
CYCLONE EXTENDED THICKNESS INCREASED, MINERALOGICAL TESTS AND RESOURCE ESTIMATE UNDERWAY

As previously reported, Image Resources completed a 402-hole, 16,308m aircore drilling programme at Serpentine Lakes in the Eucla Basin, following up its earlier drilling which intersected significant thicknesses of zircon-rich heavy minerals (HM). Zircon comprises up to 45% of the HM assemblage (ASX releases 11 February 2009 and 27 October 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 a very low slime content (range 1.8% - 7.6%, average 4.2%). Low slime content is important because the material is easier to treat and operating costs of mining are reduced.

Results for all samples selected for assay have now been received. Most of the more recent sample results, summarised in Table 1, are from areas above and adjacent to the higher grade core of the mineralisation. As a result, most of the new intersections are from holes that were reported previously, but which now have greater thicknesses. Within the Cyclone Extended area shown in Figure 1, the average thickness of mineralisation has increased from 8m to 10m **representing an overall increase in mineralisation thickness of 25%**. As most of the increased thickness is in the upper part of the mineralisation, it is likely that the overburden ratio will reduce.

Two distinct zones of mineralisation are recognised within Cyclone Extended which abuts Diatreme Resources' Cyclone resource to the north. Based on the drilling completed to date, the main body of the western zone is some 2km long and 800m wide, with a 200m-wide extension to the south for a further 750m. The eastern zone is about 800m wide, remains open to the south and could extend for up to 4.5km in length within the Image tenements. Additional mineralisation has been identified about 1.5km east of the eastern zone that warrants more drilling to define its extent.

The drill holes shown in Figure 1 are coloured by metal factor (intersected thickness x HM 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. Sections showing some of the increased mineralisation thicknesses, ranging up to 20m thick (1% HM cut off), are shown in Figure 2.

These new results continue to highlight that Cyclone Extended is a potentially economic zircon discovery, particularly when considered with Diatreme's contiguous Cyclone deposit. The strike length of the two deposits extends for some 10km, which is a significant size in a global context and which compares favourably with Iluka's Jacinth-Ambrosia deposits further east in the Eucla Basin.

