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QUARTERLY ACTIVITIES REPORT – for the quarter ended 30 June 2017

Image Resources NL
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Issued Capital
Shares – Quoted
537,641,631
As at 30 June 2017

Cash at end of quarter
$1,361,000

Board Members
Robert Besley
(Non-Executive Chairman)
Patrick Mutz
(Managing Director)
Peter Thomas
(Non-Executive Director)
George Sakalidis
(Executive Director)
Chaodian Chen
(Non-Executive Director)
Eddy Wu
(Non-Executive Director)
Aaron Chong Veoy Soo
(Non-Executive Director)

HIGHLIGHTS

Boonanarring/Atlas Bankable Feasibility Study

The Company's primary focus during the quarter was completion of a bankable feasibility study (BFS) on its 100%-owned, high-grade Boonanarring and Atlas mineral sands projects in the North Perth Basin in WA.

Highlights from the BFS announced 30 May 2017 are:

- Low project capital cost estimate of A$52M inclusive of ~$8M for resalable land;
- Project Pre-Tax NPV of A$135M at 8% discount rate;
- Project Pre-Tax IRR of 64%; Payback period of 22 months;
- Off-Take Agreement for 100% of products/revenue in place;
- Relocatable capital equipment to produce HMC already acquired; and
- First production targeted for March 2018.

Project Capital Financing

On 31 May 2017, the Company announced the unanimous approval by the Board of Directors to accept the recommendation in the BFS and to seek project financing. This approval triggered the following:

- the Company's finance consultant, PCF Capital, established a data room and initiated contact with potential tier-1 financial institutions to seek interest in providing debt capital; and
- executive directors embarked on road-shows to seek interest from sophisticated and institutional investors in providing equity capital.

Completion of Land Purchase Option

On 21 April 2017, the Company completed the purchase of a 550-hectare section of land at Boonanarring that will encompass the initial box-cut for open pit mining operations, the location of the ore processing plant and a supply of ore for up to two and a half years of processing.

Boonanarring Ore Reserves

On 10 April 2017, the Company announced an update of the Ore Reserves for Boonanarring in accordance with the JORC Code (2012), which resulted in a 39% increase in the total tonnes of ore from that reported in 2013 to 20M tonnes at 7.2% heavy minerals (HM) with 22.4% zircon in the HM.

Atlas Mineral Resources and Ore Reserves

On 8 May 2017, the Company announced an update of the Mineral Resources for Atlas in accordance with the JORC Code (2012), which resulted in a 68% increase in the total tonnes of Mineral Resources from that reported in 2013 to 18.1M tonnes at 6.0% HM.

On 30 May 2017, the Company announced the updated Ore Reserves for Atlas were 9.5M tonnes at 8.1% HM in the 'probable' category.

Potential Boonanarring Extension

On 26 June 2017, the Company confirmed that the Boonanarring high grade extension included zircon grades ranging from 16.4% to 22.2% of the HM content which included

	outstanding high-grade intersections of 8m @ 23.8% HM in drill hole IX00245, 8m @ 21.1% HM in IX00244 and 8m @ 16.3% HM in IX00250. **Fund Raising During the Quarter** On 12 July 2017, the Company announced that it had received commitments to subscribe for a placement of 33,648,356 new shares at a price of 9 cents each, to raise $3,028,352 (before costs). The funds are intended to be used to continue to fast-track development of the Boonanarring project in advance of full project capital funding. **Corporate** In accordance with a change of year end, the Annual Report for the six-month period ended 31 December 2016 was filed on 28 March 2017 and the Annual Report was approved by Shareholders at the Annual General Meeting held on 31 May 2017.

ACTIVITIES REPORT

Bankable Feasibility Study

During the Quarter ending 30 June 2017, Image Resources NL ("Image" or "the Company") continued to focus its efforts on fast-tracking the development of its 100%-owned Boonanarring and Atlas mineral sands projects located in the infrastructure-rich North Perth Basin approximately 80km north of Perth in WA. The principal activity during this period was completion of the bankable feasibility study (BFS) which was announced on 30 May 2017.

BFS Highlights:

- Low project capital cost estimate of A$52M inclusive of ~$8M for resalable land;
- Project Pre-Tax NPV of A$135M at 8% discount rate;
- Project Pre-Tax IRR of 64%; Payback period of 22 months;
- Off-Take Agreement for 100% of products/revenue in place;
- Relocatable capital equipment to produce HMC already acquired;
- First production targeted for March 2018;
- Mine life extension opportunities at and near Boonanarring including:
  - Confirmed 5.6 km extension of high grade mineralisation to the north of Boonanarring within economic pumping distance of the proposed location of the processing plant (announced 13 March 2017);
  - Potential to process lower grade overlying layer of mineralisation as commodity prices improve; and
  - Several other deposits with high grade Mineral Resources in the vicinity of Boonanarring.

