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Atlas Mining Lease Application

Image Resources has applied for a mining lease over the Atlas Measured and Indicated Resource at its 100%-owned Cooljarloo project in the North Perth Basin, as shown in Figure 1. **The application for a mining lease over this resource is a significant milestone in the development of Image's North Perth Basin assets currently in feasibility study.** Other resources in the North Perth Basin project are already held under granted mining leases.

Atlas is planned to be the first resource to be developed, with mining anticipated to commence in 2014 subject to the outcome of the feasibility study and environmental permitting process. Following completion of fauna and flora surveys at Atlas, Image is commissioning consultants to compile the necessary information to complete and submit the environmental impact assessment documentation for the proposed mine site. In addition, appointment of consultants to review the hydrogeology of the Atlas area is in progress.

Image's scoping study results show Atlas to be the highest value resource within the North Perth Basin project with a projected payback of project capital within 13 to 16 months from the start of operations (Image ASX Release 19 December 2011). At the production rates used in the scoping study, mining at Atlas will operate for the first 3.5 years of the estimated 12 year project mine life. Recently commenced drilling of the southern extension to Atlas (ASX release 11 January 2012) may significantly extend the Atlas mine life.

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

Please direct enquiries to:
George Sakalidis
Managing Director
Phone (08) 9485 2410
Mob 0411 640 337

Roger Thomson
Executive Director
Phone (08) 9485 2410
Mob 0419 969 183

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 a Director 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.

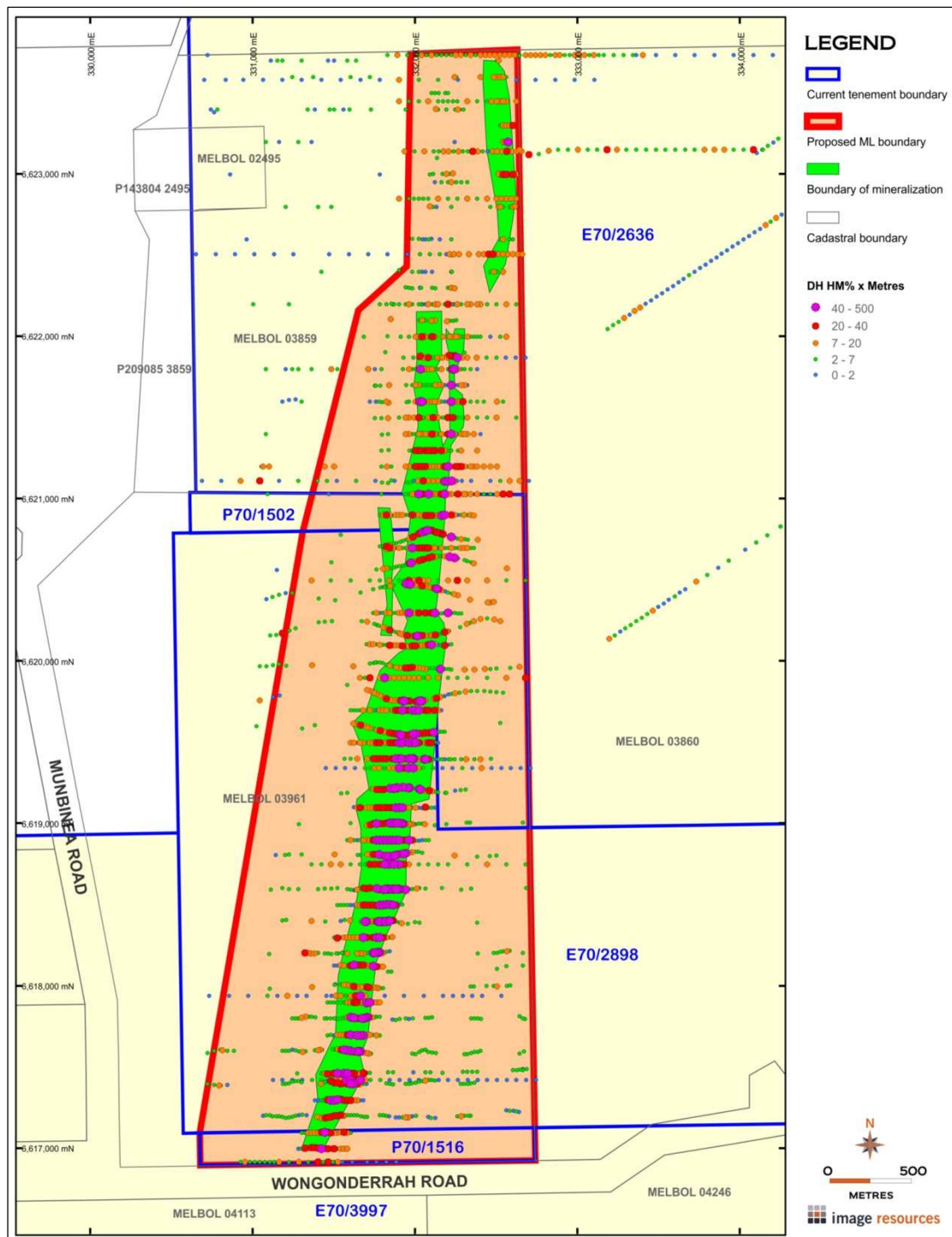


Figure 1
Atlas Mining Lease Application and 2.5 %HM Resource Outline.