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## **IMAGE'S BOONANARRING DEVELOPMENT PLANS BOOSTED BY NEW HIGH GRADE RESULTS**

### **MAIDEN JORC INDICATED RESOURCE ON THE NORTHERN EXTENSION CONFIRMS CONTINUITY OF HIGH GRADE HM STRANDS AND VERY HIGH ZIRCON GRADES**

#### **HIGHLIGHTS**

- Results support Image's strategy of bringing Boonanarring into production early to take advantage of high grades and excellent local infrastructure.
- New drilling confirms major northern extension to the Boonanarring heavy mineral (HM) deposit resulting in an additional JORC Indicated Resource of 7.4Mt @ 7% HM, containing 530kt of HM at a 2.5% HM cut-off.
- The average Zircon content of this new JORC Indicated Resource has increased from the conservative estimate of 11% of HM, which was used in the analysis work carried out in May and June this year, to 17.4% of HM.
- Geological analysis shows two strandlines (see Figures 5a and 5b). The eastern strandline contains continuous zones of high Zircon grades. At a cut-off grade of 2.5%HM, the eastern strandline contains an Indicated Resource of 3.8Mt @ 9.5% HM with 21.1% of the HM being Zircon. This eastern strandline represents a very attractive initial mining target.
- This discovery brings the currently defined Boonanarring total Resources to 10.5Mt @ 7.0% HM containing 740,000t of HM at a 2.5% HM cut-off (see Table 4 for full details of the combined Measured and Indicated Resources).
- This currently defined Resources extend over a strike length of 4.6km in Blocks B and D. Drilling has recently been completed in the 3.3km strike length of the intervening Block C. While assay results are not yet available, the combination of magnetometer results and visual estimates from the drill samples provides a high degree of confidence that similar grades of mineralisation are continuous through Block C.
- The potential for further extensions to the mineralisation into Blocks A, E and F are to be fully drill tested in the future.

## Block B Resource Estimate

Boonanarring deposit, located 90km north of Perth, forms part of Image's North Perth Basin mineral sands project.

Using its proprietary magnetomer techniques, Image identified the potential for a significant enlargement of the Boonanarring deposit, extending it by over 7.7km north of Mining Lease M70/1194 (acquired from Iluka Resources Limited in March 2011). This extension has now been drill tested over 5.5km. To date all of the assay and mineralogical results have been received for the 2.2km strike length within Block B which is located 3.3km north of the Boonanarring deposit (see Figure 1). Results from Block C are pending.

The results have enabled Image, working with Lynn Widenbar and Associates, to define a maiden JORC Indicated Resource for the Boonanarring Block B totalling 7.4Mt @ 7.0% HM, containing 520kt of HM at a 2.5% HM cut-off. Of particular interest are the extremely high Zircon grades in the eastern strandline (see below). Table 1 summarises the resource estimate and Table 2 shows the corresponding mineral content.

**Table 1**  
**Boonanarring Block B Resource dated 2<sup>nd</sup> October 2012**

| <i>INDICATED<br/>RESOURCES</i> | <i>Volume<br/>(million<br/>cubic metre)</i> | <i>Tonnage<br/>(Mt)</i> | <i>HM<br/>(%)</i> | <i>HM<br/>Contained<br/>(kt)</i> | <i>Slimes<br/>(%)</i> | <i>OS<br/>(%)</i> |
|--------------------------------|---------------------------------------------|-------------------------|-------------------|----------------------------------|-----------------------|-------------------|
| West Strand                    | 1.8                                         | 3.6                     | 4.3               | 160                              | 13.7                  | 4.3               |
| East Strand                    | 1.9                                         | 3.8                     | 9.5               | 370                              | 16.0                  | 8.0               |
| TOTAL                          | 3.7                                         | 7.4                     | 7.0               | 530                              | 14.9                  | 6.2               |

Notes: 2. 5% HM cut-off Slimes: minus 63micron fraction OS: oversize, plus 1mm fraction.  
Values rounded to reflect uncertainty of estimates.