In addition to the strong BFS results, the addition of the Atlas Ore Reserves (as announced on 30 May 2017), combined with the upside potential for high grade extensions to the Boonanarring deposit (as announced on 13 March 2017), and the continuing improvement of mineral sands commodity prices, are expected to significantly improve the bankability of the Boonanarring/Atlas Project.

Project Capital Financing

On 31 May 2017, the Company announced the unanimous approval by the Board of Directors to accept the recommendation in the BFS and to seek project financing. This approval triggered the following:

- the Company's finance consultant, PCF Capital, established a data room and initiated contact with potential tier-1 financial institutions to seek interest in providing debt capital; and

- executive directors embarked on road-shows to seek interest from sophisticated and institutional investors in providing equity capital.

Indicative term sheets from potential debt financiers are expected to be received late July and early August. Overall project capital funding is targeted to be completed before the end of the September Quarter.

Completion of Land Purchase Option

As announced on 10 January 2017, Image exercised a purchase option for a 550-hectare section of land situated over a portion of the Boonanarring deposit that will encompass the initial box-cut for open pit mining operations, the location of the ore processing plant and a supply of ore for up to two and a half years of processing. On 21 April 2017, the Company completed the land purchase.

Negotiations with other landowners for access to other sections of land over the Boonanarring deposit are well advanced.

Fund Raising During the Quarter

On 31 May 2017, the Board approved an interim fund-raising programme to supplement cash reserves in advance of the full project capital funding for the Boonanarring Project. On 12 July 2017, the Company announced that it had received commitments to subscribe for a placement of 33,648,356 new shares at a price of 9 cents each, to raise $3,028,352 (before costs).

The funds are intended to be used to continue to advance the development of the Boonanarring project with activities to be funded including:

- securing certain long-lead equipment (e.g. slimes thickener, HV electrical transformer and switch gear, classifier);
- preparation of detailed engineering (electrical, civil and mechanical);
- undertaking miscellaneous site preparation surveys and geotechnical work;
- EPCM planning; and
- advancing land purchase agreements and other key contracts, including the mining contract.

Update of Mineral Resources and Ore Reserves

On 10 April 2017, the Company announced an update of the Ore Reserves for Boonanarring in accordance with the JORC Code (2012), which resulted in a 39% increase in the total tonnes of ore from that reported in 2013. Updated Ore Reserves reported were 20M tonnes at 7.2% heavy minerals (HM) and 22.4% zircon in the HM across the 'proved' and 'probable' categories.

On 8 May 2017, the Company announced an update of the Mineral Resources for Atlas in accordance with the JORC Code (2012), which resulted in a 68% increase in the total tonnes of Mineral Resources from that reported in 2013. Updated Mineral Resources were reported as 18.1M tonnes at 6.0% HM across the 'measured', 'indicated' and 'inferred' categories.

On 30 May 2017, the Company announced the updated Ore Reserves for Atlas in accordance with the JORC Code (2012) were reported as 9.5M tonnes of ore at 8.1% HM in the 'probable' category.

Potential Boonanarring Extension

On 13 March 2017, the Company announced some outstanding drill results which confirm the potential for a 5.6km northern extension of high-grade Boonanarring mineralisation that will be within pumping distance of the planned location of the wet concentration plant.

On 26 June 2017, the Company confirmed that the Boonanarring high grade extension included zircon grades range from 16.4% to 22.2% of the HM content which included outstanding high-grade intersections of 8m @ 23.8% HM in drill hole IX00245, 8m @ 21.1% HM in IX00244 and 8m @ 16.3% HM in IX00250.

Boonanarring Northern Extension Zircon Composites

Assay results of drilling composite samples confirmed enriched zircon grades across the previously announced 5.6km high-grade northern extension of the Boonanarring mineral sands deposit. Results indicate the zircon

grades range from 16.4% to 22.2% of the heavy mineral (HM) content which included outstanding high-grade intersections of 8m @ 23.8% HM in drill hole IX00245, 8m @ 21.1% HM in IX00244 and 8m @ 16.3% HM in IX00250 (ASX release 13/03/2017).

