

ABN 57 063 977 579

ASX Release 27 October 2009

EUCLA BASIN CYCLONE EXTENDED HM STRANDS INCREASED BY 80% TO 4.5KM STRIKE LENGTH

ASX code: IMA

HIGHLIGHTS

- The strike length of the eastern zone of Cyclone Extended increased to 4.5km (from 2.5km previously) and remains open to the south.
- The strike length of the western zone is 2.7km.
- The width of both zones at 800m is large.
- Grades up to 15.2% HM along strike from known zirconrich assemblage.
- Continuity and drilling density likely to support an indicated resource estimate and a scoping study.
- Cyclone Extended together with Diatreme's contiguous Cyclone deposit is of significant size on a global scale and can be compared with the Jacinth-Ambrosia project in the Eucla Basin.
- The recently named Monsoon mineralised zones are up to 2.5 km strike length (increased from 1km) and are open to the south-east.

Image Resources has completed a 402-hole, 16,308m aircore drilling programme at Serpentine Lakes in the Eucla Basin, following up its previous drilling which intersected significant thicknesses of zircon-rich heavy minerals (HM). Zircon comprises up to 45% of the HM assemblage (IMA ASX releases 30/10/2008 and 11/02/2009) and is of great significance because it is the highest value mineral normally found in HM deposits (approximately 10 times the value of ilmenite).

In addition, the material has very low slime values (range1.8-7.6%, average 4.2%), Low slime content is important because the material is easier to treat and operating costs of mining are reduced.

To date some 2066 of 4304 samples (1 or 2m intervals) selected for laboratory processing have been completed, with Table 1 showing those intersections exceeding 1.0% HM. Significant results include:

- Hole SL249; 16m @ 4.4% HM from 12m, including 3m @ 10.1% HM from 24m
- Hole SL301; 8m @ 5.0 % HM from 26m, including 2m @ 12.4% HM from 28m
- Hole SL350; 12m @ 3.9% HM from 20m, including 3m @ 8.4% HM from 25m
- Hole SL373; 17m @ 4.4% HM from 13m, including 3m @ 10.7%HM from 18m
- Hole SL390; 10m @ 5.3% HM from 12m, including 2m @ 10.2%HM from 19m

Two distinct zones of mineralisation are recognised within the Cyclone Extended HM prospect which abuts Diatreme Resources' Cyclone resource to the north as shown in Figure1. Based on the drilling completed to date, the western zone of Cyclone Extended has been closed off to the south. The main body of this zone is 2 km long and 800m wide, and there is a ~200m wide extension to the south for a further 750m. However the eastern zone, about 800m wide, remains open to the south and probably extends up to 4.5km within the Image tenements as shown in Figure 1.

The drillholes shown in Figures 1 and 5 and are coloured by metal factor (intersected thickness x grade in m%HM). The metal factors are based on a mix of laboratory and visual estimates at this stage. Metal factors greater than 40m% are shown in magenta, 20 - 40m% in red, 7- 20m% in orange, 2 -7m% in green, and less than 2m% in blue.

The cross sections in Figures 2 and 3 show the mineralisation along four new traverses at Cyclone Extended. Some of the more significant intersections are annotated and thicknesses between 9m and 17m are shown. Laboratory results from all of the holes above the mineralised zones shown on the sections have yet to be received. Past experience has shown that panned estimates are significantly lower than heavy media separation results for samples from this zone, and intersections exceeding 20m thickness are not uncommon in the previous Image drilling in this area. As a result, it is anticipated that the final thicknesses of mineralisation will be even greater than those shown on the sections.

These new results highlight that Cyclone Extended is a potentially economic discovery, particularly when considered with Diatreme's contiguous Cyclone deposit, which together extend for some 10km in length. This combined mineralisation deposit is a significant size on a global scale and can be compared favourably with the Jacinth-Ambrosia deposits in the Eucla Basin.



Figure 1 Cyclone Extended HM Prospect Showing Mineralisation and Drillholes Coloured by Metal Factor





Figure 2 Cyclone Extended, Section A and B





Figure 3 Cyclone Extended, Section C and D



Figure 4 Cyclone Extended and Monsoon Prospects

Additional mineralisation has been identified about 1.5 km east of Cyclone Extended that requires more drilling to define its extent. Some 20km east of Cyclone Extended further HM mineralisation has been identified at the Monsoon prospect as shown in Figure 4. The area between Cyclone Extended and Monsoon remains prospective for additional mineralisation. Wide spaced stratigraphic holes to the south of Cyclone Extended intersected significant thicknesses of the sediment that hosts the mineralisation at Cyclone Extended. Interpretation of the drilling in the centre of the tenements indicates the palaeo-shorelines trend across the scout drill profiles, although no significant mineralisation was intersected in the wide spaced holes. This area will be investigated further in the next phase of exploration.

