

Quarterly Report – for the quarter ended 31 December 2015

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IMA

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Issued Capital
Shares – Quoted
200,400,129
Options – Unquoted
2,600,000 (\$0.3908, 27/12/16)

Cash at end of quarter
\$878,000

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)
Aaron Chong Veoy Soo
(Non-Executive Director)

Corporate

Activities during the quarter have been almost solely focused on completion of the agreements with Murray Zircon and Guangdong Orient Zirconic Ind Sci & Tech Co Limited. The documentation is now complete and there remains only a few points to be resolved however as with any complex agreement the final detail always takes longer than anticipated.

It was hoped that the agreement would have been finalised by this time however there remains a couple of outstanding issues that have prevented the finalisation and signing of the agreements. However the board remains confident and optimistic that these issues will be resolved in the coming weeks and that will move to a finalised set of agreements.

The agreements generally follow the outline of the MoU which was completed and announced in April 2015.

Exploration activities

Boonanarring Project

A 130 km infill ground magnetic survey has been completed over the Boonanarring Project area. Recent interpretation of drilling and this ground magnetic survey has highlighted 9km of NNW targets between 400m and 800m west of the Boonanarring Deposit (Fig.2) some of which are within a new tenement called Boonanarring West (E70/4689). A 25 hole programme is initially contemplated to test 3 separate areas (Boonanarring, Blue Lake and Gingin). Botanical surveys report are being awaited for testing of the Boonanarring West Targets where a further 21 holes are planned. The close proximity of these new targets to the Boonanarring deposit augers well for the potential to add significant extra mine life.

Boonanarring South

In addition 74 AC holes for both infill and extension drilling over a 6.4km distance is being planned directly south of the 9.5km long Boonanarring Deposit (Fig.2). The infill drilling is designed to look for higher grades in the vicinity of some drill intersections including 5m@7.2% HM from 39m in hole GG1019 Easting 389983mE Northing 6542860mN and 11m @ 4.5% HM from 31m in hole GG977 Easting 389452mE Northing 6544040mN. Whilst the extension drilling is within new areas where sparse historical drilling has been completed along the scarp, where laterite noise is common. All the drilling costs for the above AC holes have been pre-paid by a placement to a major WA drilling company. This drilling agreement is now expiring on 31st December 2016 with 10,126m available for future drilling programmes.

The drilling programmes at Boonanarring and Boonanarring South are designed to assist Image to build a 10 year mine life for the Boonanarring Deposit.

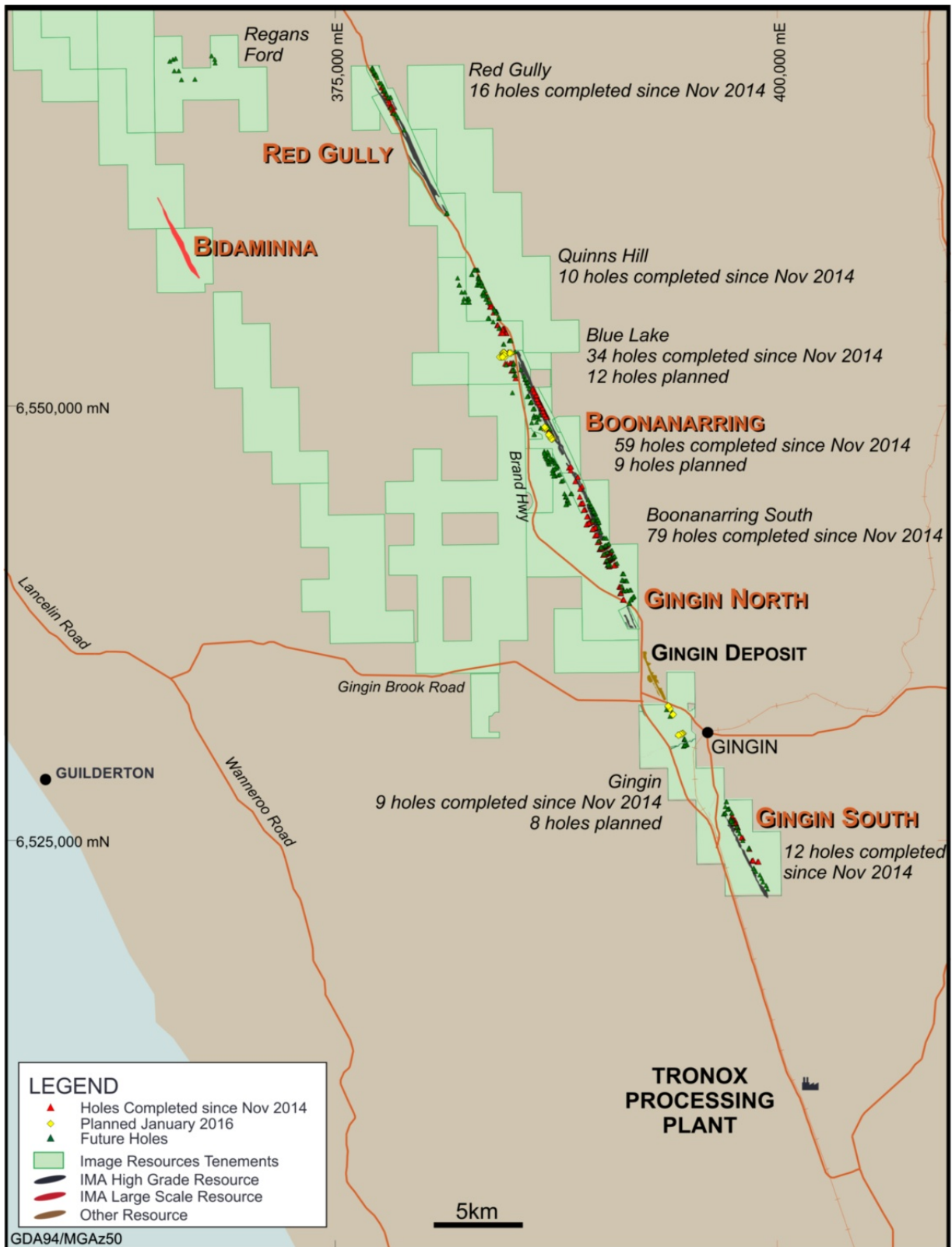


Figure 1 Drilling programmes completed and planned on Image Resources Gingin to Red Gully region in the North Perth Basin

