QUARTERLY REPORT

For the Quarter Ended 30 September 2005

HIGHLIGHTS

- Highly encouraging results from Bidaminna in the North Perth Basin where high resolution ground magnetic surveys have outlined at least 16km of potentially high grade heavy mineral strandlines.

- Narrow massive nickel sulphides intersected in broad step-out drilling at the Gossan Zone at Emu Lake (best intercept 0.1m a 10.9% Ni from 346.6m. The drilling enlarged the strike length of the massive sulphide zone from 200m to 300m with two higher grade zones remaining open down plunge.

- High-grade gold mineralisation identified in RC drilling at Mt Hays (best intercept 2m at 52.1g/t Au from 92m) with this wide-spaced drilling suggesting potential for high-grade shoots.

- Continued aggressive ground acquisition programmes over both geophysical and geochemical targets in the southwest quadrant of the Yilgarn Craton, expanding Image's land holding to in excess of 8,000sq km in this underexplored region.

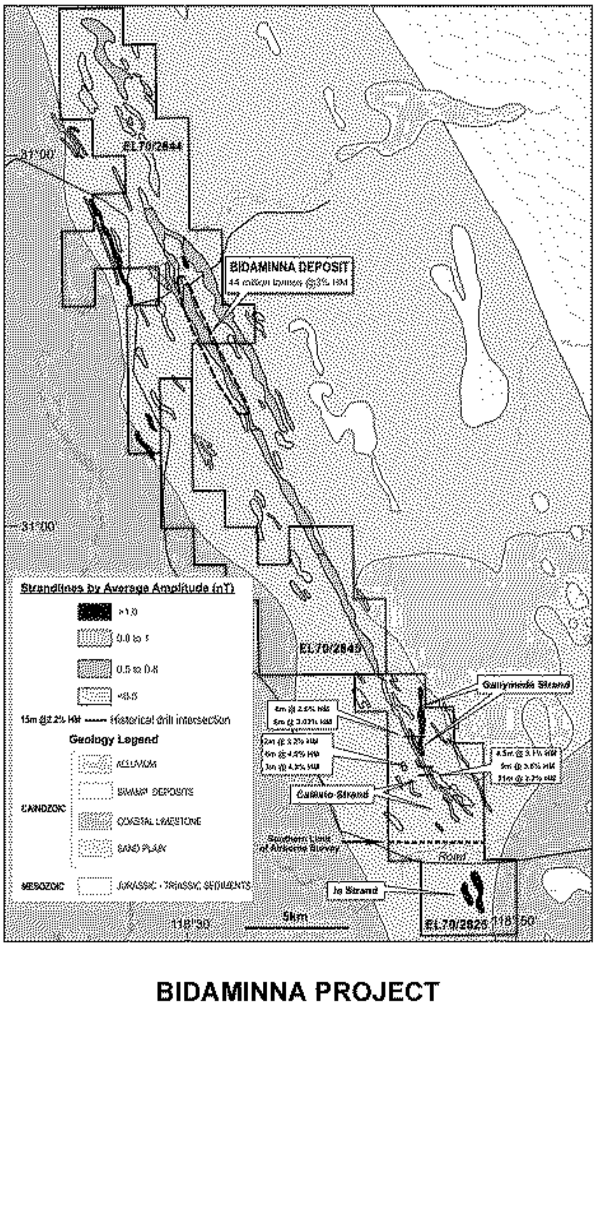
- Two coincident Ni-Cu anomalies identified southeast of the Nepean nickel mine.

- A $1million placement completed to fund Image's accelerated exploration programmes.

BIDAMINNA (Image 100%)

As recently announced (ASX release 27 October 2005) 70 line-km of a detailed 200m-spaced cesium vapour ground magnetic survey has been completed, forming about one third of the 200 line-km survey planned for the southern part of the Bidaminna project near Gingin. Three large heavy mineral (HM) strands totalling some 16km in length have been outlined based on results of the ground magnetic surveys. The length and average magnetic amplitude of the interpreted strands (Ganymede, Callisto and Io) indicate potential for sizeable deposits of high grade minerals sands when compared to the nearby Bidaminna deposit (44Mt at 3% HM) which is 6km in length and significantly lower in magnetic amplitude – see map below. Aeromagnetic data indicates a potential for further extensions to these mineral strands.

In previous announcements Image has indicated that there is a strong relationship between the average percentage of HM and ground magnetic anomaly amplitude of mineral strands in the North Perth Basin. Previous scout drilling, with recorded intersections of 12m @ 3.3% HM, 21m @ 3.2% HM and 4m @ 4.5% HM, is considered to be too wide-spaced to effectively test the potential of the strands, particularly as the higher amplitude Ganymede strands have not been drilled. High resolution ground magnetic surveying has the ability to identify the high grade parts of mineral strands, which will be the targets of Image's drilling.



