

RESOURCES AND RESERVES CLARIFICATION

In the ASX Release dated 17 July 2013, the Zircon content of HM in the Boonanarring JORC Reserve was understated as 17.7% rather than 24.5%.

The results of the economic analysis of the project were correctly stated in the previous ASX Release as follows:

- **DRY MINE** : 10 years of dry mining yield a JORC Code Probable Reserve of 24 million tonnes grading 8.2% Heavy Mineral (**HM**) (containing 15% of HM as zircon)
- **START UP** : subject to financing, production could commence within 18 months
- **PRE-TAX NPV@ 8%** : \$145 million
- **PRE-TAX IRR** : 57.4% (based on first 10 years of operation only)

Table 1: North Perth Basin Reserves

Project Area	JORC Reserve Category	Volume	Tonnes	HM (%)	SLIMES (%)	Oversize (%)	HM Tonnes
Boonanarring	Probable	7,160,000	14,420,000	8.3	17.0	8.1	1,190,000
Atlas	Probable	4,760,000	9,600,000	8.1	15.5	4.4	780,000
Total NPB Reserve		11,920,000	24,020,000	8.2	16.4	6.6	1,970,000

Table 2: North Perth Basin Reserves Mineral Content

Project Area	HM Tonnes	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring	1,190,000	80.3	46.9	5.5	3.3	24.5
Atlas	780,000	74.1	55.0	1.0	7.0	11.0
Total NPB Reserve	1,970,000	77.8	50.1	3.7	4.8	19.1

Image's global JORC Code resources are shown in Table 3 below. All Resources and Reserves in this release are estimated and reported in accordance with the 2004 JORC Code and with the exception of the correction explained above, have been previously released to the market with appropriate justification.

Table 3: Image Summary of Total Heavy Mineral Resources

JORC RESOURCES	RESOURCE Mt	HM GRADE %HM	CONTAINED HM kt	CUT-OFF GRADE (%HM)
Total North Perth Basin (Dry Mining)	64.0	7.1	4,530	2.5
Cyclone Extended	86.3	1.9	1,640	1.0
Bidaminna (Dredge)	44.6	3.0	1,300	1.0
Cooljarloo (Dredge)	191.6	1.9	3,600	1.0
TOTAL IMAGE	386.5	2.9	11,070	

Image emphasises that:

- The high HM and in-situ zircon grades of the resources at Boonanarring and Atlas on which the current NPB project evaluation is based
- The extent of the additional high grade NPB resources which were not included in the current NPB project evaluation
- The additional lower grade resources in the NPB project and in the Eucla basin which bring Image's total global mineral sands resources to 386.5Mt at an average HM grade of 2.9%, containing over 11Mt of HM.

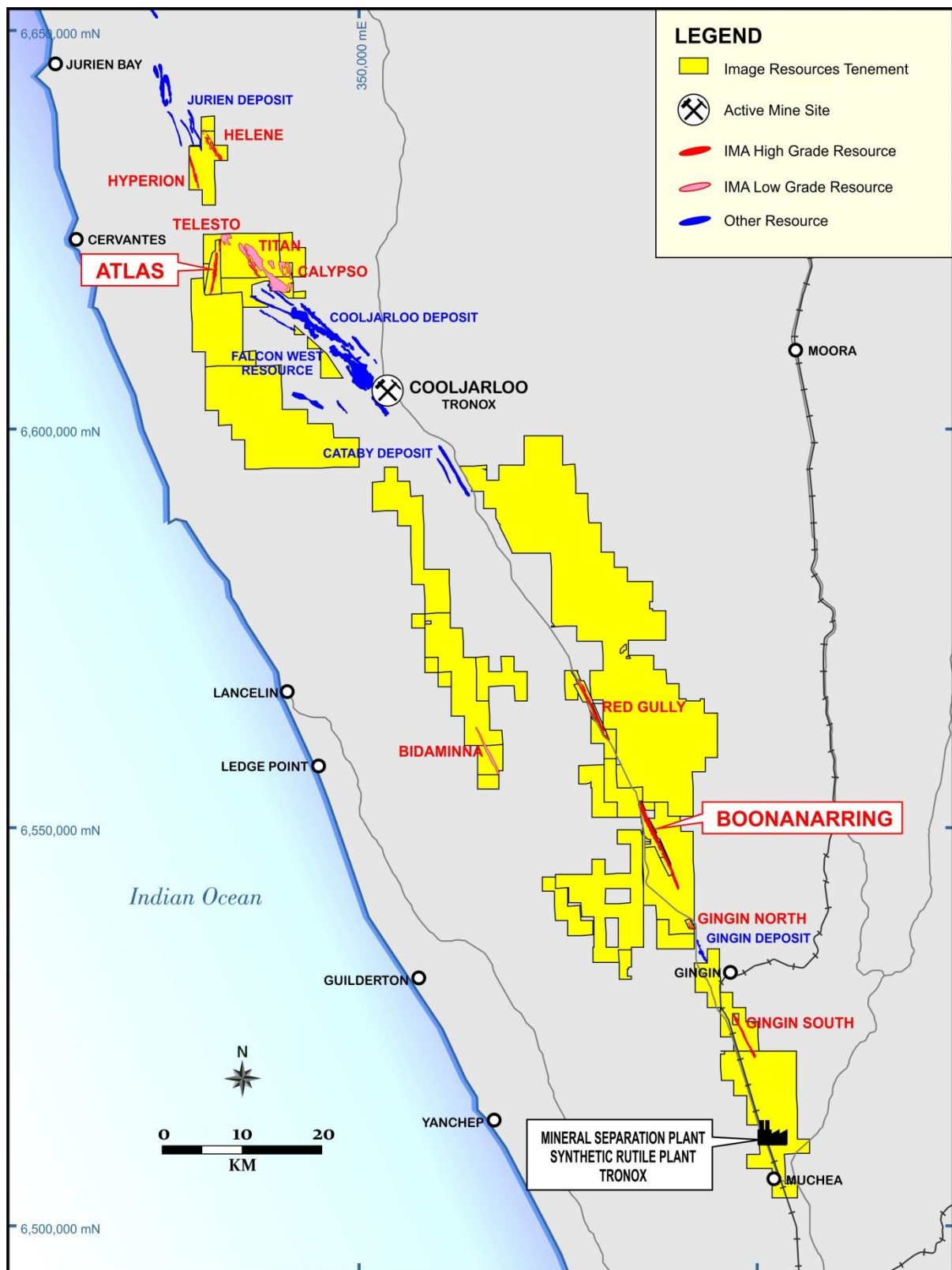


Figure 1 Image NPB Project Resources

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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 – TECHNICAL STUDIES

The information in this presentation that relates to technical studies 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.