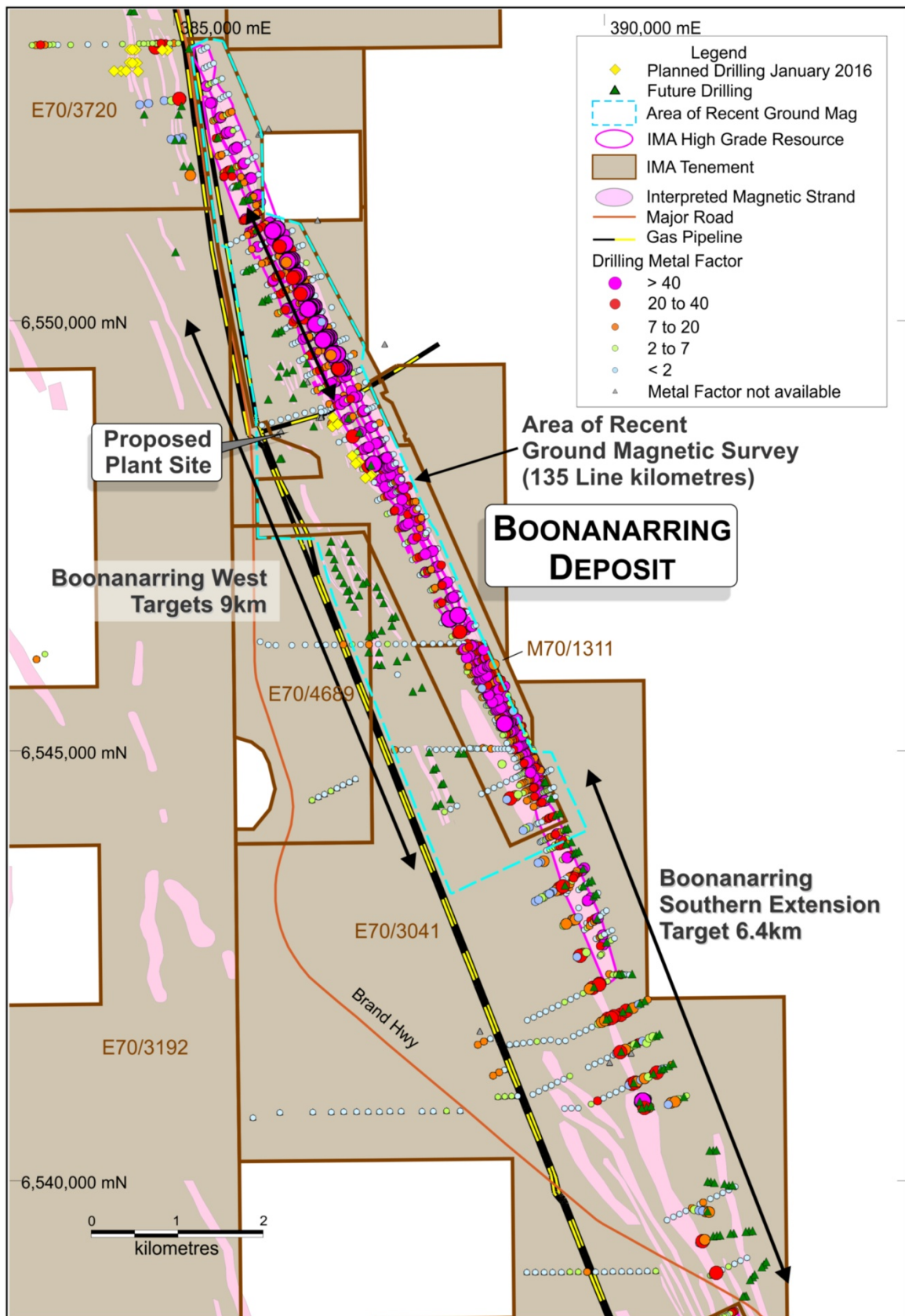


Figure 2 Boonanarring West planned drilling (highlighted yellow)

