

26 June 2017

ZIRCON ENRICHMENT CONFIRMED FOR 5.6KM HIGH-GRADE EXTENSION OF BOONANARRING DEPOSIT

Highlights

- Assay results of drilling composite samples confirm enriched zircon grades across the previously announced 5.6km high-grade northern extension of the Boonanarring mineral sands deposit.
- Results indicate the zircon grades range from 16.4% to 22.2% of the heavy mineral (HM) content which included outstanding high-grade intersections of 8m @ 23.8% HM in drillhole IX00245, 8m @ 21.1% HM in IX00244 and 8m @ 16.3% HM in IX00250.

Image Resources NL (Image or the Company) (ASX: IMA) is pleased to announce that assay results **confirm enriched zircon grades** in recently collected composite samples taken over a previously announced **5.6 km northern extension of high-grade mineralisation associated with the Boonanarring mineral sands deposit** (ASX release 13/03/2017).

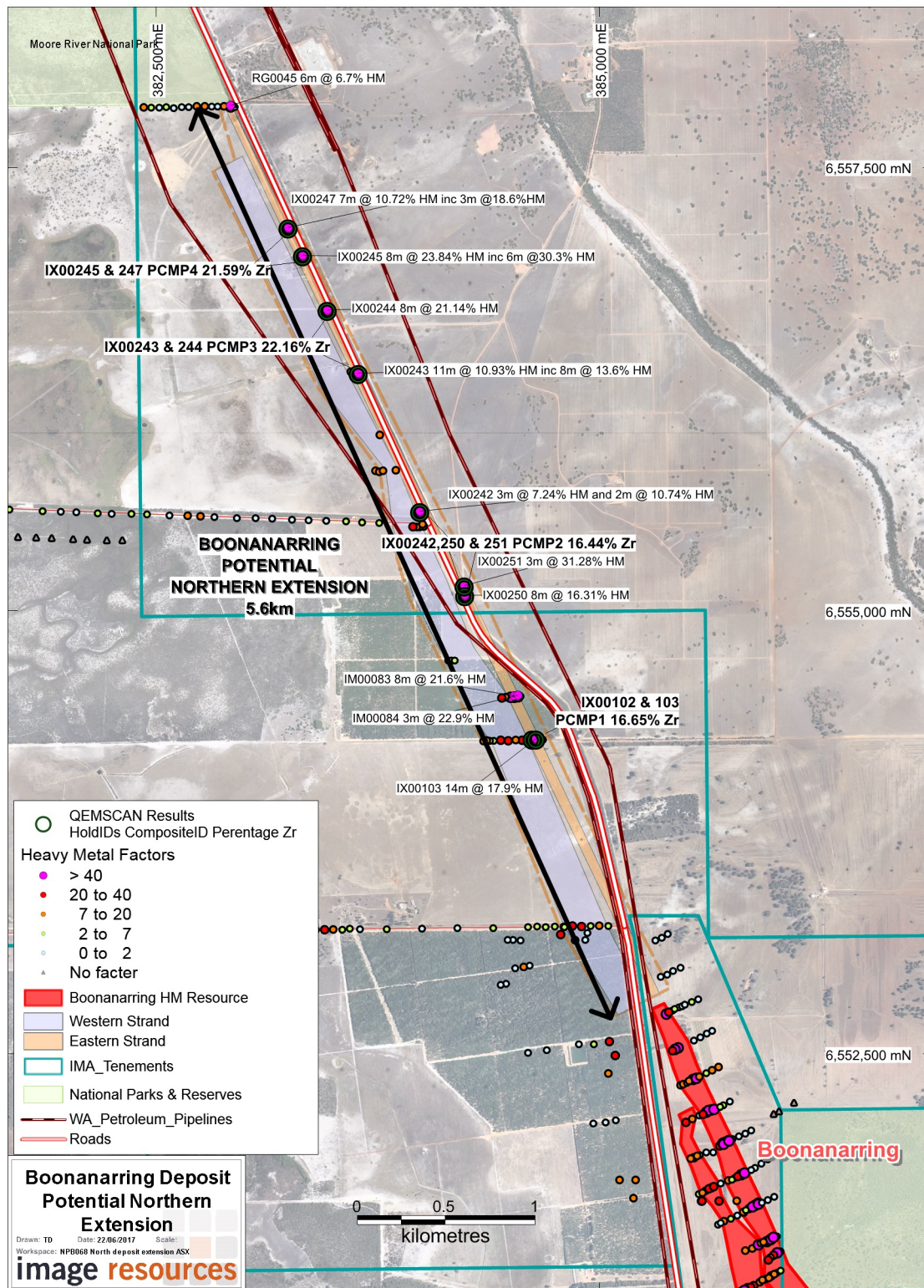
The Boonanarring deposit is located 80km north of Perth and is 100%-owned by Image. The deposit is arguably **the highest HM grade, high-zircon undeveloped mineral sand deposit in Australia** and is the subject of recently announced strong bankable feasibility study results (ASX release 30/05/2017).