Figure 5 shows the Monsoon prospect in more detail. The mineralisation at Monsoon has been traced for over 2.5km and is open to the south-east, but for approximately 2 km to the north-west the beach sediments appear to have been eroded by the drainage system that today forms the Serpentine Lakes. The strandlines are interpreted to extend across the state border with South Australia, and into a conservation park. Laboratory processing of samples from Monsoon is in progress prior to assessing the significance of this mineralisation.



Figure 5 Monsoon Prospect Showing Mineralisation and Drillholes Coloured by Metal Factor

When sample processing is complete, mineral assemblage studies and resource estimation will commence. Image anticipates that the grades and continuity of mineralisation indicated from the drilling to date will allow the estimation of inferred resources for Cyclone Extended and Monsoon. Following this it is anticipated that a scoping study will be carried out to assess the economic potential of the project. Further drilling may then be undertaken to outline the full extent of the mineralisation and to investigate the mineralisation potential of the paleo-shorelines between Cyclone Extended and Monsoon where a 10km-long target area has been identified.

Image Resources is most encouraged by the drilling results received to date which continue to point to potential for extensive zircon-rich mineralisation with significant high titanium leucoxene and rutile credits.

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

Please direct enquiries to: George Sakalidis Managing Director Phone (08) 9485 2410 Mob 0411 640 337

Roger Thomson Executive Director Phone (08) 9485 2410 Mob 0419 969 183

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.

| | | Alloole B | ining ite | ounto | | |
|----------------|-------------|--------------|-----------|---------|---------------|---------|
| Hole Number | MGA East | MGA North | From m | To m | Interval m | % HM |
| SL213 | 476487 | 6809064 | 23 | 27 | 4 | 3.0 |
| SL214 | 476397 | 6809033 | 23 | 28 | 5 | 1.7 |
| SL215 | 476340 | 6809017 | 26 | 27 | 1 | 1.6 |
| SL216 | 476293 | 6809004 | 21 | 26 | 5 | 2.7 |
| SL218 | 476132 | 6808985 | 20 | 27 | 7 | 1.6 |
| SL219 | 476081 | 6808980 | 16 | 26 | 10 | 2.9 |
| SL220 | 476032 | 6808980 | 18 | 27 | 9 | 3.2 |
| SL221 | 475825 | 6809018 | 21 | 28 | 7 | 1.7 |
| SL222 | 475779 | 6809033 | 23 | 29 | 6 | 1.2 |
| SL223 | 475737 | 6809042 | 22 | 23 | 1 | 1.2 |
| SL224 | 475694 | 6809030 | 25 | 28 | 3 | 1.6 |
| SL234 | 475196 | 6808837 | 38 | 40 | 2 | 3.7 |
| SL236 | 475101 | 6808813 | 20 | 21 | 1 | 1.1 |
| SL237 | 474848 | 6808792 | 9 | 22 | 13 | 2.5 |
| SL238 | 474808 | 6808781 | 10 | 22 | 12 | 2.5 |
| SL239 | 474769 | 6808769 | 9 | 22 | 13 | 3.3 |
| SL240 | 474726 | 6808757 | 9 | 22 | 13 | 2.7 |
| SL241 | 474348 | 6808666 | 25 | 26 | 1 | 2.5 |
| SL242 | 474301 | 6808651 | 22 | 32 | 10 | 1.4 |
| SL243 | 474252 | 6808638 | 18 | 25 | 7 | 2.9 |
| SL245 | 474207 | 6808624 | 23 | 24 | 1 | 1.6 |
| SL246 | 474155 | 6808602 | 22 | 23 | 1 | 2.8 |
| SL247 | 474102 | 6808584 | 30 | 32 | 2 | 1.1 |
| SL248 | 474447 | 6808695 | 20 | 26 | 6 | 2.8 |
| SL249 | 475880 | 6809016 | 12 | 28 | 16 | 4.4 |
| SL250 | 475928 | 6808996 | 12 | 26 | 14 | 2.7 |
| SL251 | 475976 | 6808972 | 14 | 27 | 13 | 3.1 |
| SL252 | 476133 | 6808985 | 19 | 27 | 8 | 1.6 |
| SL255 | 481920 | 6805228 | 20 | 22 | 2 | 2.7 |
| SL256 | 481887 | 6805268 | 22 | 24 | 2 | 1.5 |
| SL257 | 481850 | 6805301 | 24 | 26 | 2 | 1.1 |
| SL260 | 481817 | 6805503 | 30 | 32 | 2 | 1.3 |
| SL262 | 481866 | 6805620 | 22 | 28 | 6 | 1.6 |
| SL270 | 481539 | 6805771 | 16 | 24 | 8 | 1.5 |
| SL301 | 486923 | 6806525 | 26 | 36 | 8 | 5.0 |
| SL303 | 487871 | 6806896 | 22 | 24 | 2 | 2.6 |
| SL312 | 489999 | 6804935 | 46 | 54 | 8 | 1.4 |
| SL320 | 477589 | 6810641 | 10 | 14 | 4 | 1.1 |
| SL321 | 477423 | 6810598 | 52 | 54 | 2 | 1.4 |
| SL322 | 477211 | 6810571 | 10 | 54 | 12 | 1.6 |
| SL323 | 476959 | 6810575 | 48 | 50 | 2 | 1.0 |
| SL324 | 476767 | 6810594 | 2 | 4 | 2 | 1.1 |
| SL326 | 476410 | 6810423 | 32 | 46 | 4 | 1.3 |