Boonanarring has estimated Mineral Resources of 43.8M tonnes at 5.6% HM (ASX release 13/01/2017) and Ore Reserves of 20.0M tonnes at 7.2% HM with 22.4% of the HM as high-value zircon and with 77% of the HM as VHM (ASX release 10/04/2017). The Boonanarring Ore Reserves stretch over 13.2km to the south of the above mentioned 5.6km extension area.

The 5.6km extension has the same enriched zircon mineral assemblage as the Boonanarring deposit, which is within economic pumping distance of the planned location of the wet concentrator plant at Boonanarring should add significantly to the upside potential of the project.

The location of drill holes from two separate drill programmes (ASX release 13/6/2015 and 13/05/2017) are shown in Figure 1.

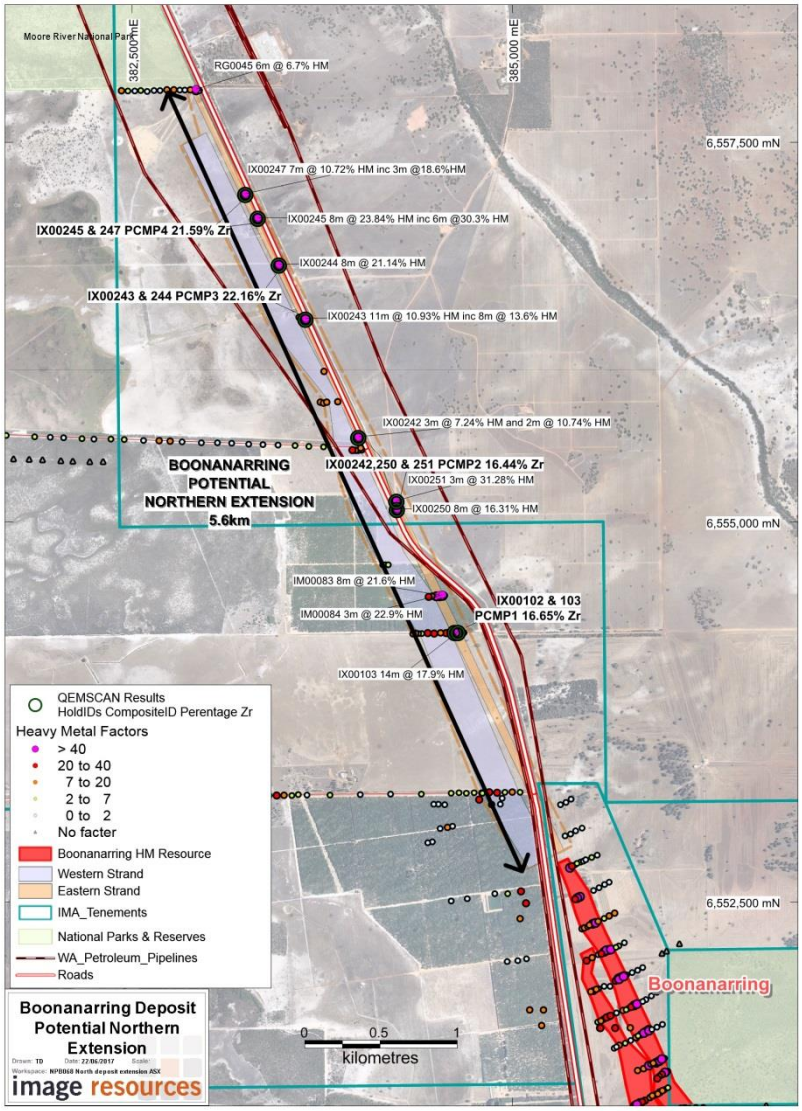

Figure 1. Location of Drill Holes and Composite Samples in Boonanarring Northern Extension

A total of 85 HM sink samples were submitted to the SGS analytical laboratory in Malaga, WA for splitting and compositing into 4 HM composites over a 5.6km Boonanarring potential northern extension. The 4 composites were designed to provide a representation of heavy mineral assemblage from the limited drilling results available to-date. SGS assayed the 4 HM composites using QEMSCAN and providing the results presented in Table 1.

