

## QUARTERLY ACTIVITIES REPORT – for quarter ended 31 December 2017

**Image Resources NL**  
 ABN 57 063 977 579

ASX Code  
**IMA**

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### Issued Capital

Shares – Quoted  
 611,289,987

As at 31 Dec 2017

**Cash at end of quarter**  
 \$4,423,000

### 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

- Zircon prices continue to rise;
- Boonanarring Project NPV increased to A\$197M;
- A number of indicative funding proposals evaluated and a preferred debt provider selected with due diligence well advanced;
- Interim equity funding of A\$4M raised 11 December; and
- Final project regulatory approval received 30 October.

### Rising Zircon Prices

Zircon prices continued to rise during the quarter. Effective 1 October, Iluka Resources increased its Zircon Reference Price by 12% to US\$1,230 per tonne. Similarly, the Iluka premium grade zircon reference price in China also increased by 12% to US\$1,295 per tonne. The Company anticipates Iluka will issue a further increase in price for its zircon from 1 April 2018.

Tronox Limited also increased the sales price for its premium grade zircon by 10% to US\$1,455 per tonne effective 1 January 2018.

### Updated BFS Financial Model

In November, the Company updated its bankable feasibility study (BFS) financial model to include significantly higher forecasted mineral sand commodity prices from TZMI, than were used in the original BFS results announced 30 May 2017. (Refer ASX Announcement 27 November 2017).

Revised BFS financial metrics include:

- **Project Pre-Tax NPV increased from A\$135M to A\$197M** (8% discount rate);
- **Project Pre-Tax IRR increased from 64% to 104%**; and
- **Payback period decreased from 22 months to 16 months.**

### Boonanarring Project Capital Financing

The Company's primary focus during the quarter was identifying, analysing and actively pursuing project finance options to support the development of its 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project in the North Perth Basin in WA.

**Debt Financing** – In October the Company secured the services of Jett Capital of New York to identify Tier-2, non-banking financial institutions as potential debt providers for Boonanarring. Following comparative analysis of a number of indicative debt facility proposals, the Company selected a preferred provider and executed a non-binding term sheet which triggered the start of due diligence in late December.

Subsequent to the end of the quarter, the preferred debt provider continued to advance detailed due diligence investigations. The Company is currently reviewing draft loan documents and anticipates finalisation of the project debt funding package in the coming weeks and will advise the market accordingly once it is appropriate to do so.

**Equity Financing** – Euroz Securities Limited (Euroz) published an independent research report on the Company in October. Subsequent to publishing the research report, Euroz was selected to be lead broker to assist Image with raising equity capital for Boonanarring and initial roadshows were conducted in Sydney and Melbourne in anticipation of raising the remaining equity capital in 1<sup>st</sup> Qtr. 2018. During January 2018 the Company notified shareholders of a shareholder meeting to be held on 13 February 2018 to consider approving a share placement facility to enable the equity capital raising to proceed in a timely manner.

#### **Completion of Interim Fund Raising During the Quarter**

On 12 December 2017, the Company announced that it had received commitments from new and existing shareholders to subscribe for a placement of a total of 40,000,000 new shares at a price of 10 cents each, to raise \$4,000,000 (before costs). The funds will be used to continue to advance early works and development planning for the Boonanarring project in advance of full project capital funding.

#### **Boonanarring Project Development Progress**

The final regulatory approval ('Works Approval') required for the start of construction and commissioning of the Boonanarring project was received on 30 October 2017.

A further 230 hectares of land was secured for access for mining at Boonanarring via a lease agreement with the landowner.

The Company continued with early works planning and longer-lead items procurement for Boonanarring at minimal expenditure levels, in advance of the completion of project financing and a Decision to Mine currently scheduled to occur in the 1<sup>st</sup> Qtr. 2018.

#### **Corporate**

The Quarterly Activities and Cashflow Reports for the period ending 30 September 2017 were filed on 31 October 2017.

## **ACTIVITIES REPORT**

### **Rising Zircon Prices**

Effective from 1 October 2017, Iluka Resources Limited increased its Zircon Reference Price by 12% to US\$1,230 per tonne for the period through 31 March 2018 (Iluka ASX announcement 17 September 2017). Similarly, from 1 October 2017, the Iluka premium grade zircon reference price in China that is to be used in the determination of the selling price for Image's heavy mineral concentrate, also increased by 12% to US\$1,295 per tonne (source: [www.ferroalloy.net](http://www.ferroalloy.net)).

Effective from 1 January 2018, Tronox Limited increased the sales price for its premium grade zircon by 10% to US\$1,455 per tonne (source: [www.ferroalloy.net](http://www.ferroalloy.net)).

