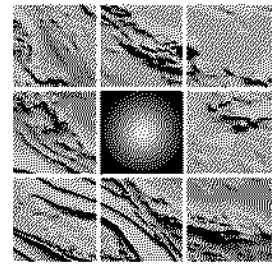


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SPECTACULAR 40m CHANNEL INTERSECTIONS AT COOLJARLOO

Spectacular thicknesses of heavy minerals (HM) have been intersected in a number of holes in Image's recent drilling at Cooljarloo in the North Perth Basin. These thick intersections are interpreted to occur in channels as described in Image's ASX release of 3 July 2006 where a large intersection of 30m @ 6.6% HM from 39m was reported on the eastern margin of the project. The recent drilling has been completed 2.5km to the NW of this intersection on four separate lines over a strike length of 850m (refer to attached map and sections) where some shallower, consistent, thick, spectacular intersections of similar channels have been made including:

Hole 268	22m @ 6.1% HM from 18m
Hole 269	14m @ 5.3% HM from 18m
Hole 270	30m @ 4.6% HM from 18m
Hole 271	40m @ 4.4% HM from 18m
Hole 524	16m @ 4.0% HM from 16m
Hole 528	8m @ 4.6% HM from 16m
Hole 713	12m @ 3.8% HM from 18m
Hole 277	42m @ 2.8% HM from 16m
Hole 533	20m @ 3.9% HM from 16m

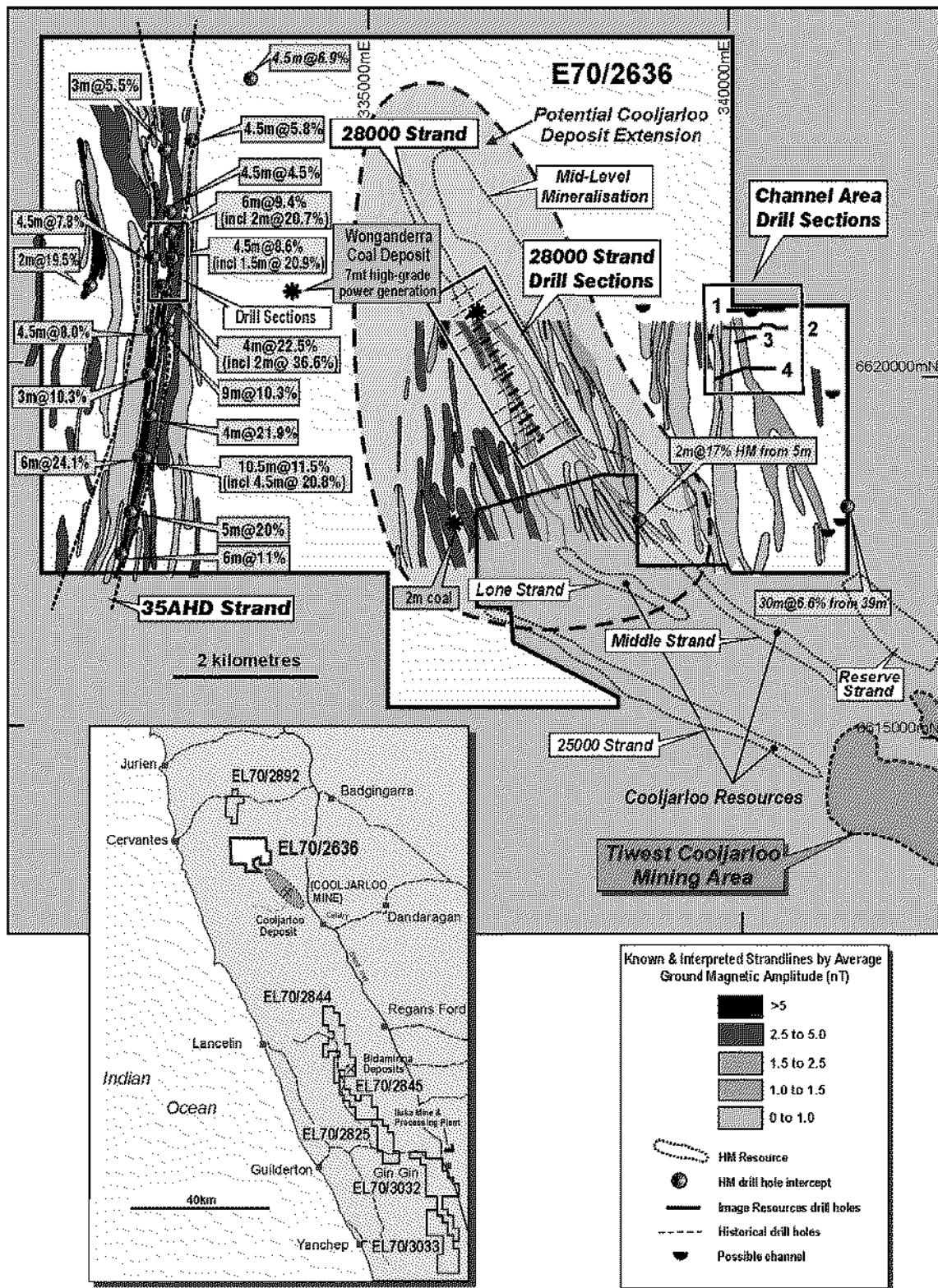
Modal analysis of a composite sample from the northernmost section, near the boundary of the tenement, which includes an intercept of 40m @ 4.4% HM, indicates the valuable heavy mineral content of the HM to be a remarkable 85%, comprised of 68% ilmenite, 11% zircon, 3.3% rutile and 2.6% leucoxene. These channel sediments are unusual features and occur down to 40m below the base of the main strandlines. Thicknesses of up to 42m are two to three times greater than the thickness of the resource strands discovered by previous Image subsidiary Magnetic Minerals at Dongara, which are scheduled for mining in 2008. The Cooljarloo channels appear to have excellent physical dredging characteristics with a high proportion of free running sand, low slimes/clay content and little induration.

