

Quarterly Report – for the quarter ended 31 March 2015

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| <p>Image Resources NL ABN 57 063 977 579</p> <p>ASX Code IMA</p> <p>Contact Details 5 Mumford Place Balcatta WA 6021</p> <p>T +61 8 9485 2410 E: admin@imageres.com.au W: imageres.com.au</p> <p>Issued Capital Shares – Quoted 157,590,129 <i>Options – Unquoted</i> 2,695,000 (various terms)</p> <p>Cash at end of quarter \$421,000</p> <p>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)</p> | <h3>Highlights</h3> <p>Corporate</p> <p>Murray Zircon</p> <ul style="list-style-type: none"> A significant corporate MOU has been entered into with Murray Zircon; please refer below for full details. <p>Tronox</p> <ul style="list-style-type: none"> The sale of Mullering Tenements has been completed and Image is to receive \$50,000 cash and a sliding Royalty payment. <p>Diatreme</p> <ul style="list-style-type: none"> Cyclone Extended sale has been completed and Image has received \$430,000 and retains 1% Royalty. <p>Murray Zircon MOU</p> <p>Image Resources NL (Image) has signed a non-binding Memorandum of Understanding (MOU) with Murray Zircon Pty Ltd (Murray Zircon) and its parent, Guangdong Orient Zirconic Ind Sci & Tech Co., Ltd (Orient Zirconic) which has a market capitalisation of A\$1.6BN. The MOU is directed at fast-tracking the development of Image's 100%-owned high grade Boonanarring mineral sands deposit in 2016 followed by the Atlas deposit.</p> <p>The MOU outlines an asset purchase transaction subject to Image Shareholders' approval and independent expert opinion. Key elements include:</p> <ul style="list-style-type: none"> The acquisition of a wet plant together with certain ancillary equipment (all of which Murray Zircon operated for 3 years until April 2015); Orient Zirconic to take 90% of all zircon products at market prices; Orient Zirconic to provide a US\$8M downstream working capital facility; Murray Zircon to provide, for drawdown following completion of the acquisition, a short term loan in the amount of A\$4M. If Image does not get into production within 3 years then this loan, subject to certain exceptions, is not repayable. Securing Murray Zircon's key operational and managerial expertise for the purpose of rapidly developing Image's flagship high grade mineral sands deposits in the North Perth Basin in Western Australia; Murray Zircon to provide a purchase option for Murray Zircon's mineral separation plant at its South Australian Mindarie project; Murray Zircon to receive shares representing 42% of the expanded share capital of Image at completion. If a decision to mine is reached and project finance secured |
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within 2 years of completion then Murray Zircon will receive a further 5%;

- Image's board for a period of 2 years to be comprised of 2 nominees of Image and 2 nominees of Murray Zircon plus an independent chairman;
- Various protective mechanisms for minority shareholders such as Murray Zircon not to increase its shareholding in Image other than in terms of the MOU for 2 years, Murray Zircon's shareholding to be escrowed for 2 years, and Murray Zircon to support non change of control resolutions put to shareholders by the board.

Murray Zircon owns and operates the Mindarie Mineral Sands Project which it redeveloped in 2012. MZ developed positive relations with local landholders, the community and regulatory authority and developed a strong reputation as an innovative and efficient mineral sands producer.

Orient Zirconic, which owns 65% of MZ and is one of China's largest zircon processing companies, claims to manufacture the most comprehensive range of zirconium products in the world. The company is listed on the Shenzhen Stock Exchange (Code: 002167) with a market capitalisation of approximately RMB 8.15 Billion (exceeding AU\$1.6 billion). Orient Zirconic is subject to an investigation by the China Securities Regulatory Commission (CSRC) a Chinese Investigative authority. Image will maintain a watching brief during the period of due diligence.

Preliminary indications are that MZ's ore processing equipment is of the right capacity and processing capability to accommodate Image's Boonanarring ore with only minor adjustments. This means the project will benefit by getting access to a complete package of pre-engineered and proven ore processing equipment and infrastructure that is available immediately for transfer to Boonanarring.

MZ equipment to be provided includes an in-pit mine slurry unit; pipelines and booster pump skids; poles and wires; complete Primary Concentration Plant including slimes thickener, associated water tanks and HMC dewatering equipment; maintenance equipment and critical spares; laboratory equipment; rolling stock and miscellaneous office/ablution buildings. Image and MZ estimate the total value of the plant and equipment to be approximately \$20M.

Initial production is planned from the Boonanarring deposit, located near the township of Gingin, approximately 65km north of Perth in an area with significant existing infrastructure.

The MOU outlines incentives related to the Boonanarring project being brought quickly into production. Murray Zircon has the right to be issued an additional 5% of Image's share capital if production is achieved within 2 years. If Image does not get into production within 3 years then the \$4M short term loan, subject to certain exceptions, is not repayable.

Tronox-Image Sale/ Royalty Agreement over the Mullering Tenements

Tronox have agreed with the terms which include \$50,000 cash payment and a sliding royalty concerning the sale of the Mullering tenements (E70/4129 and E70/4130). The sliding royalty will be based on quarterly production figures on minerals which may be found and will be as follows:

If the average grade is > than 2% but <4% than royalty will be pro rata from 0 to 5%.
All + 4% grade receives 5% royalty.

For example:

at 2.5% average grade the royalty will be 1.25%

at 3.0% average grade the royalty will be 2.50%

at 3.5% average grade the royalty will be 3.75%

at 4.0% average grade the royalty will be 5.00%

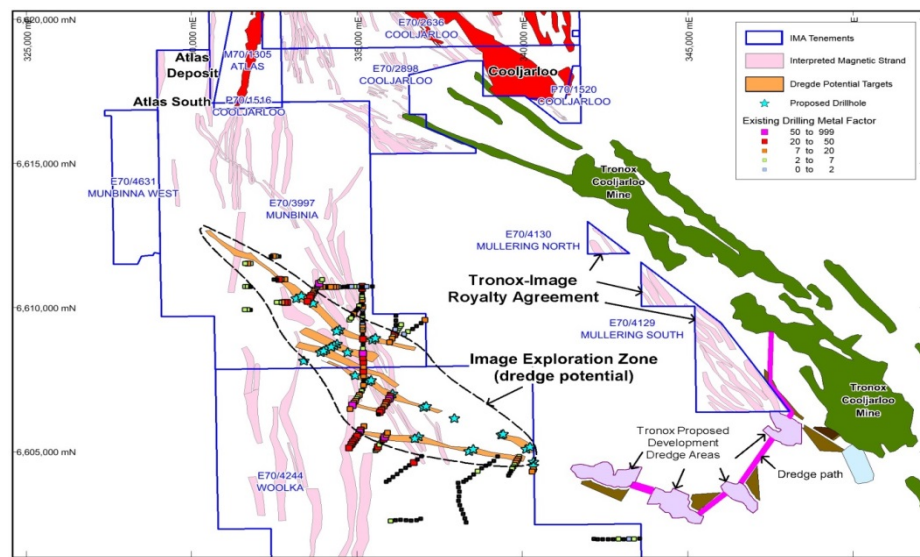
These two tenements are adjacent to Tronox's dredging operation (Fig1) .Public record shows a number of dredging areas under application for potential mining adjacent to the two Mullering tenements.

New Exploration (Dredge) Target Zone

In addition Image Resources has outlined a new exploration zone which is located only 3 km west of a proposed Tronox dredge development area. This new project is within a 10km long x1.5km wide area. Work to date has utilised historical drilling, ground magnetics, aeromagnetics and topography. The target areas that have been selected have similar properties to the proposed Tronox dredging areas east of Image's Woolka EL (E70/4244). This interpretation infers an extension of the Tronox proposed dredge area within our Woolka ground which has not been previously drilled.