The Company anticipates Iluka will further increase the market price for its zircon effective 1 April 2018.

### **Updated BFS Financial Model**

In November, TZ Minerals International Pty Ltd (TZMI) published its updated forecast of mineral sand commodity prices for the quarter ending 30 September 2017. This forecast included substantially higher zircon and titanium product prices than used by Image in its bankable feasibility study (BFS) and announced to the ASX on 30 May 2017. Consequently, the Company has updated the BFS financial model to include the higher forecast commodity prices from TZMI and announced the revised financial results on 27 November 2017.

Revised BFS metrics include:

- **Project Pre-Tax NPV increased from A\$135M to A\$197M** (8% discount rate);
- Project Pre-Tax IRR increased from 64% to 104%; and
- Payback period decreased from 22 months to 16 months.

Unchanged BFS metrics include:

- Low project capital cost estimate of A\$52M inclusive of ~\$8M for resalable land;
- Off-Take Agreement for 100% of products/revenue in place; and
- Key capital equipment, required to produce HMC, already owned.

### **Boonanarring Project Capital Financing**

The Company's primary focus during the quarter was identifying, analysing and actively pursuing project finance options to support the development of its 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project in the North Perth Basin in WA, in accordance with the BFS results announced 30 May 2017.

**Debt Financing** – In October the Company secured the services of Jett Capital of New York to assist in identifying Tier-2, non-banking financial institutions as potential debt providers for the Boonanarring project development. In November, comparative analysis of a number of indicative debt facility proposals was completed and in December the Company selected a preferred provider and executed a non-binding term sheet to launch high-level due diligence efforts.

Subsequent to the end of the quarter, the preferred debt provider continued to advance its detailed due diligence investigations. The Company is currently reviewing a draft of the loan documents, expects the finalisation of the project debt funding package in the coming weeks and will advise the market accordingly once it is appropriate to do so.

Image's Australian finance consultant, PCF Capital, continued to support the Company by providing ongoing and expanded data room services as well as regular updates to the BFS financial model being used to support due diligence activities.

**Equity Financing** – The Company continued with its marketing efforts through attendance at industry conferences and with road-shows arranged by select brokers, to seek interest from sophisticated and institutional investors in providing equity capital for Boonanarring.

Euroz Securities Limited (Euroz) published an independent research report on the Company in October. This report can be accessed through the Company's website.

Subsequent to the publishing of the research report, Euroz was selected to be lead broker to assist Image with raising equity capital for Boonanarring. Initial roadshows were conducted in Sydney and Melbourne in anticipation of raising the required equity capital in 1st Qtr. 2018. During January 2018 the Company notified shareholders of a shareholder meeting to be held on 13 February 2018 to consider approving a share placement facility to enable the equity capital raising to proceed in a timely manner.

### **Completion of Interim Fund Raising During the Quarter**

On 12 December 2017, the Company announced that it had received commitments from new and existing shareholders to subscribe for a placement of a total of 40,000,000 new shares at a price of 10 cents each, to raise \$4,000,000 (before costs). The funds will be used to continue to advance early works and development planning, as well as longer-lead item procurement for the Boonanarring project in advance of full project capital funding and the Decision to Mine.

### **Boonanarring Project Development Progress**

The final approval required for the start of construction and commissioning of the Boonanarring project was received on 30 October 2017. This 'Works Approval' issued by the Department of Water and Environment Regulation authorises the Company to erect the processing plant and associated facilities.

A further 230 hectares of land was secured for access for mining at Boonanarring via a lease agreement with the landowner. In addition, two land purchase option agreements covering the remaining ore reserves at Boonanarring were negotiated and advanced to the final stage prior to execution and agreements are expected to be executed in February 2018.

The Company continued with early works planning and longer-lead items procurement for Boonanarring at minimal expenditure levels, in advance of the completion of project financing and a Decision to Mine currently scheduled to occur in the 1<sup>st</sup> Qtr. 2018.

The Company also completed tender processes and commenced contract negotiation for a variety of contracts required for the start of construction at Boonanarring including Project Management, Structural, Mechanical, Piping, Electrical and Instrumentation (SMPE&I) including plant and equipment relocation from South Australia, product transport, external road construction and site civil works.

### **Corporate**

The Quarterly Activities and Cashflow Reports for the quarter ending 30 September 2017 were filed on 31 October 2017.

