

ASX Release
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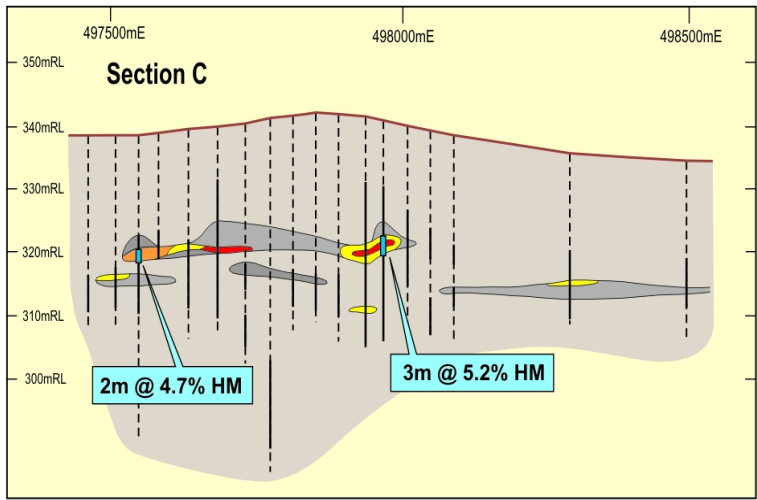
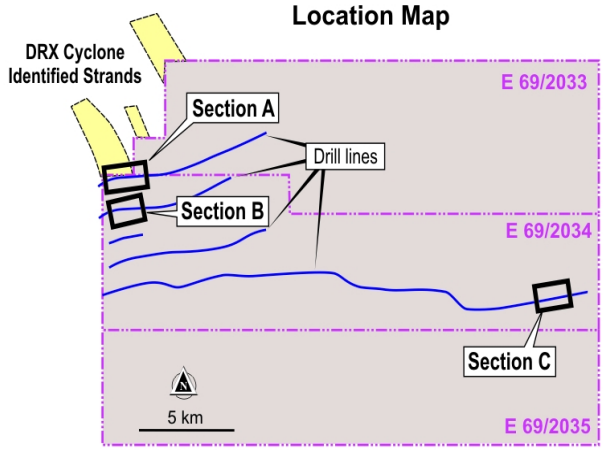
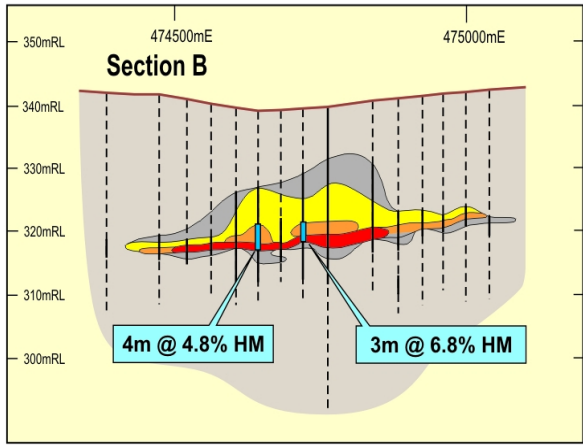
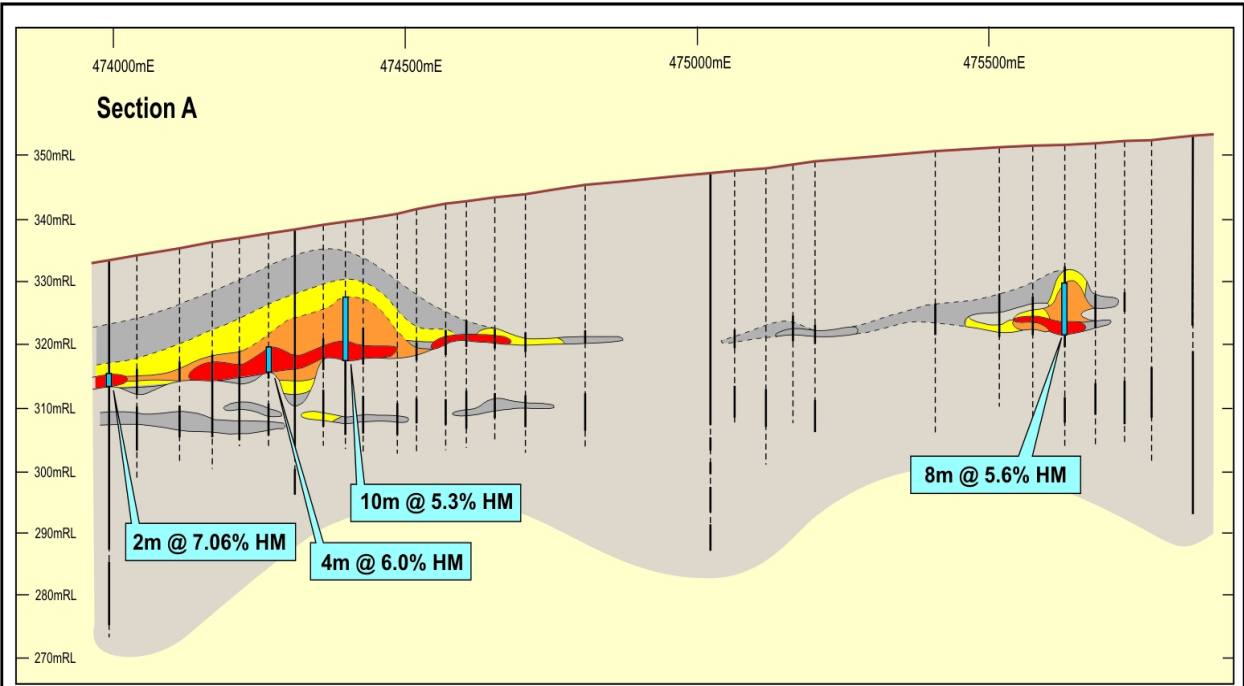
UP TO 45% ZIRCON IN EUCLA HM ASSEMBLAGE

