IMAGE RESOURCES NL

QUARTERLY REPORT

For the Quarter Ended 30 September 2004

SUMMARY

- **More ground acquisitions over new target areas in the Forrestania – Ravensthorpe region, increasing Image's landholding in this area to 3,500sq km, with potential for the Flying Fox ultramafic sequence to extend into Image's tenements.**

- **A 170-hole RAB drilling programme commenced at Woongaring, 140km north-west of Southern Cross, to test a 10km-long gold anomaly with coincident anomalous copper, lead and zinc.**

- **Initial target areas selected for follow up at the Windarra North nickel project.**

- **Encouraging gold intersections reported at Image Wilthorpe project with encouragement for further work at Warrego North and Jarbora Hill, where Meteoric Resources can earn a majority interest.**

Emu Lake JV (Image 30%, Jubilee 60%, Skryne Hill 10%)

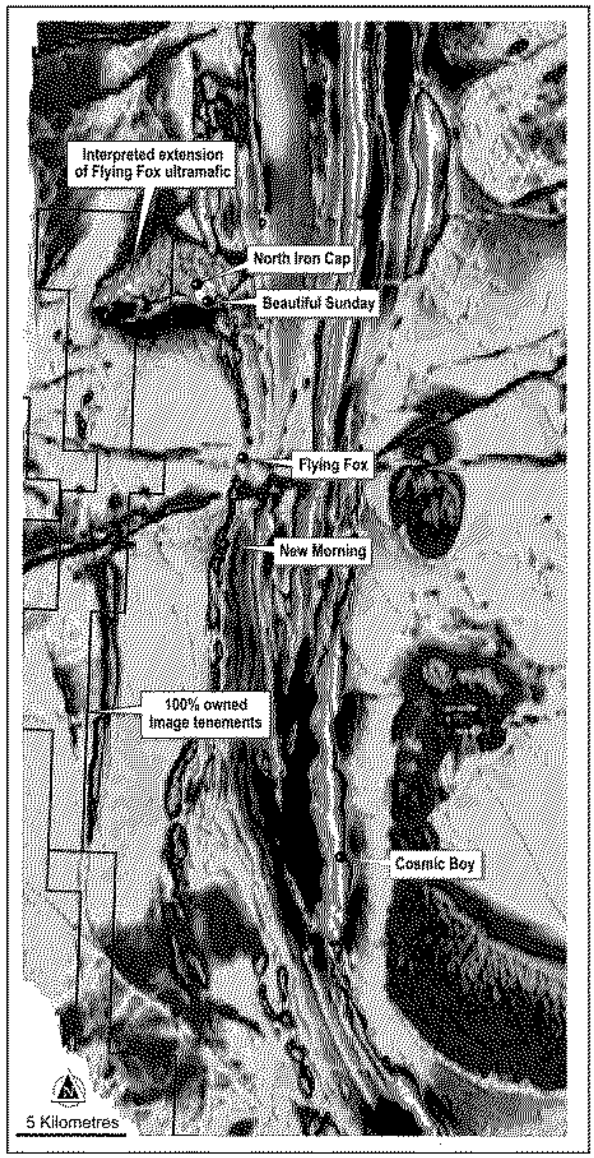
During the quarter, down hole EM (DHEM) surveys were carried out in RAB holes ELRC 15 to 19 inclusive adjacent to the Gossan Zone. These holes were drilled to test strike extensions of the Gossan Zone mineralisation, with a best intercept of 2.0m at 0.65% Ni in ELRC 18. A small off-hole conductor was identified in ELRC19 to the south of the Gossan Zone. Joint venturer Jubilee Mines also carried out a programme of relogging and resampling of some of the early Gossan Zone drill holes on order to clarify controls of, and vectors to, mineralisation. This programme is ongoing together with a review of the off-hole EM conductors identified during the previous quarter.

In the meantime a 2,000m RAB drilling programme is scheduled to commence in October over targets at Area B situated 7km north of the Gossan Zone.

Forrestania (Image 100%)

As recently announced, interpretation of aeromagnetic and gravity data by Image has identified a large area west of Forrestania with potential to host ultramafic rocks which are prospective for nickel sulphides. Exploration tenements have been applied over these target areas, increasing Image's landholding in the region from 1,448sq km to 3,500sq km. Interpretation of aeromagnetic data near to Western Areas' Flying Fox nickel resources indicates potential for the Flying Fox ultramafic sequence to extend into Image's nearby tenements (see map).

The state government and Geoscience Australia is currently carrying out more detailed aeromagnetic surveys over this region, including all of the Image tenements. It is envisaged that this new information, due for release in early calendar 2005, will assist Image in identifying specific targets for follow-up. In the meantime a programme of ground magnetic surveys has commenced over selected targets west of the Western Area's Flying Fox nickel project at Forrestania.



Forrestania Region
Aeromagnetics with Image tenure

Trojan (Image 100%, Troy earning 60%)

RAB drilling of Image's Woongaring gold-base metals project situated 140km north-west of Southern Cross has commenced.