## EXPLORATION AND TENEMENT MANAGEMENT

### Boonanarring Northern Extensions

Landowners are actively being contacted to arrange access agreements for delineation drilling over the 5.6km northern extension of the high-grade Boonanarring deposit announced on 13 March 2017. This extension area is deemed to be within economic pumping distance of the planned location of the Boonanarring wet concentration plant. The Company confirmed, after drilling the northernmost 2.6km extension shown in Figure 1, that the Boonanarring high grade extension delineated included zircon grades range from 16.4% to 22.2% of the HM content. The drill results 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 26/06/2017).

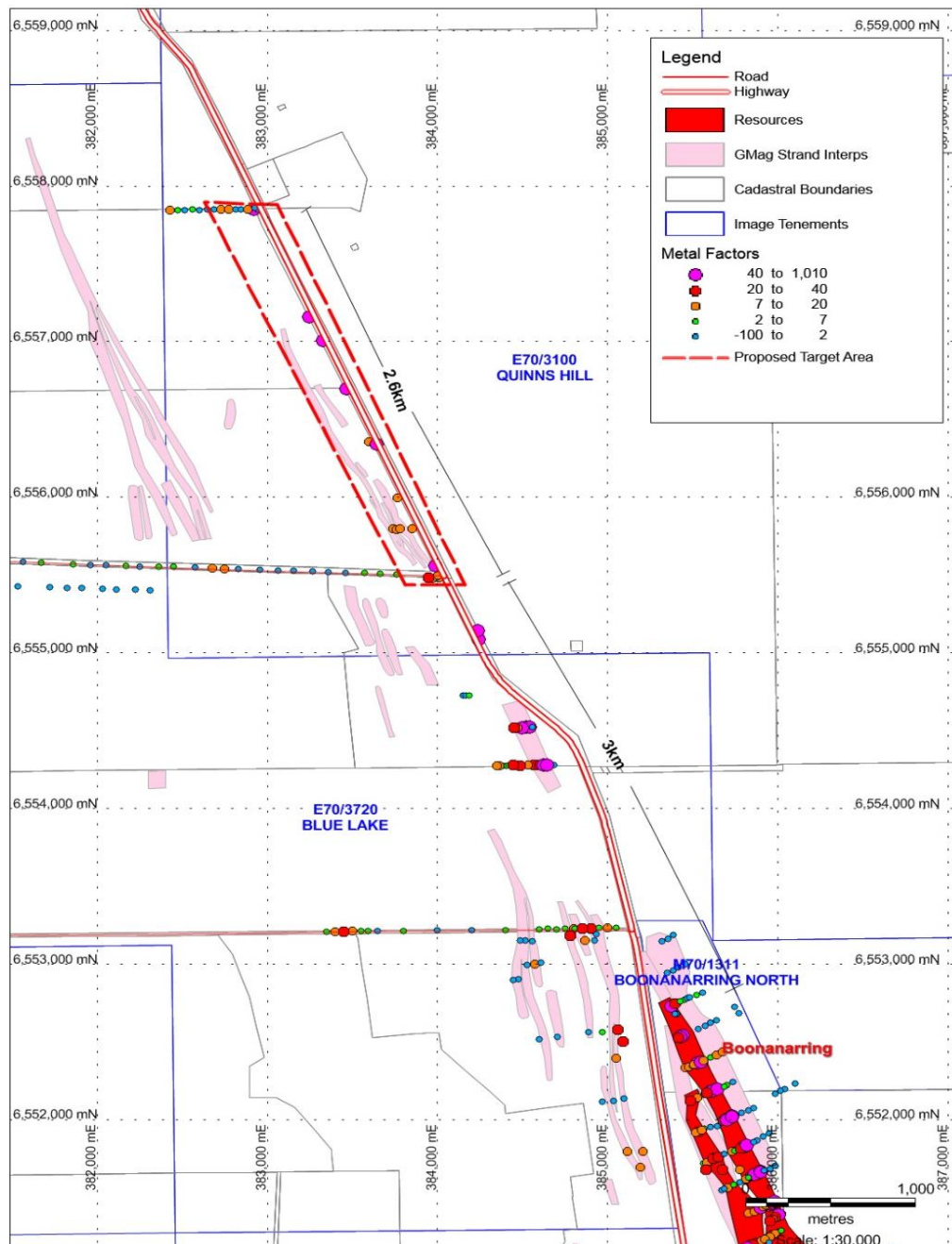
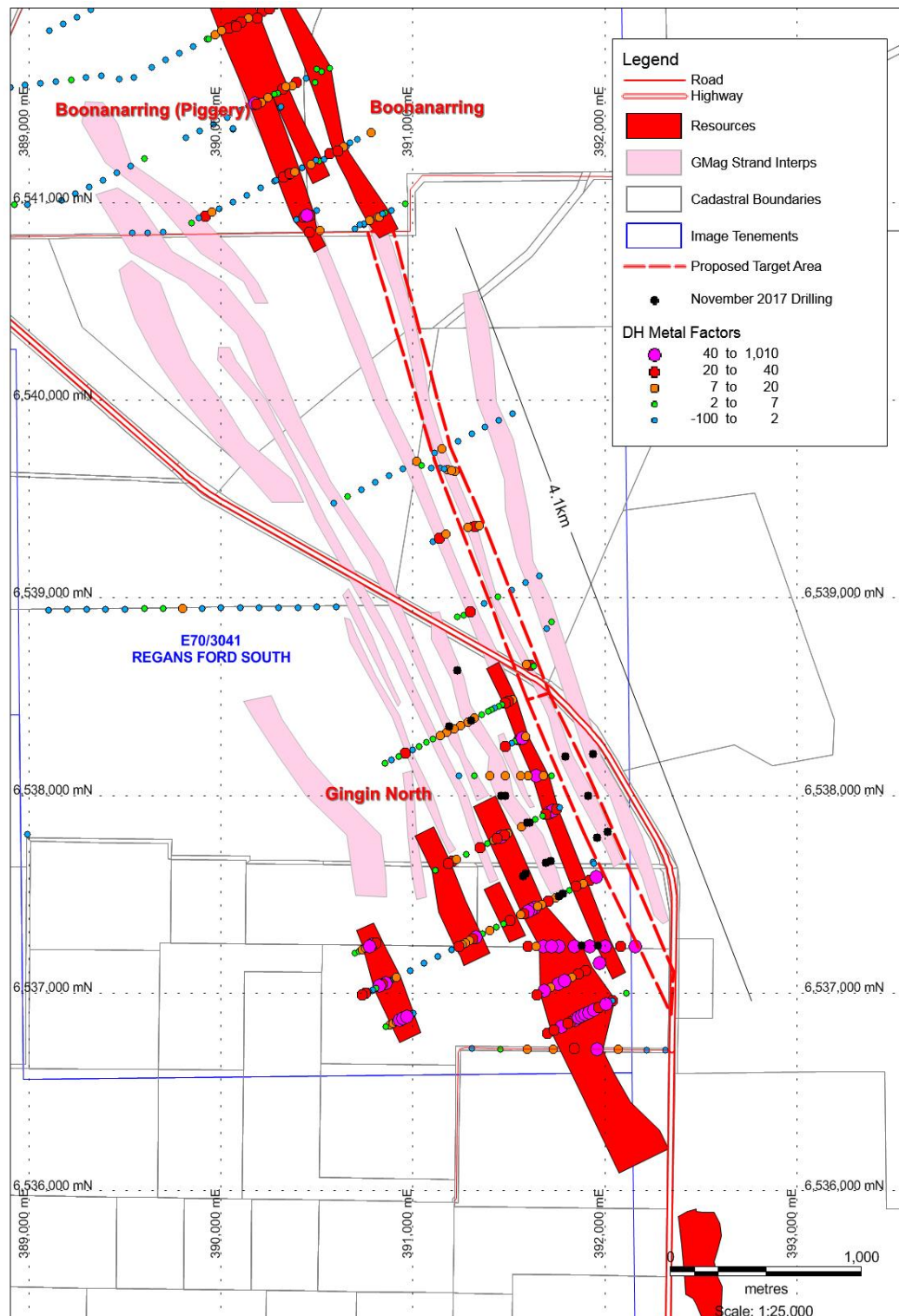


