# MINING EXPLORATION ENTITY QUARTERLY REPORT

## APPENDIX 5B

*Name of entity:*

**IMAGE RESOURCES NL**

| *ABN:* | *Quarter ended ("current quarter")* |
|---|---|
| **57 063 977 579** | **31/12/2010** |

## Consolidated statement of cash flows

| | | Current quarter<br><br>$AUD'000 | Year to date<br>(6 months)<br>$AUD'000 |
|---|---|---|---|
| **Cash flows related to operating activities** | | | |
| 1.1 | Receipts from product sales, related debtors, GST Credits | 38 | 143 |
| 1.2 | Payments for: | | |
| | (a) exploration and evaluation | (284) | (774) |
| | (b) development | | |
| | (c) production | | |
| | (d) administration | (220) | (572) |
| 1.3 | Dividends received | | |
| 1.4 | Interest and other items of a similar nature received | 86 | 108 |
| 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** | (380) | (1,095) |
| **Cash flows related to investing activities** | | | |
| 1.8 | Payment for purchases of: | | |
| | (a) prospects | (32) | (74) |
| | (b) equity investments | (98) | (310) |
| | (c) other fixed assets | (3) | (7) |
| 1.9 | Proceeds from sale of: | | |
| | (a) prospects | | |
| | (b) equity investments | | 466 |
| | (c) other fixed assets | 1 | 1 |
| 1.10 | Loans to other entities | | |
| 1.11 | Loans advanced by/repaid to other entities | | |
| 1.12 | Other (Loan repayments to associated company) | | |
| | **Net investing cash flows** | (132) | 76 |
| 1.13 | Total operating and investing cash flows (carried forward) | (512) | (1,019) |

| | | | |
|---|---|---|---|
| 1.13 | Total operating and investing cash flows (brought forward) | (512) | (1,019) |
| | **Cash flows related to financing activities** | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 1,306 | 1,306 |
| 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 | (68) | (68) |
| | **Net financing cash flows** | 1,238 | 1,238 |
| | **Net increase (decrease) in cash held** | 726 | 219 |
| 1.20 | Cash at beginning of quarter/year to date | 3,542 | 4,049 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | **Cash at end of quarter** | 4,268 | 4,268 |

**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 | 88 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | |

1.25 Explanation necessary for an understanding of the transactions

## 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 | 400 |
| 4.2 | Development | |
| 4.3 | Administration | 180 |
| | **Total** | **580** |

## 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 | 73 | 93 |
| 5.2 | Deposits at call | | |
| 5.3 | Bank overdraft | | |
| 5.4 | Other (provide details) – Short Term Deposits | 4,195 | 3,449 |
| | **Total: cash at end of quarter** (item 1.22) | 4,268 | 3,542 |

## 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 | E70/3417 | Relinquished | 100% | 0% |
| 6.2 | Interests in mining tenements acquired or increased | E70/3997 | Application | 0% | 100% |
| | | E70/3999 | Application | 0% | 100% |
| | | E70/4000 | Application | 0% | 100% |
| | | E70/4001 | Application | 0% | 100% |
| | | E70/4002 | Application | 0% | 100% |
| | | E69/2434 | Granted | 100% | 100% |
| | | E70/3720 | Granted | 100% | 100% |
| | | E70/3893 | Granted | 100% | 100% |
| | | E70/3966 | Granted | 100% | 100% |
| | | P70/1595 | 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 | | | | |
| 7.3 | **Ordinary securities** | | | | |
| | Fully paid | 89,588,959 | 89,588,959 | | |
| 7.4 | Issued during quarter | 3,125,000<br>150,000 | 3,125,000<br>150,000 | $0.40<br>$0.37 | $0.40<br>$0.37 |
| 7.5 | **Convertible debt securities** | N/A | | | |
| 7.6 | Issued during quarter | | | | |
| 7.7 | **Options** | | | *Exercise price* | *Expiry date* |
| | | 2,500,000 | Not Quoted | $1.80 | 16.11.2011 |
| | | 2,500,000 | Not Quoted | $1.50 | 19.11.2011 |
| | | 2,200,000 | Not Quoted | $2.12 | 20.11.2012 |
| | | 2,345,000 | Not Quoted | $1.12 | 18.12.2014 |
| 7.8 | Issued during quarter | Nil | | | |
| 7.9 | Exercised during quarter | 150,000 | Not Quoted | $0.37 | 21.11.2010 |
| 7.10 | Expired during quarter<br>Director Options<br>Employee Options | <br>1,850,000<br>1,000,000 | <br>Not Quoted<br>Not Quoted | <br>$0.37<br>$2.38 | <br>21.11.2010<br>26.3.2012 |
| 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 January 2011