Table1. SGS Laboratory Modal Abundance Composite Results

Mineral Mass %	PCMP1	PCMP2	PCMP3	PCMP4
Rutile	**3.41**	**3.25**	**3.39**	**2.72**
Hi Ti Leucoxene	1.18	1.05	1.45	0.96
Low Ti Leucoxene	1.04	1.55	2.15	1.73
Altered Ilmenite	**50.65**	**47.59**	**43.45**	**49.04**
Ilmenite	**13.13**	**11.82**	**6.63**	**11.08**
Titano Fe Oxide	0.42	0.57	0.17	0.26
Ti Intergrowths	0.20	0.23	0.61	0.24
Titanite	0.00	0.00	0.00	0.00
Zircon	**16.65**	**16.44**	**22.16**	**21.59**
Chromite	0.08	0.08	0.01	0.10
Fe Oxides/ Hydroxides	4.49	6.96	5.00	4.12
REE Phosphates	0.13	0.16	0.16	0.25
Quartz	0.23	0.34	0.87	0.77
Al Silicates	1.23	1.21	1.96	1.41
AlFe Silicates	5.44	6.49	10.07	4.21
Other Silicated	0.10	0.08	0.04	0.01
Carbonates	0.02	0.08	0.01	0.01
Other Minerals	1.60	2.09	1.87	1.52
Totals	**100.0**	**100.0**	**100.0**	**100.0**
VHM	**83.9**	**79.1**	**75.6**	**84.4**

Even though the limited drilling programmes have confirmed that the high-grade, high-zircon extension of the Boonanarring mineralisation is present over 5.6km to the north of the current Ore Reserves, further drilling is required to outline additional Mineral Resources and Ore Reserves. Further infill and extension drilling is being planned and is subject to access which is currently being sought.

It is not possible with the limited information available to determine the feasibility or potential economics of mining in this extended area due to the location of the Brand Highway and gas pipelines. However, there are precedents regarding approvals to allow mining in areas near transportation and other infrastructure.

Other Projects

Planned drilling at Bidaminna, Woolka, Boonanarring West, Winooka, Bootine, Bryalana and Bibby Springs have been delayed due to the wet conditions of the ground and are planned for the quarter ended 30 September 2017 (Table 2).

Table 2. Drilling Programme August 2017

Prospect	No. Holes	Total Metres
Bidaminna	33	1,650
Woolka	13	550
Winooka	8	300
Bibby Springs	5	150
Boonanarring West	13	400
Bryalana	3	100
Bootine	15	540

King Gold Project (E28/1985)

A detailed 100m spaced 260 line km ground magnetic survey has been completed over the central part of the King Project (Figure 2). A shear zone is interpreted to potentially extend the prospective mineralised zone to the north within Image Resource's tenement (E28/1985). Historic shallow geochemical drilling (Mines Department open file) has shown anomalous gold of 4m @ 0.4g/t from 32-36M within air core hole SLAC020 and 2m @ 0.6g/t from 34m in hole ROE0339 which is within this interpreted northern extension. This anomalous gold is thought to be an indicator of deeper steep western dipping mineralisation as demonstrated by the array of shallow and deeper drilling within the P28/1320-21 area (excised). The mineralisation within the P28/1320-21 is over 1km in length and is within a 150m wide zone and has maximum 1m gold intervals ranging from 6.9 to 38.6g/t. which are projected to surface are shown on Figure 2. The mineralisation is associated with coarse blebby sulphides and quartz veining in sheared felsic sediments. Image is planning further follow up work after the detailed interpretation is completed.