Managing Director, Patrick Mutz commented “**These latest results are very significant given the Company’s mandate to fast-track development of the Boonanarring project and move the Company to first production in early 2018. Confirmation of enriched zircon in the high-grade extension area which is within economic pumping distance of the planned location of the wet concentrator plant at Boonanarring should add significantly to the upside potential of the project.**”

Boonanarring has estimated Mineral Resources of 43.8M tonnes at 5.6% heavy minerals (HM) (ASX release 13/01/2017) and **Ore Reserves of 20.0M tonnes at 7.2% HM with 22.4% of the HM as high-value zircon and with 77% of the HM as VHM** (ASX release 10/04/2017). The area containing the Ore Reserves stretches 13.2km to the south of the above mentioned 5.6km extension area, on the opposite (east) side of Brand highway.

The location of drill holes from two separate drill programmes (ASX release 13/6/2015 and 13/05/2017) are shown in Figure 1.

Figure 1. Location of Drill Holes and Composite Samples in Boonanarring Northern Extension



Executive Exploration Director, George Sakalidis commented, “**The high-zircon results of the composite test work confirms that the 5.6km northern extension has the same enriched zircon mineral assemblage as the Boonanarring deposit and will add to the mine life of the Boonanarring project and also adds to the Company’s inventory of high-grade mineral sand deposits in the North Perth Basin.**”

85 HM sink samples were submitted to the SGS analytical laboratory in Malaga, WA for splitting and compositing into 4 HM composites over a 5.6km Boonanarring potential northern extension. The 4 composites were designed to provide a representation of heavy mineral assemblage from the limited drilling results available to-date. SGS assayed the 4 HM composites using QEMSCAN and providing the results presented in Table 1.

Table1. SGS Laboratory Modal Abundance Composite Results

Mineral Mass %	PCMP1	PCMP2	PCMP3	PCMP4
Rutile	3.41	3.25	3.39	2.72
Hi Ti Leucoxene	1.18	1.05	1.45	0.96
Low Ti Leucoxene	1.04	1.55	2.15	1.73
Altered Ilmenite	50.65	47.59	43.45	49.04
Ilmenite	13.13	11.82	6.63	11.08
Titano Fe Oxide	0.42	0.57	0.17	0.26
Ti Intergrowths	0.20	0.23	0.61	0.24
Titanite	0.00	0.00	0.00	0.00
Zircon	16.65	16.44	22.16	21.59
Chromite	0.08	0.08	0.01	0.10
Fe Oxides/ Hydroxides	4.49	6.96	5.00	4.12
REE Phosphates	0.13	0.16	0.16	0.25
Quartz	0.23	0.34	0.87	0.77
Al Silicates	1.23	1.21	1.96	1.41
AlFe Silicates	5.44	6.49	10.07	4.21
Other Silicated	0.10	0.08	0.04	0.01
Carbonates	0.02	0.08	0.01	0.01
Other Minerals	1.60	2.09	1.87	1.52
Totals	100.0	100.0	100.0	100.0
VHM	83.9	79.1	75.6	84.4

Even though the limited drilling programmes have confirmed that the high-grade, high -zircon extension of the Boonanarring mineralisation is present over 5.6km to the north of the current Ore Reserves, further drilling is required to outline additional Mineral Resources and Ore Reserves. Further infill and extension drilling is being planned and is subject to access which is currently being sought.

It is not possible with the limited information available at this time to determine the feasibility or potential economics of mining in this extended area due to the location of the Brand highway and gas pipelines. However, there are precedents regarding approvals to allow mining in areas near transportation and other infrastructure.

