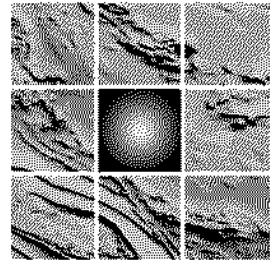

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NEW HM CHANNEL AND COAL INTERSECTIONS AT COOLJARLOO

Cooljarloo

Mineral Sands

Phase 1 reconnaissance drilling has been completed at Cooljarloo (135 holes for 3,917m) and Bidaminna South (58 holes for 3,048m). The Cooljarloo drilling was carried out over two lines 2.5km apart and demonstrated a new style of mineralisation in this area which is believed to be related to channels developed below the strand line mineralisation. At least two channels have been intersected which are steep sided, at least 200m in apparent width and discordant to the flat lying mineralised strandlines that occur above them. A further five channels have been identified on the southeastern part of the tenement some of which straddle the tenement boundary (see figure)

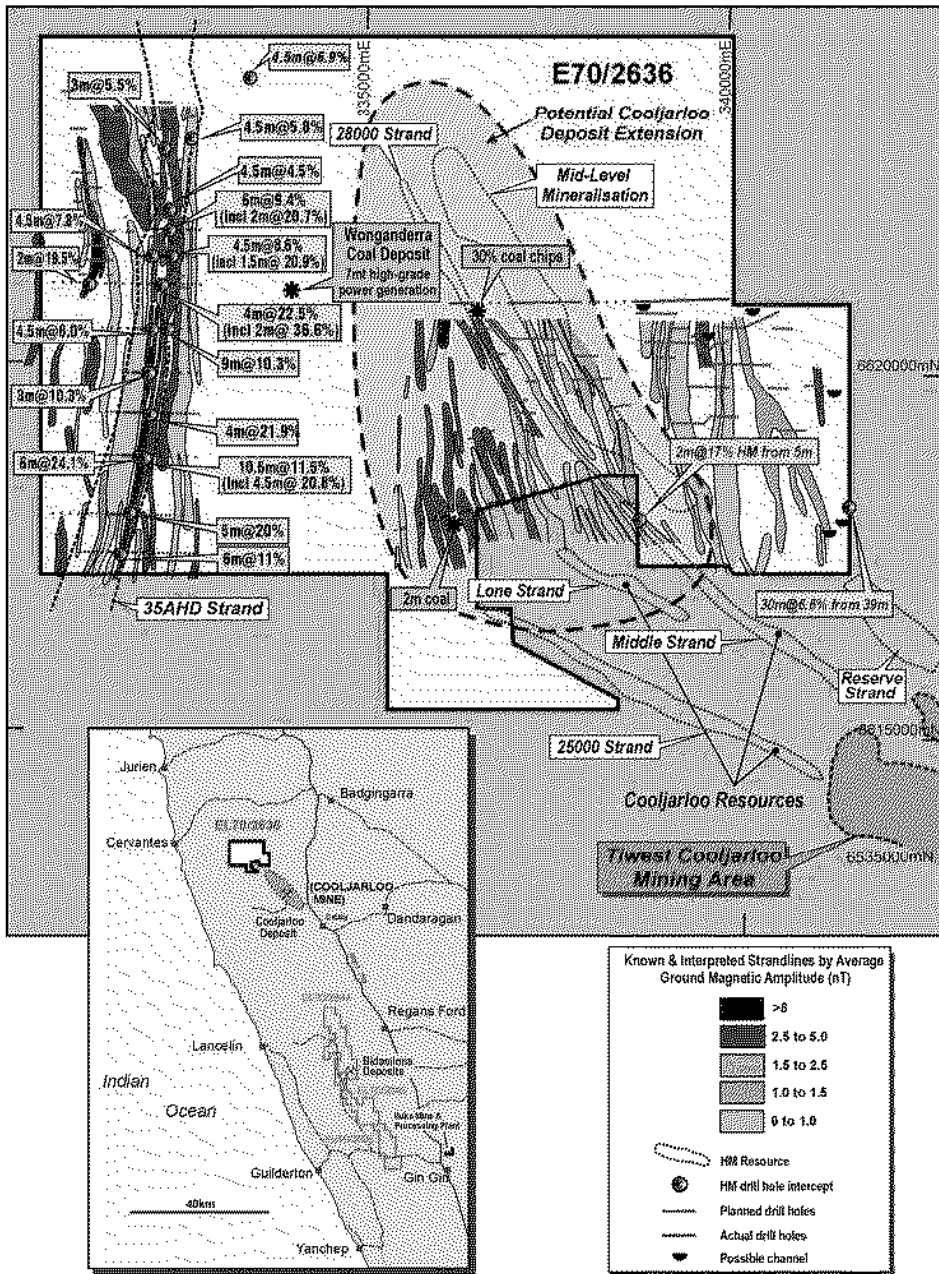
The scout drilling identified a 200m-wide mineralised zone including intersections of **12m @ 2.7% HM from 28m** in hole 229 and **2m @ 9.2% HM from 16m** in hole 229. These channels are of particular interest because of the potentially large volume of the material contained and the presence of at least 10km of wide ground magnetic target zones which occur in the vicinity of these channels (see figure).

