

8 July 2016

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## IMAGE RESOURCES UPDATE: FOCUS ON BANKABLE FEASIBILITY STUDY

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**Image Resources NL (ASX: IMA)** (“Image” or “the Company”) is pleased to provide an update following the completion of the transaction between Image, Murray Zircon Pty Ltd and Guangdong Orient Zirconic Ind Sci & Tech Co., Ltd as approved by shareholders at the Company’s General Meeting of Shareholders on 12 May 2016.

The Company is advancing plans to utilise its newly acquired **wet concentration plant (WCP)** (Photo 1) and other plant and equipment from Murray Zircon at its **high-grade, high-value Boonanarring and Atlas Mineral Sands Projects in the North Perth Basin in WA**. This combination of assets and mineral resources establishes a solid base on which the Company can rapidly, efficiently and cost-effectively build and advance towards production.



**Photo 1: Image Wet Concentration Plant planned to be relocated to Boonanarring**

In addition to the **WCP** and other plant and equipment, completion of the transaction has provided Image with:

- **Funding of \$4 million** with very favourable terms;
- **Off-take arrangements for 90% of zircon production** at market prices (~70% of revenue);
- Access to an **US\$8 million working capital loan** following first production;
- Access to **mineral separation services in China** as well as a **purchase option for a mineral separation plant** in South Australia for \$12 million (Photo 2);
- **Cornerstone shareholder** with 20 year's zircon processing experience with global zirconium products sales;
- **New independent Chairman and 3 new Board members including Managing Director**, all with mineral sands operations experience;
- **Senior management team** with mineral sands project development, production and sales experience; and
- **Significantly lower remaining capital requirements.**



Photo 2: Mineral Separation Plant in South Australia - Purchase Option

The Company is principally focused on the completion of a **bankable feasibility study** for the Boonanarring and Atlas deposits located 80 and 160 kilometres respectively north-northwest of Perth. The goal is to update the previous feasibility study to capture **improvements in project capital and operating costs** resulting from:

- the acquisition of the WCP and other equipment;
- more favourable foreign exchange rates;
- lower labour, contractor and mining services rates;
- lower interest rates;
- more efficient tailings treatment and disposal methods; and
- more cost-effective mine design (steepening pit walls is being investigated) and mining plan.

Managing Director, Patrick Mutz, expressed his confidence in the overall direction and focus of the Company by stating “**I believe we have entered a new and exciting time for shareholders as the Company moves to update the feasibility study to incorporate its newly acquired equipment and operational techniques, as well as current favourable costings for labour, energy and mining services.**”

The current timing for the completion of the updated feasibility study is early 2017.

**For further information, please contact:**

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