineral (HM) concentrate for future metallurgical test work and for external interested parties. The composite will be comprised of existing sample material and sample from planned infill drilling.
- Land access negotiations with the landowners throughout the project area have been progressing during the quarter and will be ongoing as we further move to secure our land position for the project and for the Stage 2 drilling programme.
- Ground Magnetic surveys were completed at Munbinia West and Gingin South early in the quarter and results were incorporated into Images' regional interpreted mineralisation models to assist in drill programme plans.

Corporate

- On the 28th January 2015 Image received $203,675 from the Australian Taxation Office for a Research and Development claim.
- Diatreme Resources Limited executed a conditional purchase agreement with Image to acquire Images' Cyclone Extended Heavy Mineral Resource (R69/1) on 10th November 2014.

New Boonanarring strand delineated by recent first pass drilling

Image's Stage 1 drilling programme commenced in November 2014 and 116 holes totalling 4,254 metres have been completed of the 257 holes planned in the initial phase (Figure 1 to Figure 4 and Table 1). The aim of the drilling is to make Boonanarring a long life standalone operation and concurrently expand other projects into potential parallel operations for Image and or other producers (Figure 1). Initial assay results for 52 of these holes have been received to date and all holes drilled in this current programme are within the Red Gully – Boonanarring - Gingin North - Gingin South - Chandala region.

Within the Boonanarring South area the assay results are very promising with a new parallel strand (named East Gingin North strand) delineated by initial drilling over a 1.5 km length. Image plan to further test this new strand, which is a target having an 8 km strike length and which potentially links the eastern side of the Gingin North Resource to the western side of the Boonanarring Resource. Some of the better results include 3 m @ 23.3% HM from 16m in drill hole IX00067 and 6m @ 6.4% HM from 14 m in drill hole IX00060. Refer to Table 3 for a full list of significant intercepts. Although at the same Relative Level (RL) as the Boonanarring Resource, the East Gingin North strand mineralisation is at a shallower depth from surface due to the effect of the scarp covering the Boonanarring Resource.

Another important new target just east of the 5.5km Gingin South Resource area has the potential for an eastern parallel strand that is up to 14km long. The assay results from the first 21 holes within the Gingin South area confirm that the Gingin South Resource continues further east and is shown up on five separate lines spaced 200 to 400m apart (Figure 3 and Table 3). Some of the better results include 6m @ 10.0%HM from 27m in drill hole IX00021 and 6m @ 4.8%HM from 31m in drill hole IX00018. The significance of this eastern 14km long parallel strand may be similar to what has occurred at Boonanarring where the eastern strand has a much higher average HM grade and zircon percentage than the western strand and also has the potential to significantly increase the resource size at Gingin South.

The third target being tested by Image in the current programme is the northern extension of the high grade and high zircon Eastern Strand of the Boonanarring deposit, where the average grade in the Block A 210 East strand is estimated to have an Indicated Mineral Resource[1] grading 19.2% HM with the HM containing 26.4% Zircon. Image has completed 12 new drill holes near this northern extension, and assay results are pending (refer Figure 4). Additionally and importantly, a number of drill lines completed in the 1990s are 2km and 5km along strike from the northern end of the Boonanarring Mineral Resource. Significantly, the high grade zones drilled from the 1990s drilling include 6m grading 6.7% HM (Iluka drill hole RG0045 from 27m down hole), which correlates with the predicted NNW extension of Boonanarring.

Importantly, some of the previous drilling did not drill to the target depth of mineralisation and further infill and deeper holes are required to test the grade and thickness of this potential extension. Note in some cases these planned holes are very close to the Brand highway and permission for access will be required

Other areas drilled in this campaign include Red Gully, Chandala and some infill drilling within the Boonanarring Resource. These assay results are pending.

The Director of Exploration George Sakalidis commented:

> *"I am very excited with the early success of the first part of the Stage 1 drilling programme in outlining new discoveries and targets in the vicinity of the Boonanarring Resource, which will potentially allow the Company to develop this project as a major long life operation. Ensuing drilling programmes will be predominately concentrating and following up these results. Access and POW (Programme of Works) are*

[1] Refer to the 31 May ASX release http://www.asx.com.au/asxpdf/20130531/pdf/42g6v9v0jxn3hg.pdf for full details of the Boonanarring Mineral Resource/Reserve Estimate

progressing well which will permit the company to be able to test these new exciting Target zones over the next few months."

All the drilling costs for the 257 holes planned for this stage 1 programme have been pre-paid by a placement to a major WA drilling company. The drilling programme started on the 14 November and priority targets will be tested over several months.

Cyclone Extended Heavy Mineral Resource

Diatreme Resources Limited entered into a conditional purchase agreement with Image for the Cyclone Extended Heavy Mineral Resource (Serpentine Lakes - R69/1) in the Eucla Basin, Western Australia. The conditional purchase agreement was executed on 10th November 2014 and key commercial terms of the agreement are as follows:

The agreement consists of a consideration of $435,000 cash to be paid in two separate tranches.