HIGHLIGHTS

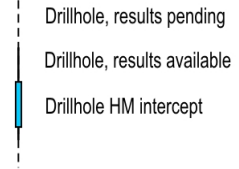
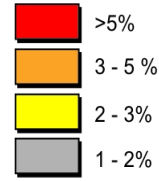
- A high value mineral assemblage containing up to 45% zircon with a combined zircon and leucoxene content ranging from 81% to 90% indicated from limited sampling
- Three mineralised zones identified ranging from 300m to 700m in width and from at least 1.6km to 2.5km in length, with potential to extend into an unexplored tenement to the south. Better grades include 10m at 5.3%HM from 12m, 24m at 3.0%HM from 4m and 10m at 5.0%HM from 20m
- A fourth mineralised zone identified 25km to the east with little exploration completed between these zones
- A very low slime content of 4% for the shallower mineralisation, indicating amenability to low cost mining with high recoveries
- The zircon market continues to improve with prices around US\$900/t

Results from the remaining 80% of the samples taken from first-pass aircore drilling at Image Resources' 100%-owned Serpentine Lakes during the September 2008 quarter have now been received. The 466sq km Serpentine Lakes project is situated along strike from the zircon-rich 1.8Mt Cyclone prospect. The Image drilling was aimed at strike extensions of the Cyclone mineralisation and testing of other targets on the Barton paleo-shoreline.

Significant results are summarised in the attached table (including results from drill holes SL001 to SL095 previously reported in Image's ASX release of 30 October 2008).



HEAVY MINERALS



Vertical scale 10x Horizontal scale

Serpentine Lakes Project - Cross Sections

Mineralisation is present in two geological zones; the main zone is interpreted to be a typical shoreline style with low slime (4% within the mineralisation), well sorted sands and HM grades up to 13%. The low slime content is important as it indicates potential for low cost mining with good recoveries. The second zone is slightly deeper and interpreted to be a near-shore environment within silt and fine sand with an average slime content of about 8% and with HM grades up to 4%.

Four areas of mineralisation have been identified by this wide spaced drilling; three extending south from Diatreme Resources' Cyclone discovery and a new zone approximately 25km to the east near the South Australian border. The three areas south of Cyclone are (from west to east) 700m, 300m and 600m wide and are interpreted to extend for at least 2.5km, 1.6km and 2.0km along strike respectively. The tenement to the south has not been explored and potential remains for extensions or repetitions of the mineralisation in this area. The fourth (eastern) area comprises two zones some 200m wide and open along strike. Preliminary cross sections of the mineralisation are shown in the figure above.

Mineralogical assessment of five 2m samples (which cannot be considered representative at this stage) have indicated that zircon ranges from 14% to 45% of the HM assemblage. The other dominant mineral identified is leucoxene ranging between 39% and 71% of the HM assemblage. The lower value ilmenite content ranges from 5% to 13% of the assemblage. The leucoxene has proved to be difficult to identify in the field and as a result many of the mineralised zones selected for laboratory processing remain open, with potential to further increase the extent of the mineralisation. Several hundred additional samples from the drilling are being selected for processing and will be reported as they come to hand in the next few weeks.

