

25 May 2016

## MURRAY ZIRCON TRANSACTION UPDATE

Image Resources NL ("Image" or "the Company") (ASX: **IMA**) refers to its ASX Announcement of 12 May 2016 regarding the transaction between the Company, Murray Zircon Pty Ltd and its parent, Guangdong Orient Zirconic Ind Sci & Tech Co., Ltd, and advises that the parties to that transaction have agreed that Completion is to occur on or before 9 June 2016.

Details of the conditions precedent to Completion were provided in Image's announcement on 9 February 2016 and in the Notice of Meeting released on 7 April 2016. Certain conditions to Completion (**Conditions**), are open to be satisfied up to 8AM on the Completion Date (in the Transaction Documents to be 10 Business Days after shareholder approval and thus due 26 May 2016).

The following Conditions which are perceived to represent a risk to Completion, remain to be satisfied or waived, namely:

- Condition 1:** the terms of the incoming managing director's employment contract being agreed – this condition is for the benefit of both parties and can only be waived if both Image and MZ agree;
- Condition 2:** Image being satisfied that the \$4 million to be advanced by Murray Zircon to Image at Completion under the Short Term Loan Agreement is available in an Australian bank account;
- Condition 3:** no investigations or inquiries by a governmental agency or judicial body having commenced prior to Completion, or Image being satisfied with any that have; and
- Condition 4:** obtaining executed releases of outstanding encumbrances over the assets to be acquired by Image.

The Board expects Condition 1 to be satisfied or waived.

In relation to Condition 2, Image has requested proof of funds.

In relation to Condition 3, the Company has been made aware of a regulatory inquiry having been made of OZC by Shenzhen Stock Exchange. This inquiry may entitle Image to terminate the agreement and it reserves its rights in that regard however the inquiry appears benign and is likely to be waived by Image.

Image expects Condition 4 to be satisfied.

The Company has agreed to extend the End Date and the time for Completion to 9 June 2016.

### For further information, please contact:

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