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COMPETENT PERSON'S STATEMENT – EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES

Information in this report that relates to Exploration Results is based on information compiled by George Sakalidis BSc (Hons) who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results, Mineral Resources and Mineral Reserves were compiled, George Sakalidis was a director 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 2012 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.

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.

North Perth Basin Mineral Resources and Ore Reserves

High Grade Ore Reserves - Strand Deposits; in accordance with the JORC Code (2012)

Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring ²	Proved	3,125,000	5,829,000	9.1	14.2	527,816	74.2	48.5	1.9	2.2	21.6
Boonanarring ²	Probable	7,460,000	14,155,000	6.4	17.7	904,929	79.3	52.2	1.7	2.6	22.8
Total Boonanarring		10,585,000	19,984,000	7.2	16.7	1,432,745	77.421	50.8	1.8	2.5	22.4
Atlas ²	Probable	5,000,000	9,477,000	8.1	15.5	767,637	73.3	50.7	4.5	7.5	10.6
Total Atlas		5,000,000	9,477,000	8.1	15.5	767,637	73.3	50.7	4.5	7.5	10.6

Total Ore Reserves		15,585,000	29,461,000	7.5	16.3	2,200,382	76.0	50.8	2.7	4.2	18.3
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High Grade Mineral Resources - Strand Deposits; in accordance with the JORC Code (2012) @ 2.0% HM Cut-off

Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring ¹	Measured	4,105,263	7,800,000	8.2	14	639,600	71.5	47.3	1.9	2.2	20.1
Boonanarring ¹	Indicated	13,736,842	26,100,000	5.3	18	1,383,300	73.3	49.6	2.0	2.5	19.2
Boonanarring ¹	Inferred	5,210,526	9,900,000	4.5	21	445,500	69.2	50.3	3.5	3.5	11.9
Boonanarring Total		23,052,632	43,800,000	5.6	18	2,468,400	72.1	49.1	2.2	2.6	18.1
Atlas ¹	Measured	5,210,526	9,900,000	7.9	16.1	782,000	71.0	49.1	4.2	7.2	10.5
Atlas ¹	Indicated	3,368,421	6,400,000	3.7	17.3	237,000	56.5	41.6	3.4	4.7	6.8
Atlas ¹	Inferred	947,368	1,800,000	4.0	19.9	72,000	41.5	29.0	3.3	4.4	4.8
Atlas Total		9,526,316	18,100,000	6.0	16.9	1,091,000	65.9	46.1	4.0	6.5	9.3

Sub-Total Atlas/Boonanarring		32,578,947	61,900,000	5.7	17.7	3,559,400	70.2	48.2	2.8	3.8	15.4
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Previously Reported Mineral Resources - Strand Deposits; in accordance with JORC Code (2004) @ 2.5% HM Cut-off

Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Gingin Nth ³	Indicated	680,175	1,318,642	5.7	15.7	75,163	75.4	57.4	9.3	3.2	5.5
Gingin Nth ³	Inferred	580,000	1,090,000	5.2	14.0	57,116	78.4	57.3	11.3	3.7	6.0
Gingin Nth Total		1,260,175	2,408,642	5.5	15.0	132,279	76.7	57.3	10.2	3.4	5.7
Gingin Sth ³	Measured	872,830	1,526,122	4.4	7.2	67,149	79.4	50.7	15.3	5.6	7.8
Gingin Sth ³	Indicated	3,241,835	5,820,480	6.5	7.1	377,167	90.6	67.6	9.8	5.1	8.1
Gingin Sth ³	Inferred	398,573	732,912	6.5	8.4	47,566	91.6	67.4	7.5	5.8	10.9
Gingin Sth Total		4,513,238	8,079,514	6.1	7.3	491,882	89.2	65.3	10.3	5.2	8.3
Helene ³	Indicated	5,568,110	11,466,106	4.6	18.6	522,854	88.7	74.6	0.0	3.6	10.5
Hyperion ³	Indicated	1,786,781	3,742,471	7.7	19.3	286,673	69.4	55.8	0.0	6.3	7.3
Cooljarloo Nth Total		7,354,891	15,208,577	5.3	18.8	809,528	81.9	67.9	0.0	4.6	9.4
Red Gully ³	Indicated	1,930,000	3,409,768	7.8	11.5	265,962	89.7	66.0	8.3	3.1	12.4
Red Gully ³	Inferred	1,455,000	2,565,631	7.5	10.7	192,422	89.0	65.4	8.2	3.0	12.3
Red Gully Total		3,385,000	5,975,399	7.7	11.2	458,384	89.4	65.7	8.2	3.1	12.4
Sub-Total Other		16,513,304	31,672,132	6.0	14.1	1,892,073	85.2	66.0	5.4	4.3	9.6