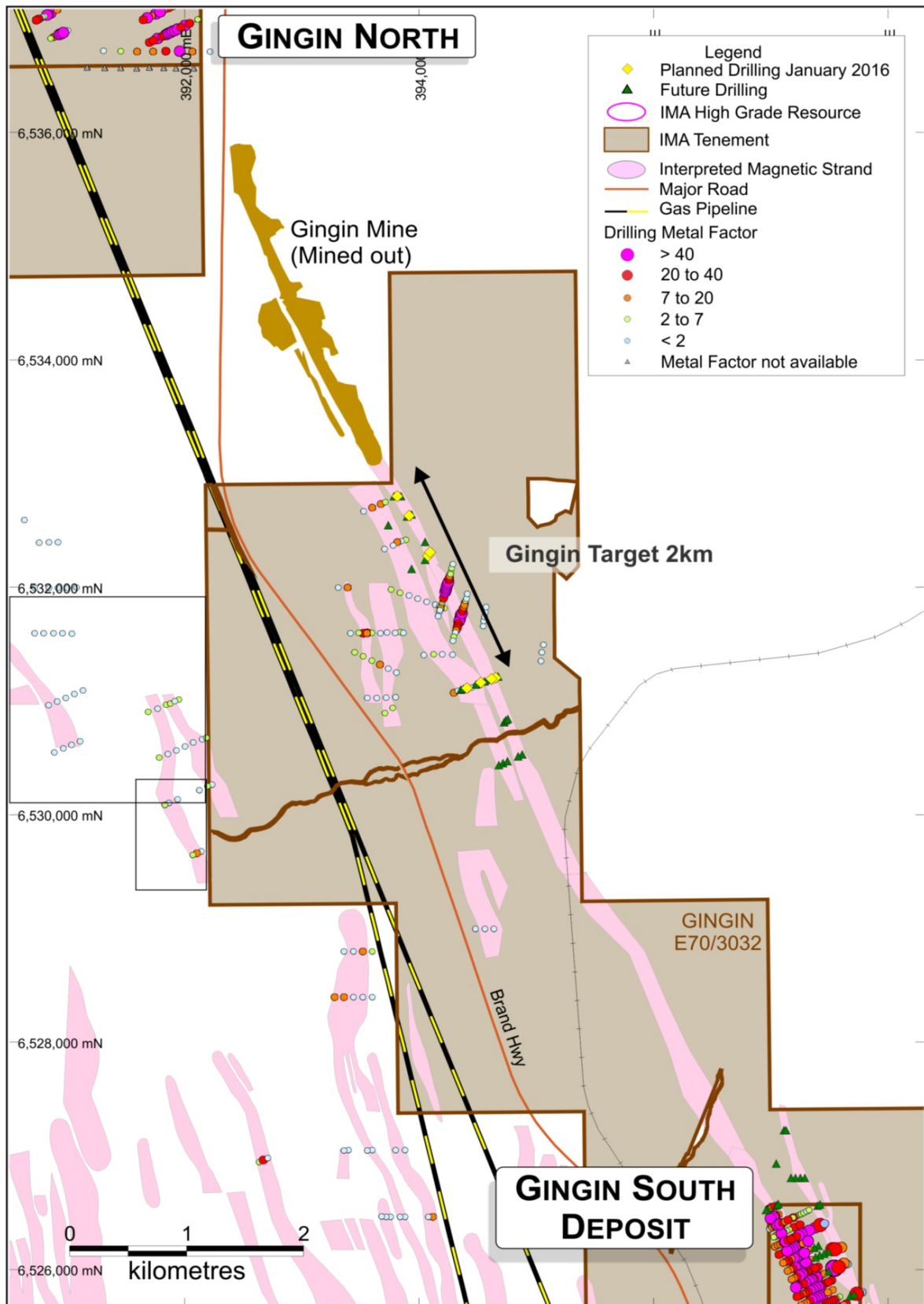


Figure 3 Gingin Project with planned drilling (highlighted in yellow)

Table 1 Drilling Summary

| | Planned January 2016 | | Future | |
|--------------------|----------------------|--------|---------|--------|
| Project | # Holes | Metres | # Holes | Metres |
| Boonanarring South | | | 68 | 3520 |
| Gingin | 8 | 189 | 48 | 1580 |
| Gingin South | | | 13 | 500 |
| Quinns Hill | | | 54 | 2784 |
| Boonanarring | 9 | 360 | 82 | 5364 |
| Blue Lake | 8 | 301 | 27 | 2592 |
| Red Gully | | | 37 | 1480 |
| Regans Ford | | | 10 | 450 |
| Total | 25 | 850 | 339 | 12386 |

Bidaminna Heavy Mineral composites show remarkable and atypically high levels of Leucoxene

Composites were taken over three sections across the length of the Bidaminna Resource (Figures 4 to 7). Mineral Abundance Table shows extraordinary and atypically elevated levels of leucoxene content within the contained heavy mineral (HM). In detail, the HM suite is dominated by the more valuable high Titanium minerals - High Titanium Leucoxene, Low Titanium Leucoxene and Altered Ilmenite and is broken up into:

- Leucoxene 28% to 69% of the HM which includes:
 - *High Ti Leucoxene 7% to 24% of the HM*
 - *Low Ti Leucoxene 15% to 47% HM*
- Altered Ilmenite 13% to 37% HM
- Ilmenite 2% to 22.3% HM
- The Bidaminna Deposit has 44Mt @ 3% HM and the adjacent Exploration Target¹ has circa 100-110Mt, averaging 3-4% HM with potential of between 3.0Mt to 5.8Mt of contained HM and extends northwards.
- More land pegged to cover the northern and southern extension of this deposit
- Approximately 106 km² of four new tenements applied for, totalling 288 km² in the Bidaminna region and a total in the North Perth Basin of 1,034 km².

¹ It is important to note that these estimates are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

² Image Presentation ASX November 2015

The Leucoxene range of 28 to 69% of the HM is much higher than any of the eight deposits between Gingin South and the Cooljarloo Mine which only range between 1 to 10% of contained HM². This Bidaminna deposit is very unusual and as a result Image has recently applied for additional land to cover the northern and southern extensions of the Bidaminna Deposit.

The commodity pricing for Leucoxene is not readily reported, however according to recent presentations from MZI Resources Ltd (27th May and 18th November 2015), the L70 Leucoxene (65-85% TiO₂) price was reported to be US\$352/tonne whilst the L88 Leucoxene (85-95% TiO₂) price was reported as US\$1,166/tonne.

This augers well for the potential economics of the Bidaminna project, as the mineral suite is dominated by the much higher value Leucoxene products, whilst North Perth Basin deposits are commonly dominated by the lower value Ilmenite products which fetch between US\$100 to US\$150.

Bidaminna Project

Extensive interpretation of historical drilling, Image drilling and ground magnetics has shown that the lower mineralised zone is much more extensive than previously thought. The Bidaminna Resource 44Mt@3 % HM is 5.3km long and ranges from 100 to 300m in width (Figure 4). Seven composites have been sent for analysis of the Zircon, Rutile, Ilmenite and Leucoxene contents across 3 sections through the Bidaminna Deposit (Figures 5 to 7).

The current interpretation shows the Exploration Target is 11.2km in length and ranges from 600 to 1300m in width. The Exploration Target (not including the Bidaminna Resource) is estimated to contain between 100-110Mt with potential to contain 3.0Mt to 5.8Mt of contained HM (based on a range of 3 or 4% HM).

The Bidaminna Resource and Exploration Target, differs from the Boonanarring Deposit, in that they are amenable to large volume dredge mining with a very low slime content of around 3.6%, the mineralised horizon is below the water table and have thick zones of mineralisation – 35 metres thick (Figure 5).