Separately, Tronox have also previously reviewed and analysed samples from Atlas, Hyperion, Helene and Gingin South Deposits. These deposits are near their existing mining and processing centres and are believed to be of interest for their dry mining potential.

George Sakalidis Director of Exploration commented, “that the above Sale/Royalty transaction is consistent with Image’s Strategy to continue to evaluate all possible development scenarios with all possible Miners that have operating infrastructure and plants in WA or elsewhere”.



Diatreme

A \$435,000 payment has been received by Image which now completes the transaction.

An FOB production royalty of 1% will be retained by Image on all heavy mineral production within the area of the transferred tenements. Diatreme will have the option to acquire the royalty at an agreed value of \$435,000 exercisable by 16 February 2017. Should Diatreme choose not to exercise the option, the royalty will remain in place.

Exploration activities

Since November 2014 185 holes totalling 7261 metres have been completed which are mainly testing for the both the northern and south western extension of the Boonanarring deposit and also includes 39 holes totalling 1646m testing for metallurgical/infill drilling within Block B of the Boonanarring Deposit (Fig. 1).

Boonanarring northern extension discovery

The very high grade HM and high grade zircon eastern strand at Boonanarring has now been intersected for the first time some 1.3km north of the northernmost part of the Boonanarring deposit and similar high grade of 14m@17.9% HM from 40m has been intersected on the same RL (Fig. 5 and Table 2). This northern extension is very significant as it potentially links into the Indicated Mineral Resource¹ within the Boonanarring deposit (Block A 210 East strand) which has an average grade of 19.2% HM and 26.4% Zircon. This is very exciting for the company and further infill drilling to the north is currently being planned.

Furthermore, a number of historical drill lines previously completed which are 2.5km and 5km from the northern most part of Boonanarring Resource show high grade zones up to 6m at 6.7% HM in historic drilling (Iluka drill hole RG0045 from 27m) which correlate with the predicted NNW extension of Boonanarring. Some of the previous drilling did not drill to the target RL (65m) and further infill and deeper holes are warranted to ascertain the grade, thickness and potential extension in detail. Note in some cases these planned holes are very close to the Brand Highway and permission for access will be required.

Boonanarring new strand

The East Gingin North strand which is west of Boonanarring strand was delineated by initial drilling over a 1.5km length and has now been extended up to 2.4km in length and further infill drilling and extensional drilling north and south of this 2.4km zone (Fig. 2) is planned.

The aim of the drilling and the drilling north of Boonanarring is to have a long life standalone operation and concurrently expand other projects into potential parallel operations for Image and or other producers (Fig. 1). All holes drilled in this current programme are within the Red Gully-Boonanarring-Gingin North-Gingin South-Chandala region and all assay results are shown in Table 2 and a drilling summary in Table 1.

¹ Refer to the 31 May 2013 release <http://www.asx.com.au/asxpdf/20130531/pdf/42g6v9v0jxn3hg.pdf> for full details of the Boonanarring Mineral Resource/Reserve Estimate for full details of the Boonanarring Mineral Resource/Reserve Estimate.

Boonanarring Block B metallurgical/infill drilling

Block B drilling of 39 holes totalling 1646 metres have been completed principally for a metallurgical test work currently being carried out by Allied Mineral Laboratory for an interested potential off take and toll treatment partner. These samples have been combined with existing samples from previous drilling and will be representative of the first 3 years of production (Fig. 1).

The metallurgical drilling of 10 infill lines is also relevant to upgrade the resource category within Block B especially over the highest grade eastern strand. The eastern strand within Block B is now covered with 100m spaced lines and will assist in upgrading the resource category in this area. The high grade nature of this eastern strand is shown in sections Figures 6 and 7 and suggest this eastern strand has continuous high grade zones including:

9m @ 25% HM from 43m in hole IX00103

5m @ 21.0% HM from 42m in hole IX00102

12m @ 16.7% HM from 32m in hole IM00036 including 4m @ 37.5% HM from 33m

15m @ 10.0% HM from 25m in hole IM00037

18m @ 12% HM from 22m in hole IM00065 inc. 3m@16.0% HM from 30m & 5m@22.6% HM from 35m

4m @ 55.0% HM from 35m in hole IM00066

Other areas drilled in this campaign include Red Gully, Chandala, Bidaminna and some infill drilling within the Boonanarring Resource. These assay results are listed in Table 2.

The Director of Exploration George Sakalidis commented:

"I am very excited with the success of the drilling programme outlining potential high grade extensions to the north and southwest of Boonanarring which will allow the company to potentially increase the mine life to 10 years production. The ensuing drilling programmes will be predominately concentrating and following up these encouraging results and is due to start in early April 2015."

All the drilling component of 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 14th November 2014 and is ongoing.