It is thought that similar channels have been intersected by previous drilling on the eastern margin of the tenement where Geopeko intersected **30m at 6.6% HM from 39m** and also within the Reserve Strand just outside the southeastern boundary of the tenement. Drilling of the channels and magnetic target extensions are currently being carried out as part of a 10,000m programme some of which is subject to finalisation of routine Mines Department ground disturbance approval.

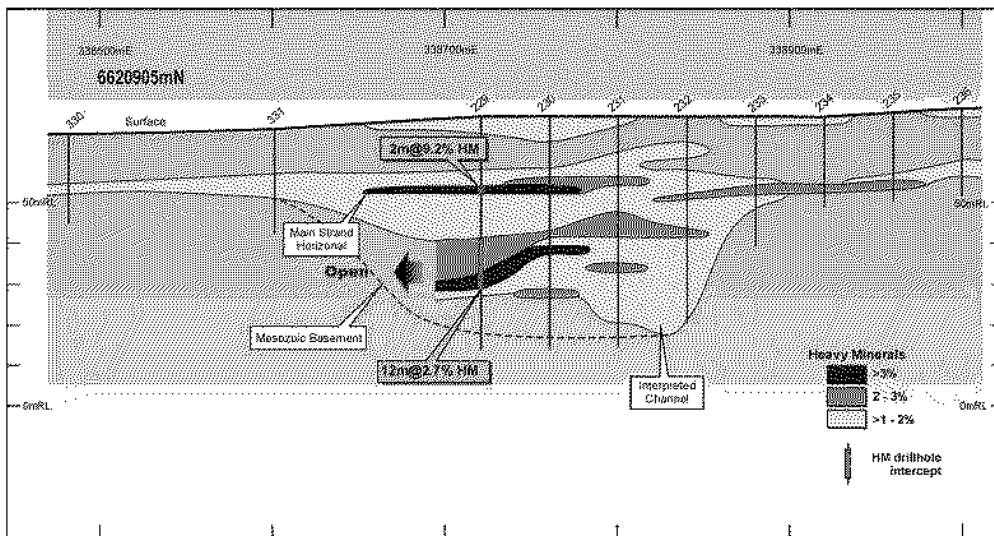
A 140 line km ground magnetic survey has been completed to the northwest of the channel intersection and an interpretation of this data is being carried out to identify the possible extent of these channels to the northwest and test for new high grade strands in the vicinity of the 28,000 and Mid Level resource strands.

Coal

Reconnaissance drilling for mineral sands intersected a **2m-thick coal seam** in hole 210 **from a shallow 18m depth**. Further drilling is planned in the vicinity to define the dip and strike of the seam. This intersection is 3.7km southeast of the **Wonganderrah coal resource** situated in the centre of Image's joint venture tenement where CRA previously reported **7M tonnes** of high grade power generation coal in 9 seams with a combined thickness of 5m. Closed file reports are currently being released to the company and a review of the coal resource and all previous drilling is being carried out to assess the significance of the new coal intersection.