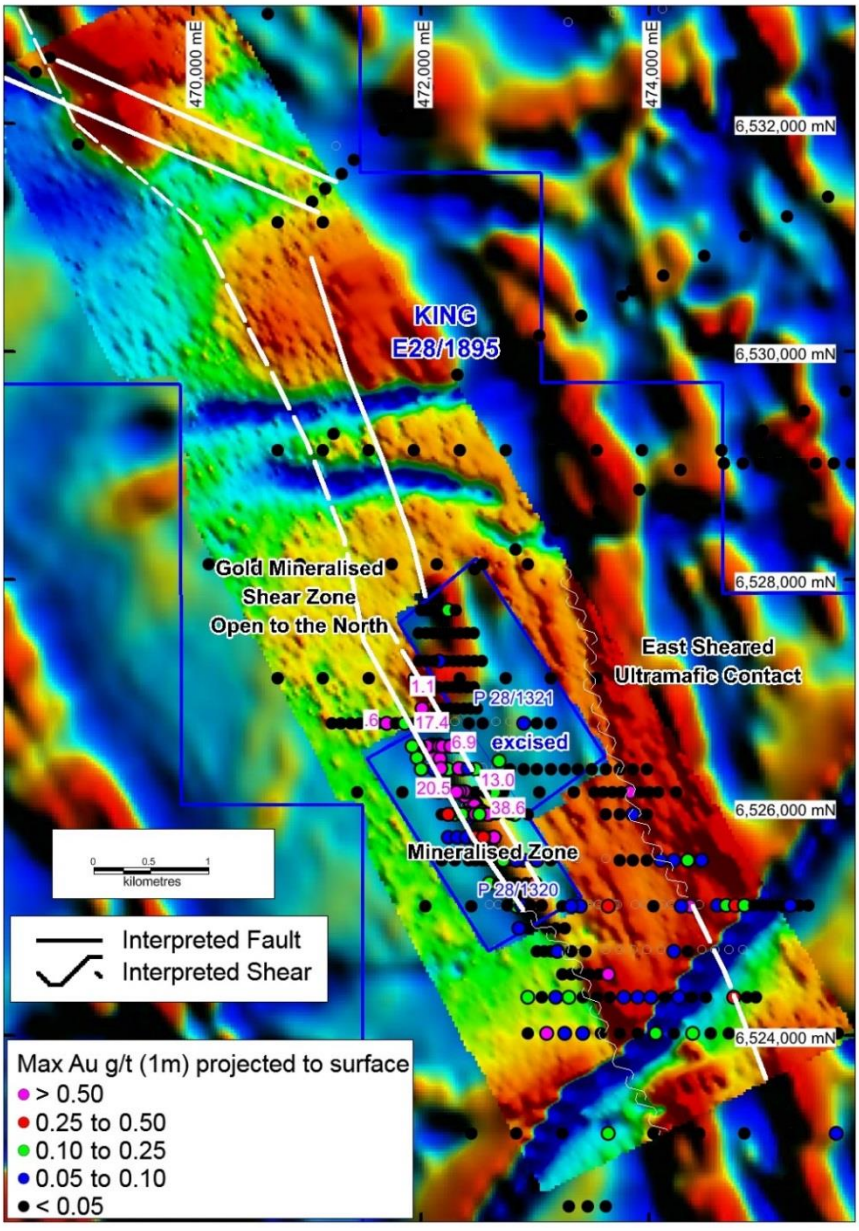

Figure 2 Ground magnetic at King showing major interpreted structures with max. gold (1m) projected to surface.

For more information visit our website at www.imageres.com.au.

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Managing Director

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COMPETENT PERSON'S STATEMENT – EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES

Information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves (other than Boonanarring Mineral Resources) is based on information compiled by George Sakalidis BSc (Hons) who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results, Mineral Resources and Ore Reserves were compiled, George Sakalidis was a director 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 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. George Sakalidis consents to the inclusion of this information in the form and context in which it appears in this report.

The information in this report that relates to the estimation of Mineral Resources for the Boonanarring Project is based on information compiled by Mrs Christine Standing, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Mrs Standing is a full-time employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mrs Standing consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding prices, exploration or development costs and other operating results, growth prospects and the outlook of Image's operations contain or comprise certain forward looking statements regarding Image's operations, economic performance and financial condition. Although Image believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties, fluctuations in prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Image undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Attachments: Table 3. Tenement Schedule in accordance with ASX Listing Rule 5.3.3
Table 4. Mineral Resources and Ore Reserves as at 31 March 2017

Table 3. Tenement Schedule in accordance with ASX Listing Rule 5.3.3

Tenements held at the end of the Quarter

Location	Tenement	Nature of Interest	Project	Equity (%) held at start of Quarter	Equity (%) held at end of Quarter
WA	E28/1895	Granted	ERAYINIA	100%	100%
WA	E70/2636	Granted	COOLJARLOO	100%	100%
WA	E70/2844	Granted	BIDAMINNA NTH	100%	100%
WA	E70/2898	Granted	COOLJARLOO	100%	100%
WA	E70/3032	Granted	GINGIN	100%	100%
WA	E70/3041	Granted	REGANS FORD SOUTH	100%	100%
WA	E70/3100	Granted	QUINNS HILL	100%	100%
WA	E70/3192	Granted	BOOTINE	100%	100%
WA	E70/3298	Granted	BIDAMINNA -PARK	90%	90%
WA	E70/3411	Granted	REGANS FORD	100%	100%
WA	E70/3494	Granted	BRYALANA	100%	100%
WA	E70/3720	Granted	BLUE LAKE	100%	100%
WA	E70/3892	Granted	CHAPMAN HILL	100%	100%
WA	E70/3997	Granted	MUNBINIA	100%	100%
WA	E70/4077	Granted	DARLING RANGE	100%	100%
WA	E70/4244	Granted	WOOLKA	100%	100%
WA	E70/4245	Granted	WINOOKA	100%	100%
WA	M70/0448	Granted	GINGIN SOUTH	100%	100%
WA	M70/1192	Granted	RED GULLY	100%	100%
WA	M70/1193	Granted	GINGIN NORTH	100%	100%
WA	M70/1194	Granted	BOONANARRING	100%	100%
WA	P70/1516	Granted	COOLJARLOO	100%	100%
WA	M70/1311	Granted	BOONANARRING	100%	100%
WA	G70/0250	Granted	BOONANARRING	100%	100%
WA	R70/0051	Granted	COOLJARLOO NORTH	100%	100%
WA	M70/1305	Application	ATLAS	100% pending grant	100% pending grant
WA	P70/1520	Application	COOLJARLOO	100% pending grant	100% pending grant
WA	E70/4631	Granted	MUNBINIA WEST	100%	100%
WA	E70/4656	Granted	WINOOKA NORTH	100%	100%
WA	E70/4663	Granted	BIBBY SPRINGS	100%	100%
WA	E70/4689	Granted	BOONANARRING	100%	100%
WA	E70/4779	Granted	MIMEGARRA	100%	100%
WA	E70/4794	Granted	REGANS FORD NORTH	100%	100%
WA	E70/4795	Application	BIDAMINNA SOUTH	100% pending grant	100% pending grant
WA	E70/4919	Application	ORANGE SPRINGS	100% pending grant	100% pending grant
WA	E70/4946	Application	REGANS FORD	100% pending grant	100% pending grant
WA	E70/4949	Application	GINGIN	100% pending grant	100% pending grant