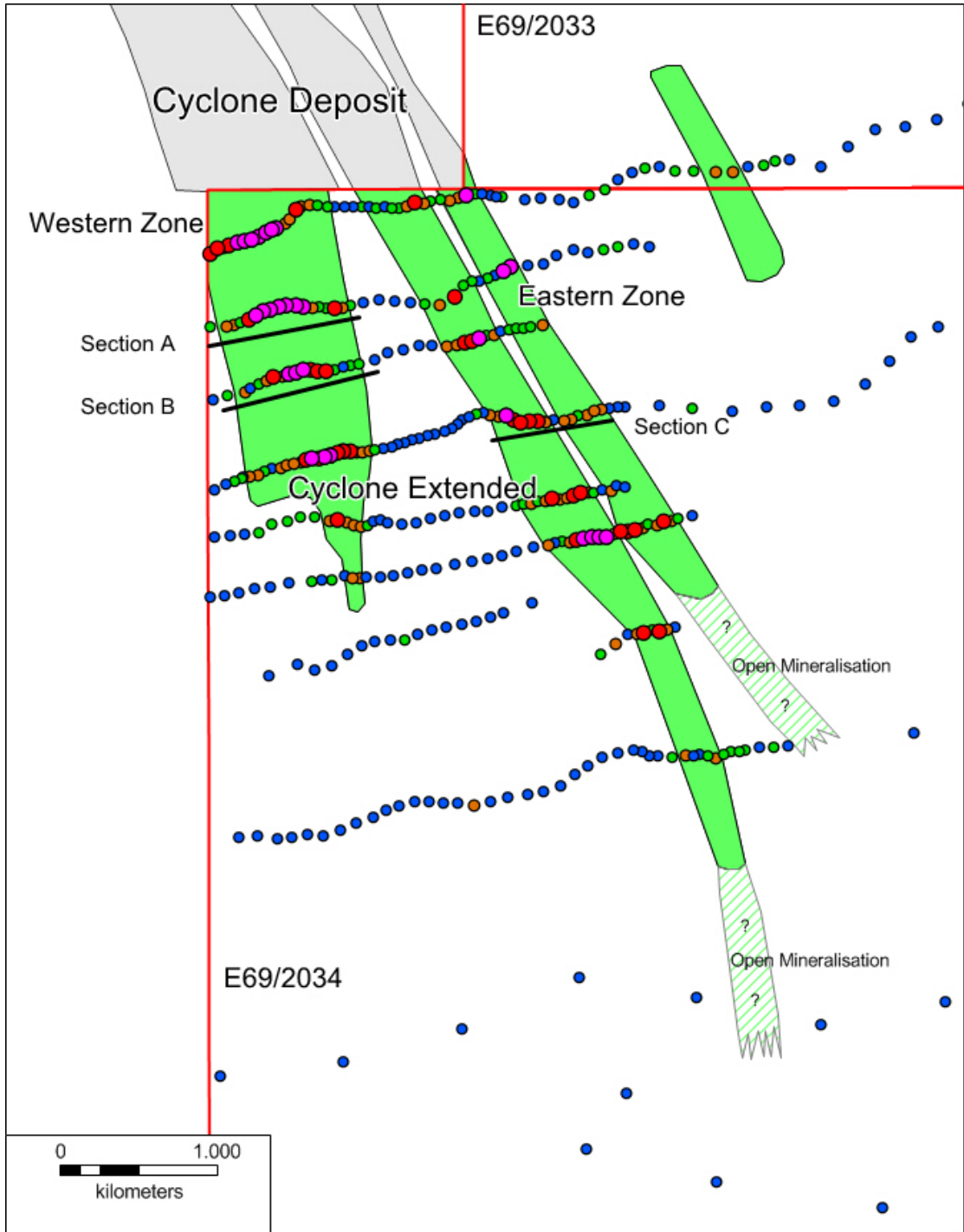


Figure 1
Cyclone Extended HM Prospect Showing Mineralisation and Drill Holes Coloured by Metal Factor