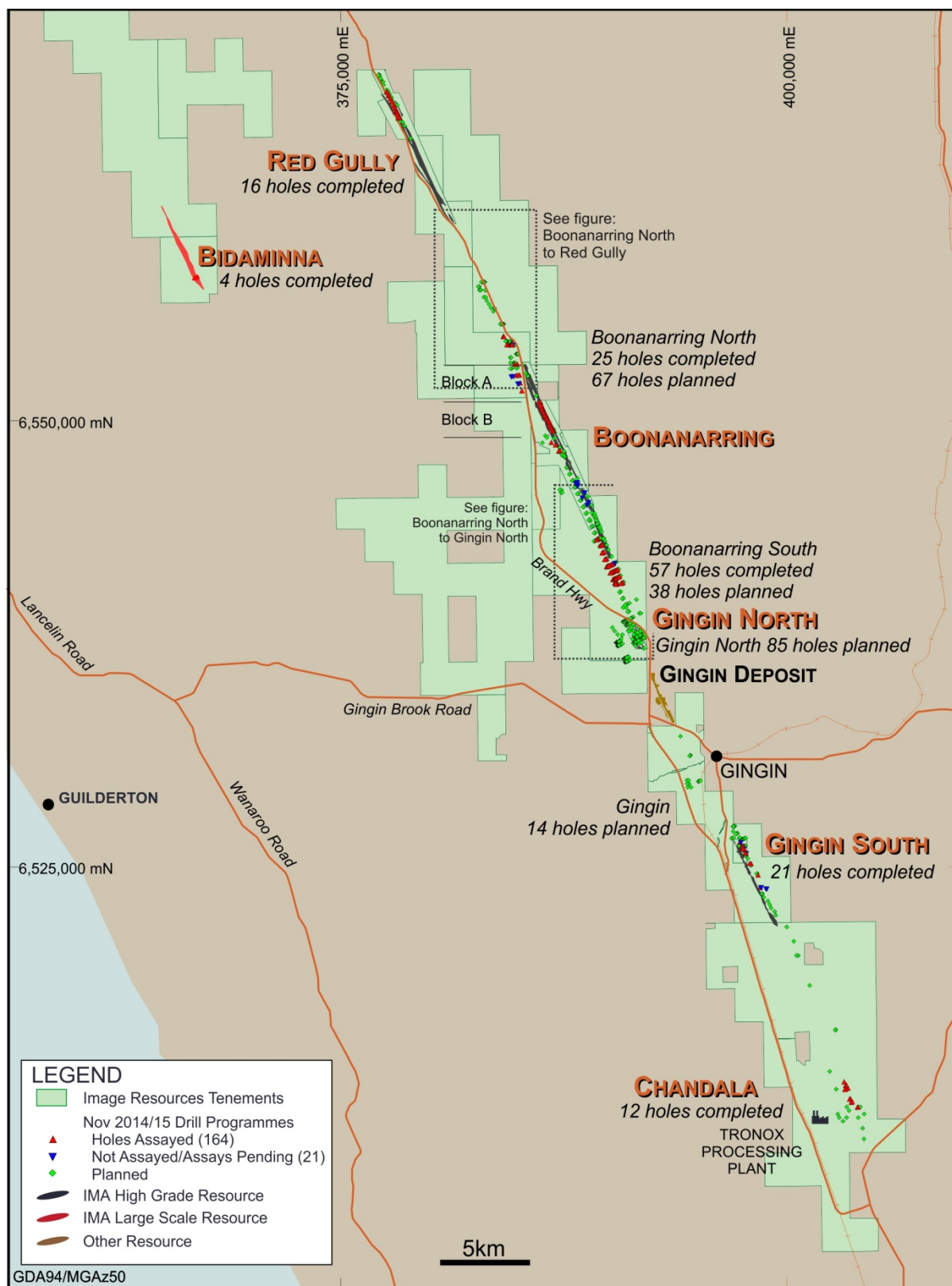


Figure 1 Drilling programmes completed on Image Resources Gingin to Red Gully region in the North Perth Basin

