

## QUARTERLY REPORT

For the Quarter Ended 30 September 2002

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### HIGHLIGHTS

- **Successful raising of \$3.05 million from the Initial Public Offering.**
  - **ASX listing on 4 July 2002**
  - **Early encouragement from Mt Elsie leading to a 5,000m drilling programme.**
  - **Drilling planned on new gold zone at Mt Hays**
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**MT ELSIE** (Image interest ranging from 25% - 49%, increasing)

Detailed geological mapping of the central gold anomalous zone at the Mt Elsie project has defined a large and complex vein system over a 3.5km strike length. Numerous quartz veins ranging up to 2m in width and up to 400m in length mostly occur within a 300m-wide corridor coinciding with a high magnesium basalt unit within the Mt Elsie volcanic sequence. The vein arrays display a brittle deformation character, not unlike the quartz vein systems at the Wiluna and Jundee gold deposits in Western Australia.

Visible gold has been observed in several of the veins and a programme of rock sampling across the vein outcrops is in progress to define specific drilling targets. Extensive scree cover may be obscuring the full thickness of the veins and associated stringers. The rock samples are being analysed using a cyanide leach method appropriate for estimating the grade of coarse gold mineralization. Significant results to date include:

Sample Number	Co-ordinates		Thickness m	Grade Au g/t
	North	East		
MERK 16	7325	50854	0.7	13.0
MERK 17	7338	50865	0.5	28.2
MERK 24	7386	50821	0.1	6.9
MERK 25	7392	50825	0.3	17.7
MERK 28	7394	50897	0.2	25.3
MERK 39	9785	50018	0.3	7.7
MERK 42	8448	50523	0.5	31.2

MERK 43	8440	50516	0.4	18.1
MERK 44	8432	50509	0.4	25.2
MERK 45	8429	50503	1.2	4.2
MERK 46	8433	50504	0.4	7.3
MERK 106	8458	50526	0.2	7.6
MERK 107	8441	50512	0.3	11.5
MERK 111	7277	50958	0.1	8.7
MERK 112	7743	50817	0.2	22.0

A soil sampling programme (600 samples) has been completed at the southern end of the main mineralised zone where outcrop is less extensive, in order to test the extent of mineralisation intersected in previous drilling (best result 8m at 12.8g/t gold from 16m). Several anomalous gold values of up to 85ppb (compared to background of less than 10ppb) were identified for follow-up drilling.

A drilling programme of 82 RAB holes totalling approximately 5,000m (mostly hammer drilling) is in progress over accessible quartz veins identified as favourable targets by the geological mapping and sampling. The results of this drilling are expected to be available in mid November.

Systematic sampling of the Mt Elsie vein system is continuing and is due for completion in mid to late November.

#### **MT HAYS (Image 90%)**

Geochemical sampling to follow up anomalous stream sediment and rock sample results has outlined several strong gold anomalies on the Mt Hays tenement situated 60km east of Nullagine in the Pilbara region of WA. The main area of interest, occurs within a 2.5km x 0.5km area and comprises several discrete coincident gold-arsenic anomalies, as outlined by 200m x 40m spaced soil sampling.

The largest anomaly is at least 1,000m in length with peak values of 1727ppb and 1417ppb gold compared to background values of less than 10ppb gold. This anomaly remains open along strike to the east and trends on to an adjacent tenement in which Image has a beneficial interest of 90%. Ground inspection on the main anomaly indicates an east-west zone of quartz veining and associated stringers exposed intermittently over a 600m strike length within Archean-aged Mosquito Creek meta-sediments. No gold workings are evident indicating that the gold potential of this area has not been previously recognized.

A programme of geological mapping and sampling of this 1km-long zone is in progress, together with a 10 hole, 1,000m RAB drilling programme to test the anomalous zone at depth. The drilling programme is scheduled to be completed by the end of October.

Elsewhere on the tenement, soil sampling has outlined several smaller gold anomalies with peak values of up to 1915ppb gold which have yet to be assessed. These results are considered to be a most encouraging start to the follow-up programme of Mt Hays.

### **CORUNNA DOWNS** (Image 90%)

Geological mapping and rock sampling of a 3km-long zone of altered gold-anomalous porphyry intrusions has returned gold values up to 1g/t, which are not considered sufficient to warrant a substantial drilling programme at this stage. A soil geochemical anomaly with gold values up to 135ppb has been outlined over a 500m strike length associated with quartz veining on a sheared mafic / ultramafic contact. Scout RAB drilling of this target is scheduled for late October.

### **WILTHORPE** (Image 90%)

Geochemical vacuum drilling (400m x 50m spacing) has outlined a 2km-long gold anomaly with a peak value of 158ppb gold compared to background values of less than 6ppb gold. The anomaly occurs in the unexplored southern part of the project and south of gold mineralisation outlined by previous exploration (Inferred Resource 15,000t at 1.5g/t gold to 50m depth). The project area is situated 25km south of the 1Moz Fortnum gold mine. Further sampling to define this anomaly is planned for the December quarter.

### **DOOLGUNNA** (Image 51%, earning 60%)

Geochemical vacuum drilling has confirmed anomalous arsenic values over a 300m distance, open along strike. The anomaly occurs at the interface between hardpan and weathered bedrock and confirms a large surface lag anomaly outlined by previous exploration. In this region arsenic is considered to be an indicator of gold mineralisation at depth.

### **CURARA** (Image 51%, earning 60%)

Laboratory assessment of bulk loam samples from four aeromagnetic targets concluded that no significant microdiamonds or diamond indicator minerals were present in the samples, downgrading the diamond potential of the area. The gold potential of this project, situated 15km south of the 5Moz Plutonic gold mine, is being reassessed.