- Tranche 1: Non-refundable deposit of $20,000 payable at agreement execution 10th November 2014 which has been received;
- Tranche 2: Remaining $415,000 to be paid within 120 days of the agreement execution date linked to a successful capital raising being undertaken by Diatreme within that period. Diatreme has not yet confirmed raising more than the $415,000 required to complete of the transaction as at the date of this report.

A production royalty of 1% will be retained by Image on all Heavy Mineral production within the area of the transferred tenement. Diatreme will have the option to acquire the royalty at an agreed value of $435,000 exercisable by the 1st January 2017. Should Diatreme choose not to exercise the option, the royalty will remain in place.

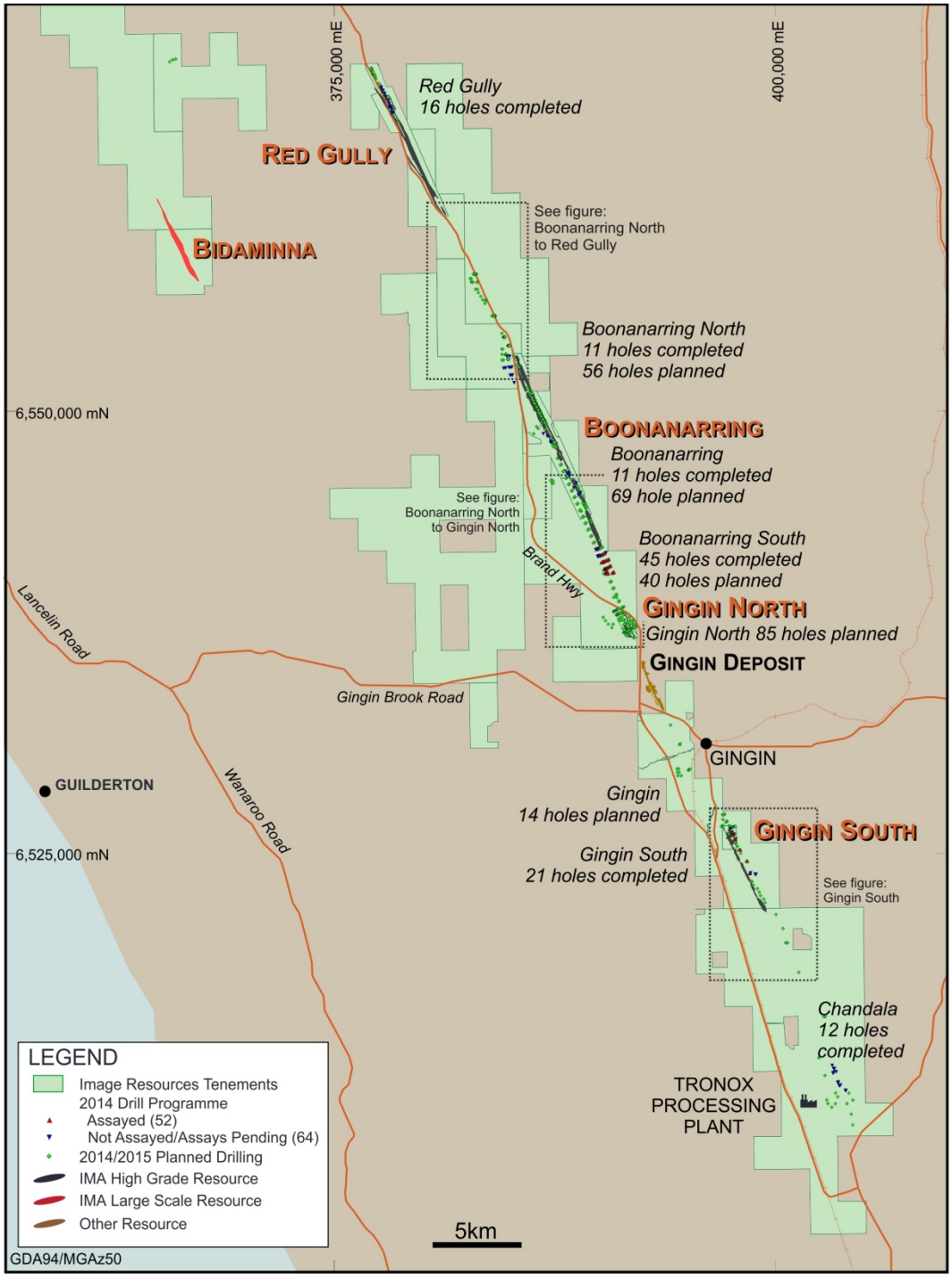

Figure 1 Drilling programmes completed on Image Resources Gingin to Red Gully region in the North Perth Basin