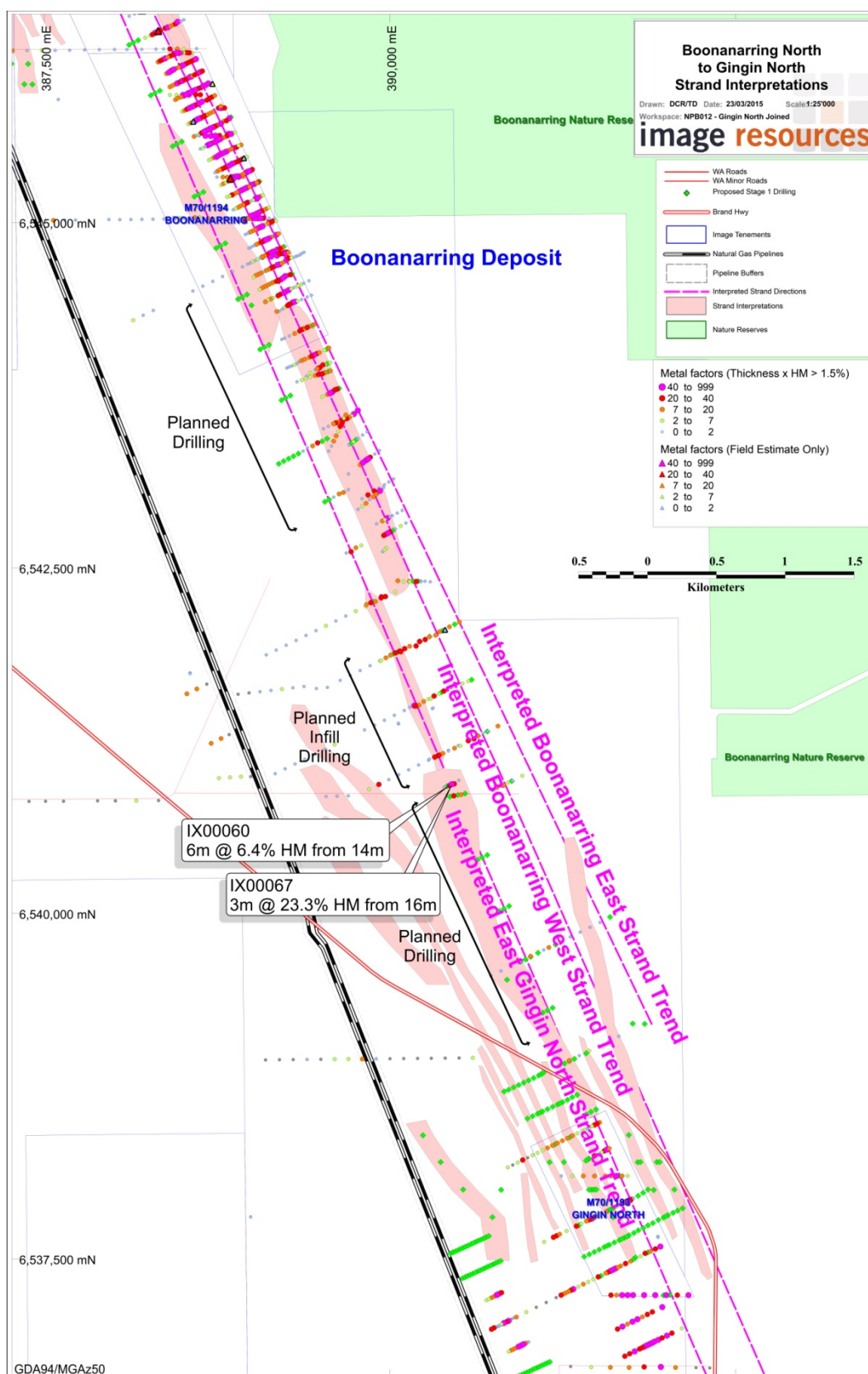


Figure 2 Boonanarring to Gingin North Strand Interpretations

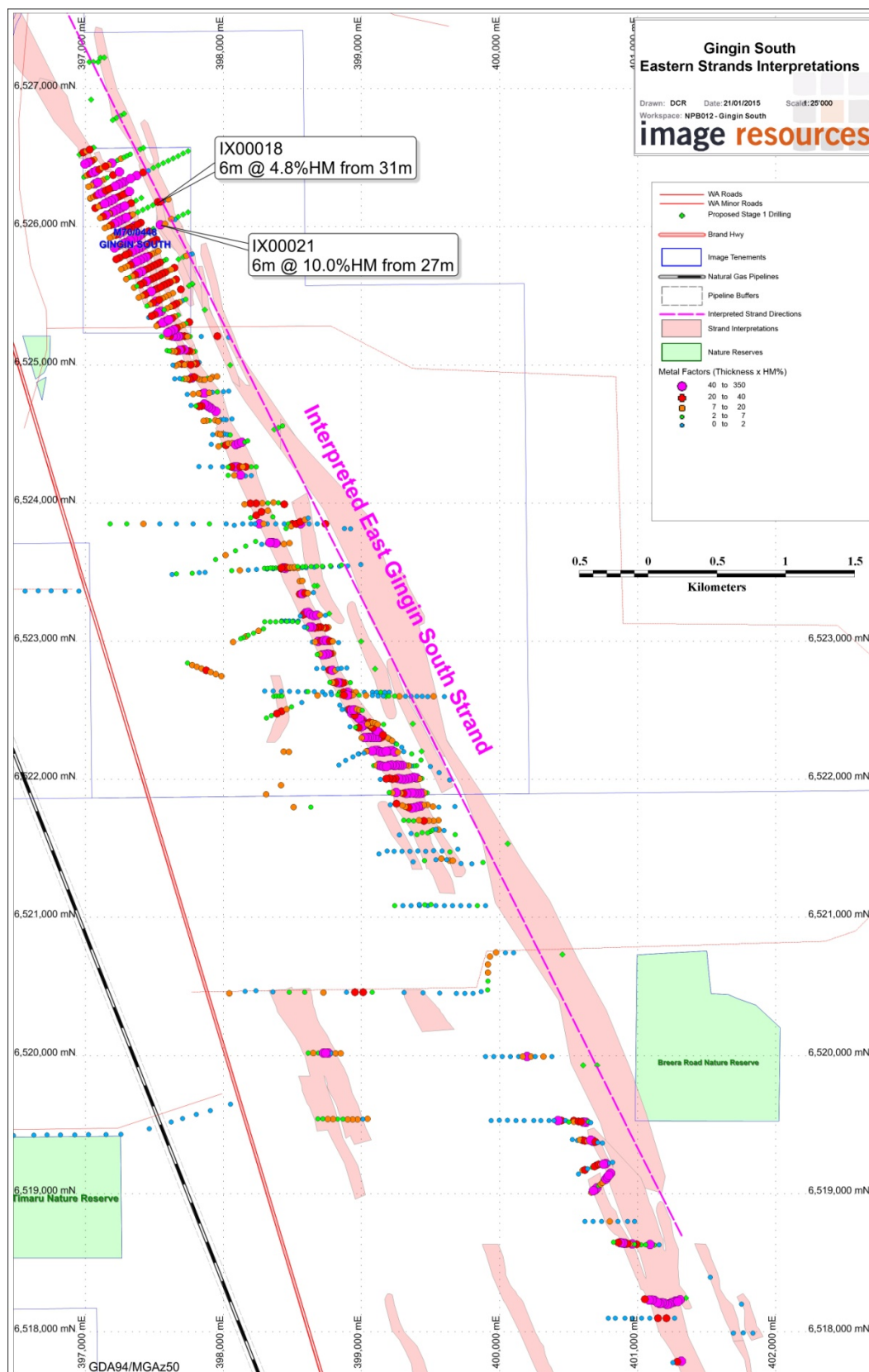


Figure 3 Gingin South Strand Interpretations

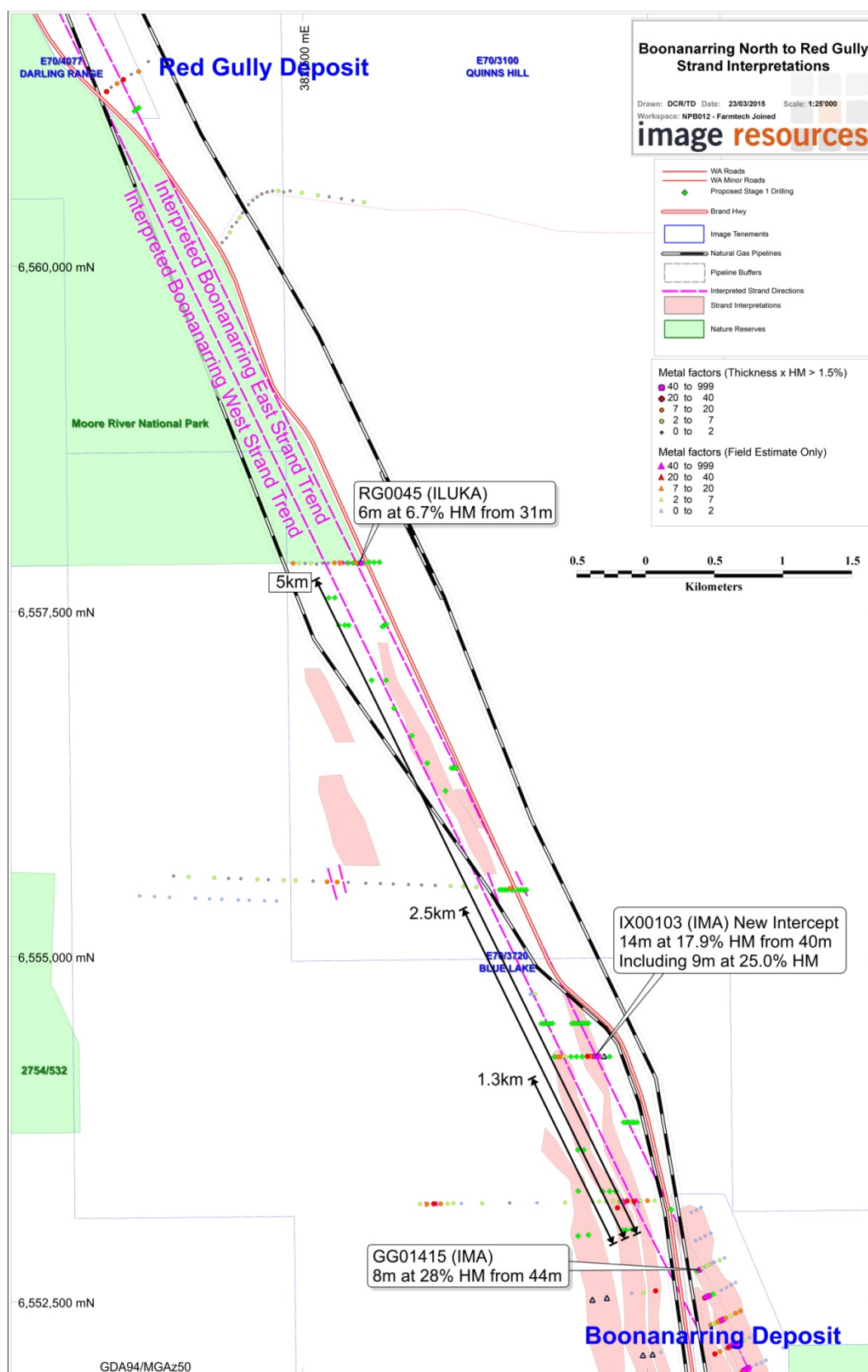


Figure 4 Boonanarring North to Red Gully Strand Interpretations

Table 1 Drilling Summary Red Gully-Boonanarring-Gingin South Region Nov-Feb 2015

| Project | No Holes | Number of assays | Metres Drilled |
|--------------------|----------|------------------|----------------|
| Boonanarring | 50 | 877 | 2111 |
| Boonanarring North | 25 | 294 | 1109 |
| Boonanarring South | 57 | 848 | 2045 |
| Chandala | 12 | 138 | 344 |
| Gingin South | 21 | 134 | 812 |
| Red Gully | 16 | 240 | 622 |
| Bidaminna | 4 | 198 | 218 |
| Total | 185 | 2729 | 7261 |

Table 2 Red Gully-Boonanarring-Gingin South Region

Post January 27th 2015 ASX Release New Boonanarring strand Delineated by First Pass Drilling