BIDAMINNA PROJECT

Image has recently increased its land holding at Bidaminna from 73sqkm (E70/2825) to 204sqkm with new applications E70/2844 and E70/2845 just 65km south of the world-class Cooljooloo mineral sands mine. The North Perth Basin, which also hosts the world-class Eneabba mine, produces 50% of the world's chloride ilmenite and close to 25% of the world's zircon. The zircon content of the strands, particularly those defined by the ground magnetic surveys, will be investigated as zircon prices are close to a record high of US$800/tonne. Image is highly encouraged by these early results and has given a high priority to completing the ground magnetic surveys and to commencing follow-up drilling.

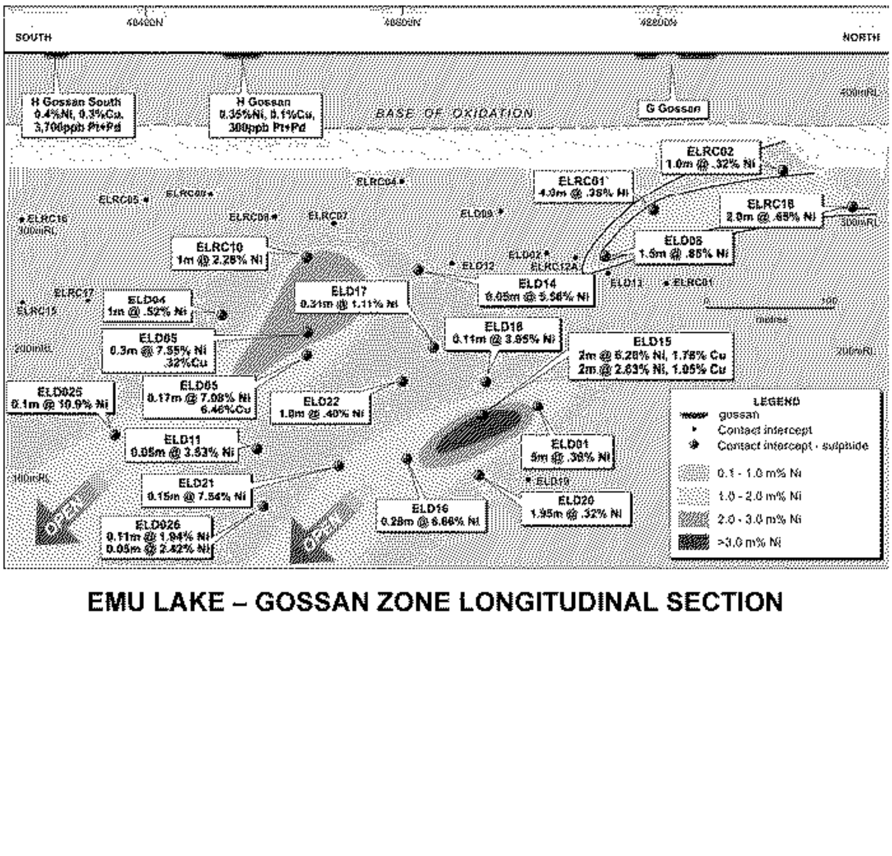
EMU LAKE (Image 30%, Jubilee 60% and Skryne 10%)

Jubilee Mines has commenced drilling at the Emu Lake nickel project situated 70km northeast of Kalgoorlie. The drilling is targeting the depth extensions of high grade nickel sulphides intersected by previous drilling at the Gossan Zone. The previous high grade intercepts include 2m at 6.20% Ni, 1.78% Cu, 2.17g/t Pt+Pd from 338m and 2m at 2.63% Ni, 1.05% Cu, 4.19g/t Pt+Pd from 345.5m in drill hole ELD15 and 0.28m at 6.66% Ni, 0.24% Cu, 0.65g/t Pt+Pd from 337m in drill hole ELD16.

Two wide-spaced step-out diamond drill holes have been completed, both intersecting narrow intervals of massive nickel sulphides as summarised below.

Hole No	Collar Coordinates		From m	To m	Interval	Ni %	Cu ppm	Pt+Pd g/t
ELD 025	48316	9658	346.60	346.70	0.10	10.9	757	4.17
ELD 026	48446	9655	414.10	414.21	0.11	1.94	830	0.20
			414.53	414.58	0.05	2.42	668	0.52

These results are considered to be encouraging as they occur on the main mineralised contact and significantly expand the area of massive sulphide mineralisation. Grade thickness contours indicate the presence of two south-plunging shoots within a broad sulphide-bearing contact zone some 300m in strike length as shown in the longitudinal section below. The two interpreted higher grade zones remain open down plunge.