**Table 2**  
**Boonanarring Block B Resource, % Mineral Content of HM**

| <i>INDICATED<br/>RESOURCES</i> | <i>HM<br/>Contained<br/>(kt)</i> | <i>ILMENITE<br/>(%)</i> | <i>LEUCOXENE<br/>(%)</i> | <i>RUTILE<br/>(%)</i> | <i>ZIRCON<br/>(%)</i> | <i>VHM Total<br/>(%)</i> |
|--------------------------------|----------------------------------|-------------------------|--------------------------|-----------------------|-----------------------|--------------------------|
| West Strand                    | 160                              | 54.3                    | 13.6                     | 4.3                   | 13.4                  | 85.6                     |
| East Strand                    | 370                              | 42.9                    | 8.0                      | 2.4                   | 21.1                  | 74.4                     |
| TOTAL                          | 530                              | 48.4                    | 10.7                     | 3.3                   | 17.4                  | 79.8                     |

Figure 5(a) shows the variation in HM grades along the strike of the model for both the western and eastern strandlines and Figure 5(b) shows the corresponding variation in Zircon grade as modelled for both strandlines. Appendix 1 tabulates the Block B resource estimate at various cut-off grades. Appendix 2 defines the criteria used to determine the resource status.

## Geology

The Boonanarring deposit and its extensions consist of two strandlines deposited in a historical shoreline environment along the Gingin Scarp, formed during a rise in sea level during the Pleistocene period. The western strandline sits at a base elevation of 65 - 67m AHD. The higher grade eastern strandline is slightly higher, lying between 67m and 69 m AHD. The deposits lie on a base of grey clays, silts and sands interpreted to be Cretaceous Leederville Formation. A younger sequence of sand, clay and Laterite has covered and preserved the strand units.

## Mineralogy

The mineral assemblage of the resource estimate is based upon the analysis of 56 HM composite samples taken from every drill section over the length of the resource area and which were subjected to XRF mineralogical analysis. The composites were designed to reflect the geological interpretation of the strandlines and were created by compositing the concentrate from between 3 and 45 individual metre drill samples (with an average of 11 concentrate samples per composite). Each composite was analysed using single bead XRF and the mineral composition was calculated using a combination of industry standard elemental abundances and elemental compositions derived from testwork. The statistics for the raw data are shown in Table 3.

In addition the mineralogy was assessed qualitatively by a consultant with extensive experience in the mineralogy, processing characteristics and product quality of Western Australian mineral sands deposits. Further work is planned to refine the breakdown between Ilmenite, Leucoxene and Rutile composition of the mineral assemblage. The current split is regarded as being conservative in terms of ore value.

**Table 3**  
**Block B Mineralogy Content Statistical Summary**

| <b>Statistic</b> | <b>Ilmenite</b> | <b>Leucox</b> | <b>Rutile</b> | <b>Zircon</b> | <b>Mon</b> | <b>Staur</b> | <b>Tourm</b> | <b>Kyan</b> | <b>Others</b> |
|------------------|-----------------|---------------|---------------|---------------|------------|--------------|--------------|-------------|---------------|
| Average          | 44.0            | 10.1          | 4.5           | 19.4          | 0.6        | 4.2          | 3.2          | 3.0         | 10.8          |
| Min              | 9.7             | 1.7           | 0.4           | 1.0           | 0.0        | 0.6          | 0.4          | 0.4         | 0.3           |
| Max              | 60.6            | 20.7          | 6.7           | 59.6          | 1.7        | 7.0          | 5.4          | 5.0         | 74.3          |

Notes: "Others" comprise mainly iron oxides and undifferentiated alumino-silicates.

## Overall Boonanarring Resource

Using drilling and mineralogical data supplied by Iluka on mining lease M70/1194, Image previously estimated a total Measured Resource at a 2.5% HM cut-off of 3.1Mt at 7.2% HM, containing 221,000t of HM (refer IMA ASX Release dated 9<sup>th</sup> March 2011). Together with the Block B, the overall Boonanarring Resources have increased to 10.5Mt @ 7.0% HM, segregated into Measured and Indicated categories, as shown in Table 4.

**Table 4**  
**Overall Boonanarring HM Resource dated 2nd October 2012**

| <i>CLASSIFICATION</i> | <i>HM<br/>CUTOFF<br/>(%)</i> | <i>Volume<br/>(million<br/>cubic<br/>metre)</i> | <i>Tonnage<br/>(Mt)</i> | <i>HM<br/>(%)</i> | <i>Slimes<br/>(%)</i> | <i>HM<br/>(kt)</i> |
|-----------------------|------------------------------|-------------------------------------------------|-------------------------|-------------------|-----------------------|--------------------|
| MEASURED              | 2.5                          | 1.7                                             | 3.1                     | 7.2               | 9.9                   | 220                |
| INDICATED             | 2.5                          | 3.7                                             | 7.4                     | 7.0               | 14.9                  | 520                |
| <b>TOTAL</b>          | <b>2.5</b>                   | <b>5.4</b>                                      | <b>10.5</b>             | <b>7.0</b>        | <b>13.4</b>           | <b>740</b>         |

The new resource adds 90,000 tonnes of Zircon to the previously defined 33,000 tonnes, bringing the total Zircon endowment in the Boonanarring project to 123,000 tonnes. Image is very encouraged by this upgrade, which has been defined over 4.6km of the 12km prospective strike length of the deposit. It is also significant when compared to Image's Atlas deposit, which contains 89,000t of Zircon over a 6.5km strike length.