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

| Project | Hole_ID | NORTH* | EAST* | From | To | Width | OS_Lab | SL_Lab | HM_Lab |
|--------------|---------|---------|--------|------|----|-------|--------|--------|--------|
| | | MGA | MGA | m | m | m | % | % | % |
| Boonanarring | IM00022 | 6548658 | 387075 | 31 | 33 | 2 | 4.97 | 9.63 | 4.5 |
| Boonanarring | IM00023 | 6548309 | 387258 | 33 | 37 | 4 | 2.3 | 5.97 | 5.69 |
| Boonanarring | IM00024 | 6548338 | 387324 | 13 | 15 | 2 | 27.31 | 12.42 | 5.44 |
| Boonanarring | IM00024 | 6548338 | 387324 | 29 | 32 | 3 | 12.36 | 19.75 | 2.77 |
| Boonanarring | IM00032 | 6549458 | 386979 | 5 | 7 | 2 | 12.63 | 34.52 | 4.34 |
| Boonanarring | IM00032 | 6549458 | 386979 | 14 | 21 | 7 | 13.18 | 30.29 | 6 |
| Boonanarring | IM00032 | 6549458 | 386979 | 30 | 37 | 7 | 21.74 | 25.18 | 15.13 |
| Boonanarring | IM00033 | 6549464 | 386949 | 22 | 37 | 15 | 7.68 | 20.42 | 9.13 |
| Boonanarring | IM00034 | 6549452 | 386927 | 19 | 23 | 4 | 2.27 | 19.44 | 5.5 |
| Boonanarring | IM00034 | 6549452 | 386927 | 24 | 28 | 4 | 1.18 | 15.7 | 9.06 |
| Boonanarring | IM00034 | 6549452 | 386927 | 29 | 36 | 7 | 16.43 | 20.32 | 4.05 |
| Boonanarring | IM00035 | 6549446 | 386905 | 9 | 11 | 2 | 18.96 | 25.19 | 8.21 |
| Boonanarring | IM00035 | 6549446 | 386905 | 33 | 35 | 2 | 11.6 | 24.79 | 4.22 |
| Boonanarring | IM00036 | 6549614 | 386902 | 32 | 44 | 12 | 15.02 | 19.53 | 16.7 |
| Boonanarring | IM00037 | 6549624 | 386870 | 25 | 42 | 17 | 11.51 | 16.01 | 9.19 |
| Boonanarring | IM00037 | 6549624 | 386870 | 43 | 45 | 2 | 8.84 | 31.47 | 5.29 |
| Boonanarring | IM00038 | 6549615 | 386847 | 24 | 26 | 2 | 3.98 | 13.87 | 4.46 |
| Boonanarring | IM00038 | 6549615 | 386847 | 28 | 35 | 7 | 9.57 | 13.84 | 7.42 |
| Boonanarring | IM00038 | 6549615 | 386847 | 36 | 39 | 3 | 18.11 | 19 | 4.87 |
| Boonanarring | IM00040 | 6549816 | 386805 | 30 | 41 | 11 | 6.06 | 27.03 | 16.83 |
| Boonanarring | IM00041 | 6549809 | 386776 | 23 | 28 | 5 | 4.32 | 19.99 | 7.93 |
| Boonanarring | IM00041 | 6549809 | 386776 | 29 | 35 | 6 | 2.14 | 15.99 | 11.82 |
| Boonanarring | IM00041 | 6549809 | 386776 | 36 | 42 | 6 | 14.15 | 40.8 | 4.25 |

| Project | Hole_ID | NORTH MGA | EAST MGA | From m | To m | Width m | OS_Lab % | SL_Lab % | HM_Lab % |
|--------------|---------|--------------|-------------|-----------|---------|------------|-------------|-------------|-------------|
| Boonanarring | IM00042 | 6549792 | 386761 | 23 | 32 | 9 | 4.16 | 13.57 | 6.69 |
| Boonanarring | IM00042 | 6549792 | 386761 | 34 | 39 | 5 | 13.91 | 20.23 | 6.47 |
| Boonanarring | IM00043 | 6549781 | 386737 | 14 | 17 | 3 | 13.19 | 30.71 | 3.77 |
| Boonanarring | IM00043 | 6549781 | 386737 | 22 | 24 | 2 | 0.38 | 18.62 | 6.24 |
| Boonanarring | IM00043 | 6549781 | 386737 | 25 | 27 | 2 | 4.58 | 19.32 | 3.9 |
| Boonanarring | IM00043 | 6549781 | 386737 | 34 | 38 | 4 | 15.87 | 15.28 | 2.97 |
| Boonanarring | IM00044 | 6549982 | 386692 | 31 | 40 | 9 | 5.81 | 18.46 | 19.57 |
| Boonanarring | IM00045 | 6549971 | 386670 | 26 | 33 | 7 | 3.55 | 16.69 | 8.52 |
| Boonanarring | IM00045 | 6549971 | 386670 | 35 | 41 | 6 | 12.42 | 20.45 | 4.81 |
| Boonanarring | IM00046 | 6549962 | 386649 | 37 | 40 | 3 | 17.02 | 28.62 | 9.67 |
| Boonanarring | IM00048 | 6550170 | 386625 | 34 | 40 | 6 | 3.25 | 23.88 | 34.3 |
| Boonanarring | IM00049 | 6550162 | 386603 | 22 | 26 | 4 | 6.49 | 19.59 | 4.85 |
| Boonanarring | IM00049 | 6550162 | 386603 | 30 | 35 | 5 | 1.57 | 9.3 | 9.67 |
| Boonanarring | IM00049 | 6550162 | 386603 | 36 | 40 | 4 | 6.86 | 32.91 | 6.53 |
| Boonanarring | IM00050 | 6550148 | 386577 | 24 | 27 | 3 | 3.91 | 18.42 | 7.24 |
| Boonanarring | IM00050 | 6550148 | 386577 | 28 | 31 | 3 | 0.12 | 11.75 | 4.01 |
| Boonanarring | IM00050 | 6550148 | 386577 | 32 | 34 | 2 | 1.04 | 11.67 | 3.96 |
| Boonanarring | IM00050 | 6550148 | 386577 | 36 | 38 | 2 | 16.75 | 23.99 | 3.3 |
| Boonanarring | IM00051 | 6550141 | 386560 | 22 | 25 | 3 | 4.04 | 17.77 | 4.48 |
| Boonanarring | IM00051 | 6550141 | 386560 | 36 | 43 | 7 | 18.96 | 23.38 | 5.16 |
| Boonanarring | IM00052 | 6550348 | 386539 | 31 | 39 | 8 | 7.74 | 36.55 | 22.06 |
| Boonanarring | IM00053 | 6550333 | 386518 | 28 | 37 | 9 | 14.04 | 17.13 | 9.1 |
| Boonanarring | IM00054 | 6550329 | 386493 | 20 | 24 | 4 | 0.58 | 16.06 | 21.12 |
| Boonanarring | IM00054 | 6550329 | 386493 | 27 | 37 | 10 | 7.39 | 19.16 | 6.16 |
| Boonanarring | IM00055 | 6550316 | 386470 | 21 | 25 | 4 | 1.49 | 18.5 | 5.24 |
| Boonanarring | IM00055 | 6550316 | 386470 | 33 | 38 | 5 | 8.57 | 33.71 | 3.02 |
| Boonanarring | IM00056 | 6550532 | 386448 | 30 | 39 | 9 | 6.93 | 34.4 | 16.43 |
| Boonanarring | IM00057 | 6550525 | 386425 | 7 | 11 | 4 | 20.5 | 28.16 | 5.09 |
| Boonanarring | IM00057 | 6550525 | 386425 | 25 | 37 | 12 | 5.82 | 17.5 | 10.97 |
| Boonanarring | IM00058 | 6550512 | 386403 | 31 | 36 | 5 | 9.41 | 26.4 | 3.44 |
| Boonanarring | IM00059 | 6550502 | 386381 | 20 | 22 | 2 | 3.1 | 19.65 | 10.73 |
| Boonanarring | IM00060 | 6550706 | 386347 | 27 | 39 | 12 | 8.11 | 25.53 | 14.33 |
| Boonanarring | IM00061 | 6550696 | 386326 | 26 | 39 | 13 | 4.74 | 23.85 | 11.21 |
| Boonanarring | IM00063 | 6550716 | 386371 | 31 | 38 | 7 | 7.58 | 23.72 | 23.85 |
| Boonanarring | IM00064 | 6550878 | 386245 | 21 | 24 | 3 | 18.07 | 25.35 | 6.27 |
| Boonanarring | IM00064 | 6550878 | 386245 | 30 | 32 | 2 | 0.24 | 13.1 | 5.57 |
| Boonanarring | IM00064 | 6550878 | 386245 | 33 | 42 | 9 | 16.36 | 23.4 | 9.72 |
| Boonanarring | IM00065 | 6550888 | 386268 | 22 | 34 | 12 | 4.17 | 22 | 8.39 |
| Boonanarring | IM00065 | 6550888 | 386268 | 35 | 40 | 5 | 5.98 | 19.66 | 22.62 |
| Boonanarring | IM00066 | 6550901 | 386292 | 34 | 40 | 6 | 3.24 | 36.32 | 37.67 |
| Boonanarring | IM00067 | 6551065 | 386171 | 29 | 41 | 12 | 10.8 | 18.83 | 11.88 |
| Boonanarring | IM00068 | 6551076 | 386196 | 35 | 40 | 5 | 9.29 | 16.75 | 41.42 |
| Boonanarring | IM00069 | 6551051 | 386152 | 32 | 39 | 7 | 16.42 | 16.46 | 8.08 |
| Boonanarring | IM00069 | 6551051 | 386152 | 41 | 44 | 3 | 9 | 38.31 | 3.76 |
| Boonanarring | IM00070 | 6550865 | 386224 | 33 | 35 | 2 | 7.01 | 13.71 | 4.63 |
| Boonanarring | IM00070 | 6550865 | 386224 | 36 | 39 | 3 | 13.64 | 17.61 | 4.63 |