EMU LAKE – GOSSAN ZONE LONGITUDINAL SECTION

Down-hole EM surveys continued to indicate continuity of mineralisation between the existing sulphide intersections. In addition, geochemical surveys have identified three coincident Ni-Cu targets, two of which warrant high priority follow-up.

SOUTH YILGARN (Image 100%)

As previously reported (Image has continued to aggressively follow up new releases of aeromagnetics and geochemical data in the southwest quadrant of the Yilgarn Craton, particularly in the Coolgardie-Merredin-Ravensthorpe region. New applications, including rationalisation of some existing tenements, bring Image's landholdings in this region to in excess of 8,000sq km making it one of the largest players in this underexplored nickel and gold-prospective area.

Following the recent release of multi-element data from previous regional geochemical surveys, Image identified three large geochemically anomalous areas in the wheatbelt near Merredin. The first area comprises three exploration licences centred about 25km east-southeast of Bruce Rock (some 45km south of Merredin) covering a group of elevated gold values over a 15km distance and situated about 25km north of the Tampia Hill gold prospect held by other parties near Narembeen where an inferred resource of 3.5Mt at 2.1g/t gold (230,000oz) has been reported. The anomalous gold values occur close to a number of north-striking shear zones interpreted from the recently released government aeromagnetic data and appear to be along strike from Tampia Hill. The other two areas are situated 30km north of Merredin and 35km northwest of Merredin covering groups of coincident copper and zinc-anomalous samples each extending over a 10km strike length. Both of these anomalous trends are situated on major north-northeast trending lineaments evident on the recently released aeromagnetic data.

The recently released geochemical data is derived from the analysis of surface material taken at wide-spaced intervals (1 to 3km) over many thousands of square kilometres in the central Yilgarn region. Similar geochemical surveys have proved most effective in identifying large base metal deposits such as Golden Grove and large gold deposits such as Boddington. Image plans to carry out infill sampling to confirm the extent of the anomalous zones once landowner agreements have been negotiated. Image is also planning extensive geochemical reconnaissance programmes over the numerous aeromagnetic targets recently acquired using the new aeromagnetic data.

NEPEAN EAST

Reconnaissance soil sampling has identified anomalous nickel and copper values associated with an interpreted ultramafic unit about 10km east-southeast of the Nepean nickel mine (42,000t of contained nickel) near Coolgardie, WA (ASX release 6 September 2005). The target areas were selected as part of Image's initiative mentioned in the section above and are interpreted to be possible extensions of the prospective Nepean ultramafic unit around a domal structure some 10km in length southeast of the Nepean mine.

Two areas of coincident anomalous Ni and Cu values were identified on the northern limb (Ni values to 10x background, Cu values up to 5x background) over a cumulative strike length of 3.5km. Coincident elevated Au values up to 6x background occur in one of the anomalous Ni-Cu areas. These early anomalous results are considered to be most encouraging and further sampling around the domal structure is in progress.

MT HAYS (Image 100%)

A 6-hole, 684m RC drilling programme was carried out over a 500m strike length of quartz veining and stockworks previously discovered by Image at this project situated 60km east of Nullagine in the Pilbara region. The drilling returned a best intersection of 2m at 52.1g/t Au from 92m, including 1m at 102.6g/t Au (3.3oz/t) – (ASX release 5 August 2005). This drill hole tested below a previous RAB intercept of 2m at 4.0g/t Au from 33m in drill hole MHDRB-6A and confirmed the down-dip extension of the mineralisation. Three of the remaining five holes intersected anomalous gold values as summarised below.

Hole No	Collar Coordinates		Azimuth	From m	To m	Interval m	Gold Grade g/t Au
	N	E					
MHRC-2	6799	1454	145°	68	72	4*	0.3
MHRC-3	6830	1514	151°	92	94	2	52.1
Including				92	93	1	102.6
MHRC-4	6859	1592	170°	117	118	1	0.5
MHRC-6	6879	1867	137°	116	120	4*	0.8 eoh

1m samples, uncut, dip -60°, *4m composite sample, eoh; end of hole. Samples analysed using an aqua regia digestion, solvent extraction and flame atomic absorption spectrometry.

This wide-spaced drilling suggests a potential for high grade shoots within this mineralised shear zone situated about 25km east along strike from Golden Gate where Wedgetail Exploration has recently announced a gold resource as part of its 886,000oz Nullagine Gold Project. Further drilling is being planned to follow up these encouraging results, together with follow up sampling of anomalous gold values obtained about 1.5km to the north of the shear zone.