## Future Work

Drilling on Block C was completed in early September. Samples are currently awaiting assay. Once all HM and mineralogy results have been received, a further JORC Indicated Resource is expected to be announced for this block, connecting the existing Block B and Block D resources.

Other key activities include:

- Bulk sample testing to provide the basis for the Wet Plant process design
- Preparation of test samples of Ilmenite and Zircon for potential customers
- Progression of the environmental and other Primary Approvals activities
- Hydrogeological investigations
- Logistics and infrastructure studies.

### **Concluding Comments**

Image Resources Managing Director, Peter Davies, said “This result is a major step towards demonstrating the viability of this particularly high grade deposit”.

“Not only are the Zircon and Rutile grades higher than the estimates used in the work carried out in May and June, but the Resource tonnages are also higher. This gives increased confidence in Image being able to establish an initial mining operation at Boonanarring with a mine life of around 8 years, as the foundation for building other elements of the North Perth Basin project”, Mr Davies said.

He added that recent updates of the project economic analysis confirm the robustness of the project, particularly given the high Zircon grades and the relatively low initial capital cost.

“Given the benefits of the high quality Ilmenite, excellent infrastructure and availability of employees with strong mineral sands experience in the local area, we were confident that the project could be brought into production successfully, when we completed the earlier studies in June”, Mr Davies said. “Now that the grades have been confirmed to be higher than we expected, that confidence, and the decision to focus on Boonanarring for early production, has been validated”.