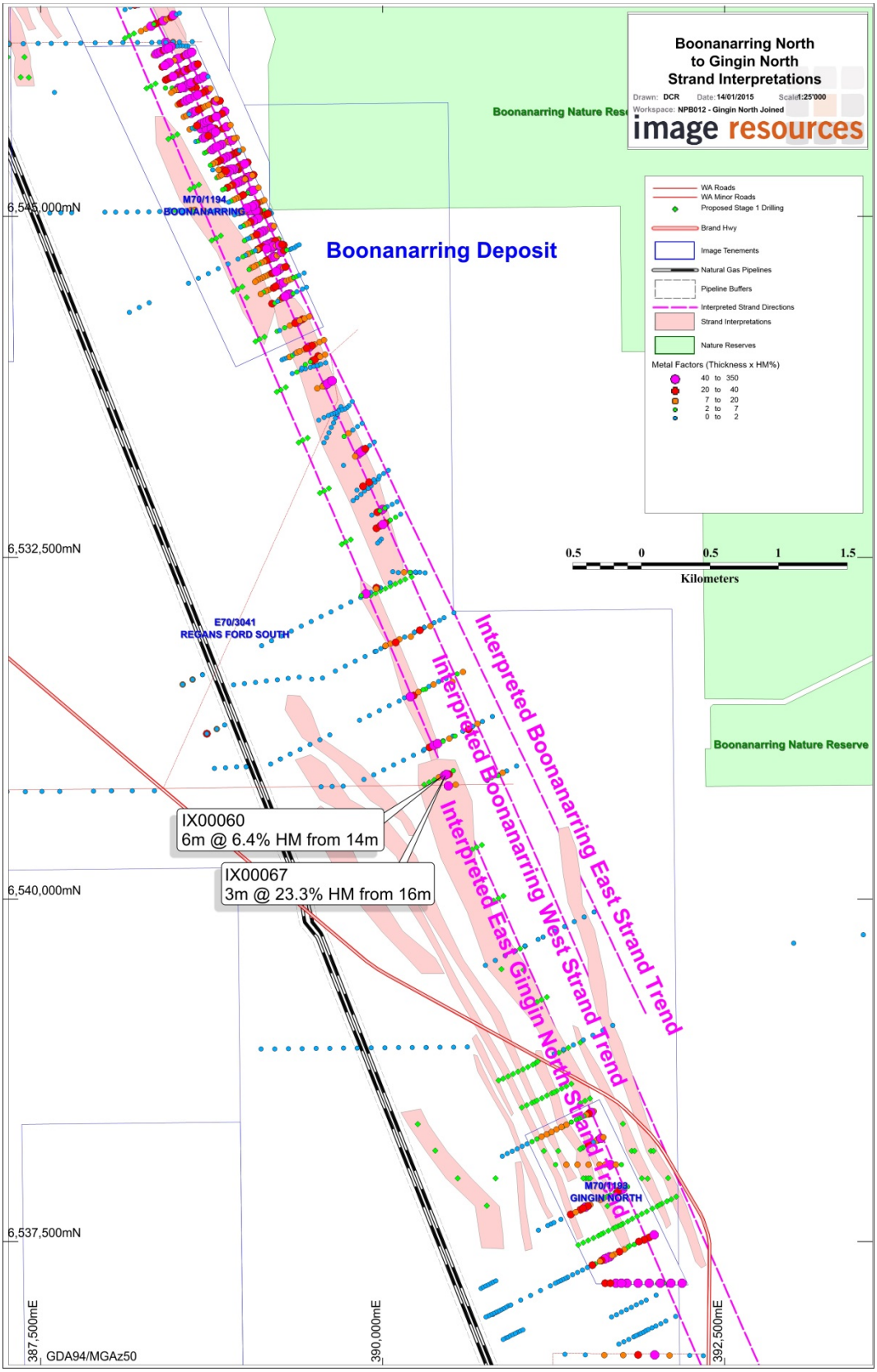

Figure 2 Boonanarring to Gingin North Strand Interpretations

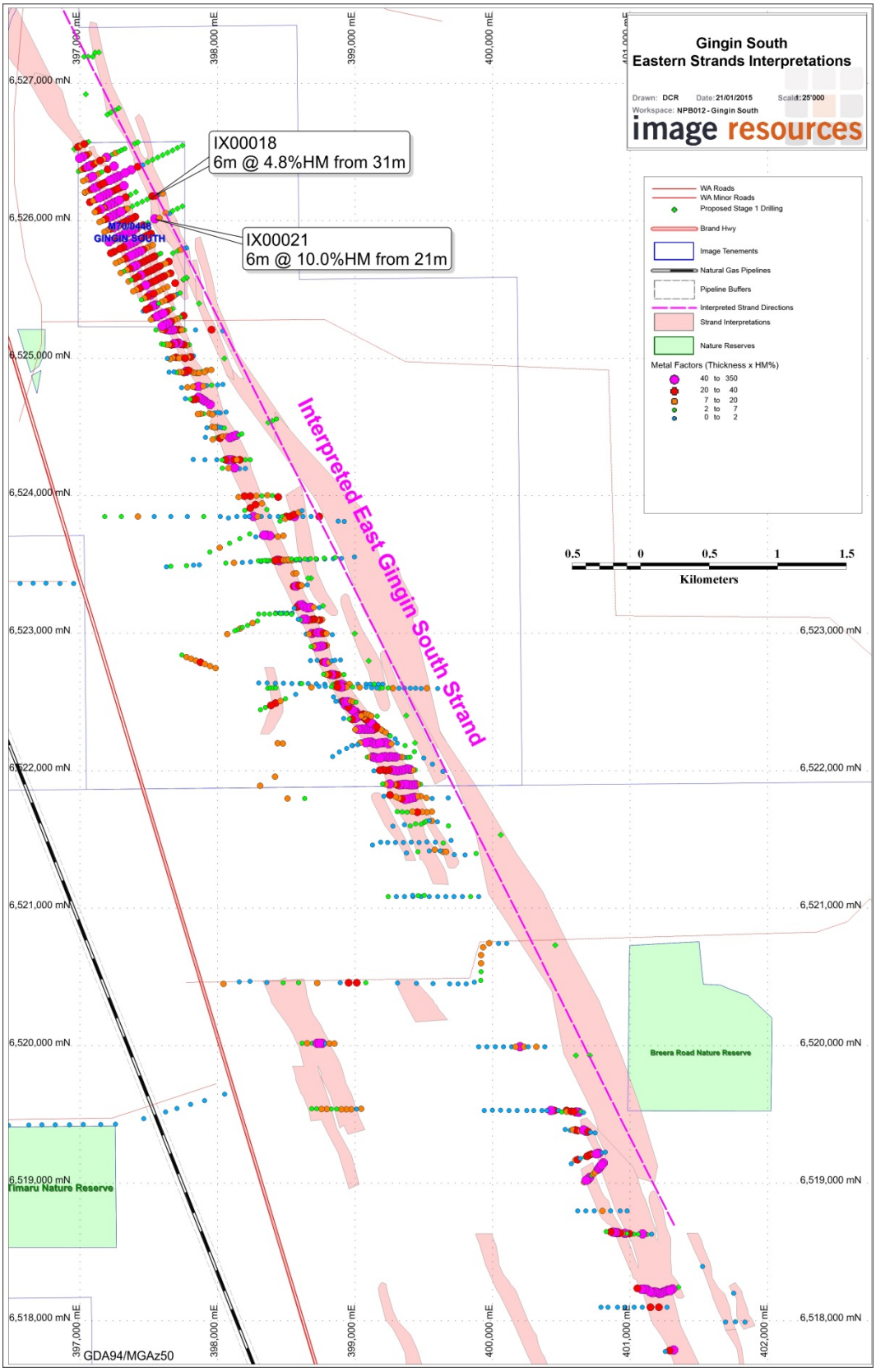

Figure 3 Gingin South Strand Interpretations

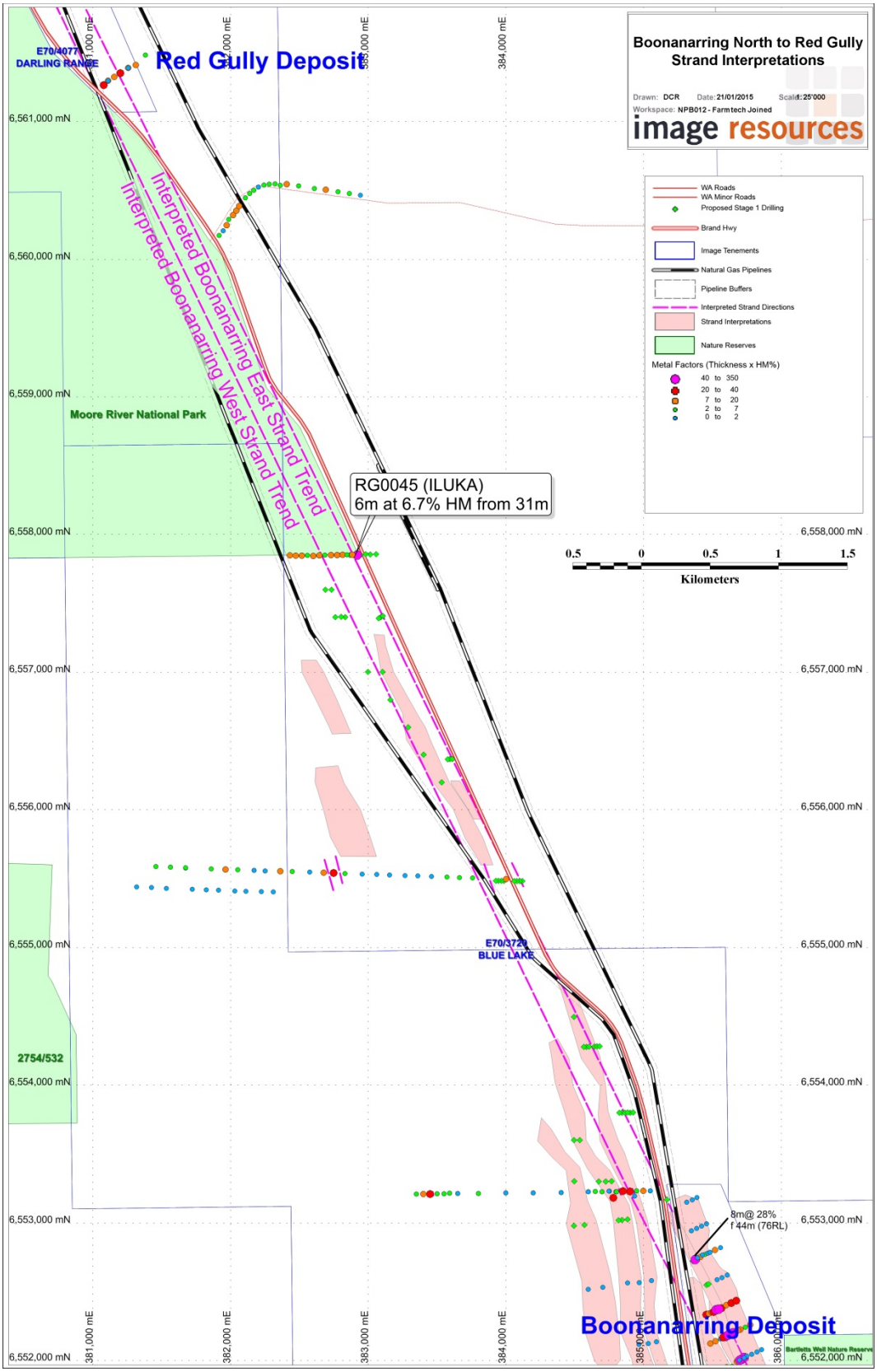

Figure 4 Boonanarring North to Red Gully Strand Interpretations

Table 1 AC Holes drilled Nov-Dec 2014

Project	# Holes	Metres drilled
Boonanarring South	67	2,476
Chandala	12	344
Gingin South	21	812
Red Gully	16	622
Total	116	4,254

Table 2 Boonanarring South - East Gingin North strand
Significant intercepts 2.5%HM over 2m (1m samples) with no internal dilution**

Hole ID	Easting*	Northing*	From (m)	To (m)	Width (m)	Average OS %	Average SL %	Average HM %
IX00034	389939	6542291	7	9	2	18.99	27.70	4.25
			14	19	5	11.77	20.45	3.71
IX00035	389863	6542248	16	20	4	10.76	15.56	3.35
			28	30	2	1.96	11.09	4.54