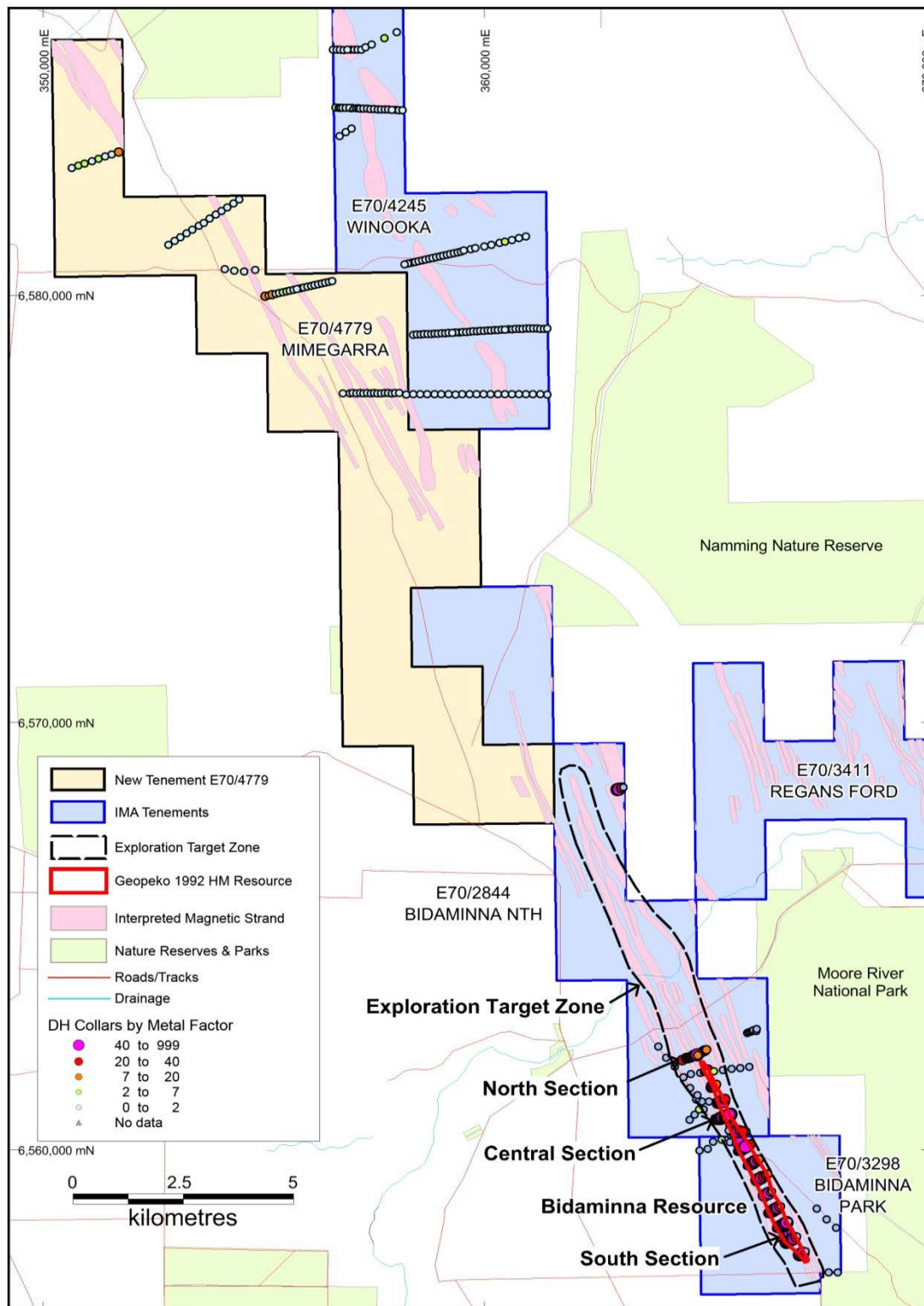


Figure 4 Bidaminna location map showing the location of South, Central and Northern section locations.

Existing (Pre-Image and Image) drilling coloured by metal factor (see legend) showing the Bidaminna Resource (red outline) and exploration target area (black dashed outline), Image tenements and regional location.