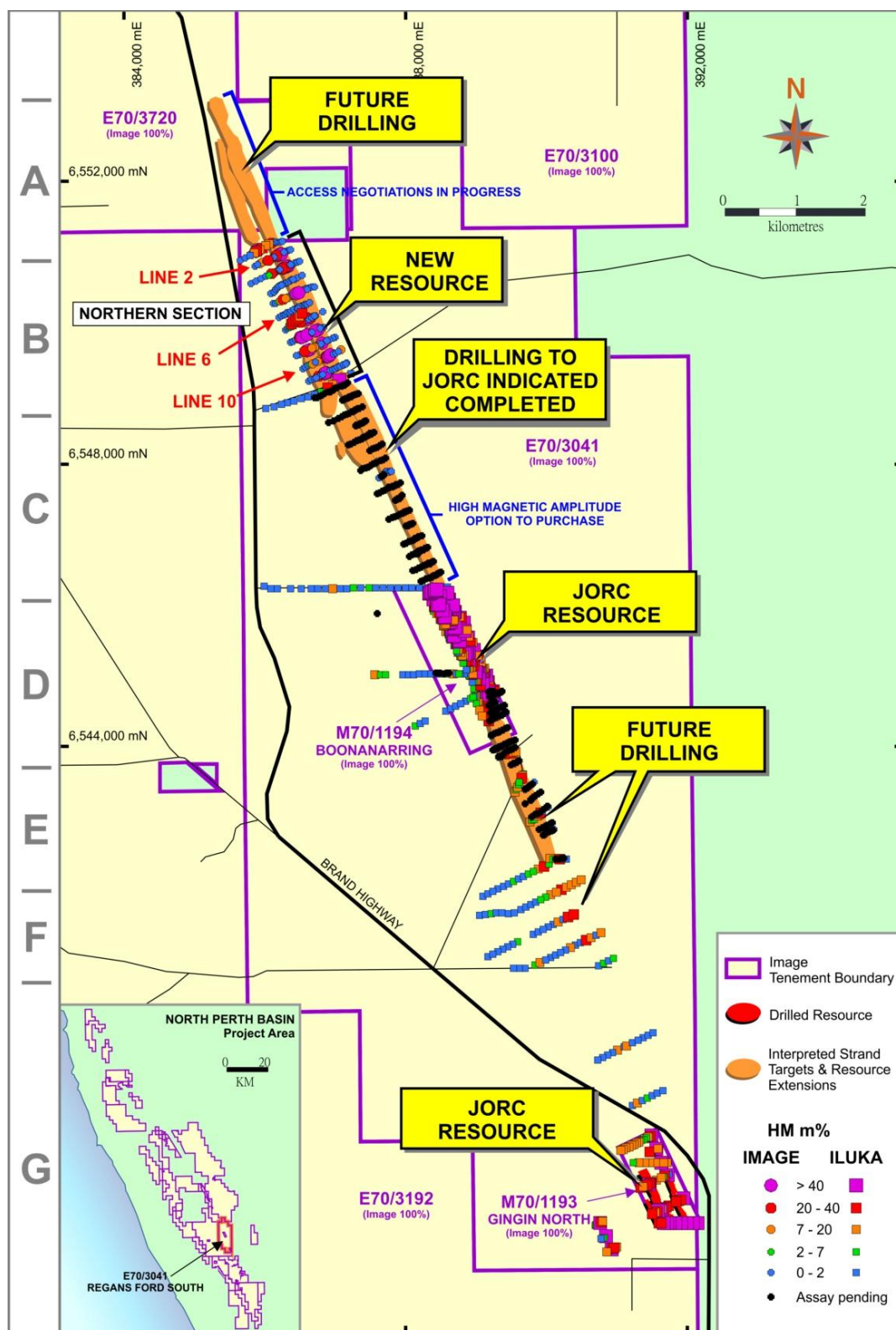


Figure 1

## Boonanarring Exploration Targets and Drilling September

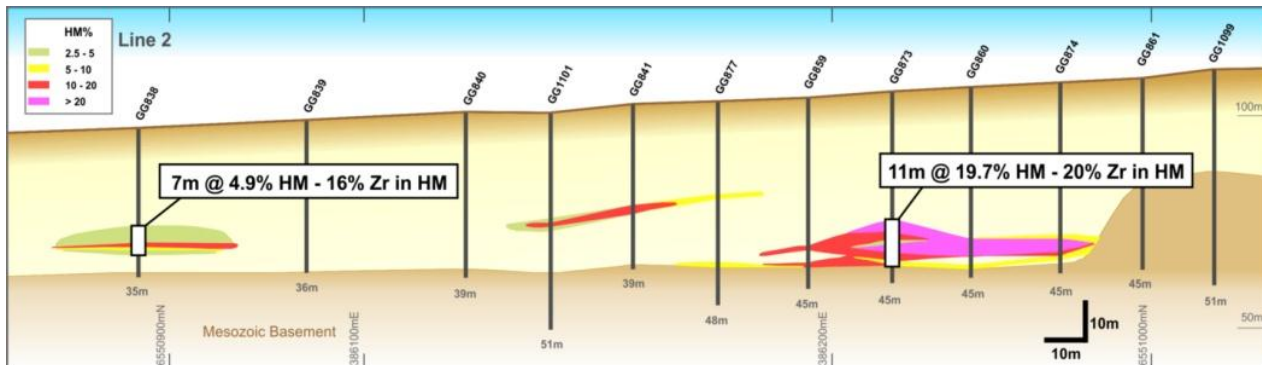


Figure 2.  
Section on Line 2 (refer Figure 1 for location)

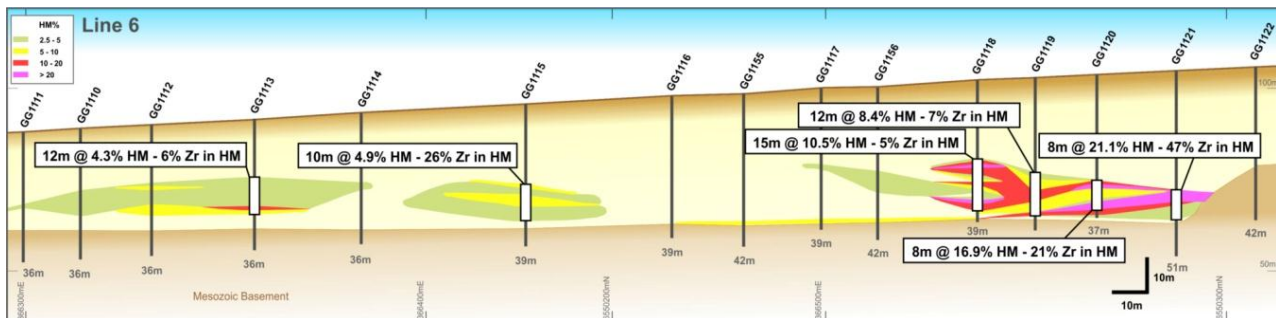


Figure 3.  
Section on Line 6 (refer Figure 1 for location)

