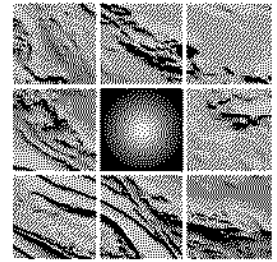

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SPECTACULAR 70M THICK INTERSECTIONS MINERALISED TO END OF HOLE

Spectacularly thick channels have been delineated thus dramatically increasing the length of channels outlined by drilling to 7km in length (up from the 850m reported on 28 Sept. 2006).

The current drilling programme, which is finishing at the end of the month, has had 186 holes and 6473 metres completed (of a proposed 10,000m programme) in the south eastern part of the Cooljarloo tenement.

To date six separate channels have been outlined exceeding 7km in aggregate in length (refer to attached map).

A number of wide sheet like style mineralised occurrences (up to 500m in width) have also been encountered. These are similar to the mineralisation being mined at the World class Cooljarloo Mine only 3km to the south. These wide sheet like style mineralised occurrences are generally grading between 3 and 6% (with highs of up to 15%) and commonly sit above 18 metres depth. The channel style mineralisation, which is unusual and previously unrecognized, commonly underlays and/or is adjacent to the sheet like mineralisation.

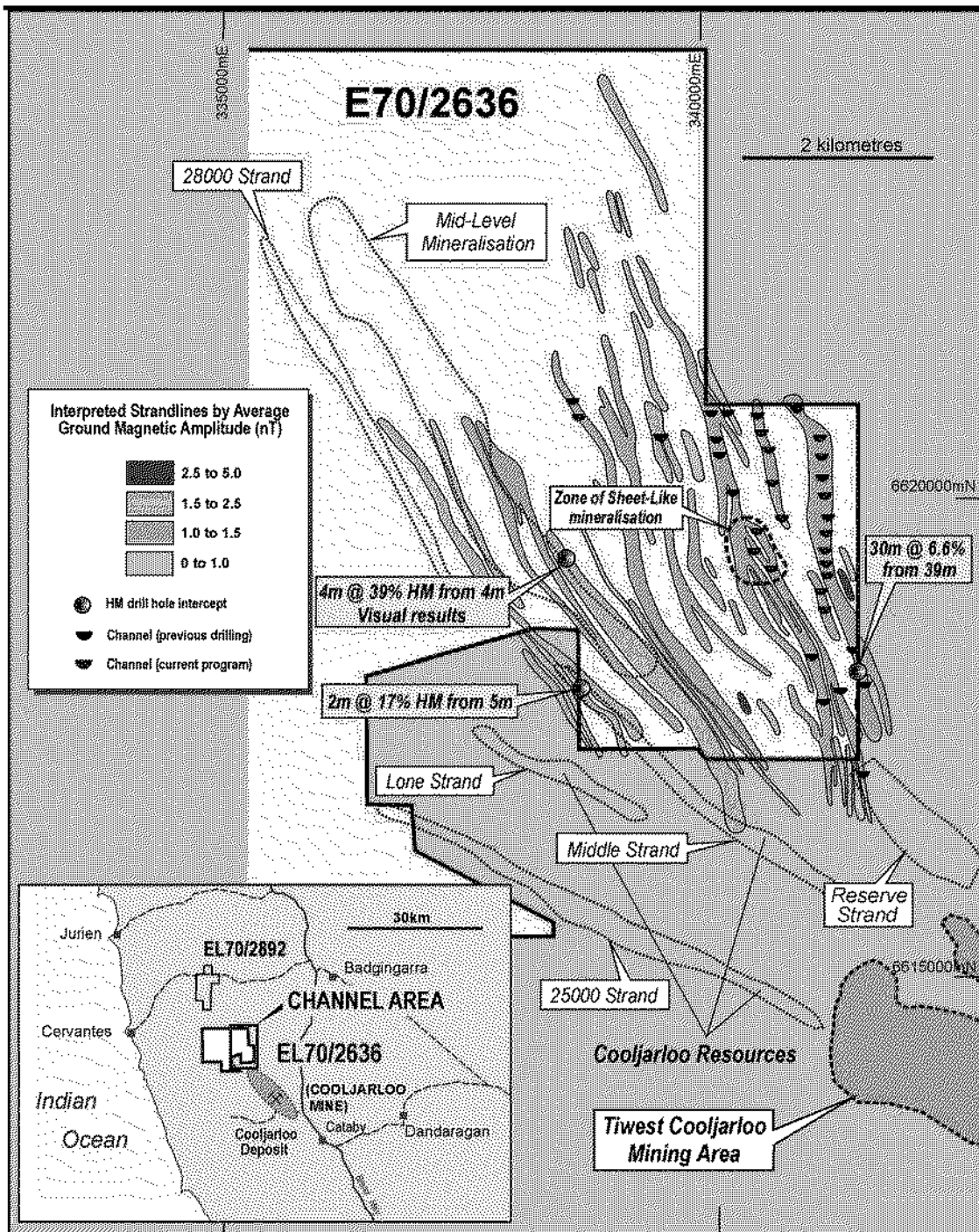
The combination of both styles intersected in the current campaign have **some spectacular thicknesses** with holes 718, 719, 748, 755, 896, and 897 standing out with **thicknesses varying between 24 and 70m** with holes 747, 748, and 755 still being mineralised at end of hole:

Hole 718	20415N	41348E	24m from 24m	with grade 1.5-4.0%	with highs of 10%	HM
Hole 719	20600N	41387E	56m from 10m	with grade 1.0-2.5%	with highs of 4%	HM
Hole 747	20100N	40830E	70m from 10m	with grade 1.0-2.0%	with highs of 5%	HM
Hole 748	20100N	40830E	70m from 10m	with grade 1.0-2.0%	with highs of 7%	HM
Hole 755	20500N	40760E	66m from 14m	with grade 1.0-2.0%	with highs of 3.5%	HM
Hole 896	19816N	40950E	42m from 16m	with grade 1.0-2.0%	with highs of 8%	HM
Hole 897	19812N	40990E	42m from 16m	with grade 1.5-2.0%	with highs of 4%	HM

In addition, a new high grade strand has been located displaying similarities with the shallow high grade 35AHD and 28000 strands announced on 8 August and 26 September. Hole 799 19400N 38595E has intersected **4m @39% from 2m depth** and the adjacent Hole 800 19400 33565E has intersected **2m @15% HM from 4m**.

Further, and ongoing, ground magnetic interpretation has highlighted excellent potential for a further 20km of strands in the eastern portion alone (see attached map) which have not been properly drill investigated. The magnetic signatures of these interpreted strands exhibit channel and sheet like features like those drilled in the eastern parts of the Cooljarloo project (refer to attached map) and augers well for the future economic potential of the Cooljarloo project. The remainder of the tenement is being reinterpreted in light of the recent data and will be released as soon as possible.

All the grades announced in this ASX release reflect visual estimates from panning in the field which gives the company a guide to the grade prior to receiving assay results from the laboratory. In the past, in the channel area in the south eastern part of Cooljarloo, visual panning has under-estimated the laboratory results by an average of about 50%. These visual results are thought to be of such significance (because the company's experience strongly suggests that there will be a significant uplift in the assayed values when returned) that the company believes is compelled, by force of the statutory continuous disclosure regime, to release them without waiting (as might be expected to be normal) for assay results.



Cooljarloo Project - Channel Area with updated Ground Magnetic Interpreted Strandlines

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

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The information in this report that relates to geophysics 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 mineralization 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.