Table1 Aircore Drilling Results

| | | Alloolo D | | ounto | | 1 |
|--------|--------|-----------|------|-------|----------|-----|
| Hole | MGA | MGA | From | То | Interval | % |
| Number | East | North | m | m | m | НМ |
| SL328 | 476003 | 6810393 | 42 | 44 | 2 | 1.6 |
| SL329 | 475821 | 6810414 | 38 | 40 | 2 | 1.4 |
| SL330 | 475462 | 6810391 | 24 | 27 | 3 | 1.4 |
| SL331 | 475353 | 6810373 | 24 | 28 | 4 | 1.8 |
| SL332 | 475301 | 6810371 | 22 | 30 | 8 | 2.7 |
| SL333 | 475251 | 6810358 | 22 | 28 | 6 | 1.7 |
| SL336 | 474858 | 6810343 | 32 | 38 | 6 | 0.9 |
| SL337 | 474747 | 6810345 | 22 | 24 | 2 | 1.1 |
| SL338 | 474083 | 6810090 | 16 | 28 | 7 | 1.7 |
| SL339 | 474007 | 6809579 | 18 | 30 | 6 | 1.4 |
| SL340 | 476791 | 6810093 | 42 | 55 | 7 | 1.1 |
| SL341 | 476695 | 6810113 | 48 | 50 | 2 | 1.4 |
| SL342 | 476597 | 6810089 | 30 | 32 | 2 | 1.1 |
| SL343 | 476502 | 6810073 | 24 | 48 | 4 | 1.2 |
| SL344 | 476406 | 6810057 | 44 | 48 | 4 | 1.4 |
| SL346 | 476201 | 6810033 | 40 | 44 | 4 | 1.3 |
| SL349 | 475915 | 6809963 | 20 | 32 | 12 | 2.9 |
| SL350 | 475866 | 6809941 | 20 | 32 | 12 | 3.9 |
| SL352 | 475765 | 6809890 | 22 | 29 | 7 | 1.0 |
| SL353 | 475714 | 6809875 | 25 | 26 | 1 | 1.1 |
| SL354 | 475661 | 6809874 | 23 | 25 | 2 | 1.2 |
| SL355 | 475609 | 6809844 | 23 | 24 | 1 | 1.1 |
| SL356 | 475558 | 6809773 | 16 | 28 | 12 | 2.2 |
| SL357 | 475461 | 6809732 | 24 | 28 | 4 | 1.9 |
| SL358 | 475369 | 6809733 | 26 | 28 | 2 | 1.1 |
| SL363 | 474891 | 6809717 | 20 | 24 | 4 | 1.5 |
| SL364 | 474843 | 6809712 | 19 | 24 | 5 | 1.7 |
| SL365 | 474791 | 6809703 | 14 | 24 | 10 | 2.9 |
| SL366 | 474741 | 6809706 | 22 | 23 | 1 | 2.8 |
| SL367 | 474693 | 6809712 | 22 | 33 | 2 | 1.3 |
| SL368 | 474644 | 6809710 | 17 | 22 | 5 | 1.5 |
| SL369 | 474593 | 6809706 | 12 | 26 | 14 | 4.3 |
| SL370 | 474545 | 6809716 | 12 | 21 | 9 | 4.4 |
| SL371 | 474489 | 6809720 | 14 | 21 | 7 | 4.1 |
| SL372 | 474438 | 6809712 | 13 | 28 | 10 | 4.4 |
| SL373 | 474389 | 6809696 | 13 | 30 | 17 | 4.4 |
| SL374 | 474341 | 6809685 | 15 | 30 | 14 | 3.0 |
| SL375 | 474294 | 6809654 | 14 | 30 | 16 | 2.9 |
| SL376 | 474246 | 6809627 | 16 | 21 | 5 | 2.7 |
| SL377 | 474192 | 6809614 | 18 | 21 | 3 | 1.7 |
| SL378 | 474145 | 6809600 | 14 | 21 | 7 | 1.9 |
| SL379 | 474100 | 6809590 | 18 | 21 | 3 | 3.3 |
| SL380 | 474018 | 6809118 | 22 | 26 | 4 | 1.3 |

