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NEW HIGH GRADE DISCOVERY WITHIN 16KM TARGET AT GINGIN

Image Resources has identified excellent heavy mineral (HM) grades within its Gingin (E70/3032, Image 100%) and Chandala (E70/2742, Image earning 70%) tenements in the North Perth Basin. An extensive target zone more than 16km in length has been defined by detailed ground magnetic surveys along the Gingin scarp which has historically been the site of a number of world class ore bodies including Eneabba and Cooljarloo (Figure 1).

To date Image has drilled 155 aircore holes totalling 4,626m covering only 3.6km (22%) of this 16km target zone. Already a number of very significant high grade results have been returned including:

Hole Number	From m	To m	Interval m	% HM
GG234	18	22	4	8.4
GG243	24	26	2	12.2
GG244	18	26	8	10.6
GG246	18	22	4	12.2
GG247	24	26	2	9.6
GG248	18	20	2	8.1
GG251	18	22	4	9.8
GG273	6	16	10	11.4
GG284	9	18	9	15.4
GG298	16	18	2	31.3
GG299	17	18	1	40.5
GG300	17	18	1	30.4
GG309	23	25	2	9.3
GG311	21	23	2	10.8

The aircore drilling results are summarised in Table 1. These results compare most favourably with grades of about 6%HM being dry mined in the North Perth Basin. Panning of a typical high grade drill sample is shown in Figure 2. Only 354 laboratory processing results have been received out of a total of 1,260 samples submitted to date. A further 68 holes (about 2,000m) are being drilled, bringing the total for the current programme to 223 holes totalling about 6,600m.

Image is planning to extend its drilling programme to test the remaining 13km of target strike length. At this stage one land access agreement has been signed in the remaining target area, with permitting for further drilling in progress. The company is highly encouraged by these early results and plans to continue an aggressive drilling programme in the near future over this new high grade discovery.

Table 1
Gingin and Chandala Aircore Drilling Results

Hole Number	MGA East	MGA North	From m	To m	Interval m	% HM
GG219	399520	6522597	22	26	4	3.9
GG225	399274	6522594	12	16	4	2.2
GG233	398938	6522607	10	14	4	3.2
GG234	398898	6522608	8	22	14	6.0
Including			18	22	4	8.4
GG237	398920	6522609	10	14	4	4.8
GG243	398931	6522480	22	28	6	7.0
Including			24	26	2	12.2
GG244	398971	6522446	14	32	18	6.8
Including			18	26	8	10.6
GG245	399003	6522424	14	18	4	4.6
GG246	398990	6522439	14	24	10	8.3
Including			18	22	4	12.2
GG247	398949	6522464	22	28	6	5.2
Including			24	26	2	9.6
GG248	399048	6522403	14	20	6	5.1
Including			18	20	2	8.1
GG249	399082	6522374	16	22	6	5.1
GG251	399117	6522348	14	22	8	6.5
Including			18	22	4	9.8
GG252	399158	6522319	20	26	6	3.2
GG269	397720	6525207	6	12	6	3.4
GG270	397697	6525205	4	10	6	4.0
GG271	397677	6525206	2	16	14	3.4
GG272	397656	6525206	0	12	12	4.2
GG273	397633	6525216	0	18	18	8.0
Including			6	16	10	11.4
GG274	397614	6525209	2	8	6	3.5
GG283	398079	6524263	8	20	12	5.0
GG284	398099	6524263	8	18	10	14.1
Including			9	18	9	15.4
GG298	398090	6524427	16	18	2	31.3
GG299	398111	6524431	17	18	1	40.5
GG300	398132	6524437	17	18	1	30.4
GG309	399434	6521809	23	25	2	9.3
GG311	399388	6521795	21	23	2	10.8