### **JARBORA HILL** (Image 100%)

Geochemical vacuum drilling has confirmed the presence of three gold-arsenic anomalies grouped within a 1.5km x 1km area in a structurally complex fold structure as interpreted from aeromagnetics. Individual anomalies range up to 600m in length with peak values up to 134ppb gold compared to a background of less than 5ppb gold. It is proposed to RAB drill these targets in the December quarter.

### **BULLFINCH** (Image 90%, diluting)

Joint Venturer MPI has advised that RAB drilling of geochemical anomalies has been deferred until the December quarter.

## **LAKE PERCY (Image 100%)**

A high resolution airborne magnetic survey was completed earlier in the year over this project in the emerging Emily Ann – Maggie Hays nickel district south of Southern Cross. The survey outlined two pronounced magnetic features. One of which has been confirmed to be an ultramafic unit from sampling of previous gold exploration drill holes, and is a potential host for nickel sulphides. The second target is a circular feature some 2km in diameter. A ground magnetic survey is currently being carried out over this area in order to further assess the potential of this target.

## **AEROMAGNETIC DATABASE**

Low-cost digital aeromagnetic survey data with line spacings of less than 500m have been acquired from NT and WA government agencies. This data is currently being merged with Images existing database. It is anticipated that interpretation of this extensive database will form the framework for future tenement acquisitions by the company in selected prospective areas.

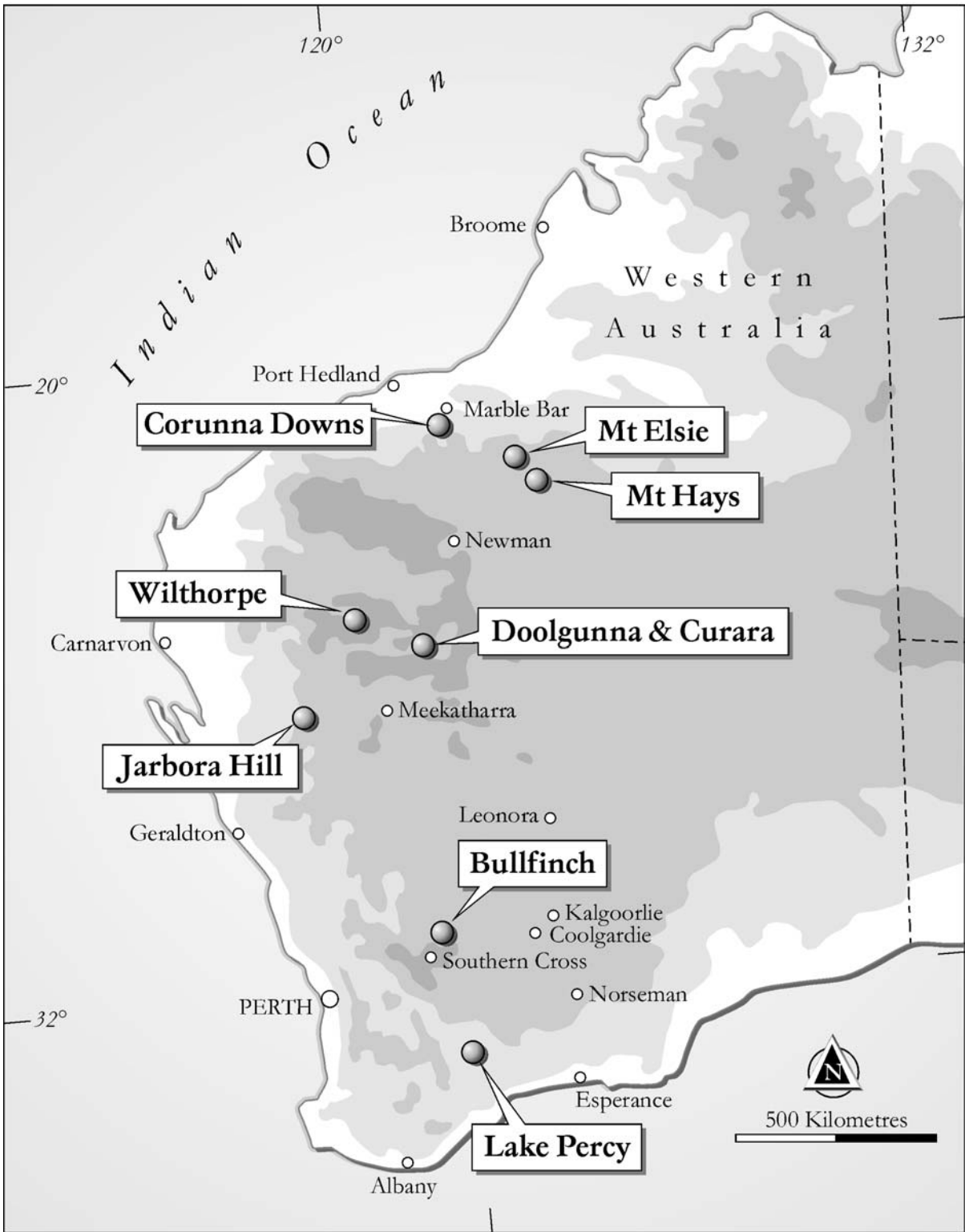
Dated 28 October 2002

Signed on behalf of the Board of Image Resources NL

Roger Thomson  
Managing Director

The information on mineralisation contained in this report accurately reflects information compiled by Mr Roger Thomson BSc, MAIMM who is a competent person (as defined by the Australasian Code of Reporting of Identified Mineral Resources and Ore Reserves) with relevant experience in relation to such mineralisation.

**EMBARGOED UNTIL 30 OCTOBER 2002**



PROJECT LOCATIONS