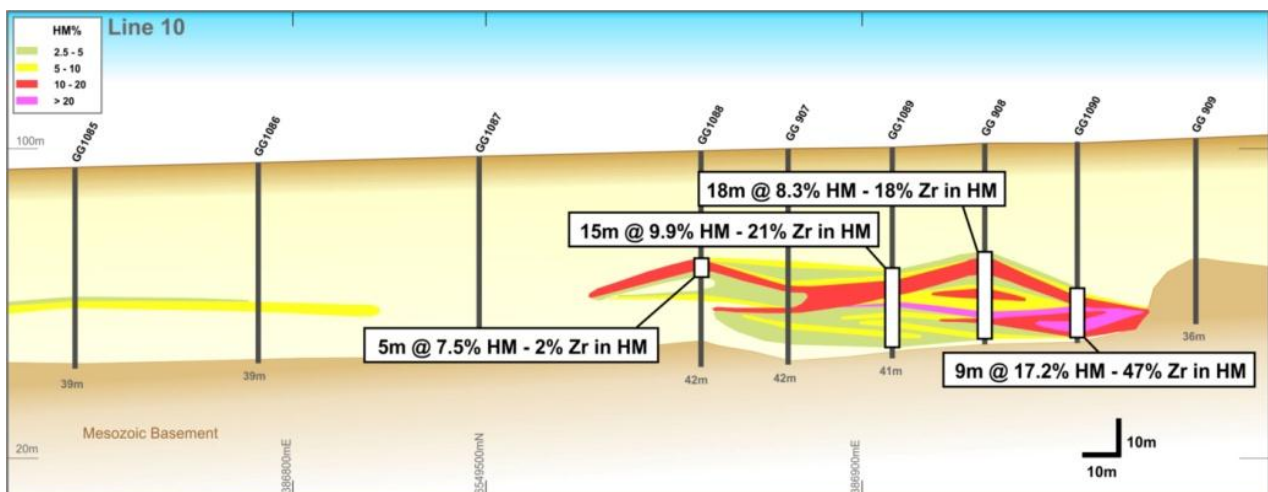


Figure 4.  
Section on Line 10 (refer Figure 1 for location)