Table1 Aircore Drilling Results

| | | 7 | | | 1 | |
|----------------|-------------|--------------|-----------|---------|---------------|---------|
| Hole Number | MGA East | MGA North | From m | To m | Interval m | % HM |
| SL381 | 474114 | 6809149 | 18 | 20 | 2 | 1.4 |
| SL382 | 474219 | 6809176 | 18 | 24 | 6 | 1.5 |
| SL384 | 474311 | 6809221 | 18 | 20 | 2 | 2.0 |
| SL385 | 474358 | 6809247 | 16 | 20 | 4 | 2.5 |
| SL386 | 474401 | 6809266 | 15 | 21 | 6 | 3.1 |
| SL387 | 474454 | 6809275 | 16 | 21 | 5 | 2.3 |
| SL388 | 474500 | 6809280 | 15 | 24 | 9 | 4.5 |
| SL389 | 474544 | 6809295 | 14 | 19 | 5 | 3.5 |
| SL390 | 474591 | 6809308 | 12 | 22 | 10 | 5.3 |
| SL391 | 474642 | 6809312 | 16 | 24 | 8 | 2.8 |
| SL392 | 474688 | 6809306 | 15 | 22 | 7 | 4.0 |
| SL393 | 474740 | 6809304 | 15 | 22 | 7 | 4.0 |
| SL394 | 474792 | 6809314 | 21 | 22 | 1 | 2.0 |
| SL395 | 474844 | 6809325 | 21 | 22 | 1 | 1.0 |
| SL396 | 474891 | 6809335 | 20 | 22 | 2 | 3.2 |
| SL397 | 474949 | 6809346 | 18 | 21 | 3 | 1.9 |
| SL403 | 475504 | 6809469 | 22 | 26 | 4 | 1.7 |
| SL404 | 475564 | 6809476 | 22 | 28 | 6 | 1.5 |
| SL405 | 475616 | 6809481 | 18 | 27 | 9 | 3.1 |
| SL406 | 475662 | 6809496 | 16 | 28 | 12 | 2.8 |
| SL407 | 475713 | 6809511 | 18 | 29 | 11 | 3.3 |
| SL408 | 475757 | 6809525 | 22 | 28 | 6 | 1.1 |
| SL409 | 475805 | 6809541 | 23 | 25 | 2 | 1.5 |
| SL485 | 476884 | 6808346 | 32 | 36 | 4 | 3.1 |
| SL486 | 476842 | 6808330 | 34 | 36 | 2 | 6.3 |
| SL487 | 476930 | 6808357 | 32 | 36 | 4 | 2.3 |
| SL488 | 476975 | 6808370 | 14 | 16 | 2 | 1.6 |
| SL493 | 477307 | 6806884 | 24 | 26 | 2 | 1.6 |
| SL494 | 477209 | 6806851 | 28 | 36 | 8 | 2.2 |
| SL496 | 477019 | 6806864 | 30 | 38 | 8 | 2.3 |
| SL497 | 476934 | 6806849 | 34 | 38 | 4 | 1.6 |
| SL500 | 475236 | 6807592 | 28 | 30 | 2 | 2.2 |
| SL541 | 498177 | 6804044 | 19 | 20 | 1 | 2.2 |
| SL542 | 498226 | 6804044 | 18 | 20 | 2 | 3.1 |
| SL543 | 498136 | 6804049 | 19 | 20 | 1 | 1.9 |
| SL544 | 498093 | 6804057 | 19 | 20 | 1 | 2.2 |
| SL545 | 497993 | 6804068 | 16 | 22 | 6 | 3.1 |
| SL546 | 498041 | 6804068 | 18 | 21 | 3 | 3.0 |
| SL547 | 497942 | 6804064 | 20 | 23 | 3 | 2.3 |
| SL551 | 498495 | 6803682 | 21 | 26 | 5 | 2.2 |

Table1 Aircore Drilling Results

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