Figure 1. Location of Drill Holes and Composite Samples in Boonanarring Northern Extension

## Boonanarring Southern Extensions

An access agreement has been signed with the landowner at Gingin North which is interpreted to contain the southernmost extension of the Boonanarring deposit. The Gingin North drilling was mainly designed to test for the southernmost extension of the Boonanarring deposit and near surface mineralisation to the west. Twenty holes have been completed totalling 538m (Figure 2). Results are awaited yet a further 50 holes are planned here.



### Boonanarring Western Parallel Extensions

The Boonanarring West drilling was designed to test for potential adjacent and parallel mineralisation to the Boonanarring Deposit (Figure 3). A sizeable target has been defined 3km by 0.3km and two programmes of drilling have now been carried out here, comprising 15 holes for 411m. A further 7 holes for 200m are being drilled in early February. This target is only 600m west of the Boonanarring Deposit and augers well for the potential to add valuable mine life.

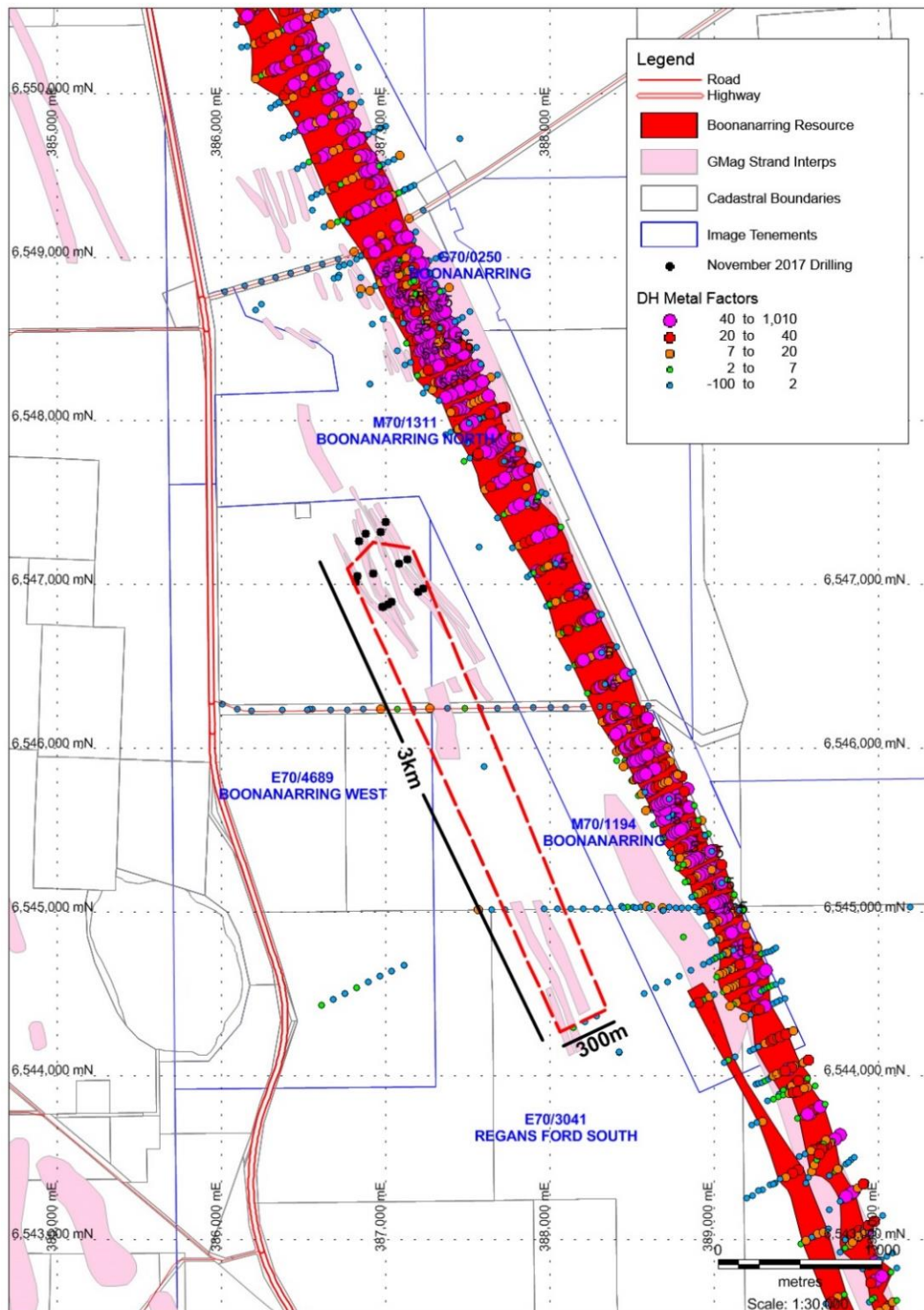


Figure 3. Boonanarring West Target 3km by 0.3km showing current drilling west of the Boonanarring Deposit

### Bidaminna Northern Extensions

The Bidaminna programme was designed to investigate the northern extension of the Bidaminna deposit, which has potential to be 18km in length (Figure 4) and to examine in detail the leucoxene contents which were unusually enhanced and increasing in a northern direction to up to 69% of the THM. So far 25 holes have been drilled totalling 1311m. In early February a further 14 holes for 700m are planned.