Image identified several potential gold targets as a result of interpretation of aeromagnetic data in this under-explored area near the margin of the WA wheat belt. Subsequent reconnaissance geochemical sampling outlined a 10km-long gold and base metal corridor which supported the initial target selection. The geochemically anomalous corridor coincides with an interpreted shear zone and a discrete circular aeromagnetic feature interpreted to be a late-stage intrusion. These prospects are considered to have potential for both shear-hosted and intrusion-related gold mineralisation. Following this encouragement Image has applied for additional tenements over other nearby aeromagnetic targets, increasing the project area to 420sq km.

Subsequent to the discovery of the geochemical anomalies Image formed a joint venture with Troy Resources NL. Under the terms of the Trojan joint venture, which includes three other projects in the Eastern Goldfields, Troy may earn a 60% interest by sole funding $2 million of expenditure by mid–2008.

The 170-hole, 7,000m RAB drilling is designed to carry out a first-pass investigation of the extensive geochemical anomalism of this soil and sand covered area. In addition ground magnetic surveys will also be carried out to better define several geophysical targets.

Lake Percy JV (Image 100%, Western Areas earning 60%)

Western Areas has carried out a 10-hole RC drilling programme at Image's Lake Percy nickel joint venture situated in the Forrestania-Emily Ann area. The drilling is following up previous RAB drilling intercepts including 2m at 0.6% Ni from 46m and 2m at 0.7% Ni from 39m (including 1m at 0.9%Ni at end of hole) at the Town Hall and Bondi prospects respectively. The results of the drilling are not yet to hand.

Windarra North JV (Image 100%, Western Areas earning 60%)

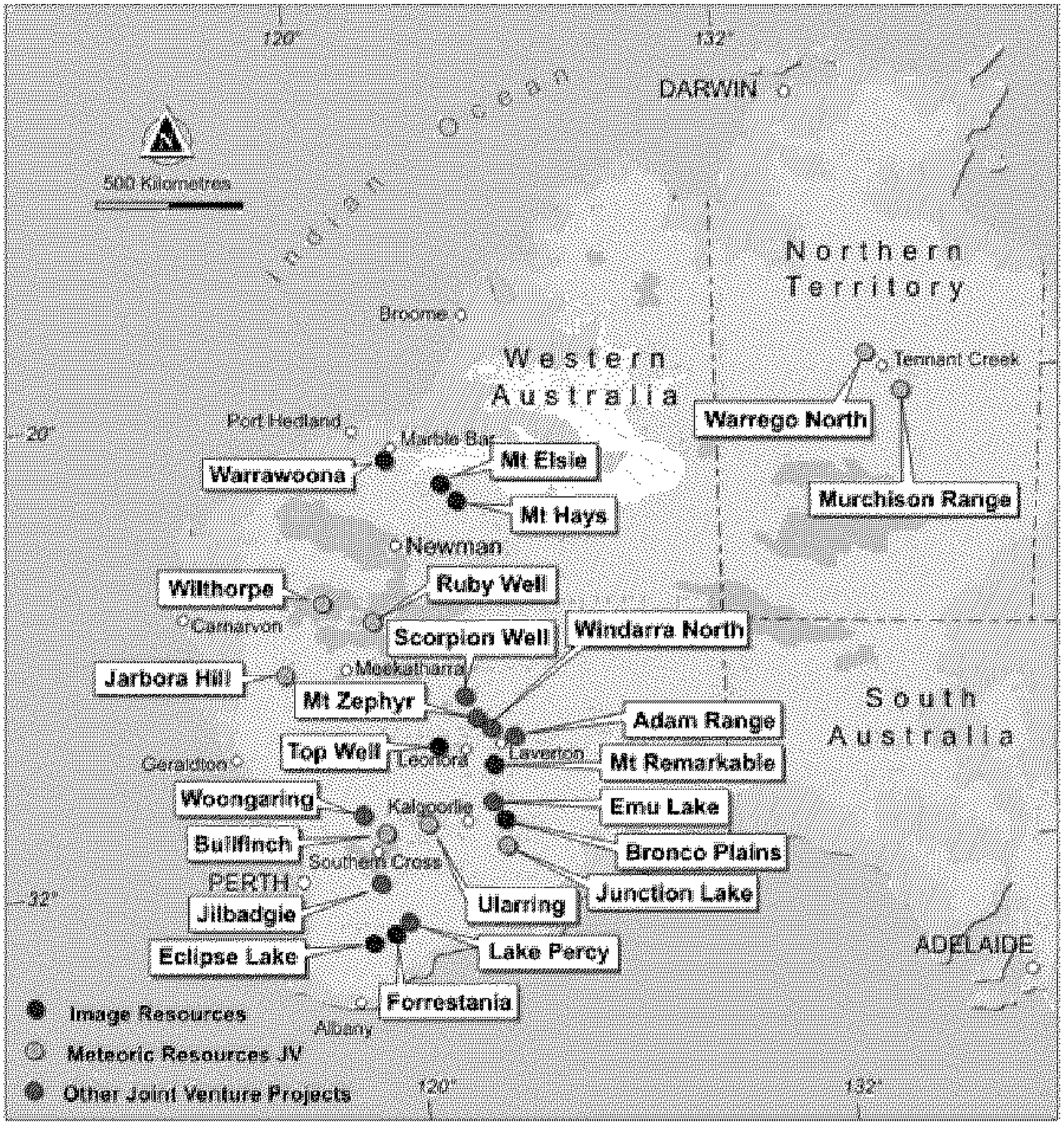
Western Areas has carried out initial field examinations on this 556sq km project near Laverton. The project area covers possible extensions and repetitions of the prospective Windarra ultramafic sequence below cover. Western Areas has identified three targets areas for initial investigation of the nickel sulphide potential. This initial work is likely to comprise scout RAB and/or aircore drilling.