Cooljarloo Project - Ground Magnetic Interpreted Strandlines with HM Resources

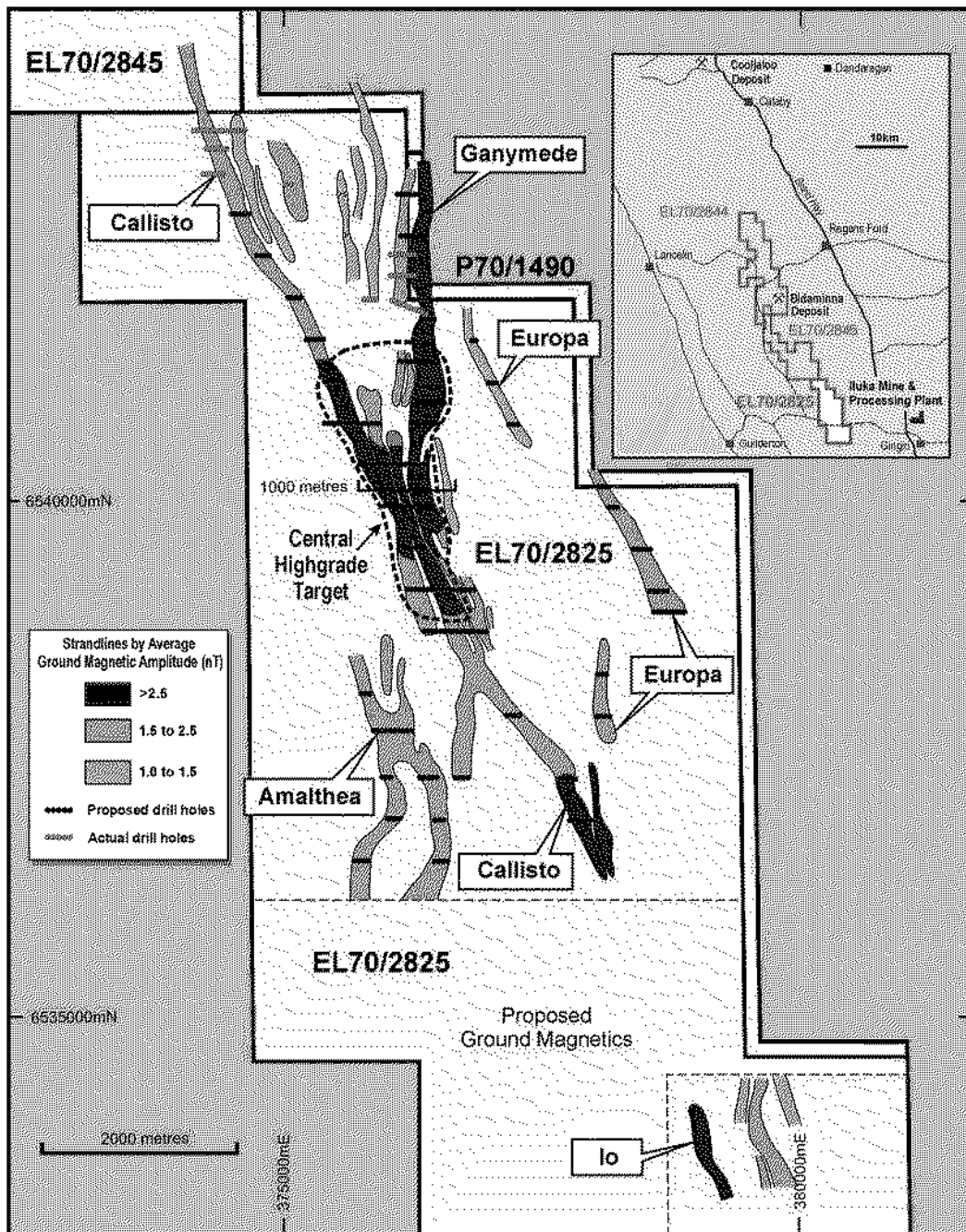


Cooljarloo Project - Cross-Section 6620905mN

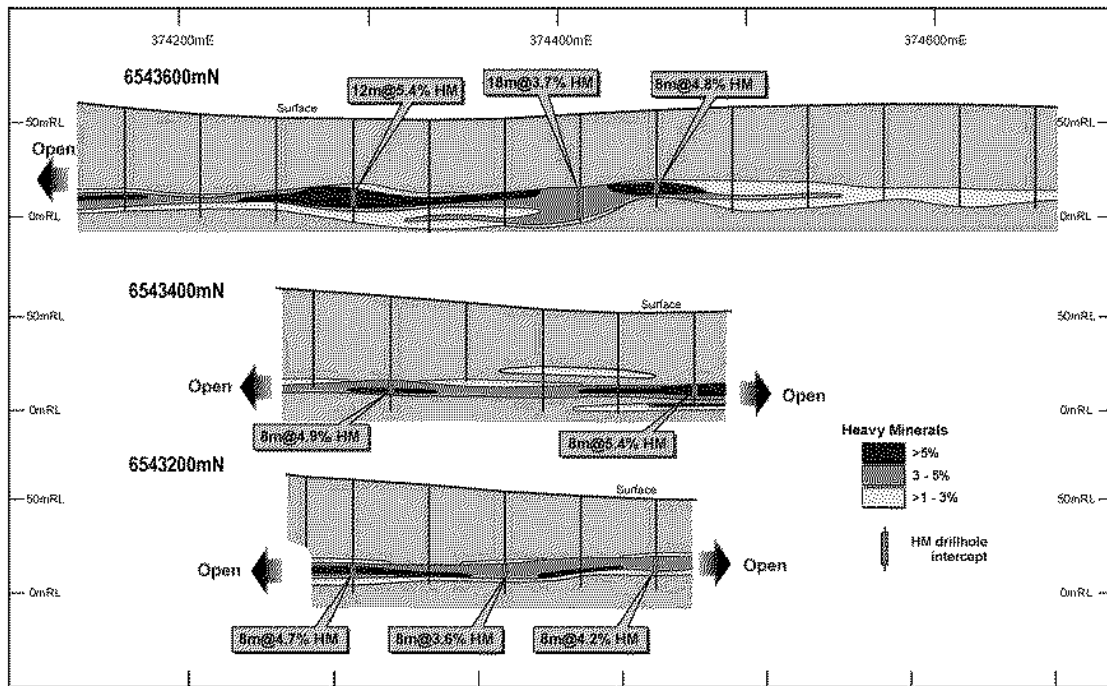
Bidaminna

Stage 1 drilling at the north end of Bidaminna South has also been completed and has outlined a **broad zone of mineralisation more than 500m-wide** with a best intersection of **12m @ 5.4% HM from 34m** in hole BS-134. This zone has been intersected on a further two lines of drilling (200m separations) and confirms that the ground magnetics over the Callisto Strands are related to potentially economic heavy minerals. The drilling also shows that the previous interpretation of the ground magnetics as being made up of several linear strands is in fact one wide strand. Further south the Callisto strand is shown by the ground magnetics to be at least 7km long and up to 800m wide in its widest sections.

Further drilling is contemplated when landowner access and environmental approvals are forthcoming.



Bidaminna Prospect - Ground Magnetic Interpreted Strandlines with Actual and Proposed Drilling



Bidaminna South Project - Callisto Strand Stacked Sections

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

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The information in this report is based on information compiled by George Sakalidis BSc (Hons), who is a member of the Australasian Institute of Mining and Metallurgy. George Sakalidis is an employee of Image Resources NL. George Sakalidis 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'. George Sakalidis consents to the inclusion of this information in the form and context in which it appears in this report.