These results are considered to be most encouraging as they indicate a high proportion of the higher value minerals zircon and leucoxene in the mineral assemblage and a low trash content. Significantly, the zircon market appears to be continuing to firm with prices of up to US\$900/t being reported. The leucoxene in the five test samples is mostly the magnetic variety, commanding a price of US\$150-200/t depending on titanium content and impurity levels. Leucoxene is more valuable than ilmenite which is currently priced at up to US\$130/t. The combined zircon and leucoxene content of the five test samples ranges from 81% to 90% demonstrating the potential for the mineralisation to be at the higher end of the heavy mineral value spectrum.

Image is carrying out further mineralogical test work on composite samples, together with the additional sample processing mentioned above, in preparation for the next phase of drilling on this promising HM project in the emerging Eucla Basin province.

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The information in this report that relates to exploration results is based on information compiled by Scott Carruthers BSc, MSc who is a Member of the Australasian Institute of Mining and Metallurgy. Scott Carruthers is a full time employee of Image Resources NL. Scott Carruthers 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'. Scott Carruthers consents to the inclusion of this information in the form and context in which it appears in this report.

Serpentine Lakes Drill Intersections

Hole Number	MGA East	MGA North	From m	To m	Interval m	HM %
SL001	474001	6810048	10	20	10	2.6
SL002	474310	6810153	4	28	24	3.0
SL014	474771	6808770	8	24	16	2.7
SL015	474845	6808790	10	22	12	2.7
SL017	476437	6809056	18	26	8	2.3
SL043	481031	6805736	16	20	4	3.0
SL044	481903	6805695	22	26	4	2.3
SL048	485973	6805909	22	24	2	5.5
SL056	497548	6804549	16	20	4	3.1
SL076	477317	6810573	10	16	6	1.5
SL082	475629	6810419	20	30	10	5.0
SL086	474592	6810358	19	22	3	2.8
SL087	474427	6810216	17	22	5	5.4
SL088	474126	6810104	18	21	3	3.4
SL089	474890	6808797	18	23	5	2.9
SL090	474934	6808799	18	21	3	2.5
SL091	474971	6808796	19	22	3	2.3
SL092	475008	6808796	18	21	3	2.1
SL094	474729	6808753	10	22	12	3.2
SL095	474692	6808746	17	24	7	2.2
SL096	474651	6808743	12	24	12	3.0
SL097	474613	6808741	13	22	9	3.6
SL098	474571	6808730	21	24	3	3.6
SL099	474530	6808719	22	25	3	3.6
SL100	474483	6808707	22	25	3	2.7
SL102	474047	6810081	18	22	4	2.5
SL103	474174	6810116	18	22	4	6.0
SL104	474221	6810126	18	23	5	4.4
SL105	474270	6810140	18	22	4	6.0
SL106	474359	6810179	18	21	3	7.1
SL107	474395	6810201	12	22	10	5.3
SL109	474506	6810276	21	23	2	3.0
SL110	474547	6810332	20	23	3	3.7
SL111	474629	6810361	21	23	2	4.3
SL112	474683	6810358	23	24	1	2.7
SL113	475574	6810407	24	29	5	3.0
SL129	475677	6806552	30	36	6	1.8
SL131	476243	6808993	22	26	4	1.6
SL151	497635	6804567	18	20	2	2.1

Hole Number	MGA East	MGA North	From m	To m	Interval m	HM %
SL152	497687	6804565	15	20	5	2.8
SL155	497968	6804637	17	21	4	4.3
SL156	498009	6804650	18	19	1	1.7
SL158	497937	6804631	20	23	3	4.6
SL169	497749	6804340	20	24	4	2.9
SL170	475057	6810336	26	27	1	1.7
SL172	475161	6810339	25	27	2	2.2
SL176	497983	6804372	22	26	4	3.1
SL181	497706	6804357	21	27	6	2.3
SL182	497677	6804332	24	25	1	1.8
SL183	497637	6804349	24	25	1	1.7
SL184	497600	6804375	23	25	2	2.7
SL185	497562	6804367	24	27	3	1.8
SL186	497525	6804347	21	26	5	1.7
SL193	497249	6805039	14	16	2	1.5
SL196	497024	6804991	14	18	4	2.3
SL203	474948	6807993	24	28	4	2.7
SL206	474651	6807963	32	33	1	2.4
SL209	474906	6807997	23	27	4	2.6

1m or 2m samples, HM grade determined by TBE heavy liquid separation