MT ELSIE (Image 67%)

A 3-hole, 138m RC drilling programme intersected shallow mineralisation over a 50m strike length of the T4 prospect summarised as follows:

Hole No	Collar Coordinates		From m	To m	Interval m	Gold Grade g/t Au
	N	E				
ERC-36	8465	50506	12	18	6	2.5
			36	40	4	1.5
ERC-37	8479	50519	7	8	1	1.1
			19	27	8	1.2
ERC-38	8494	50534	10	14	4	3.2

1m samples, uncut, dip -60°, azimuth 130°. Samples analysed using an aqua regia digestion, solvent extraction and flame atomic absorption spectrometry.

This drilling followed up a previous best intercept at T4 of 17m at 3.7g/t Au from 2m.

TROJAN JV (Image 100%, Troy earning 60%)

Rain-delayed fixed loop ground EM surveys and geochemical sampling of additional aeromagnetic targets at Woongaring (140km northwest of Southern Cross) are scheduled to commence in October.

Previously reported scout RAB drilling at Scorpion Well about 10km southeast of the 2Moz Centenary gold mine did not intersect anomalous gold values, however the drilling confirmed the presence of an unexplored greenstone sequence of up to 1400m wide within an interpreted structural corridor passing through the Darlot and Centenary mines. Further drilling of this prospective greenstone sequence for Centenary-type gold mineralisation is being proposed.

CORPORATE

During the quarter Image reissued $1,010,150 shares via a placement of 3,061,061 shares at $0.33 each. The placement was made pursuant to the provisions of section 708 of the Corporations Act 2001 to institutions and sophisticated investors. The funds will be used to accelerate geochemical and geophysical surveys on Image's expanded tenement holdings in the Forrestania-Ravensthorpe region.

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

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The information in this report that relates to exploration results is based on information compiled by Roger Thomson BSc, ARSM who is a Member of the Australian Institute of Geoscientists. Roger Thomson is an employee of Image Resources NL. Roger Thomson 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 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Roger Thomson consents to the inclusion of this information in the form and context in which it appears in this report.

MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity:

Image Resources NL

ABN:

57 063 977 579

Quarter ended ("current quarter")

30/9/2005

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	33	33
1.2	Payments for:		
	(a) exploration and evaluation	(331)	(331)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(227)	(227)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	31	31
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	(494)	(494)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	(89)	(89)
	(b) equity investments	(12)	(12)
	(c) other fixed assets	-	-
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	(18)	(18)
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(119)	(119)
1.13	Total operating and investing cash flows (carried forward)	(613)	(613)

1.13	Total operating and investing cash flows (brought forward)	(613)	(613)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,056	1,056
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)	(28)	(28)
	Net financing cash flows	1,028	1,028
	Net increase (decrease) in cash held	415	415
1.20	Cash at beginning of quarter/year to date	2,659	2,659
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	3,074	3,074

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	(76)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

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	666	75
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details) – Short Term Deposit	2,408	2,584
	Total: cash at end of quarter (item 1.22)	3,074	2,659

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	E16/320	Application	0%	100%
		E28/1569	Application	0%	100%
		E30/310	Application	0%	100%
		E46/674	Application	0%	100%
		E63/992	Application	0%	100%
		E63/993	Application	0%	100%
		E70/2825	Application	0%	100%
		E70/2827	Application	0%	100%
		E70/2828	Application	0%	100%
		E70/2829	Application	0%	100%
		E70/2844	Application	0%	100%
		E70/2845	Application	0%	100%
		E70/2847	Application	0%	100%
		E74/358	Application	0%	100%
		E74/359	Application	0%	100%
		E74/360	Application	0%	100%
		E74/361	Application	0%	100%
		E74/362	Application	0%	100%
		E77/1291	Application	0%	100%
		E77/1292	Application	0%	100%
		E70/2825	Granted	100%	100%
		E28/1328	Granted	100%	100%
		E70/2620	Granted	100%	100%
		E31/680	Granted	100%	100%
		E37/787	Granted	100%	100%
		E30/287	Granted	100%	100%
		E70/2791	Granted	100%	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**	59,751,620	59,751,620		
7.4	Issued during quarter	3,058,030 200,000		$0.33 $0.25	$0.33 $0.25
7.5	**Convertible debt securities**	N/A			
7.6	Issued during quarter	Nil			
7.7	**Options**			*Exercise price*	*Expiry date*
	Non-employee Options	14,199,858 1,850,000 2,000,000	Quoted Not Quoted Not Quoted	$0.25 $0.335 $0.39	25.8.2006 27.11.2008 26.11.2009
	Employee Options	1,035,000	Not Quoted	$0.25	4.7.2005
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	200,000	Quoted	$0.25	25.8.2006
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: 31 October 2005