

ASX Release
27 May 2009

ASX code: IMA

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HIGH-GRADE ZIRCON (UP TO 20% OF HM) IDENTIFIED AT ATLAS

Mineral assemblage analysis of selected samples from the high-grade zone at the Atlas deposit at Cooljarloo (Image 70%) has identified some unexpectedly high grades of zircon ranging from 18.1% to 20.8% of the heavy mineral suite, well above the previous estimate of an average zircon grade of 7%. The presence of high-grade zircon has the potential to add significant further value to the Atlas resource.

In the context of the reported resource, analysis of the step out drilling results reported 11 May 2009 and the preliminary mineral assemblage work reported here, suggests the following likely positive outcomes, namely, the:

1. value of the heavy mineral concentrate is likely to increase (zircon having a higher value than the other minerals in the assemblage ie zircon US\$850/t, rutile US\$650/t and ilmenite US\$130/t) because the zircon content is likely to comprise a greater proportion of the HM concentrate;
2. grades in the updated resource are likely to increase significantly, based on a review of the reported May 2008 resource grades compared to the more recently announced grades;
3. bulk density of the resource is likely to increase because the grades are likely to be higher, resulting in an increased resource tonnage;
4. areal extent of the resource is likely to expand because much of the high-grade zone reported 11 May 2009 lies outside the area of the May 2008 resource.

Grain count analyses of three 1-metre samples from three of the drill holes reported on 23 February 2009 have been received and returned the following mineral assemblages:

Hole Number	1574	1677	1711
Depth (m)	9-10	5-6	9-10
% Heavy Mineral (HM)	41.1	42.1	46.4
Zircon %	20.8	20.3	18.1
Ilmenite %	65.1	66.4	64.4
Rutile + Leucoxene %	4.2	5.5	5.6
Other %	9.9	7.8	11.9
Valuable Heavy Mineral %	90.1	92.2	88.1

These zircon values are much higher than the 7% average zircon content of HM previously estimated for Atlas. The attached map shows the location of the samples relative to the Atlas May 2008 resource outline.

The in-ground percentage of zircon (as opposed to the percentage of zircon contained in HM) for each of these samples exceeds 8% whereas the May 2008 resource estimate for Atlas contains an average in-ground zircon content of only 0.8% (inferred resource plus indicated resource at a 2.5% HM cut-off). Iluka's Jacinth and Ambrosia zircon deposits have average in-ground zircon values of about 3.4% (Iluka Resource Ltd website; Jacinth-Ambrosia site visit 24 April 2009). In-ground heavy mineral grade estimates provide a clearer guide to the value of a heavy mineral deposit compared to simply quoting the tenor of the HM assemblage.

The samples were selected to give a preliminary indication of the likely mineral assemblage in those parts of Atlas where no historical information was available. As these grain count results are from only three selected samples taken from the high-grade HM zone, they cannot be taken to be representative of the entire resource. Further detailed work is required in order to provide representative estimates of the mineral assemblage and product chemistry for the entire resource, particularly for the higher grade southern half. **However, these early and very limited results are considered to be extremely encouraging.**

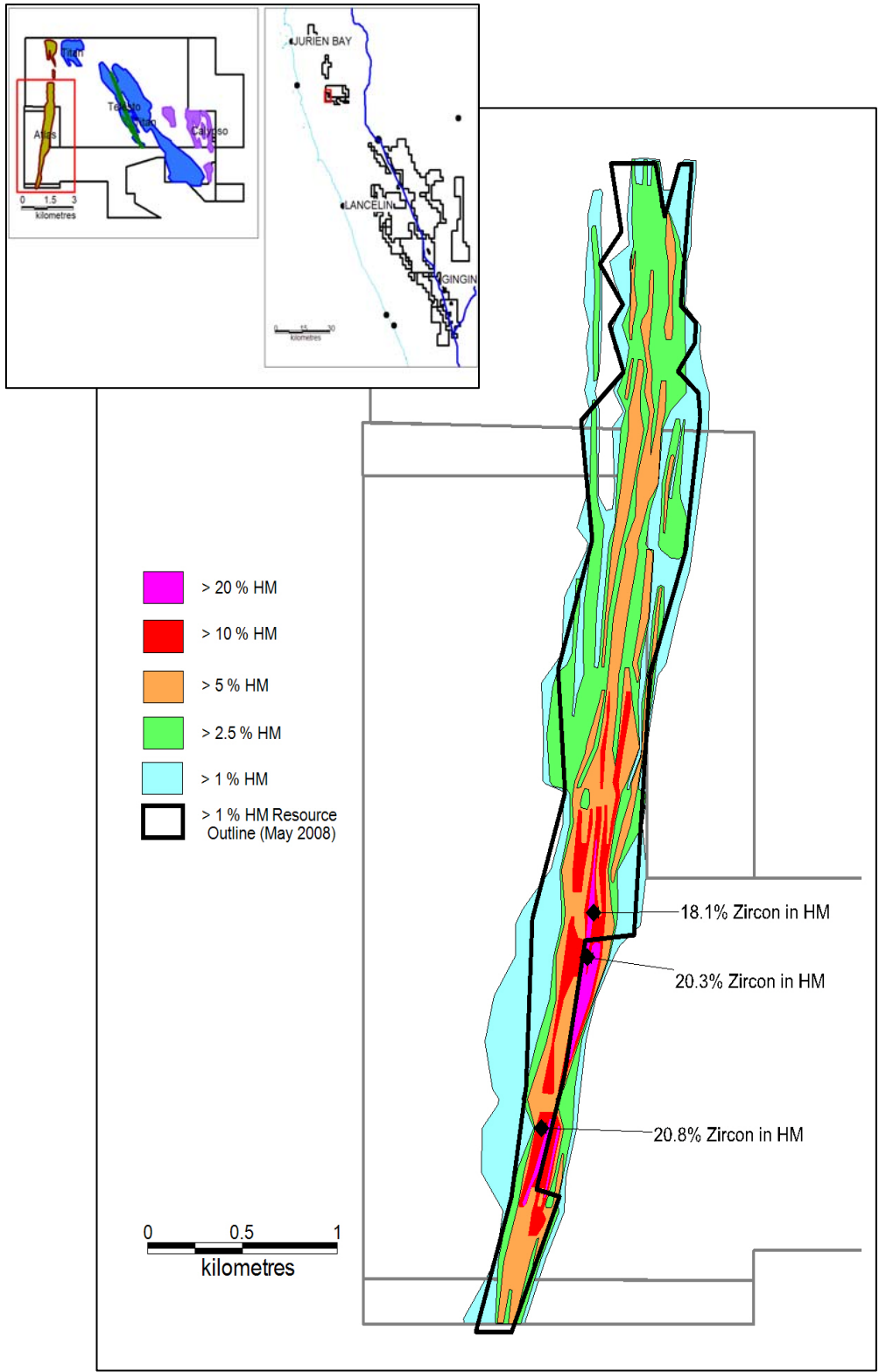
Further samples are being taken for mineral assemblage work as part of the Atlas resource update which is due for completion in July.

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The information in this report 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 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'. Scott Carruthers consents to the inclusion of this information in the form and context in which it appears in this report.



Atlas HM Deposit Showing Zircon Sample Locations