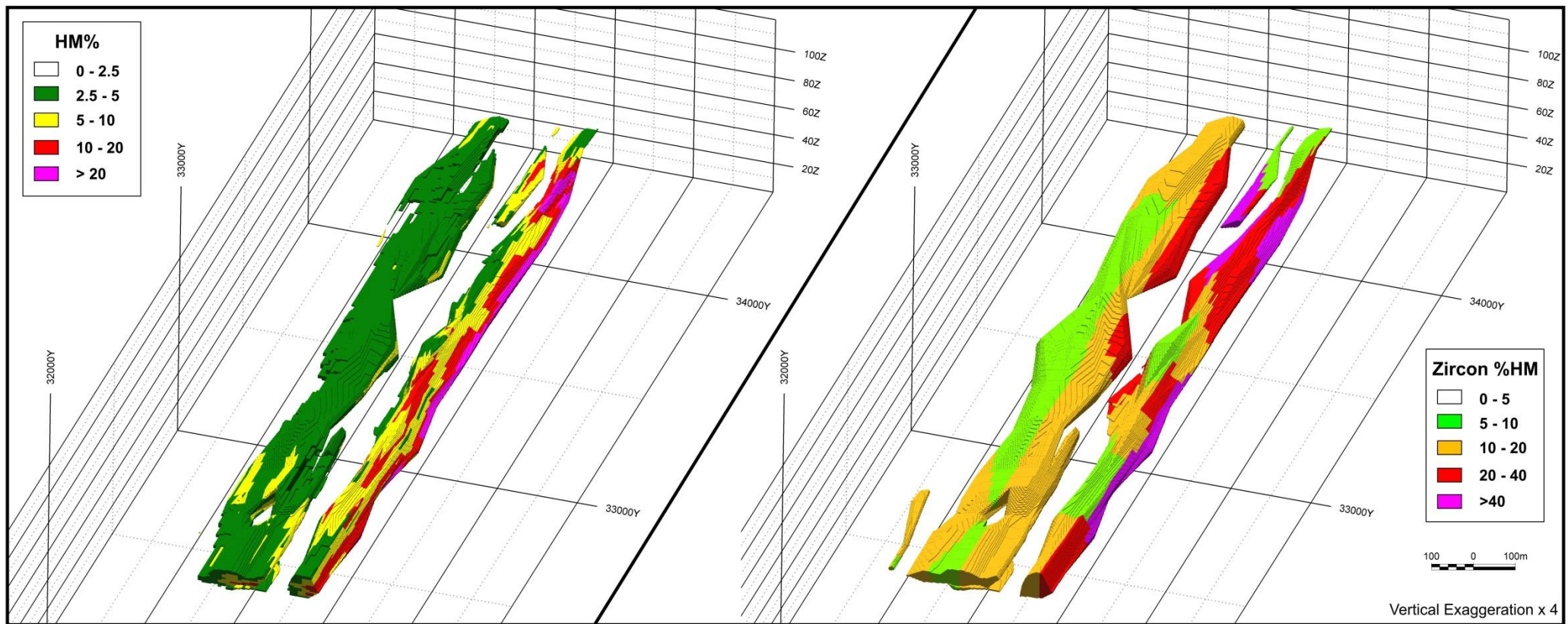


Fig 5(a): Blocks by HM Grade

Fig 5(b): Blocks by Zircon % of HM

Figure 5: Perspective view of Block B strands. Blocks coloured by (a) Interpolated HM Grade and (b) Interpolated Zircon Grade as % of HM

#### **COMPETENT PERSON'S STATEMENT – EXPLORATION RESULTS**

The information in this presentation is based on information compiled by Paul Leandri BAppSc who is a member of the Australasian Institute of Mining and Metallurgy. Paul Leandri is an employee of Image Resources NL. He 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'. Paul Leandri consents to the inclusion of this information in the form and context in which it appears in this presentation.

#### **COMPETENT PERSON'S STATEMENT – RESOURCE ESTIMATES**

The information in this presentation that relates to mineral resources is based on information compiled by Lynn Widenbar BSc, MSc, DIC MAusIMM MAIG employed by Widenbar & Associates who is a consultant to the Company. Lynn Widenbar 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Lynn Widenbar consents to the inclusion of this information in the form and context in which it appears in this presentation.

#### **COMPETENT PERSON'S STATEMENT – PROJECT EVALUATION**

The information in this presentation that relates to project evaluation is based on information compiled by Peter Davies BSc Eng (Hons) ARSM, C.Eng. MIMMM, FAusIMM FRSA, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Peter Davies is Managing Director/Project Manager of Image Resources NL. Peter Davies 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'. Peter Davies consents to the inclusion of this information in the form and context in which it appears in this report.

#### **FORWARD LOOKING STATEMENTS**

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding prices, exploration or development costs and other operating results, growth prospects and the outlook of Image's operations contain or comprise certain forward looking statements regarding Image's operations, economic performance and financial condition. Although Image believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties, fluctuations in prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Image undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

For more information on the company visit [www.imageres.com.au](http://www.imageres.com.au)

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## Appendix 1

### Block B Indicated Resource by Cut-off Grade

**Table A1: Resource Tonnes and Grade**

| Strand | Cut-Off | Volume    | Tonnes    | HM (%) | HM (t)  | Slimes % | OS % |
|--------|---------|-----------|-----------|--------|---------|----------|------|
| WEST   | 10.0    | 30,000    | 50,000    | 12.1   | 10,000  | 8.9      | 5.9  |
| WEST   | 5.0     | 440,000   | 850,000   | 6.7    | 60,000  | 11.6     | 4.7  |
| WEST   | 4.0     | 820,000   | 1,580,000 | 5.7    | 90,000  | 12.5     | 4.5  |
| WEST   | 3.0     | 1,480,000 | 2,880,000 | 4.7    | 130,000 | 13.5     | 4.3  |
| WEST   | 2.5     | 1,850,000 | 3,610,000 | 4.3    | 160,000 | 13.7     | 4.3  |
| WEST   | 2.0     | 2,310,000 | 4,500,000 | 3.9    | 170,000 | 13.9     | 4.3  |
| WEST   | 1.0     | 2,820,000 | 5,480,000 | 3.5    | 190,000 | 13.9     | 4.6  |
| EAST   | 10.0    | 610,000   | 1,270,000 | 17.1   | 220,000 | 16.1     | 7.6  |
| EAST   | 5.0     | 1,330,000 | 2,720,000 | 11.9   | 320,000 | 15.9     | 7.1  |
| EAST   | 4.0     | 1,560,000 | 3,180,000 | 10.8   | 340,000 | 15.9     | 7.4  |
| EAST   | 3.0     | 1,790,000 | 3,650,000 | 9.9    | 360,000 | 15.9     | 7.9  |
| EAST   | 2.5     | 1,890,000 | 3,840,000 | 9.5    | 370,000 | 16.0     | 8.0  |
| EAST   | 2.0     | 1,950,000 | 3,980,000 | 9.3    | 370,000 | 16.1     | 8.1  |
| EAST   | 1.0     | 2,020,000 | 4,110,000 | 9.0    | 370,000 | 16.1     | 8.2  |
| TOTAL  | 10.0    | 630,000   | 1,330,000 | 16.9   | 220,000 | 15.8     | 7.5  |
| TOTAL  | 5.0     | 1,770,000 | 3,570,000 | 10.6   | 380,000 | 14.9     | 6.5  |
| TOTAL  | 4.0     | 2,380,000 | 4,760,000 | 9.1    | 430,000 | 14.8     | 6.4  |
| TOTAL  | 3.0     | 3,270,000 | 6,530,000 | 7.6    | 490,000 | 14.9     | 6.3  |
| TOTAL  | 2.5     | 3,740,000 | 7,450,000 | 7.0    | 520,000 | 14.9     | 6.2  |
| TOTAL  | 2.0     | 4,260,000 | 8,470,000 | 6.4    | 540,000 | 14.9     | 6.1  |
| TOTAL  | 1.0     | 4,840,000 | 9,590,000 | 5.8    | 560,000 | 14.8     | 6.1  |