The channels exhibit a broad ground magnetic signature which is interpreted to extend some 10km in length and up to 400m in width. The southeastern part of the Cooljarloo tenement shows strong correlation between the magnetics and previously drilled mineralised channels and augers well for the current drilling campaign where 70 holes (3,500m) are being directed to drill test the magnetic trends associated with the recently identified channels.

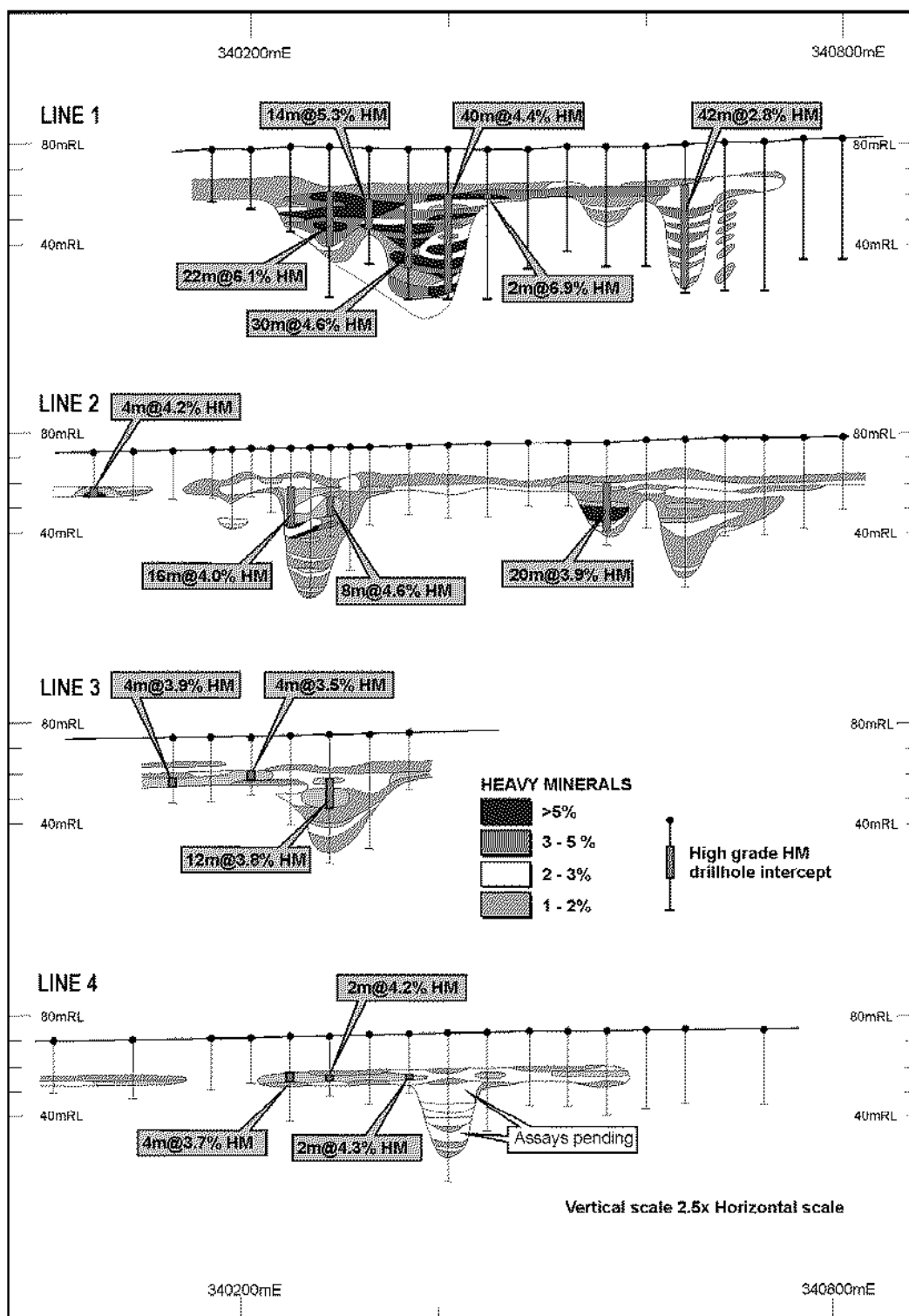
The south-eastern part of the tenement is only 3km north of the world class Tiwest Cooljarloo Mine which contains a dredge and dry mining operation which is mining material around the 3% HM. This augers well for the economic resource potential of the unusually thick intersections released today and for the current drilling programme.

COOLJARLOO DRILLING RESULTS

Hole No	Collar Coordinates		From m	To m	Interval m	HM Grade %
	E	N				
267	30240	20945	20	34	14	3.2
268	30280	20945	18	40	22	6.1
269	30320	20945	18	32	14	5.3
270	30360	20945	18	48	30	4.6