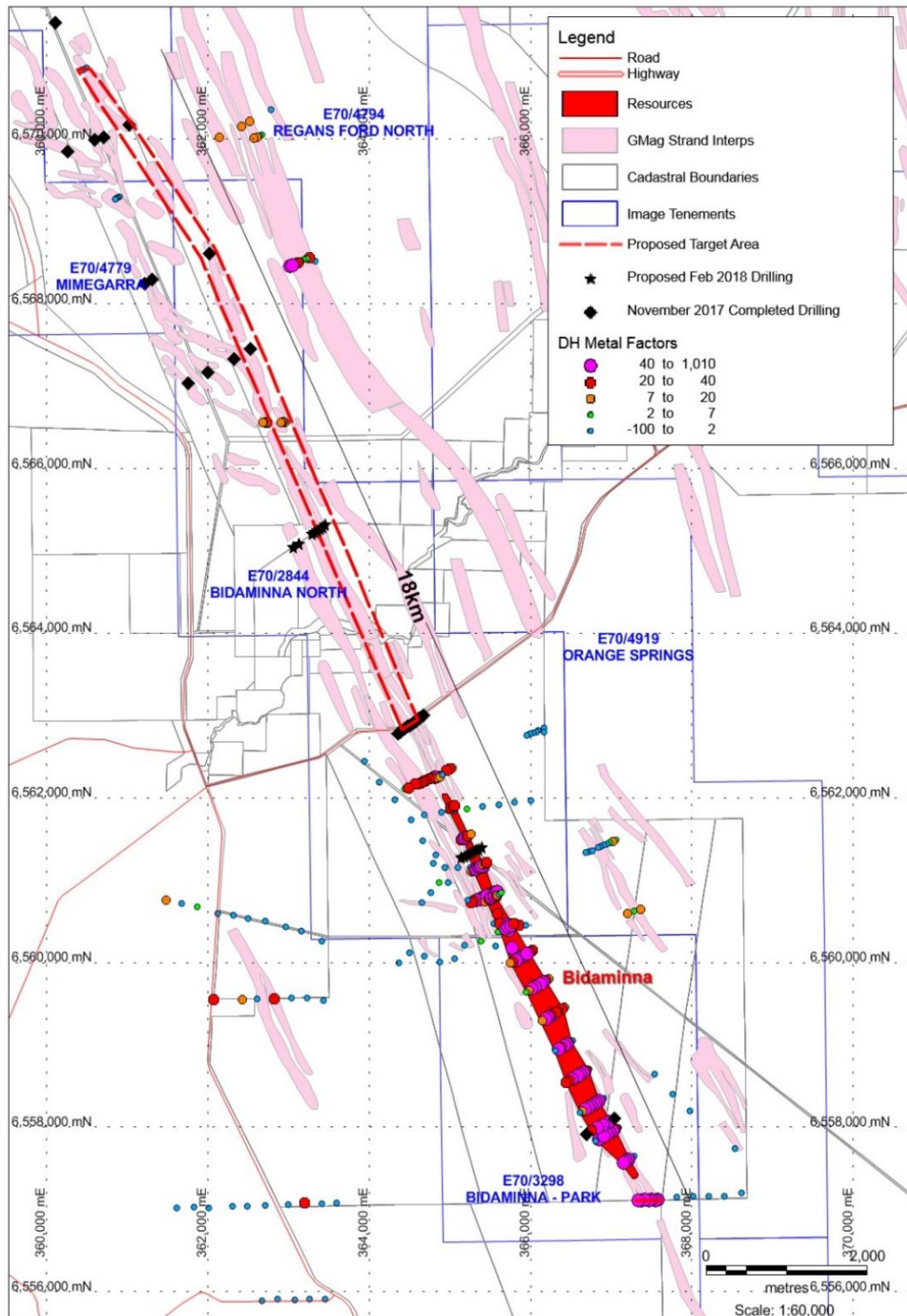


Figure 4. Bidaminna Northern Extension Target showing past and current drill programmes.



## Completed Exploration Drilling

Drilling at Bidaminna, Woolka, Winooka, Boonanarring West and Gingin North was completed in November 2017 (Table 1) totalling 79 holes for 3,231 metres. Lab assay results are incomplete and once received fully an updated ASX release will be made.

**Table 1. Completed Drilling Programme November 2017**

<b>Prospect</b>	<b>No. Holes</b>	<b>Total Metres</b>
Bidaminna	25	1,311
Woolka	10	411
Winooka	9	560
Boonanarring West	15	411
Gingin North	20	538
<b>Total</b>	<b>79</b>	<b>3,231</b>

A short 31 DH programme will be completed in February on Bidaminna (14 holes), Bibby Springs (5 holes), Woolka (5holes) and Boonanarring West (7 holes) to infill and further test several targets picked up from the November 2017 and previous drilling programmes.