IX00036	390040	6541885	23	26	3	0.56	22.74	3.22
IX00037	390107	6541916	12	18	6	10.45	20.63	4.72
IX00038	390189	6541935	9	15	6	11.53	30.73	4.35
			23	25	2	1.77	10.75	3.64
IX00039	390255	6541982	7	9	2	15.91	29.73	4.36
IX00040	390331	6542013	36	38	2	7.12	12.82	3.18
IX00043	390211	6541508	20	23	3	0.07	20.35	4.68
IX00050	390324	6541131	14	21	7	5.52	16.68	4.00
IX00052	390357	6541146	17	21	4	2.19	15.10	6.51
IX00053	390384	6541158	17	19	2	0.08	15.23	5.67
IX00055	390468	6541196	20	22	2	9.96	16.27	3.63
IX00057	390608	6541263	3	6	3	22.96	16.17	7.48
IX00060	390432	6540926	14	20	6	3.24	17.34	6.36
IX00061	390465	6540937	17	20	3	2.73	16.53	6.54
IX00067	390447	6540935	16	19	3	1.02	15.87	23.30
IX00068	390462	6540851	18	20	2	7.01	13.68	8.31
IX00069	390516	6540860	4	6	2	2.96	16.43	3.04
*GDA 94 MGA zone 50								

Table 3 Gingin South
Significant intercepts 2.5%HM over 2m (1m samples) with no internal dilution**

Hole ID	Easting*	Northing*	From (m)	To (m)	Width (m)	Average OS %	Average SL %	Average HM %
IX00013	397418	6526394	25	27	2	5.99	12.35	10.69
IX00015	397524	6526180	32	34	2	1.85	8.53	4.55
IX00017	397601	6526200	11	13	2	30.88	19.29	5.10
IX00018	397545	6526183	31	37	6	5.18	13.26	4.76
IX00021	397543	6526016	27	33	6	7.47	13.71	10.01
IX00022	397576	6526022	13	15	2	27.94	14.24	7.74
			17	19	2	24.76	23.69	3.13
IX00025	397731	6525791	18	20	2	13.77	18.79	7.59
			36	43	7	17.68	13.74	4.37
IX00026	398558	6523864	15	18	3	29.03	22.74	8.71
			32	34	2	21.06	26.04	3.82
IX00033	397956	6525209	35	37	2	34.63	17.87	7.76
*GDA 94 MGA zone 50								

** Data aggregation was computed using Micromine software. Intercepts were calculated when they equalled or exceed the specified minimum grade of 2.5% HM and minimum length of 2m with no internal dilution.