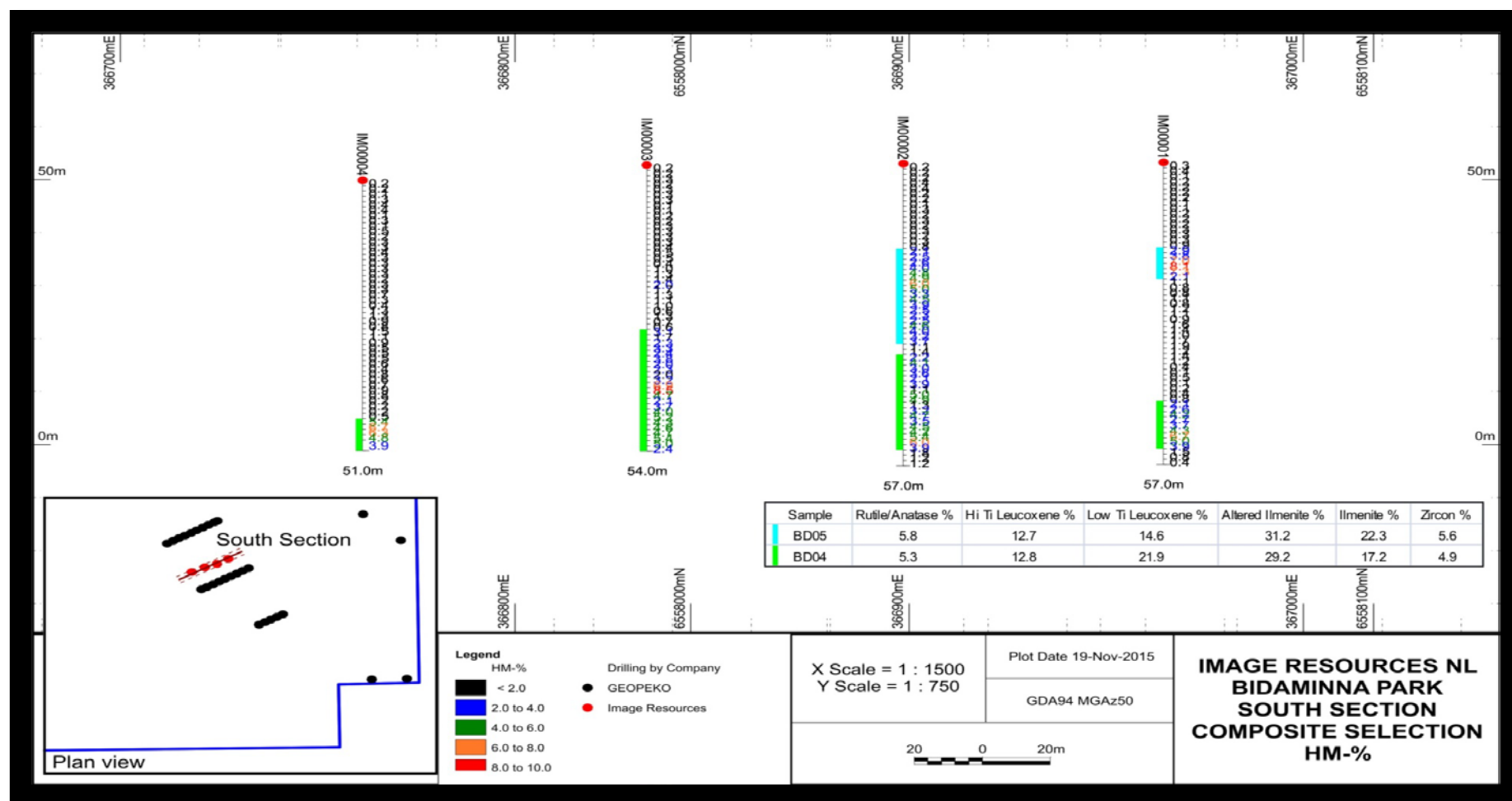


Figure 5 South Section Bidaminna Deposit:

Composite BD05 (South Upper) returned QEMSCAN mineral abundance of 5.8% Rutile/Anatase, 12.7% Hi Ti Leucoxene ($\geq 75 < 95\% \text{ TiO}_2$), 14.6% Low Ti Leucoxene ($\geq 65 < 75\% \text{ TiO}_2$), 31.2% Altered Ilmenite ($\geq 55 < 65\% \text{ TiO}_2$), 22.3% Ilmenite ($\geq 40 < 55\% \text{ TiO}_2$), 5.6% Zircon and 7.9% other minerals.

Composite BD04 (South Lower) returned QEMSCAN mineral abundance of 5.3% Rutile/Anatase, 12.8% Hi Ti Leucoxene ($\geq 75 < 95\% \text{ TiO}_2$), 21.9% Low Ti Leucoxene ($\geq 65 < 75\% \text{ TiO}_2$), 29.2% Altered Ilmenite ($\geq 55 < 65\% \text{ TiO}_2$), 17.2% Ilmenite ($\geq 40 < 55\% \text{ TiO}_2$), 4.9% Zircon and 8.7% other minerals

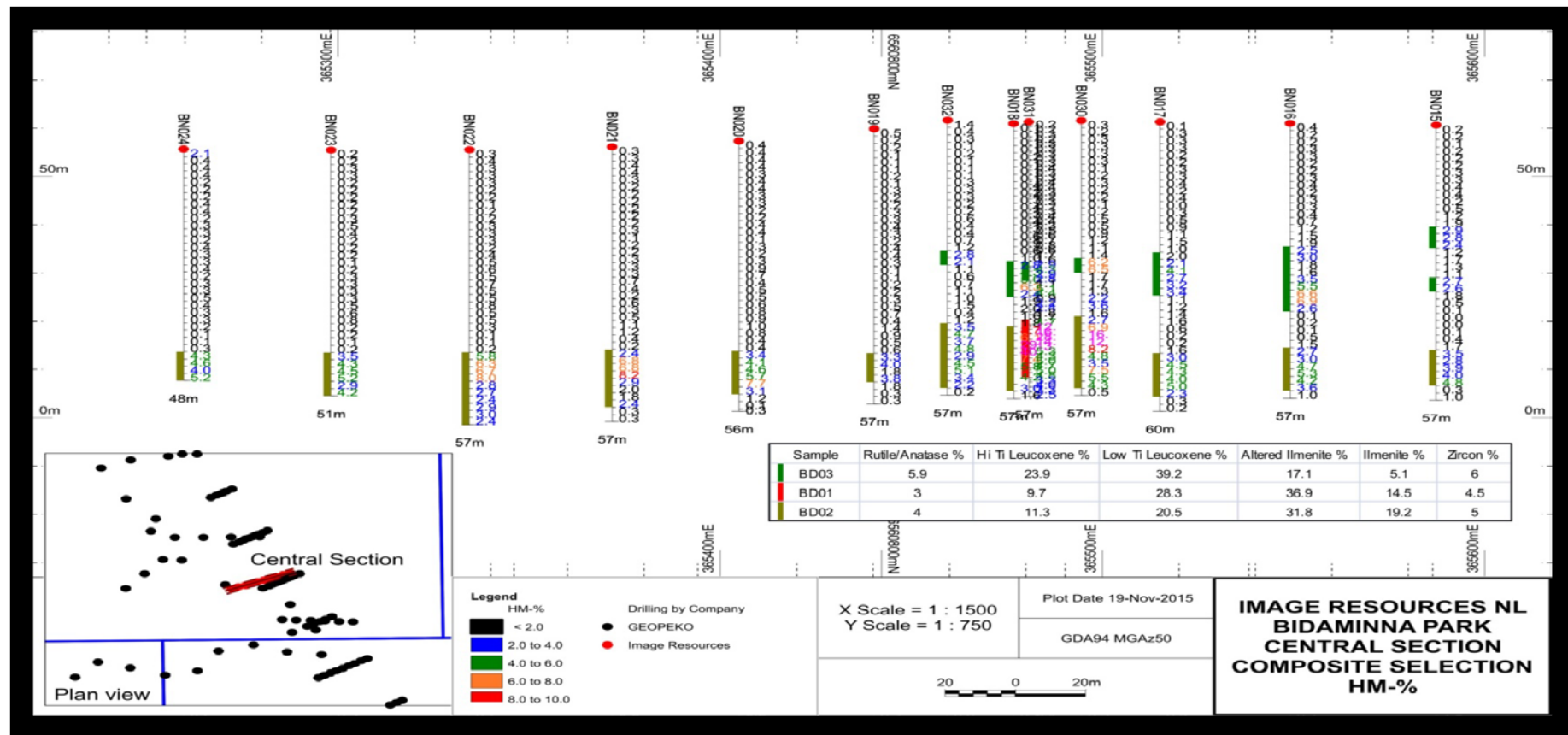


Figure 6 Central Section Bidaminna Deposit:

Composite BD03 (Central Upper) returned QEMSCAN mineral abundance of 5.9% Rutile/Anatase, 23.9% Hi Ti Leucoxene ($\geq 75 < 95\% \text{ TiO}_2$), 39.2% Low Ti Leucoxene ($\geq 65 < 75\% \text{ TiO}_2$), 17.1% Altered Ilmenite ($\geq 55 < 65\% \text{ TiO}_2$), 5.1% Ilmenite ($\geq 40 < 55\% \text{ TiO}_2$), 6% Zircon and 2.9% other minerals.