Mining Tenements acquired during the Quarter

Mining Tenements disposed during the Quarter

WA	E28/2071	Surrendered	TALC LAKE	100%	-

Table 4 – Mineral Resources and Ore Reserves as at 31 March 2017

High Grade Ore Reserves - Strand Deposits; in accordance with the JORC Code (2012)											
Project/Deposit	**Category**	**Volume**	**Tonnes**	**% HM**	**% Slimes**	**HM Tonnes**	**VHM (%)**	**Ilmenite (%)**	**Leucoxen (%)**	**Rutile (%)**	**Zircon (%)**
Boonanarring[2]	Proved	3,125,000	5,829,000	9.1	14.2	527,816	74.2	48.5	1.9	2.2	21.6
Boonanarring[2]	Probable	7,460,000	14,155,000	6.4	17.7	904,929	79.3	52.2	1.7	2.6	22.8
Total Boonanarring		**10,585,000**	**19,984,000**	**7.2**	**16.7**	**1,432,745**	**77.421**	**50.8**	**1.8**	**2.5**	**22.4**
Atlas[2]	Probable	5,000,000	9,477,000	8.1	15.5	767,637	73.3	50.7	4.5	7.5	10.6
Total Atlas		**5,000,000**	**9,477,000**	**8.1**	**15.5**	**767,637**	**73.3**	**50.7**	**4.5**	**7.5**	**10.6**
Total Ore Reserves		**15,585,000**	**29,461,000**	**7.5**	**16.3**	**2,200,382**	**76.0**	**50.8**	**2.7**	**4.2**	**18.3**

High Grade Mineral Resources - Strand Deposits; in accordance with the JORC Code (2012) @ 2.0% HM Cut-off											
Project/Deposit	**Category**	**Volume**	**Tonnes**	**% HM**	**% Slimes**	**HM Tonnes**	**VHM (%)**	**Ilmenite (%)**	**Leucoxen (%)**	**Rutile (%)**	**Zircon (%)**
Boonanarring[1]	Measured	4,105,263	7,800,000	8.2	14	639,600	71.5	47.3	1.9	2.2	20.1
Boonanarring[1]	Indicated	13,736,842	26,100,000	5.3	18	1,383,300	73.3	49.6	2.0	2.5	19.2
Boonanarring[1]	Inferred	5,210,526	9,900,000	4.5	21	445,500	69.2	50.3	3.5	3.5	11.9
Boonanarring Total		**23,052,632**	**43,800,000**	**5.6**	**18**	**2,468,400**	**72.1**	**49.1**	**2.2**	**2.6**	**18.1**
Atlas[1]	Measured	5,210,526	9,900,000	7.9	16.1	782,000	71.0	49.1	4.2	7.2	10.5
Atlas[1]	Indicated	3,368,421	6,400,000	3.7	17.3	237,000	56.5	41.6	3.4	4.7	6.8
Atlas[1]	Inferred	947,368	1,800,000	4.0	19.9	72,000	41.5	29.0	3.3	4.4	4.8
Atlas Total		**9,526,316**	**18,100,000**	**6.0**	**16.9**	**1,091,000**	**65.9**	**46.1**	**4.0**	**6.5**	**9.3**
Sub-Total Atlas/Boonanarring		**32,578,947**	**61,900,000**	**5.7**	**17.7**	**3,559,400**	**70.2**	**48.2**	**2.8**	**3.8**	**15.4**