Historic Deposit - Strand deposit (Under EL application)

Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Regans Ford ⁴	Indicated	4,505,285	9,024,226	9.9	16.8	893,398	94.3	70.0	10.0	4.3	10.0
Regans Ford ⁴	Inferred	455,933	918,536	6.5	18.5	59,705	90.5	68.3	7.7	4.4	10.1
Regans Ford Total		4,961,218	9,942,762	9.6	17.0	953,103	94.1	69.9	9.9	4.3	10.0

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Previously Reported Mineral Resources - Dredge deposits; in accordance with JORC Code (2004) @ 1.0% HM Cut-off											
Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Titan ³	Indicated	10,335,053	21,163,741	1.8	22.1	378,831	86.0	71.9	1.5	3.1	9.5
Titan ³	Inferred	58,517,775	115,445,391	1.9	18.9	2,205,007	85.9	71.8	1.5	3.1	9.5
Total Titan	Total	68,852,828	136,609,132	1.9	19.4	2,583,838	85.9	71.8	1.5	3.1	9.5
Telesto ³	Indicated	1,716,328	3,512,204	3.8	18.4	134,499	83.3	67.5	0.7	5.6	9.5
Calypso ³	Inferred	27,113,647	51,457,008	1.7	13.7	854,186	85.6	68.1	1.6	5.1	10.8
Bidaminna ³	Inferred	26,260,000	44,642,000	3.0	3.6	1,339,260	96.8	83.11	7.2	1.0	5.5
Total Dredge		123,942,803	236,220,344	2.1	15.2	4,911,783	88.7	74.1	3.1	2.9	8.6

1.COMPLIANCE STATEMENT Boonanarring/Atlas Resource

The information in this report that relates to the estimation of Mineral Resources is based on information compiled by Mrs Christine Standing, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Mrs Standing is a full-time employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mrs Standing consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

2.COMPLIANCE STATEMENT Boonanarring/Atlas Reserve

The Ore Reserves statement has been compiled in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code – 2012 Edition). The Ore Reserves have been compiled by Jarrod Pye, Mining Engineer and full-time employee of Image Resources, under the direction of Andrew Law of Optiro, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Law has sufficient experience in Ore Reserves estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Law consents to the inclusion in the report of the matters compiled by him in the form and context in which it appears.

3. COMPETENT PERSON'S STATEMENT – MINERAL 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.

4. HISTORIC INFORMATION - REGANS FORD DEPOSIT

The information in this presentation that relates to tonnes, grades and mineral assemblage is based on historic information published by Iluka Resources Limited and indicating the mineral resources were compiled in accordance with the JORC Code (2004).

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	Previously reported in ASX release 13/6/2015 and 13/05/2017

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<i>Drilling techniques</i>	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Previously reported in ASX release 13/6/2015 and 13/05/2017

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<i>Drill sample recovery</i>	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	Previously reported in ASX release 13/6/2015 and 13/05/2017

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<i>Logging</i>	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	Previously reported in ASX release 13/6/2015 and 13/05/2017
<i>Sub-sampling techniques and sample preparation</i>	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	Previously reported in ASX release 13/6/2015 and 13/05/2017

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Previously reported in ASX release 13/6/2015 and 13/05/2017
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	Previously reported in ASX release 13/6/2015 and 13/05/2017

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<i>Location of data points</i>	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	Previously reported in ASX release 13/6/2015 and 13/05/2017
<i>Data spacing and distribution</i>	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	Previously reported in ASX release 13/6/2015 and 13/05/2017
<i>Orientation of data in relation to geological structure</i>	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Previously reported in ASX release 13/6/2015 and 13/05/2017

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<i>Sample security</i>	The measures taken to ensure sample security.	Previously reported in ASX release 13/6/2015 and 13/05/2017
<i>Audits or reviews</i>	The results of any audits or reviews of sampling techniques and data.	Previously reported in ASX release 13/6/2015 and 13/05/2017