Composite BD01 (Central high grade) returned QEMSCAN mineral abundance of 3% Rutile/Anatase, 9.7% Hi Ti Leucoxene ($\geq 75 < 95\% \text{ TiO}_2$), 28.3% Low Ti Leucoxene ($\geq 65 < 75\% \text{ TiO}_2$), 36.9% Altered Ilmenite ($\geq 55 < 65\% \text{ TiO}_2$), 14.5% Ilmenite ($\geq 40 < 55\% \text{ TiO}_2$), 4.5% Zircon and 3% other minerals.

Composite BD02 (Central Lower) returned QEMSCAN mineral abundance of 4% Rutile/Anatase, 11.3% Hi Ti Leucoxene ($\geq 75 < 95\% \text{ TiO}_2$), 20.5% Low Ti Leucoxene ($\geq 65 < 75\% \text{ TiO}_2$), 31.8% Altered Ilmenite ($\geq 55 < 65\% \text{ TiO}_2$), 19.2% Ilmenite ($\geq 40 < 55\% \text{ TiO}_2$), 5% Zircon and 8.1% other minerals.

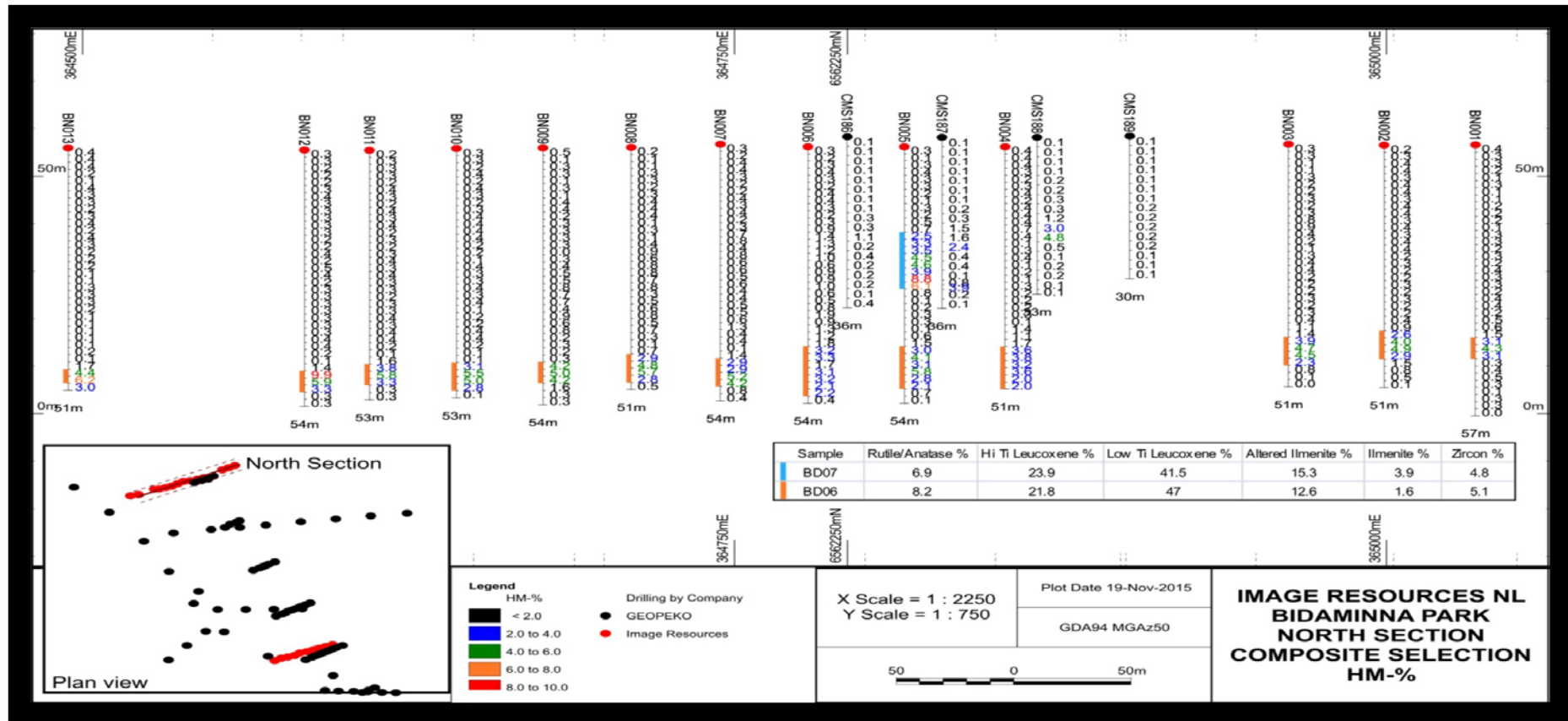


Figure 7 North Section Bidaminna Deposit:

Composite BD07 (North Upper) returned QEMSCAN mineral abundance of 6.9% Rutile/Anatase, 23.9% Hi Ti Leucoxene ($\geq 75 < 95\% \text{ TiO}_2$), 41.5% Low Ti Leucoxene ($\geq 65 < 75\% \text{ TiO}_2$), 15.3% Altered Ilmenite ($\geq 55 < 65\% \text{ TiO}_2$), 3.9% Ilmenite ($\geq 40 < 55\% \text{ TiO}_2$), 4.8% Zircon and 3.8% other minerals.

Composite BD06 (North Lower) returned QEMSCAN mineral abundance of 4% Rutile/Anatase, 8.2% Hi Ti Leucoxene ($\geq 75 < 95\% \text{ TiO}_2$), 21.8% Low Ti Leucoxene ($\geq 65 < 75\% \text{ TiO}_2$), 47% Altered Ilmenite ($\geq 55 < 65\% \text{ TiO}_2$), 1.6% Ilmenite ($\geq 40 < 55\% \text{ TiO}_2$), 5.1% Zircon and 3.8% other minerals.