| Project | Hole_ID | NORTH | EAST | From | To | Width | OS_Lab | SL_Lab | HM_Lab |
|--------------------|---------|---------|--------|------|----|-------|--------|--------|--------|
| | | MGA | MGA | m | m | m | % | % | % |
| Boonanarring North | IM00073 | 6554280 | 384584 | 19 | 21 | 2 | 10.94 | 25.19 | 2.85 |
| Boonanarring North | IM00074 | 6554278 | 384565 | 38 | 40 | 2 | 0.27 | 15.32 | 2.71 |
| Boonanarring North | IM00074 | 6554278 | 384565 | 45 | 47 | 2 | 15.5 | 12.68 | 5.11 |
| Boonanarring North | IM00075 | 6554279 | 384602 | 44 | 48 | 4 | 10.8 | 12.46 | 6.14 |
| Boonanarring North | IM00078 | 6554275 | 384365 | 32 | 34 | 2 | 11.63 | 16.29 | 4.25 |
| Boonanarring North | IX00091 | 6551694 | 385192 | 4 | 6 | 2 | 9.85 | 29.06 | 3.63 |
| Boonanarring North | IX00099 | 6552579 | 385058 | 19 | 21 | 2 | 6.88 | 22.04 | 3.75 |
| Boonanarring North | IX00101 | 6553181 | 384782 | 27 | 32 | 5 | 1.59 | 21.5 | 4.42 |
| Boonanarring North | IX00102 | 6554280 | 384621 | 40 | 48 | 8 | 6.1 | 12.21 | 14.67 |
| Boonanarring North | IX00103 | 6554280 | 384643 | 40 | 54 | 14 | 10.64 | 16.77 | 17.86 |

| Project | Hole_ID | NORTH | EAST | From | To | Width | OS_Lab | SL_Lab | HM_Lab |
|--------------------|---------|---------|--------|------|----|-------|--------|--------|--------|
| | | MGA | MGA | m | m | m | % | % | % |
| Boonanarring South | IX00069 | 6540859 | 390516 | 4 | 6 | 2 | 2.96 | 16.43 | 3.04 |
| Boonanarring South | IX00072 | 6541500 | 390185 | 20 | 23 | 3 | 3.36 | 16.46 | 6.48 |
| Boonanarring South | IX00074 | 6541849 | 389970 | 15 | 18 | 3 | 13.33 | 22.36 | 4.6 |
| Boonanarring South | IX00075 | 6541870 | 390005 | 15 | 17 | 2 | 12.86 | 23.16 | 4.22 |
| Boonanarring South | IX00076 | 6541894 | 390078 | 25 | 27 | 2 | 0.07 | 14.79 | 3.5 |
| Boonanarring South | IX00077 | 6542282 | 389937 | 16 | 20 | 4 | 6.68 | 23.94 | 2.89 |
| Boonanarring South | IX00105 | 6542617 | 389718 | 25 | 27 | 2 | 0.04 | 12.51 | 3.58 |
| Boonanarring South | IX00105 | 6542617 | 389718 | 28 | 30 | 2 | 9.76 | 10.26 | 5.01 |
| Boonanarring South | IX00108 | 6543035 | 389632 | 25 | 27 | 2 | 6.13 | 8.37 | 3.51 |
| Boonanarring South | IX00110 | 6543046 | 389664 | 24 | 27 | 3 | 2.25 | 10.35 | 4.86 |
| Boonanarring South | IX00112 | 6543404 | 389476 | 27 | 31 | 4 | 2.28 | 14.07 | 4.53 |

| Project | Hole_ID | NORTH | EAST | From | To | Width | OS_Lab | SL_Lab | HM_Lab |
|----------|---------|---------|--------|------|----|-------|--------|--------|--------|
| | | MGA | MGA | m | m | m | % | % | % |
| Chandala | IX00079 | 6512021 | 403599 | 6 | 8 | 2 | 42.16 | 6.62 | 5.34 |
| Chandala | IX00079 | 6512021 | 403599 | 14 | 20 | 6 | 25.28 | 20.96 | 4.55 |
| Chandala | IX00079 | 6512021 | 403599 | 23 | 26 | 3 | 31.64 | 15.5 | 5.06 |
| Chandala | IX00080 | 6512003 | 403558 | 15 | 17 | 2 | 26.87 | 20.95 | 4.02 |
| Chandala | IX00081 | 6511812 | 403656 | 17 | 21 | 4 | 33.27 | 17.88 | 3.57 |
| Chandala | IX00082 | 6511856 | 403712 | 19 | 22 | 3 | 28.02 | 21.72 | 3.56 |
| Chandala | IX00083 | 6511542 | 403998 | 7 | 9 | 2 | 30.9 | 13.96 | 3.34 |
| Chandala | IX00083 | 6511542 | 403998 | 11 | 18 | 7 | 25.26 | 21.56 | 3.74 |
| Chandala | IX00084 | 6511559 | 404030 | 11 | 18 | 7 | 25.39 | 19.75 | 4.86 |
| Chandala | IX00084 | 6511559 | 404030 | 19 | 21 | 2 | 33.36 | 12.77 | 5.36 |
| Chandala | IX00086 | 6512566 | 403335 | 21 | 23 | 2 | 28.23 | 19.53 | 3.17 |
| Chandala | IX00087 | 6512538 | 403292 | 25 | 27 | 2 | 17.6 | 15.64 | 3.13 |
| Chandala | IX00089 | 6512799 | 403376 | 15 | 19 | 4 | 22.19 | 21.88 | 4.82 |
| Chandala | IX00090 | 6512965 | 403253 | 5 | 9 | 4 | 41.75 | 14.7 | 3.09 |