Meteoric Resources NL

Joint venturer Meteoric Resources has carried out drilling programmes on Image's projects at Warrego North near Tennant Creek in the NT, Wilthorpe in the Peak Hill area of WA and at Jarbora Hill in the Murchison region of WA. Encouraging gold intersections have been obtained at Wilthorpe including:

WDRB-52	**8m at 6.2g/t Au from 52m**
WDRB-54	**4m at 7.3g/t Au from 76m**
WDRB-56	**4m at 14.9g/t Au from 76m**
WDRB-59	**4m at 10.8g/t Au from 44m**

In addition, encouraging results have been obtained from both Warrego North and Jarbora Hill which warrant follow-up. These projects form part of an eight-project joint venture with Image Resources NL. Under the terms of the joint venture Meteoric may earn 80% of Image's 90% interest in Wilthorpe by expenditure of $1 million on all or any of the eight joint venture projects by mid-2006. Meteoric must spend at least $500,000 on the joint venture by mid-2005 and may increase its interest to 100% of Image's interest by spending another $1 million over a further three years, in which case Image is entitled to a 1% gross royalty.



For more information on the company visit www.imageres.com.au

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The information on mineralisation contained in this report accurately reflects the information compiled by Mr Roger Thomson BSc, MAusIMM, MAIG who is a competent person (as defined by the Australasian Code of Reporting of Identified Mineral Resources and Ore Reserves) with relevant experience in relation to such mineralisation.

MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity:

Image Resources NL

ABN:	Quarter ended ("current quarter")
57 063 977 579	**30/9/2004**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $AUD'000	Year to date (3 months) $AUD'000
1.1	Receipts from product sales and related debtors	10	10
1.2	Payments for:		
	(a) exploration and evaluation	(392)	(392)
	(b) development	-	-
	(c) production	-	-
	(d) administration	-	-
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	39	39
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(343)	(343)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	(97)	(97)
	(b) equity investments	-	-
	(c) other fixed assets	(29)	(29)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	301	301
1.12	Other (provide details if material)	-	-
	Net investing cash flows	175	(175)
1.13	Total operating and investing cash flows (carried forward)	(168)	(168)

1.13	Total operating and investing cash flows (brought forward)	(168)	(168)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) – Share issue expenses	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(168)	(168)
1.20	Cash at beginning of quarter/year to date	3,085	3,085
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	2,917	2,917

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter $AUD'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(99)
1.24	Aggregate amount of loans to the parties included in item 1.10	(181)

1.25 Explanation necessary for an understanding of the transactions

Amounts billed to associated company for expenses incurred and services rendered– to be recouped in ordinary course of business.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

		Amount available $AUD'000	Amount used $AUD'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$AUD'000
4.1	Exploration and evaluation	180
4.2	Development	-
	Total	**180**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $AUD'000	Previous quarter $AUD'000
5.1	Cash on hand and at bank	(23)	(16)
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details) – Short Term Deposit	2,940	3,101
	Total: cash at end of quarter (item 1.22)	2,917	3,085

Changes in interests in mining tenements

		Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed		N/A		
6.2	Interests in mining tenements acquired or increased	E70/2710	Application	0%	100%
		E70/2711	Application	0%	100%
		E70/2712	Application	0%	100%
		E31/168	Application	0%	100%
		E28/1510	Application	0%	100%
		E74/331	Application	0%	100%
		E70/2703	Application	0%	100%
		E77/1239	Application	0%	100%
		E77/1240	Application	0%	100%
		E77/1241	Application	0%	100%
		E77/1242	Application	0%	100%
		E77/1249	Application	0%	100%
		E38/1606	Granted	0%	100%
		E39/1058	Granted	0%	100%
		E39/1056	Granted	0%	100%

Issued and quoted securities at end of current quarter

		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1	**Preference securities**	N/A			
7.2	Issued during quarter	Nil			
7.3	**Ordinary securities**	55,632,590	55,632,590		
7.4	Issued during quarter	Nil			
7.5	**Convertible debt securities**	N/A			
7.6	Issued during quarter	Nil			
7.7	**Options**			*Exercise price*	*Expiry date*
	Non-employee Options	14,910,858 2,000,000	Quoted Not Quoted	$0.25 $0.335	25.8.2006 27.11.2008
	Employee Options	1,035,000	Not Quoted	$0.25	4.7.2005
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	Nil			
7.11	**Debentures**	N/A			
7.12	**Unsecured notes**	N/A			

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Rudolf Tieleman (Company Secretary)
Date: 29 October 2004