Appendix

Bidaminna Composites

Image Resources submitted a total of 267 heavy mineral (HM) concentrate samples for targeted splitting into 7 composite samples (Table 2) for QEMSCAN analysis by Bureau Veritas Mineral Laboratories from three sections; the southern, central and northern portion of the Bidaminna deposit, classified by Geopeko as an Indicated Resource totalling 44Mt @ 3% HM in 1992³ (refer Figure 4).

The composite samples, collected from the upper and lower strands of the Bidaminna deposit, were prepared by micro-splitting concentrates retained from exploration air core drilling analyses, completed by Image during 2011 and 2014. Three dimensional wireframe volumes were prepared from drill sections of the mineralised horizons of interest and the micro splitting weights were then determined through a nearest neighbour volume weighting for each sample within the respective wireframes. In this way each composite sample was deemed to be spatially representative of the horizons sampled and analysed.

Mineral Abundance – QEMSCAN

QEMSCAN analysis indicated that all 7 samples mainly contained TiO₂ minerals, with a combined TiO₂ Minerals of between ~86-93%. Zircon accounted for between 4.5-6% of these samples. Minor amounts of Ti Intergrowths, REE, quartz and various silicate phases were also present. Mineral Abundance results from the QEMSCAN analysis carried out on the 7 composite samples are presented in Table 2 below and the composite locations are shown on the overall location map and Sections 1 through to 3 (Figures 1 to 4).

| Table 2 Results of Mineral Abundance for selected minerals (as defined in the Main Mineral List) as a % of 7 composite samples from the Bidaminna Deposit using QEMSCAN analysis by Bureau Veritas Mineral Laboratories, South Australia | | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|--------------------|---------------|---------------|-------------|-------------|
| Section | South Lower | South Upper | Central High Grade | Central Lower | Central Upper | North Lower | North Upper |
| Sample | BD04 | BD05 | BD01 | BD02 | BD03 | BD06 | BD07 |
| Rutile | 5.3 | 5.8 | 3 | 4 | 5.9 | 8.2 | 6.9 |
| Leucoxene combined Hi & Low Ti | 34.7 | 27.3 | 38 | 31.8 | 63.1 | 68.8 | 65.4 |
| Hi Ti Leucoxene | 12.8 | 12.7 | 9.7 | 11.3 | 23.9 | 21.8 | 23.9 |
| Low Ti Leucoxene | 21.9 | 14.6 | 28.3 | 20.5 | 39.2 | 47 | 41.5 |
| Altered Ilmenite | 29.2 | 12.6 | 36.9 | 31.8 | 17.1 | 12.6 | 15.3 |
| Ilmenite | 17.2 | 22.3 | 14.5 | 19.2 | 5.1 | 1.6 | 3.9 |
| Zircon | 4.9 | 5.6 | 4.5 | 5 | 6 | 5.1 | 4.8 |
| For the mineral list definitions refer to Table 3 and the complete set of mineral abundance for the main mineral and expanded mineral lists | | | | | | | |

Composites were taken from the upper and lower mineralised zones on three sections over the Bidaminna deposit (South, Central and Northern sections) shown on Figure 4, which depicts existing (Pre-Image and Image) drilling coloured by metal factor (see legend), the Bidaminna Resource (red outline), exploration target area (black dashed outline) and interpreted magnetic strands (pink solid), Image tenements (blue solid area). Sections South to North show HM% results of air core

³ Report No.WA93/3S Cataby J.V. E70/489 & E70/791 Annual Report Nabaroo and Bidaminna, North Perth Basin May 1991 – April 1992 by C.W. Rothnie, Geopeko. WAMEX report A36673.

samples to the right of the drill hole trace which is coloured by HM% (see legend) and the bold colour to the left of the drill trace indicate the corresponding composite.

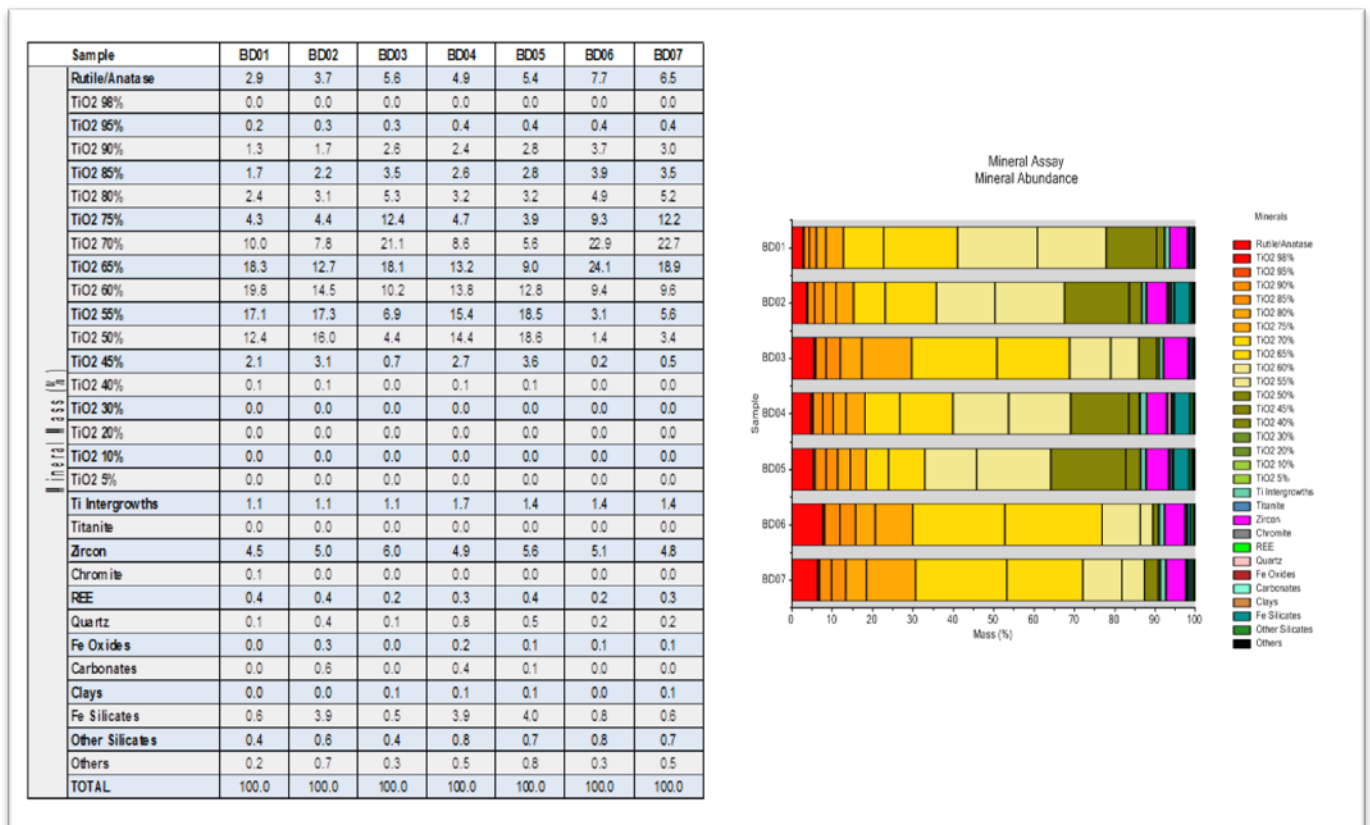
Samples included in the mineralogical composite are indicated by the corresponding solid coloured bar to the left of the drill hole trace and the QEMSCAN analysis mineral abundance results for Rutile, Hi and Low Ti Leucoxene, Altered Ilmenite and Ilmenite as defined by the mineral list (Table 3) are presented in the table to the lower right of the section.