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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	KING (ERAYINIA JV)	16.1% diluting	16.1% diluting
WA	E28/2071	Granted	TALC LAKE (ERAYNIA JV)	16.1% diluting	16.1% diluting
WA	E70/2636	Granted	COOLJARLOO	100%	100%
WA	E70/2742	Granted	CHANDALA (Derby Mines JV)	Earned 80%	Earned 80%
WA	E70/2844	Granted	BIDAMINNA NTH	100%	100%
WA	E70/2898	Granted	COOLJARLOO	100%	100%
WA	E70/3032	Granted	GINGIN	100%	100%
WA	E70/3041	Granted	REGANS FORD SOUTH	100%	100%
WA	E70/3100	Granted	QUINNS HILL	100%	100%
WA	E70/3192	Granted	BOOTINE	100%	100%
WA	E70/3298	Granted	BIDAMINNA -PARK	90%	90%
WA	E70/3411	Granted	REGANS FORD	100%	100%
WA	E70/3418	Granted	BELL	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	E70/3966	Granted	REGANS FORD WEST	100%	100%
WA	E70/3997	Granted	MUNBINIA	100%	100%
WA	E70/4077	Granted	DARLING RANGE	100%	100%
WA	E70/4129	Granted	MULLERING SOUTH	100%	100%
WA	E70/4130	Granted	MULLERING NORTH	100%	100%
WA	E70/4244	Granted	WOOLKA	100%	100%
WA	E70/4245	Granted	WINOOKA	100%	100%
WA	E70/4549	Granted	HARRIS BRIDGE	100%	100%
WA	M70/0448	Granted	GINGIN SOUTH	100%	100%
WA	M70/1192	Granted	RED GULLY	100%	100%
WA	M70/1193	Granted	GINGIN NORTH	100%	100%
WA	M70/1194	Granted	BOONANARRING	100%	100%
WA	P70/1516	Granted	COOLJARLOO	100%	100%
WA	P70/1540	Granted	CADDA SPRINGS	100%	100%
WA	M70/1311	Granted	BOONANARRING	100%	100%
WA	G70/0250	Granted	BOONANARRING	100%	100%

WA	R70/0051	Granted	COOLJARLOO NORTH	100%	100%
WA	R69/0001	Granted	SERPENTINE LAKES	100% pending grant	100%
WA	M70/1305	Application	ATLAS	100% pending grant	100% pending grant
WA	P70/1520	Application	COOLJARLOO	100% pending grant	100% pending grant
WA	E70/4572	Granted	YARDARINO	100% pending grant	100%
WA	E70/4631	Granted	MUNBINIA WEST	-	100%
WA	E70/4656	Granted	WINOOKA NORTH	-	100%
WA	E70/4663	Granted	BIBBY SPRINGS	-	100%
WA	E70/4689	Application	BOONANARRING	-	100% pending grant

Mining Tenements acquired during the Quarter

WA	E70/4689	Application	BOONANARRING	-	100% pending grant

Mining Tenements disposed during the Quarter

WA	E69/2034	Surrendered	SERPENTINE LAKES	100%	-
WA	E70/2825	Surrendered	BIDAMINNA STH	100%	-
WA	E70/3086	Surrendered	GABY'S PEAK	100%	-
WA	E70/3292	Surrendered	COOLJARLOO (Matilda Minerals JV)	Earning 70%	-
WA	E70/3328	Surrendered	VERNE HILL (COOLJARLOO)	100%	-
WA	E70/4583	Surrendered	TUTUNUP	100% pending grant	-

Table 1 – North Perth Basin Resources and Reserves

Reserve Summary											
Project Area	**Category**	**Volume**	**Tonnes**	**% HM**	**% SLIMES**	**HM Tonnes**	**VHM (%)**	**Ilmenite (%)**	**Leucoxene (%)**	**Rutile (%)**	**Zircon (%)**
Boonanarring	Probable	7,160,000	14,420,000	8.3%	17.0%	1,190,000	80.3%	46.9%	5.5%	3.3%	24.5%
Atlas	Probable	4,760,000	9,600,000	8.1%	15.5%	780,000	74.1%	55.0%	1.0%	7.0%	11.0%
Total NPB Reserve		**11,920,000**	**24,020,000**	**8.2%**	**16.4%**	**1,970,000**	**77.8%**	**50.1%**	**3.7%**	**4.8%**	**19.1%**