Note: Tonnages rounded to reflect uncertainty of estimate.

**Table A2: HM Tonnes and VHM Grades**

| Strand | Cut-Off | ILMENITE | LEUCOXENE | RUTILE | ZIRCON | VHM  |
|--------|---------|----------|-----------|--------|--------|------|
| WEST   | 10.0    | 52.4     | 14.0      | 4.7    | 16.0   | 87.2 |
| WEST   | 5.0     | 54.1     | 13.7      | 4.4    | 13.7   | 85.9 |
| WEST   | 4.0     | 54.2     | 13.5      | 4.2    | 13.8   | 85.7 |
| WEST   | 3.0     | 54.3     | 13.5      | 4.3    | 13.6   | 85.6 |
| WEST   | 2.5     | 54.3     | 13.6      | 4.3    | 13.4   | 85.6 |
| WEST   | 2.0     | 54.3     | 13.8      | 4.4    | 13.1   | 85.6 |
| WEST   | 1.0     | 54.3     | 14.1      | 4.5    | 12.8   | 85.6 |
| EAST   | 10.0    | 43.9     | 7.9       | 2.1    | 27.6   | 81.5 |
| EAST   | 5.0     | 43.8     | 8.0       | 2.3    | 22.5   | 76.6 |
| EAST   | 4.0     | 43.6     | 8.0       | 2.3    | 21.6   | 75.6 |
| EAST   | 3.0     | 43.2     | 8.0       | 2.4    | 21.1   | 74.6 |
| EAST   | 2.5     | 42.9     | 8.0       | 2.4    | 21.1   | 74.3 |
| EAST   | 2.0     | 42.7     | 7.9       | 2.4    | 21.1   | 74.1 |
| EAST   | 1.0     | 42.4     | 7.9       | 2.4    | 21.3   | 73.9 |
| TOTAL  | 10.0    | 44.3     | 8.2       | 2.2    | 27.1   | 81.8 |
| TOTAL  | 5.0     | 46.3     | 9.4       | 2.8    | 20.4   | 78.8 |
| TOTAL  | 4.0     | 47.2     | 9.8       | 3.0    | 19.0   | 78.9 |
| TOTAL  | 3.0     | 48.1     | 10.4      | 3.2    | 17.8   | 79.5 |
| TOTAL  | 2.5     | 48.4     | 10.7      | 3.3    | 17.4   | 79.8 |
| TOTAL  | 2.0     | 48.8     | 11.1      | 3.4    | 16.9   | 80.2 |
| TOTAL  | 1.0     | 49.2     | 11.4      | 3.6    | 16.4   | 80.6 |