| Project | Hole_ID | NORTH | EAST | From | To | Width | OS_Lab | SL_Lab | HM_Lab |
|-----------|---------|---------|--------|------|----|-------|--------|--------|--------|
| | | MGA | MGA | m | m | m | % | % | % |
| Red Gully | IM00007 | 6568079 | 377828 | 20 | 22 | 2 | 0.13 | 16.38 | 2.55 |
| Red Gully | IM00007 | 6568079 | 377828 | 25 | 28 | 3 | 11.89 | 16.09 | 2.82 |
| Red Gully | IM00008 | 6567910 | 377918 | 22 | 26 | 4 | 1.05 | 13.85 | 7.46 |
| Red Gully | IM00009 | 6567713 | 378030 | 20 | 22 | 2 | 0 | 16.97 | 2.99 |
| Red Gully | IM00010 | 6567544 | 378076 | 18 | 21 | 3 | 0.14 | 13.66 | 5.09 |
| Red Gully | IM00012 | 6567370 | 378162 | 20 | 24 | 4 | 3.51 | 14.7 | 5.39 |
| Red Gully | IM00013 | 6567312 | 378192 | 21 | 26 | 5 | 1.91 | 12.22 | 4.98 |
| Red Gully | IM00014 | 6567302 | 378201 | 20 | 24 | 4 | 0.92 | 13.03 | 5.99 |
| Red Gully | IM00018 | 6567024 | 378321 | 19 | 28 | 9 | 0.68 | 13.21 | 8.92 |
| Red Gully | IM00019 | 6568446 | 377613 | 19 | 21 | 2 | 0.01 | 14.12 | 3.49 |

| Project | Hole_ID | NORTH | EAST | From | To | Width | OS_Lab | SL_Lab | HM_Lab |
|-----------|---------|---------|--------|------|----|-------|--------|--------|--------|
| | | MGA | MGA | m | m | m | % | % | % |
| Bidaminna | IM00001 | 6558060 | 366969 | 16 | 21 | 5 | 0.02 | 3.54 | 5.81 |
| Bidaminna | IM00001 | 6558060 | 366969 | 46 | 54 | 8 | 2.71 | 2.59 | 4.14 |
| Bidaminna | IM00002 | 6558023 | 366903 | 18 | 28 | 10 | 0.02 | 4.37 | 4.16 |
| Bidaminna | IM00002 | 6558023 | 366903 | 30 | 34 | 4 | 0.02 | 1.83 | 3.87 |
| Bidaminna | IM00002 | 6558023 | 366903 | 37 | 40 | 3 | 0.01 | 0.87 | 3.58 |
| Bidaminna | IM00002 | 6558023 | 366903 | 43 | 45 | 2 | 11.11 | 3.58 | 4.94 |
| Bidaminna | IM00002 | 6558023 | 366903 | 46 | 54 | 8 | 1.87 | 4.89 | 4.43 |
| Bidaminna | IM00003 | 6557997 | 366831 | 40 | 44 | 4 | 0.06 | 1.23 | 5.83 |
| Bidaminna | IM00003 | 6557997 | 366831 | 45 | 53 | 8 | 0.63 | 2.53 | 4.61 |
| Bidaminna | IM00004 | 6557963 | 366755 | 45 | 51 | 6 | 5.8 | 5.56 | 5.2 |

Notes

*Coordinates are in Datum GDA 94 Projection MGA zone 50

** The data aggregation of reported intercepts is computed using Micromine software algorithms by compositing 1 m sample intervals using criteria of a $\geq 2.5\%$ HM threshold, minimum length of 2m, and internal dilution set to zero

For more information visit imageres.com.au

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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 (ERAYINIA JV) | 16.1% diluting | 16.1% diluting |
| 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 | E70/3411 | 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% | Royalty Interest |
| WA | E70/4130 | Granted | MULLERING NORTH | 100% | Royalty Interest |
| 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 | M70/1193 | Granted | GINGIN NORTH | 100% | 100% |
| WA | M70/1194 | Granted | BOONANARRING | 100% | 100% |
| WA | P70/1516 | Granted | COOLJARLOO | 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% | 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% | 100% |
| 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 | 100% pending grant | 100% |

Mining Tenements acquired during the Quarter

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|

Mining Tenements disposed during the Quarter

| | | | | | |
|----|----------|-------------|---------------|------|---|
| WA | P70/1540 | Surrendered | CADDA SPRINGS | 100% | - |
| WA | E70/4549 | Surrendered | HARRIS BRIDGE | 100% | - |

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% |
| Mining Inventory (incl Inferred) | | 13,330,000 | 26,880,000 | 8.0% | 16.5% | 2,135,000 | 78.3% | 50.1% | 4.2% | 5.1% | 19.0% |

| 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 |

| Dredge Resources at 1.0% HM cut-off | | | | | | | | | | | | | | | | |
|-------------------------------------|-------------------|--------------------|--------------------|------------|-------------|------------------|-------------|-------------|-------------|-------------|-------------|------------------|----------------|---------------|----------------|------------------|
| Project Area | Resource Category | Volume | TONNES | % HM | % Slime | HM TONNES | VHM % | Ilmenite % | Leucoxene % | Rutile % | Zircon % | Ilmenite | Leucoxene | Rutile | Zircon | VHM Tonnes |
| Titan | Indicated | 10,300,000 | 21,200,000 | 1.8 | 22.1 | 380,000 | 84.4 | 71.9 | 2.0 | 1.0 | 9.5 | 270,000 | 7,000 | 5,000 | 36,000 | 318,000 |
| Titan | Inferred | 58,500,000 | 115,400,000 | 1.9 | 18.9 | 2,210,000 | 84.3 | 71.8 | 2.0 | 1.0 | 9.5 | 1,592,000 | 45,000 | 22,000 | 210,000 | 1,869,000 |
| Titan | Total | 68,800,000 | 136,600,000 | 1.9 | 19.4 | 2,590,000 | 84.4 | 71.9 | 2.0 | 1.0 | 9.5 | 1,862,000 | 52,000 | 27,000 | 246,000 | 2,187,000 |
| Telesto | Indicated | 1,700,000 | 3,500,000 | 3.8 | 18.4 | 130,000 | 82.6 | 67.5 | 3.4 | 2.2 | 9.5 | 100,000 | 5,000 | 3,000 | 13,000 | 121,000 |
| Calypso | Inferred | 27,100,000 | 51,500,000 | 1.7 | 13.7 | 850,000 | 84.6 | 68.8 | 3.5 | 1.6 | 10.6 | 585,000 | 30,000 | 14,000 | 90,000 | 719,000 |
| Sub Total | Indicated | 12,000,000 | 24,700,000 | 2.1 | 21.6 | 510,000 | 86.1 | 72.5 | 2.4 | 1.6 | 9.6 | 370,000 | 12,000 | 8,000 | 49,000 | 439,000 |
| Sub Total | Inferred | 85,600,000 | 166,900,000 | 1.8 | 17.3 | 3,060,000 | 84.6 | 71.1 | 2.5 | 1.2 | 9.8 | 2,177,000 | 75,000 | 36,000 | 300,000 | 2,588,000 |
| Cooljarloo Total | | 97,600,000 | 191,600,000 | 1.9 | 17.8 | 3,570,000 | 84.8 | 71.3 | 2.4 | 1.2 | 9.8 | 2,547,000 | 87,000 | 44,000 | 349,000 | 3,027,000 |
| Bidaminna | Inferred | 26,300,000 | 44,600,000 | 3.0 | 3.6 | 1,350,000 | 96.0 | 82.4 | 7.2 | 1.0 | 5.4 | 1,113,000 | 97,000 | 13,000 | 73,000 | 1,296,000 |
| Total Dredge | | 123,900,000 | 236,200,000 | 2.1 | 15.1 | 4,920,000 | 84.3 | 65.6 | 4.6 | 2.9 | 11.3 | 3,660,000 | 184,000 | 57,000 | 422,000 | 4,323,000 |