For more information visit our website at [www.imageres.com.au](http://www.imageres.com.au).

Please direct enquiries to:

### **Patrick Mutz**

Managing Director

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## **COMPETENT PERSON'S STATEMENTS – EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES**

Information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves (other than Boonanarring and Atlas Mineral Resources and Ore Reserves) 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.

## **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 2. Tenement Schedule in accordance with ASX Listing Rule 5.3.3  
                         Table 3. Mineral Resources and Ore Reserves as at 3 August 2017

**Table 2. 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	M70/1194	Granted	BOONANARRING	100%	100%
WA	P70/1516	Granted	COOLJARLOO	100%	100%
WA	M70/1311	Granted	BOONANARRING NORTH	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 WEST	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	Granted	ORANGE SPRINGS	100%	100%
WA	E70/4946	Granted	RED GULLY NORTH	100%	100%
WA	E70/4949	Granted	NAMMEGARRA	100% pending grant	100%

Mining Tenements acquired during the Quarter

Nil					
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Mining Tenements disposed during the Quarter

Nil					
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**Table 3 – Mineral Resources and Ore Reserves as at 3 August 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 (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring <sup>2</sup>	Proved	5,008,000	9,344,000	8.6	14.3	803,771	76.081	48.9	1.8	2.2	23.2
Boonanarring <sup>2</sup>	Probable	5,565,000	10,514,000	5.9	17.6	622,429	78.653	52.3	1.8	2.7	21.9
<b>Total Boonanarring</b>		<b>10,573,000</b>	<b>19,858,000</b>	<b>7.2</b>	<b>16.1</b>	<b>1,426,200</b>	<b>77.203</b>	<b>50.4</b>	<b>1.8</b>	<b>2.4</b>	<b>22.7</b>
Atlas <sup>2</sup>	Probable	5,000,000	9,477,000	8.1	15.5	767,637	73.3	50.7	4.5	7.5	10.6
<b>Total Atlas</b>		<b>5,000,000</b>	<b>9,477,000</b>	<b>8.1</b>	<b>15.5</b>	<b>767,637</b>	<b>73.3</b>	<b>50.7</b>	<b>4.5</b>	<b>7.5</b>	<b>10.6</b>
<b>Total Ore Reserves</b>		<b>15,573,000</b>	<b>29,335,000</b>	<b>7.5</b>	<b>15.9</b>	<b>2,193,837</b>	<b>75.8</b>	<b>50.5</b>	<b>2.7</b>	<b>4.2</b>	<b>18.4</b>

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 (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring <sup>1</sup>	Measured	6,359,359	11,799,213	8.0	14	942,167	74.3	48.3	1.7	2.2	22.0
Boonanarring <sup>1</sup>	Indicated	11,802,047	22,265,400	4.9	18.3	1,081,208	71.7	49.2	2.2	2.5	17.8
Boonanarring <sup>1</sup>	Inferred	4,987,703	9,420,449	4.5	21	422,507	68.8	50.0	3.5	3.4	11.9
<b>Boonanarring Total</b>		<b>22,886,875</b>	<b>43,485,062</b>	<b>5.6</b>	<b>18</b>	<b>2,445,882</b>	<b>72.2</b>	<b>49.0</b>	<b>2.2</b>	<b>2.6</b>	<b>18.4</b>
Atlas <sup>1</sup>	Measured	5,210,526	9,900,000	7.9	16.1	782,000	71.0	49.1	4.2	7.2	10.5
Atlas <sup>1</sup>	Indicated	3,368,421	6,400,000	3.7	17.3	237,000	56.5	41.6	3.4	4.7	6.8
Atlas <sup>1</sup>	Inferred	947,368	1,800,000	4.0	19.9	72,000	41.5	29.0	3.3	4.4	4.8
<b>Atlas Total</b>		<b>9,526,316</b>	<b>18,100,000</b>	<b>6.0</b>	<b>16.9</b>	<b>1,091,000</b>	<b>65.9</b>	<b>46.1</b>	<b>4.0</b>	<b>6.5</b>	<b>9.3</b>
<b>Sub-Total Atlas/Boonanarring</b>		<b>32,413,191</b>	<b>61,585,062</b>	<b>5.7</b>	<b>17.7</b>	<b>3,536,882</b>	<b>70.3</b>	<b>48.1</b>	<b>2.8</b>	<b>3.8</b>	<b>15.6</b>

