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NORTH PERTH BASIN PROJECT PROGRESS

- **Image receives confirmation of level of environmental assessment for the Boonanarring operation.**
- **Boonanarring bulk sample delivered to the laboratory ready for the commencement of process testwork.**
- **Samples of Ilmenite from Boonanarring are scheduled to be available to be sent to potential customers in mid January 2013.**

Image Resources NL ("Image") has referred the proposed mineral sands mine at Boonanarring to the Western Australian Environmental Protection Authority (EPA) and has been informed by the EPA that the proposed mine will be assessed at the level of Public Environmental Review (PER). This was already anticipated by the company and included in the scope of the feasibility study.

Environmental field work and related studies will commence next week.

A bulk sample has been composited from drill samples to represent the mineralisation within the proposed mining outlines at Boonanarring. This was delivered to the AML laboratories in Perth on 16th November, with testwork commencing this week.

The objective of the programme is to obtain information on the processing characteristics of the mineralisation. This will be used for the process flowsheet and plant design work which will commence in December 2012.

Equally importantly, the testwork will provide adequate quantities of final product grade Ilmenite which can be sent to potential customers to allow them to carry out their own acceptance testing. This is a critical step towards commencement of discussions with future customers on off-take agreements and contributions to project funding.

Image obtained preliminary indications of product quality from earlier testwork carried out in May this year. This indicated that Ilmenites from Boonanarring are expected to meet all the requirements that would make them comparably attractive to future customers. Ilmenites with these characteristics demand a premium to current prices:

- ✓ 55% TiO_2 (the range of world deposits is normally between 40% and 60% TiO_2)
- ✓ Coarse grained
- ✓ Low calcium oxide levels (important in slag plant feed)
- ✓ Low niobium, vanadium and chrome level (important in pigment plant feed)
- ✓ Low Uranium and Thorium levels (important to all end users).

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

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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.