| Table 3 Main Mineral List | |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mineral | Description |
| Rutile | includes rutile ($\geq 95\%$ TiO ₂) |
| Hi Ti Leucoxene | includes Ti Oxide phases with $\geq 75 < 95\%$ TiO ₂ |
| Low Ti Leucoxene | includes Ti Oxide phases with $\geq 55 < 65\%$ TiO ₂ |
| Altered Ilmenite | includes Ti Oxide phases with $\geq 40 < 55\%$ TiO ₂ |
| Ilmenite | includes Ti Oxide phases with $< 40\%$ TiO ₂ |
| Titano Fe Oxide | includes fine textures, cracks, intergrowths and boundary phases containing Ti, Fe and Si |
| Ti Intergrowths | Includes titanite |
| Titanite | Includes zircon |
| Zircon | Includes chromite |
| Chromite | Includes REE minerals |
| REE | Includes quartz |
| Quartz | Includes Fe Oxide group minerals which may also be boundaries / intergrowths with carbonates, Fe Silicates and Other Silicates |
| Fe Oxides | Includes calcite, dolomite, ankerite and Ca Fe-Mg intergrowths |
| Carbonates | Includes various clays which may also be boundaries / intergrowths with Fe Oxides, Fe Silicates and Other Silicates |
| Fe Silicates | Includes what the QEMSCAN classifies as mainly almandine, andradite-grossular which may also be boundaries / intergrowths with Fe Oxides, clays and Other Silicates |
| Other Silicates | Includes other silicate minerals, generally of indeterminate mineralogy |
| Others | Includes all phases not listed above and occurring in trace form |

Table 4 Mineral Abundance Main Mineral List - QEMSCAN



Table 5 Mineral Expanded Mineral List - QEMSCAN



For more information visit imageres.com.au

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COMPETENT PERSON'S STATEMENT – EXPLORATION RESULTS AND MINERAL RESOURCES AND RESERVES

Information in this report that relates to Exploration Results, Mineral Resources is based on information compiled by George Sakalidis BSc (Hons) who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results, Mineral Resources and Mineral Reserves were compiled, George Sakalidis was a director of Image Resources NL. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. George Sakalidis consents to the inclusion of this information in the form and context in which it appears in this report.

COMPETENT PERSON'S STATEMENT – RESOURCE ESTIMATES

The information in this report that relates to mineral resources and is based on information compiled by Lynn Widenbar BSc, MSc, DIC MAIG, MAusIMM employed by Widenbar & Associates who is a consultant to the Company. Lynn Widenbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Lynn Widenbar consents to the inclusion of this information in the form and context in which it appears in.

FORWARD LOOKING STATEMENTS

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding prices, exploration or development costs and other operating results, growth prospects and the outlook of Image's operations contain or comprise certain forward looking statements regarding Image's operations, economic performance and financial condition. Although Image believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties, fluctuations in prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Image undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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 | E70/4244 | 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 | M70/1305 | Application | ATLAS | 100% pending grant | 100% pending grant |
| WA | P70/1520 | Application | COOLJARLOO | 100% pending grant | 100% pending grant |
| WA | E70/4631 | Granted | MUNBINIA WEST | 100% | 100% |
| WA | E70/4656 | Granted | WINOOKA NORTH | 100% | 100% |
| WA | E70/4663 | Granted | BIBBY SPRINGS | 100% | 100% |
| WA | E70/4689 | Granted | BOONANARRING | 100% | 100% |
| WA | E70/4779 | Application | MIMEGARRA | 100% | 100% pending grant |
| WA | E70/4794 | Application | REGANS FORD NORTH | 100% | 100% pending grant |
| WA | E70/4795 | Application | BIDAMINNA SOUTH | 100% | 100% pending grant |
| WA | E70/4796 | Application | CALADENIA | 100% | 100% pending grant |
| | | | | | |

Mining Tenements acquired during the Quarter

| | | | | | |
|----|----------|-------------|-------------------|--------------------|---|
| WA | E70/4779 | Application | MIMEGARRA | 100% pending grant | - |
| WA | E70/4794 | Application | REGANS FORD NORTH | 100% pending grant | - |
| WA | E70/4795 | Application | BIDAMINNA SOUTH | 100% pending grant | - |
| WA | E70/4796 | Application | CALADENIA | 100% pending grant | - |

Mining Tenements disposed during the Quarter

| | | | | | |
|-----|--|--|--|--|--|
| NIL | | | | | |
|-----|--|--|--|--|--|

Table 6 – 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