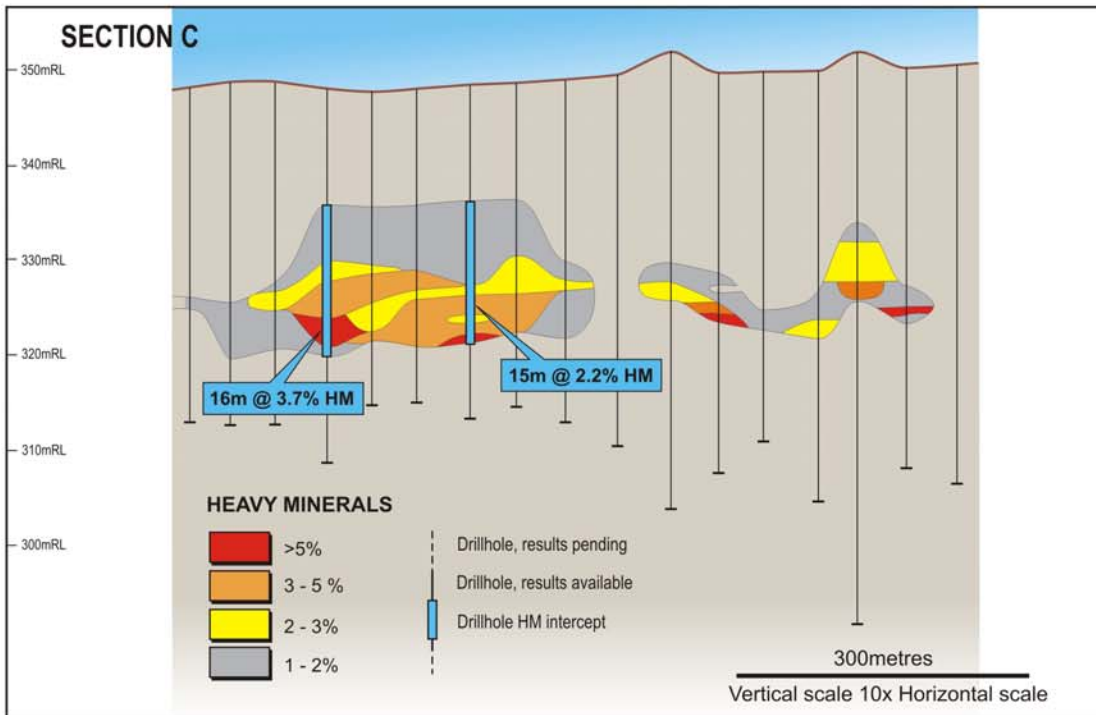
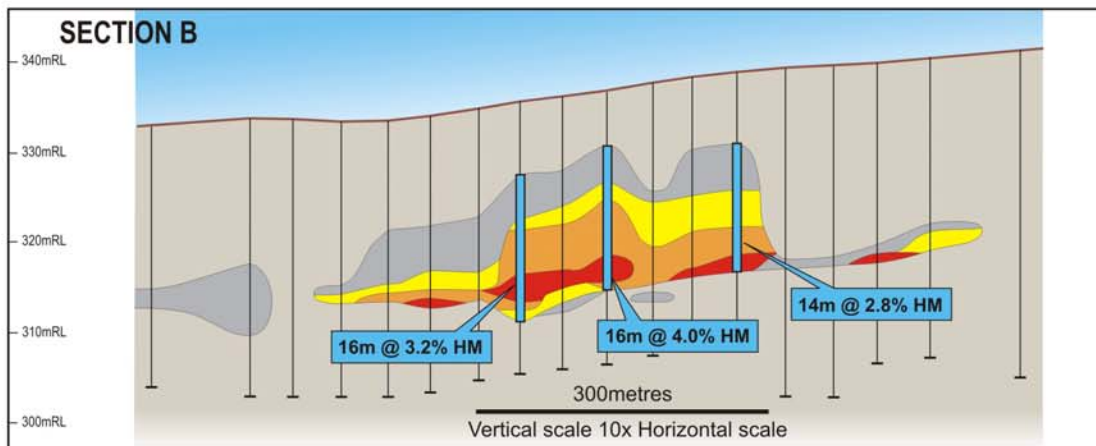
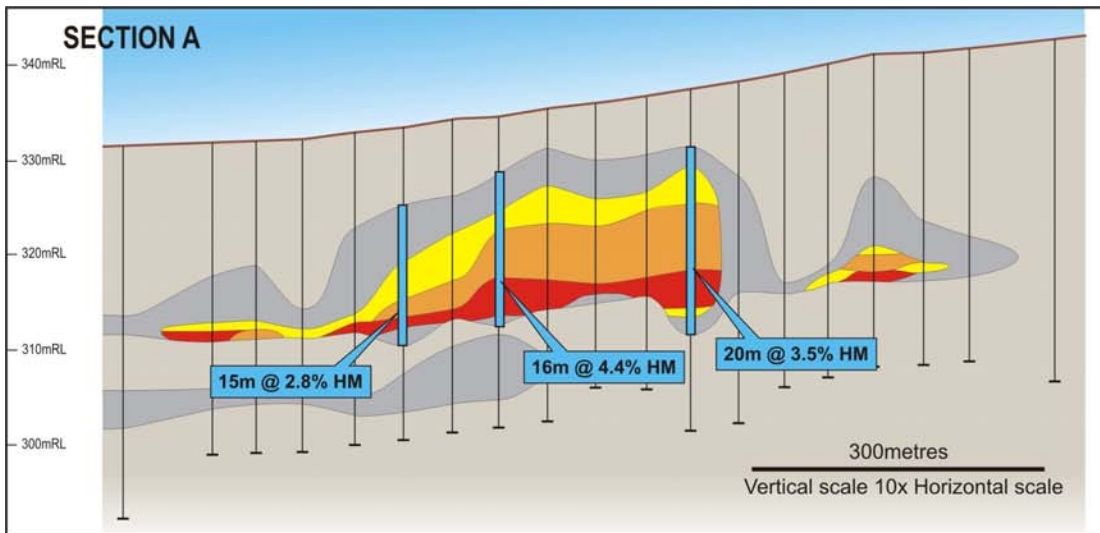