## Appendix 2

### Boonanarring North Extension Resource Classification Criteria

| Criteria                                                 | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SAMPLING TECHNIQUES AND DATA</b>                      |                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Sampling Techniques                                      | Air core drilling samples                                                                                                                                                                                                                                                                                                                                                                                                        |
| Drilling techniques.                                     | Vertical NQ air core holes                                                                                                                                                                                                                                                                                                                                                                                                       |
| Drill sample recovery.                                   | Sample quality is logged at time of drilling. No relationship between grade and recovery is known to exist                                                                                                                                                                                                                                                                                                                       |
| Logging.                                                 | Chip samples are logged for colour, grainsize, presence of induration and estimates are made of HM, Slimes and Oversize content using hydraulic panning.                                                                                                                                                                                                                                                                         |
| Sub-sampling techniques and sample preparation.          | Samples were rotary split on site to reduce the sample size from about 8kg to 1.5 kg.                                                                                                                                                                                                                                                                                                                                            |
| Quality of assay data and laboratory tests.              | Samples were assayed by Western Geolabs and Diamantina Laboratories. Western Geolabs conduct routine duplicate assaying of 8% of samples.                                                                                                                                                                                                                                                                                        |
| Verification of sampling and assaying.                   | Replicate samples taken at rate of 1 in 100 for check assay at original laboratory. Separate replicate samples taken at 1 in 100 for umpire assay at different laboratory                                                                                                                                                                                                                                                        |
| Location of data points.                                 | Collars were surveyed by differential GPS. The rig mast is set up vertical and holes are assumed to be drilled vertical.                                                                                                                                                                                                                                                                                                         |
| Data spacing and distribution.                           | Drill holes are spaced at 20 metres apart within the resource area and 40 to 80m apart on the edges. Drill lines are approximately 200 m apart. Assay results have only been completed for samples estimated to contain >0.5%HM. The sampling interval was 1 metres. Sample compositing only took place for mineral assemblage determinations with between 3 and 45 samples composited into individual mineralogical composites. |
| Orientation of data in relation to geological structure. | Drill lines are oriented at approximately 90 degrees to the strike. No biased sampling of structure has occurred.                                                                                                                                                                                                                                                                                                                |
| Audits or reviews.                                       | None.                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Mineral tenement and land tenure status.                 | The area for the new resource lies within granted exploration licence E70/30041, held 100% by Image Resources. Land tenure is freehold land owned by one landowner located between 2 shire road reserves. Previously reported Measured Resource is located on granted Mining Lease M70/1194, for which land tenure is freehold land held by three parties.                                                                       |
| Exploration done by other parties.                       | None for this resource estimate. Exploration done by Iluka used as the basis for resource estimate in M70/1194, which comprises ~30% of overall resource.                                                                                                                                                                                                                                                                        |
| Geology.                                                 | The deposit is a typical strandline hosted mineral sand deposit with later cover sands and clays.                                                                                                                                                                                                                                                                                                                                |
| <b>ESTIMATION AND REPORTING OF MINERAL RESOURCES</b>     |                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Database integrity.                                      | All of the samples were logged electronically using an industry standard logging program designed to preclude transcription errors. Assay data is presented electronically and both manually and electronically checked prior to loading into the database. The database is validated for missing intervals, duplicate samples, missing coordinates, hole name mismatches and EOH mismatch between collar and downhole data.     |
| Geological interpretation.                               | The data quality affords a high degree of confidence in the geological interpretation.                                                                                                                                                                                                                                                                                                                                           |
| Dimensions.                                              | The deposit is 2.2 km long, The Eastern Strand is 60-140m wide and 5-18m thick. The Western strand varies between 40 and 180m wide and 3 – 12m thick                                                                                                                                                                                                                                                                             |
| Estimation and modelling techniques.                     | ID squared interpolation for HM, Slimes and OS, nearest neighbour for assemblage data. Model and data constrained by mineralisation wireframe solids with initial search radius of 250m x 50m x 3m, minimum 2 samples, max 12. Assemblage data and hardness estimated by nearest neighbour. Considered suitable for type of deposits and level of information.                                                                   |
| Moisture.                                                | The bulk density is estimated on a dry basis.                                                                                                                                                                                                                                                                                                                                                                                    |
| Cut-off parameters.                                      | 2.5% HM for “high grade” mineral envelope. Various geological parameters for basement and lithology zones.                                                                                                                                                                                                                                                                                                                       |
| Mining factors or assumptions.                           | The deposit is likely to be mined by elevating scrapers or dozers pushing to traps.                                                                                                                                                                                                                                                                                                                                              |
| Metallurgical factors or assumptions.                    | There is nothing to indicate that the deposit could not be processed by traditional mineral sands methods, i.e. spirals, attritioning and magnetic/electrostatic separation.                                                                                                                                                                                                                                                     |
| Bulk density.                                            | Assumed according to formula using grade of HM and slime as inputs.                                                                                                                                                                                                                                                                                                                                                              |