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 (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Gingin Nth <sup>3</sup>	Indicated	680,175	1,318,642	5.7	15.7	75,163	75.4	57.4	9.3	3.2	5.5
Gingin Nth <sup>3</sup>	Inferred	580,000	1,090,000	5.2	14.0	57,116	78.4	57.3	11.3	3.7	6.0
<b>Gingin Nth Total</b>		<b>1,260,175</b>	<b>2,408,642</b>	<b>5.5</b>	<b>15.0</b>	<b>132,279</b>	<b>76.7</b>	<b>57.3</b>	<b>10.2</b>	<b>3.4</b>	<b>5.7</b>
Gingin Sth <sup>3</sup>	Measured	872,830	1,526,122	4.4	7.2	67,149	79.4	50.7	15.3	5.6	7.8
Gingin Sth <sup>3</sup>	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 <sup>3</sup>	Inferred	398,573	732,912	6.5	8.4	47,566	91.6	67.4	7.5	5.8	10.9
<b>Gingin Sth Total</b>		<b>4,513,238</b>	<b>8,079,514</b>	<b>6.1</b>	<b>7.3</b>	<b>491,882</b>	<b>89.2</b>	<b>65.3</b>	<b>10.3</b>	<b>5.2</b>	<b>8.3</b>
Helene <sup>3</sup>	Indicated	5,568,110	11,466,106	4.6	18.6	522,854	88.7	74.6	0.0	3.6	10.5
Hyperion <sup>3</sup>	Indicated	1,786,781	3,742,471	7.7	19.3	286,673	69.4	55.8	0.0	6.3	7.3
<b>Cooljarloo Nth Total</b>		<b>7,354,891</b>	<b>15,208,577</b>	<b>5.3</b>	<b>18.8</b>	<b>809,528</b>	<b>81.9</b>	<b>67.9</b>	<b>0.0</b>	<b>4.6</b>	<b>9.4</b>
Red Gully <sup>3</sup>	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 <sup>3</sup>	Inferred	1,455,000	2,565,631	7.5	10.7	192,422	89.0	65.4	8.2	3.0	12.3
<b>Red Gully Total</b>		<b>3,385,000</b>	<b>5,975,399</b>	<b>7.7</b>	<b>11.2</b>	<b>458,384</b>	<b>89.4</b>	<b>65.7</b>	<b>8.2</b>	<b>3.1</b>	<b>12.4</b>
<b>Sub-Total Other</b>		<b>16,513,304</b>	<b>31,672,132</b>	<b>6.0</b>	<b>14.1</b>	<b>1,892,073</b>	<b>85.2</b>	<b>66.0</b>	<b>5.4</b>	<b>4.3</b>	<b>9.6</b>

Historic Deposit - Strand deposit (Under EL application)											
Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Regans Ford <sup>4</sup>	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 <sup>4</sup>	Inferred	455,933	918,536	6.5	18.5	59,705	90.5	68.3	7.7	4.4	10.1
<b>Regans Ford Total</b>		<b>4,961,218</b>	<b>9,942,762</b>	<b>9.6</b>	<b>17.0</b>	<b>953,103</b>	<b>94.1</b>	<b>69.9</b>	<b>9.9</b>	<b>4.3</b>	<b>10.0</b>

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 <sup>3</sup>	Indicated	10,335,053	21,163,741	1.8	22.1	378,831	86.0	71.9	1.5	3.1	9.5
Titan <sup>3</sup>	Inferred	58,517,775	115,445,391	1.9	18.9	2,205,007	85.9	71.8	1.5	3.1	9.5
<b>Total Titan</b>	<b>Total</b>	<b>68,852,828</b>	<b>136,609,132</b>	<b>1.9</b>	<b>19.4</b>	<b>2,583,838</b>	<b>85.9</b>	<b>71.8</b>	<b>1.5</b>	<b>3.1</b>	<b>9.5</b>
Telesto <sup>3</sup>	Indicated	1,716,328	3,512,204	3.8	18.4	134,499	83.3	67.5	0.7	5.6	9.5
Calypso <sup>3</sup>	Inferred	27,113,647	51,457,008	1.7	13.7	854,186	85.6	68.1	1.6	5.1	10.8
Bidaminna <sup>3</sup>	Inferred	26,260,000	44,642,000	3.0	3.6	1,339,260	96.8	83.11	7.2	1.0	5.5
<b>Total Dredge</b>		<b>123,942,803</b>	<b>236,220,344</b>	<b>2.1</b>	<b>15.2</b>	<b>4,911,783</b>	<b>88.7</b>	<b>74.1</b>	<b>3.1</b>	<b>2.9</b>	<b>8.6</b>

#### 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).