Figure 2
Cyclone Extended Drill Sections

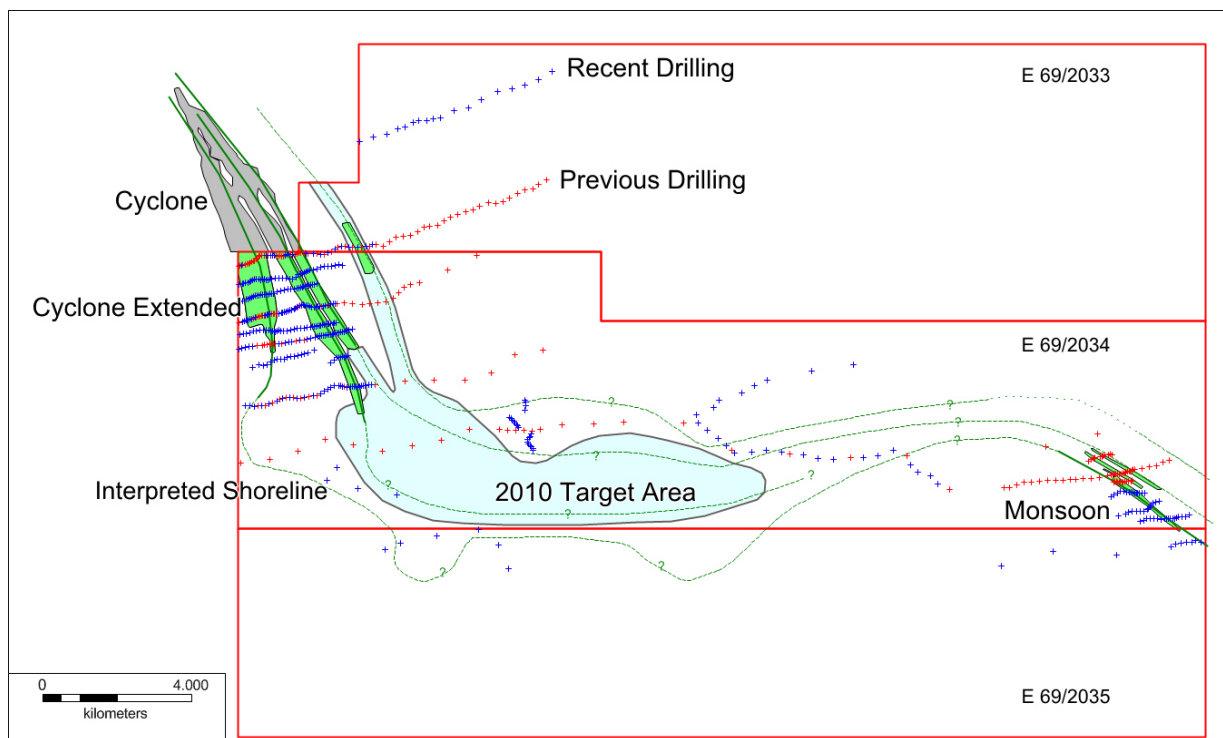


Figure 3
Cyclone Extended and Monsoon Prospects

As previously reported, some 20km east of Cyclone Extended further HM mineralisation has been identified at the Monsoon prospect as shown in Figure 3. The area between Cyclone Extended and Monsoon remains prospective for additional mineralisation and further drilling is planned in this area.

Now that sample processing is complete, mineral assemblage studies and resource estimation have commenced. It is anticipated 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 continues to be most encouraged by the drilling results received to date which point to potential for extensive zircon-rich mineralisation with significant high titanium leucoxene and rutile credits.

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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.

Table1
Aircore Drilling Results

Hole Number	MGA East	MGA North	From m	To m	Interval m	% HM
SL098	474571	6808730	16	24	8	2.1
SL102	474047	6810081	8	23	15	1.9
SL108	474478	6810246	8	23	15	1.1
SL110	474547	6810332	8	23	15	2.2
SL218	476132	6808985	19	27	8	1.5
SL219	476081	6808980	12	26	14	2.5
SL220	476032	6808980	12	27	15	2.6
SL251	475976	6808972	12	27	15	2.9
SL322	477211	6810571	8	16	8	1.8
SL332	475301	6810371	16	30	14	2.0
SL338	474083	6810090	10	21	11	1.5
SL349	475915	6809963	14	32	18	2.4
SL350	475866	6809941	18	32	14	3.4
SL356	475558	6809773	14	28	14	2.1
SL364	474843	6809712	18	24	6	1.6
SL365	474791	6809703	13	24	11	2.7
SL368	474644	6809710	10	22	12	1.4
SL369	474593	6809706	6	26	20	3.9
SL370	474545	6809716	6	21	15	3.8
SL371	474489	6809720	6	21	15	3.3
SL372	474438	6809712	4	21	17	3.8
SL373	474389	6809696	6	22	16	5.0
SL374	474341	6809685	8	21	13	3.3
SL375	474294	6809654	8	23	15	3.0
SL376	474246	6809627	10	21	11	1.9
SL378	474145	6809600	13	21	8	1.8
SL379	474100	6809590	14	21	7	2.0
SL382	474219	6809176	16	24	8	1.4
SL385	474358	6809247	12	20	8	1.9
SL386	474401	6809266	12	21	9	2.5
SL387	474454	6809275	12	21	9	1.9
SL388	474500	6809280	8	24	16	3.6
SL389	474544	6809295	8	24	16	2.7
SL390	474591	6809308	6	22	16	4.5
SL391	474642	6809312	12	24	12	2.6
SL392	474688	6809306	8	22	14	3.0
SL393	474740	6809304	8	22	14	3.1
SL405	475616	6809481	14	27	13	2.7
SL406	475662	6809496	14	28	14	2.6
SL407	475713	6809511	14	29	15	3.0
SL423	474815	6808355	16	25	9	2.5

Table1 (Continued)
Aircore Drilling Results

Hole Number	MGA East	MGA North	From m	To	Interval m	%
SL425	474912	6808332	12	23	11	2.0
SL426	474955	6808317	17	22	5	1.4
SL447	476312	6808514	19	30	11	2.7
SL448	476356	6808525	16	30	14	2.5
SL449	476398	6808537	22	29	7	1.6
SL452	476544	6808549	25	30	5	3.0
SL477	476474	6808245	18	36	18	2.8
SL486	476842	6808330	32	36	4	3.9
SL487	476930	6808357	22	36	14	1.1

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