High Grade Resources @ 2.5% HM Cut-off											
Resource	**Resource Category**	**BCM**	**TONNES**	**% HM**	**% SLIMES**	**HM TONNES**	**VHM (%)**	**Ilmenite (%)**	**Leucoxene (%)**	**Rutile (%)**	**Zircon (%)**
Atlas	Measured	4,810,000	9,700,000	8.5	15.3	820,000	76	52	5	8	11
Atlas	Indicated	520,000	1,080,000	3.2	19.2	34,000	74	53	8	7	6
Atlas Total		**5,330,000**	**10,780,000**	**7.9**	**15.7**	**854,000**	**76**	**52**	**5**	**8**	**10**
Boonanarring	Measured	1,680,000	3,000,000	7.8	10.1	230,000	70	49	1	3	17
Boonanarring	Indicated	7,000,000	14,300,000	9	17.2	1,270,000	80	49	6	3	22
Boonanarring	Inferred	2,100,000	4,200,000	6.5	17.4	270,000	83	51	8	7	18
Boonanarring Total		**10,780,000**	**21,500,000**	**8.3**	**16.2**	**1,770,000**	**79**	**49**	**6**	**4**	**21**
Gingin Nth	Indicated	680,000	1,320,000	5.7	15.7	80,000	75	57	9	3	5
Gingin Nth	Inferred	580,000	1,090,000	5.2	14	60,000	78	57	11	4	6
Gingin Nth Total		**1,260,000**	**2,410,000**	**5.5**	**15**	**140,000**	**77**	**57**	**10**	**3**	**6**
Gingin Sth	Measured	870,000	1,530,000	4.4	7.2	67,000	79	51	15	6	8
Gingin Sth	Indicated	3,240,000	5,820,000	6.5	7.1	380,000	91	68	10	5	8
Gingin Sth	Inferred	400,000	730,000	6.5	8.4	48,000	92	67	8	6	11
Gingin Sth Total		**4,510,000**	**8,080,000**	**6.1**	**7.3**	**495,000**	**89**	**65**	**10**	**5**	**8**
Helene	Indicated	5,600,000	11,500,000	4.6	18.6	520,000	84	70	1	3	11
Hyperion	Indicated	1,800,000	3,700,000	7.8	19.3	290,000	71	56	0	6	9
Cooljarloo Nth Total		**7,400,000**	**15,200,000**	**5.3**	**18.7**	**810,000**	79	64	0	4	9
Red Gully	Indicated	1,930,000	3,410,000	7.8	11.5	270,000	90	66	8	3	12
Red Gully	Inferred	1,455,000	2,570,000	7.5	10.7	190,000	90	66	8	3	12
Red Gully Total		**3,385,000**	**5,980,000**	**7.7**	**11.2**	**460,000**	**90**	**66**	**8**	**3**	**12**
Grand Total		**32,665,000**	**63,950,000**	**7.1%**	**13.9%**	**4,529,000**	**80**	**57**	**6**	**5**	**13**

Refer to the 16 September 2013 ASX release: http://www.imageres.com.au/images/joomd/1380783038IMA13_09_16ASXRelease-ResourcesandReservesClarification.pdf for the Resources and Reserves Clarification and 31 May ASX release http://www.asx.com.au/asxpdf/20130531/pdf/42g6v9v0jxn3hg.pdf for full details of the Boonanarring Mineral Resource/Reserve Estimate

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JORC CODE, 2012 EDITION – TABLE

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems.	• All drill holes reported in this release are vertically oriented, reverse-circulation air-core (RCAC) drill holes.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
	Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• All RCAC drill holes are drilled vertically using an NQ-sized (63.5 mm diameter) drill bit. • Water injection is used to convert the sample to a slurry so it can be incrementally sampled by a rotary splitter.
Drill sample recovery	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of	• At the drill site, Image's geologist estimates sample recovery qualitatively (as good, moderate or poor) for each 1 m down hole sampling interval. Specifically, the supervising geologist visually estimates the volume recovered to sample and reject bags based on prior experience as to what constitutes good recovery. • Image found that of the 157 samples (that have a grade ≥ 2.5% HM) that are the subject of this release, 144 (92%) have good recovery, 3 have moderately good recovery and 10 have poor recovery. • Image also monitors recovery through the mass of the laboratory sample, which is recorded prior to despatch and again on delivery to the laboratory. The mass variation in the laboratory samples can then be correlated back to the original total sample.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
	mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Image's supervising geologist logs the sample reject material at the rig and pans a small sub sample of the reject, to visually estimate the proportions of sands, heavy mineral sands, 'slimes' (clays), and oversize (rock chips) in each sample, in a semi-quantitative manner. • The geologist also logs colour, grainsize, an estimate of induration (a hardness estimate) and sample 'washability' (ease of separation of slimes from sands by manual attrition). • To preclude data entry and transcription errors, the logging data is captured into a digital data logger at the rig, which contains pre-set logging codes. No photographs of samples are taken. • The digital logs are downloaded daily and emailed to Image's head office for data security and compilation into the main database server. • Samples visually estimated by the geologist to contain more than 0.5% HM (by weight) are despatched for analysis along with the 1 m intervals above and below the

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
		mineralised interval. • The level and detail of logging is of sufficient quality to support any potential future Mineral Resource Estimates • All (100%) of the drilling is logged.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• All drilling samples are collected over 1 m down hole intervals, with sample lengths determined by 1 m marks on the rig mast. • The sample from the internal RC rods is directed to a cyclone and then through a 'rotating-chute' custom-built splitting device. This device allows different fraction splits from the cyclone sample stream to be directed to either 25 cm by 35 cm calico bags (as the laboratory despatch samples) or to large plastic polyweave bags for the sample rejects. The rotary splitter directs ≈10 increments from the stream to the laboratory despatch samples, for a 1 m long down hole sampling interval. • Two (replicate) 1/8 mass splits (each ≈ 1.25 kg) are collected from the rotary splitter into two pre-numbered calico bags for each 1 m down hole interval. A selection of the replicate samples are later collected and analysed to quantify field sampling precision, or as samples contributing to potential future metallurgical composites. • To monitor sample representation and sample number correctness, Image weighs the laboratory despatch samples prior to despatch. The laboratory then weighs the received sample and reports the mass to Image. This quality control ensures no mix up of sample numbers and is also a proxy for sample recovery. • Image considers the nature, quality and size of the sub samples collected are consistent with best industry practices of mineral sands explorers in the Perth Basin region.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or	• The laboratory despatch samples are prepared by Western Geolabs (in Bellevue Western Australia) by first, wet weighing, then drying the sample for 5 to 8 hrs in an oven at 110°C. The dry weight is then recorded using a laboratory digital scale. • The dried sample is then crushed (using manual