Previously Reported Mineral Resources - Strand Deposits; in accordance with JORC Code (2004) @ 2.5% HM Cut-off											
Project/Deposit	**Category**	**Volume**	**Tonnes**	**% HM**	**% Slimes**	**HM Tonnes**	**VHM (%)**	**Ilmenite (%)**	**Leucoxen (%)**	**Rutile (%)**	**Zircon (%)**
Gingin Nth[3]	Indicated	680,175	1,318,642	5.7	15.7	75,163	75.4	57.4	9.3	3.2	5.5
Gingin Nth[3]	Inferred	580,000	1,090,000	5.2	14.0	57,116	78.4	57.3	11.3	3.7	6.0
Gingin Nth Total		**1,260,175**	**2,408,642**	**5.5**	**15.0**	**132,279**	**76.7**	**57.3**	**10.2**	**3.4**	**5.7**
Gingin Sth[3]	Measured	872,830	1,526,122	4.4	7.2	67,149	79.4	50.7	15.3	5.6	7.8
Gingin Sth[3]	Indicated	3,241,835	5,820,480	6.5	7.1	377,167	90.6	67.6	9.8	5.1	8.1
Gingin Sth[3]	Inferred	398,573	732,912	6.5	8.4	47,566	91.6	67.4	7.5	5.8	10.9
Gingin Sth Total		**4,513,238**	**8,079,514**	**6.1**	**7.3**	**491,882**	**89.2**	**65.3**	**10.3**	**5.2**	**8.3**
Helene[3]	Indicated	5,568,110	11,466,106	4.6	18.6	522,854	88.7	74.6	0.0	3.6	10.5
Hyperion[3]	Indicated	1,786,781	3,742,471	7.7	19.3	286,673	69.4	55.8	0.0	6.3	7.3
Cooljarloo Nth		**7,354,891**	**15,208,577**	**5.3**	**18.8**	**809,528**	**81.9**	**67.9**	**0.0**	**4.6**	**9.4**
Red Gully[3]	Indicated	1,930,000	3,409,768	7.8	11.5	265,962	89.7	66.0	8.3	3.1	12.4
Red Gully[3]	Inferred	1,455,000	2,565,631	7.5	10.7	192,422	89.0	65.4	8.2	3.0	12.3
Red Gully Total		**3,385,000**	**5,975,399**	**7.7**	**11.2**	**458,384**	**89.4**	**65.7**	**8.2**	**3.1**	**12.4**
Sub-Total Other		**16,513,304**	**31,672,132**	**6.0**	**14.1**	**1,892,073**	**85.2**	**66.0**	**5.4**	**4.3**	**9.6**

Historic Deposit - Strand deposit (Under EL application)											
Project/Deposit	**Category**	**Volume**	**Tonnes**	**% HM**	**% Slimes**	**HM Tonnes**	**VHM (%)**	**Ilmenite (%)**	**Leucoxene (%)**	**Rutile (%)**	**Zircon (%)**
Regans Ford[4]	Indicated	4,505,285	9,024,226	9.9	16.8	893,398	94.3	70.0	10.0	4.3	10.0
Regans Ford[4]	Inferred	455,933	918,536	6.5	18.5	59,705	90.5	68.3	7.7	4.4	10.1
Regans Ford Total		**4,961,218**	**9,942,762**	**9.6**	**17.0**	**953,103**	**94.1**	**69.9**	**9.9**	**4.3**	**10.0**

Previously Reported Mineral Resources - Dredge deposits; in accordance with JORC Code (2004) @ 1.0% HM Cut-off											
Project/Deposit	**Category**	**Volume**	**Tonnes**	**% HM**	**% Slimes**	**HM Tonnes**	**VHM (%)**	**Ilmenit (%)**	**Leucoxen (%)**	**Rutile (%)**	**Zircon (%)**
Titan[3]	Indicated	10,335,053	21,163,741	1.8	22.1	378,831	86.0	71.9	1.5	3.1	9.5
Titan[3]	Inferred	58,517,775	115,445,391	1.9	18.9	2,205,007	85.9	71.8	1.5	3.1	9.5
Total Titan	**Total**	**68,852,828**	**136,609,132**	**1.9**	**19.4**	**2,583,838**	**85.9**	**71.8**	**1.5**	**3.1**	**9.5**
Telesto[3]	Indicated	1,716,328	3,512,204	3.8	18.4	134,499	83.3	67.5	0.7	5.6	9.5
Calypso[3]	Inferred	27,113,647	51,457,008	1.7	13.7	854,186	85.6	68.1	1.6	5.1	10.8
Bidaminna[3]	Inferred	26,260,000	44,642,000	3.0	3.6	1,339,260	96.8	83.11	7.2	1.0	5.5
Total Dredge		**123,942,803**	**236,220,344**	**2.1**	**15.2**	**4,911,783**	**88.7**	**74.1**	**3.1**	**2.9**	**8.6**