271	40400	20945	18	58	40	4.4
272	40440	20945	16	20	4	5.1
273	40480	20945	16	20	4	4.1
274	40520	20845	16	20	4	3.9
275	40560	20945	16	20	4	3.1
276	40600	20945	16	20	4	3.6
277	40640	20945	16	58	42	2.8
517	39960	20620	14	18	4	3.7
519	40040	20620	14	18	4	4.2
708	40220	20620	12	14	2	3.5
524	40240	20620	12	28	16	4.0
709	40260	20620	16	34	18	3.4
527	40280	20650	20	28	8	4.6
526	40320	20620	16	18	2	3.1
532	40520	20660	16	20	4	3.5
533	40560	20660	24	34	10	5.5
535	40640	20645	32	36	2	3.3
717	40120	20449	16	20	4	3.8
716	40160	20461	16	20	4	4.0
715	40200	20472	14	18	4	3.5
713	40280	20490	18	30	12	3.8
712	40360	20512	16	18	2	3.6
554	40080	20076	16	18	2	3.7
556	40240	20121	16	20	4	3.8
540	40280	20120	16	18	2	3.5
541	40320	20119	16	18	2	4.2
542	40360	20118	16	18	2	4.3
548	40440	20116	16	18	2	3.2
546	40520	20114	16	18	2	3.3
547	40560	20113	16	18	2	3.4



Cooljarloo Project - Ground Magnetic Interpreted Strandlines showing Strand 28000 Drill Lines and Channel Area Drill Lines



Coolijarloo Project - Channel Area - 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.