

4 January 2016

Resolution of China Securities Regulatory Commission Investigations

Image Resources NL (**Image**) has been advised that investigations by the China Securities Regulatory Commission (**CSRC**) with respect to Guangdong Orient Zirconic Ind Sci & Tech Co Ltd (**Orient Zirconic**) and Mr Chao Dian Chen have been completed and that the outcome has been announced by Orient Zirconic, with Orient Zirconic shares trading significantly higher in response.

Image understands that the CSRC investigation related to potential breaches of securities laws and / or regulations.

Image has been advised that Orient Zirconic and Mr Chao Dian Chen received official warnings and fines totalling less than A\$100,000 and that other Orient Zirconic employees received warnings and smaller fines.

Image is currently working with Murray Zircon Pty Ltd, a subsidiary of Orient Zirconic, to finalise legal agreements formalising the Memorandum of Understanding (MoU) details of which were announced on 30 April 2015. The resolution of this investigation removes a potential impediment to the completion of this transaction.

Background

Murray Zircon owns and, until April 2015, operated the Mindarie Mineral Sands Project in South Australia, which it redeveloped in 2012. Murray Zircon 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 Murray Zircon, is one of China's largest zircon processing companies and is reported to manufacture the most comprehensive range of zirconium products in the world. It is listed on the Shenzhen Stock Exchange (Code: 002167).

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