1.COMPLIANCE STATEMENT Boonanarring/Atlas Resource

The information in this report that relates to the estimation of Mineral Resources is based on information compiled by Mrs Christine Standing, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Mrs Standing is a full-time employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mrs Standing consents to the inclusion in this report of the matters based on her information in the form and context in

2.COMPLIANCE STATEMENT Boonanarring/Atlas Reserve

The Ore Reserves statement has been compiled in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code – 2012 Edition). The Ore Reserves have been compiled by Jarrod Pye, Mining Engineer and full-time employee of Image Resources, under the direction of Andrew Law of Optiro, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Law has sufficient experience in Ore Reserves estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Law consents to the inclusion in the report of the matters compiled by him in the form and context in which it appears.

3. COMPETENT PERSON'S STATEMENT – MINERAL RESOURCE ESTIMATES

The information in this presentation that relates to Mineral Resources is based on information compiled by Lynn Widenbar BSc, MSc, DIC MAusIMM MAIG employed by Widenbar & Associates who is a consultant to the Company. Lynn Widenbar 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'. Lynn Widenbar consents to the inclusion of this information in the form and context in

4. HISTORIC INFORMATION - REGANS FORD DEPOSIT

The information in this presentation that relates to tonnes, grades and mineral assemblage is based on historic information published by Iluka Resources Limited and indicating the mineral resources were compiled in accordance with the JORC Code (2004).

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

IMAGE RESOURCES NL

ABN	Quarter ended ("current quarter")
57 063 977 579	30/06/2017

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from product sales and related debtors	3	3
1.2	Payments for		
	(a) exploration & evaluation	(1,719)	(2,643)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(504)	(933)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	10
1.5	Interest and other costs of finance paid	(99)	(99)
1.6	Income taxes paid/R&D refund received	-	-
1.7	Other (provide details if material)	-	-
	Net operating cash flows	(2,314)	(3,662)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(1,851)	(1,944)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other – deposit at call proceeds	-	-
	Other – security deposit payments	-	-
	Net investing cash flows	(1,851)	(1,944)
1.13	Total operating and investing cash flows (carried forward)	(4,165)	(5,606)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(4,165)	(5,606)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	6,325
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) – share issue expenses	(9)	(466)
1.20	Other – borrowings transaction expenses	-	-
	Net financing cash flows	(9)	5,859
Net increase (decrease) in cash held		(4,174)	253
1.20	Cash at beginning of quarter/year to date	5,535	1,108
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,361	1,361

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	146
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	-	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	4,000	4,000
3.2	Credit standby arrangements – bank guarantees	55	55

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	502
4.2	Development	-
4.3	Production	1,012
4.4	Administration	1,258
	Total	2,772

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	592	4,263
5.2	Deposits at call	769	1,272
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	1,361	5,535

Changes in interests in mining tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Refer Quarterly Report			
6.2	Interests in mining tenements acquired or increased	Refer Quarterly Report			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1	Preference +securities *(description)*	N/A			
7.2	Changes during quarter:				
	(a) Increases through issues				
	(b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities				
	Fully paid	537,641,631	537,641,631		
7.4	Changes during quarter:				
	(a) Increases through issues - Placement				
	(b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (*description)*	N/A			
7.6	Changes during quarter:				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				
7.7	Options *(description and conversion factor)*			*Exercise price*	*Expiry date*
	Over fully paid shares	1,500,000	Not quoted	8.5 cents	4/12/2018
	Over fully paid shares	1,500,000	Not quoted	10.0 cents	4/12/2018
	Over fully paid shares				
	Over fully paid shares				
	Over fully paid shares				
	Over fully paid shares				
7.8	Issued during quarter	N/A			
7.9	Exercised during quarter	N/A			
7.10	Expired during quarter	N/A			
7.11	Debentures *(totals only)*	N/A			
7.12	Unsecured notes *(totals only)*	N/A			

+ See chapter 19 for defined terms.

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
2. This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 28 July 2017
Print name: Dennis Wilkins (Company Secretary)

Notes:

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. Issued and quoted securities
   The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
5. Accounting Standards
   ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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