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Criteria	JORC Code explanation	Commentary
	total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	pummelling) until all clay and sand materials in the sample pass through a 3.3 mm screen. In samples where (>3.3 mm) rock fragments are found after pummelling and screening, the mass of the fragments is recorded and the material discarded. • The <3.3 mm sample is then hand mixed prior to splitting through a single tier riffle splitter (16 chutes each with 8 mm aperture), as many times as required to prepare a 100 g ± 5 g sub sample. The actual mass retained is recorded using a laboratory digital scale. • The riffle splitter sub sample is then wetted, undergoes further manual attrition to break up clays, before the <63 μm clays (slimes) are washed from the sample (de-sliming) using a jet wash and 63 μm screen. • The <63 μm slimes (clays) are discarded and the >63 μm sub sample is placed in a metal tray and oven dried. When dry, the >63 μm sub sample is put through a 1 mm sieve and the mass of the screen oversize (>1 mm) is recorded on a digital balance. The oversize is then discarded. • The de-slimed sand fraction (>63 μm & < 1mm) sub sample is then weighed on a digital scale before being separated into two fractions by mixing the sample in a glass separation funnel with a heavy liquid (TBE) of density 2.95 g/cm^3. • Once sufficient time has passed to allow the sample to separate and settle, the <2.95 g/cm^3, 'floats' fraction is collected and discarded. • The <2.95 g/cm^3, 'sinks' fraction is collected from the funnel into a filter paper, then washed with acetone to remove the TBE. The sinks are then dried and the mass recorded on a digital scale. • From the process above the laboratory reports the wet mass received, dry received mass, the mass of (>3.3 mm) rock fragments or coarse oversize (if any), the mass of the 100 g± 5 g, sub sample, and the mass of the (HM) sink fraction. • The procedure can be considered a total analysis for mass concentration of heavy minerals in each sample. The method is also consistent with best industry practices employed by mineral sands explorers in the Perth Basin region. • For quality control the laboratory: o Uses certified masses to verify daily the accuracy of all

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		laboratory mass scales. o Prepares a replicate sample at a frequency of 2 for every 25 routine samples analysed. o Uses a hydrometer to test daily the density of the TBE used for HM separation • For each laboratory despatch (ranging from ≈150 to ≈350 samples) Image includes blind standard reference samples (SRMs) that contain known (to Image) concentrations of heavy and valuable heavy minerals. Image inserts the SRMs, at a frequency of 1 in 30 sample submitted to the laboratory. • Image is yet select and analyse field-replicate samples from field-sample replicates collected to quantify field sampling precision. This work will be completed at the end of the current field programme along with external laboratory checks. Laboratory replicate sample results are being reviewed. • Blanks samples for testing of cross contamination are not deemed necessary for the style of mineralisation under consideration.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• The logging of significant intersections reported in this release has been verified by alternative company personnel. • No twin holes have been drilled in the current programme. • Logging is captured at the rig using a data recorder, downloaded daily and emailed to head office data services for incorporation into the main database. • Assay results from the laboratory are received by email in standard spreadsheet templates and merged with logging results in-house. • There are no adjustments to original laboratory results.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	• The drill hole collar locations are captured by one of Image's rig team following the completion of each drill hole, using a hand held GPS with nominal accuracy of ≈ ±15 m. Elevations have also been determined with hand-held GPS. More accurate locations will be determined in future by a registered surveyor using DGPS equipment. • The grid system for reporting results is the MGA Zone 50

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	• Specification of the grid system used. • Quality and adequacy of topographic control.	projection and the GDA94 elevation datum. • No topographic control has been considered at this time.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• The drill holes reported in this release are located on ≈ 200 m spaced drill lines along the strike of mineralised strands, and at ≈ 20 m intervals across strike intervals. • No mineral resources have been estimated from the reported drilling but the spacing is commensurate with that used to define Inferred Mineral Resources in Image's other projects in the region. • No sample compositing has been applied – all results are from 1 m long down hole sample intervals.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• All drill holes are vertical and intersect sub-horizontal strata. As such Image considers that it is highly unlikely that the orientation of drilling relative to the well understood structure of minerals sands strands, would result in a sampling bias.
Sample security	• The measures taken to ensure sample security.	• All samples are collected from site by Image's staff as soon as practicable once drilling is completed and then delivered to Image's locked storage sheds. • Image's staff also deliver samples to the laboratory and collect heavy mineral floats from the laboratory, which are also stored in Images locked storage

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Criteria	JORC Code explanation	Commentary
		• Image considers there is negligible risk of deliberate or accidental contamination of samples. Occasional sample mix-ups are usually corrected using Images checking and quality control procedures.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• The results and logging have been reviewed internally by Images senior exploration personnel including checking of masses despatched and delivered, checking of SRM results, and verification logging of significant intercepts.