1 Refer to the 31 May 2013 release <http://www.asx.com.au/asxpdf/20130531/pdf/42g6v9v0jxn3hg.pdf> for full details of the Boonanarring Mineral Resource/Reserve Estimate for full details of the Boonanarring Mineral Resource/Reserve Estimate

SECTION 1 SAMPLING TECHNIQUES AND DATA

| Criteria | JORC Code explanation | Commentary |
|----------------------------|---|---|
| <i>Sampling techniques</i> | <ul style="list-style-type: none"> 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. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | <ul style="list-style-type: none"> All drill holes reported in this release are vertically oriented, reverse-circulation air-core (RCAC) drill holes. |
| <i>Drilling techniques</i> | <ul style="list-style-type: none"> 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). | <ul style="list-style-type: none"> 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. |

| Criteria | JORC Code explanation | Commentary |
|------------------------------|---|--|
| <i>Drill sample recovery</i> | <ul style="list-style-type: none"> 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. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | <ul style="list-style-type: none"> 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 686 samples (that have a grade $\geq 2.5\%$ HM) that are the subject of this release, 610 (89%) have good recovery, 51 have moderately good recovery and 25 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. |
| <i>Logging</i> | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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 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. Geotechnical logging is not possible for the style of drilling used, however the logging is acceptable for metallurgical sample selection if required. |

| Criteria | JORC Code explanation | Commentary |
|---|--|--|
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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. |

| Criteria | JORC Code explanation | Commentary |
|--|--|--|
| Quality of assay data and laboratory tests | <ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | <ul style="list-style-type: none"> 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 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/cm³. Once sufficient time has passed to allow the sample to separate and settle, the <2.95 g/cm³, 'floats' fraction is collected and discarded. The <2.95 g/cm³, '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: <ul style="list-style-type: none"> Uses certified masses to verify daily the accuracy of all laboratory mass scales. Prepares a replicate sample at a frequency of 2 for every 25 routine samples analysed. 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. |

| Criteria | JORC Code explanation | Commentary |
|--|--|--|
| <i>Verification of sampling and assaying</i> | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. |
| <i>Location of data points</i> | <ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. | <ul style="list-style-type: none"> 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 $\approx \pm 15$ 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 projection and the GDA94 elevation datum. No topographic control has been considered at this time. |
| <i>Data spacing and distribution</i> | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. |
| <i>Orientation of data in relation to geological structure</i> | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. |
| <i>Sample security</i> | <ul style="list-style-type: none"> The measures taken to ensure sample security. | <ul style="list-style-type: none"> 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 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. |
| <i>Audits or reviews</i> | <ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. | <ul style="list-style-type: none"> 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. |

SECTION 2 REPORTING OF EXPLORATION RESULTS

| Criteria | JORC Code explanation | Commentary |
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| Mineral tenement and land tenure status | <p>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.</p> <p>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.</p> | <p>The 181 drill holes that are the subject of this public report are drilled within following prospect area tenements. Tenure details are given in each case:</p> <p>Boonanarring:</p> <p>100% Image Resources NL</p> <p>Exploration licences:</p> <p>57 holes within E70/3041 (expiry 9/6/2018)</p> <p>25 holes in E70/3720 (expiry 29/12/2015)</p> <p>Mining Leases:</p> <p>4 holes within M70/1194 (expiry 15/12/2026)</p> <p>46 holes within M70/1311 (expiry 11/03/2034)</p> <p>Chandala:</p> <p>Image has withdrawn from the JV as of 14th April 2015.</p> <p>Exploration Licence:</p> <p>12 holes within E70/2742 (expiry 1/05/2015)</p> <p>Gingin South:</p> <p>100% Image Resources NL</p> <p>Exploration Licence</p> <p>9 holes within E70/3032 (expiry 14/10/2018)</p> <p>Mining Lease:</p> <p>12 holes within M70/0448 (expiry 06/05/2032)</p> <p>Red Gully</p> <p>100% Image Resources NL</p> <p>Mining Lease</p> <p>16 holes within M70/1192 (expiry 19/05/2030)</p> <p>Bidaminna Park:</p> <p>90% Image Resources NL</p> <p>Exploration Licence</p> <p>4 holes within E70/3298 (expiry 25/03/2019)</p> <p>All drilling publicly reported is on freehold land, with no known native title interests, historical sites, wilderness parks or national parks, or environmental settings effected.</p> <p>At the time of this public report, Image has security of tenure for all tenements drilled, and is not aware of any material impediments to obtaining a licence to operate in the area.</p> |
| Exploration done by other parties | Acknowledgment and appraisal of exploration by other parties. | No work has been completed by other parties for this public report. |

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| Geology | <p>Deposit type, geological setting and style of mineralisation.</p> | <p>Image is targeting discovery of heavy mineral sands strand deposits that have formed on ancient shore lines on the eastern margin of the Swan Coastal Plain in sediments Pleistocene to Holocene age in the north of the Perth Basin.</p> <p>The Boonanarring deposit occurs in the Yoganup Formation and is interpreted to have formed during periods of sea level stability within a cycle of shoreline regression. The high grade strands in Boonanarring are interpreted to have formed against a notch in the local basement, possibly an ancient sea cliff.</p> <p>The current programme of drilling is targeting possible new strands, and extensions of known strands between the Boonanarring and Gingin Mineral Resources and also north of Boonanarring, to the Red Gully region.</p> |
| Drill hole Information | <p>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:</p> <p>easting and northing of the drill hole collar</p> <p>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</p> <p>dip and azimuth of the hole</p> <p>down hole length and interception depth</p> <p>hole length.</p> <p>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.</p> | <p>In this public report, Image has reported only the drill holes with significant intercepts that confirm the discovery of new strand lines or possible extensions of known strand lines.</p> <p>The Competent Person does not consider a full listing of the barren and low grade mineralisation is material for the drill holes that are the subject of this public report. However, the figures attached to the public report do give the context of the significant intercepts with respect to results reported by Image in previous public reports.</p> |
| Data aggregation methods | <p>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.</p> <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p> | <p>Image prepared the lists of significant intercepts in this public report using the data aggregation algorithms available in Micromine software. The criteria for reporting included compositing criteria for 1 m intercepts of:</p> <p>A starting threshold of $\geq 2.5\%$ HM</p> <p>Minimum down hole composite length of ≥ 2 m</p> <p>No internal dilution (no 1 m intervals included if grades are $< 2.5\%$ HM).</p> <p>Generally the grades of individual results contributing to significant intercepts are of similar tenor.</p> <p>There are no metal equivalent assumptions relevant to the style of mineralisation under consideration.</p> |
| Relationship between mineralisation widths and intercept lengths | <p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>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').</p> | <p>All holes are drilled vertically through a horizontal stratigraphy. There is low risk of grade bias due to the angle of intersection and geometry of the style of mineralisation under consideration.</p> |
| Diagrams | <p>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.</p> | <p>Refer to the figures in the public report.</p> |
| Balanced reporting | <p>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.</p> | <p>The Competent Person does not consider a full listing of the barren and low grade mineralisation is material for the drill holes that are the subject of this public report. However, the figures attached to the public report do give the context of the significant intercepts with respect to results reported by Image in previous public reports.</p> |

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| <i>Other substantive exploration data</i> | <i>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.</i> | <i>Not applicable for this release.</i> |
| <i>Further work</i> | <p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p> | <p><i>At the time of this public report, Image has planned further holes but actual locations may vary depending on results received as the Stage 1 programme progresses.</i></p> <p><i>Refer to the maps and diagrams in the ASX release where extents and new targets are identified.</i></p> |