1m or 2m samples. HM grades determined by TBE heavy liquid separation

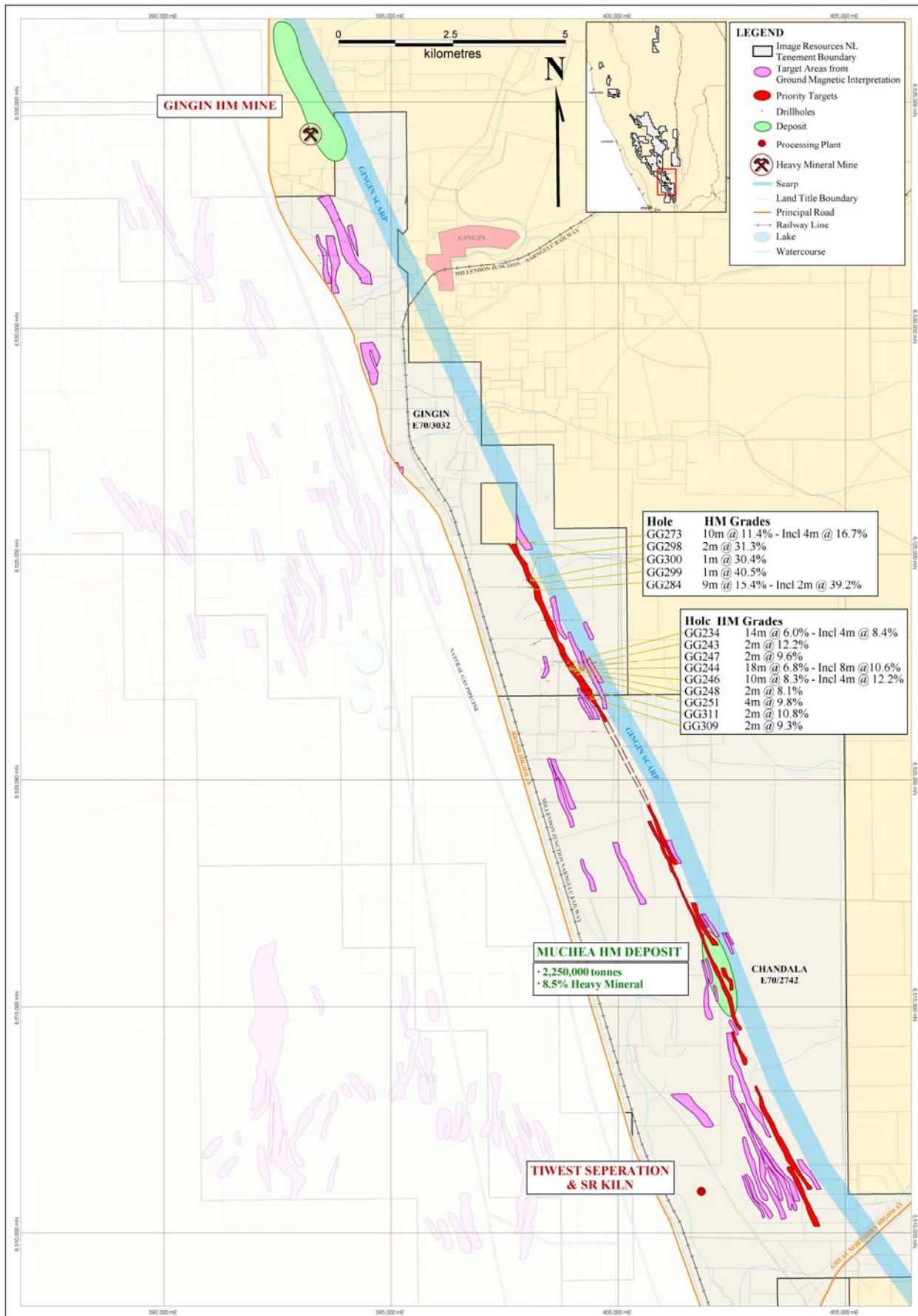


Figure 1
 Gingin and Chandala Drilling and Target Summary Map



Figure 2
Project Geologist Wayne Carter Panning High Grade HM in Hole GG311

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 or reviewed 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.