

QUARTERLY REPORT

For the Quarter Ended 31 March 2004

SUMMARY

JOINT VENTURES

- High-grade nickel sulphides have been intersected at Image's Emu Lake joint venture with Jubilee Mines. Significant intersections include 2m @ 6.20% Ni and 1.78% Cu from 336.0m and 2.0m @ 2.63% Ni and 1.05% Cu from 343.5m in drillhole ELD15 at the Gossan Zone. Several promising off-hole conductor targets have been identified in the vicinity of these intersections. Further diamond drilling to follow up these very encouraging results is in progress.
- A substantial new joint venture announced with Meteoric Resources NL on eight of Image's gold and copper-gold projects. Under the terms of the agreement and subject to a successful listing on the ASX, Meteoric may earn up to 100% of Image's interest in these projects by expenditure of \$2.22 million, with Image retaining a 1% gross royalty.
- Early encouraging nickel and copper results from wide-spaced scout drilling at the Lake Percy joint venture with Western Areas.

CORPORATE

- As part of the proposed Meteoric joint venture, Meteoric plans to issue about 5.5 million fully paid ordinary shares to Image shareholders in a 1 for 10 bonus issue, 4.2 million shares to Image and 8.25 million contributing shares (20 cents unpaid) to Image shareholders in a 3 for 20 bonus issue.

JOINT VENTURES

In keeping with its strategy of maintaining active exploration programmes yet conserving funds for new project generation and acquisition, Image is discussing possible joint ventures on its Pilbara projects at Mt Elsie, Mt Hays and Warrawoona and also on its recently acquired Forrestania holdings.

Emu Lake (Image 30%)

As previously announced, joint venturer Jubilee Mines intersected high-grade nickel sulphide mineralisation at Image's 30%-owned Emu Lake project (Jubilee 60%, Skryne Hill Pty Ltd 10%) near Kalgoorlie, WA.

Diamond drilling to test down-dip extensions of previous narrow high-grade intersections and to test modelled off-hole electromagnetic ("DHEM") targets at the Gossan Zone intersected two zones of high-grade mineralisation as follows (see table and longitudinal projection for details):

ELD 15

2.0m @ 6.20%Ni and 1.78%Cu from 336.0m
(including 0.7m @ 16.9%Ni and 3.49%Cu from 336.3m).

and

2.0m @ 2.63%Ni and 1.05%Cu from 343.5m
(including 0.25m @ 8.81%Ni and 2.40%Cu from 344.3m).

The mineralised zones are located close to a mafic-ultramafic contact and consist of high tenor massive sulphides, stringer sulphides and disseminated sulphides, with strong copper mineralisation evident in drill core.

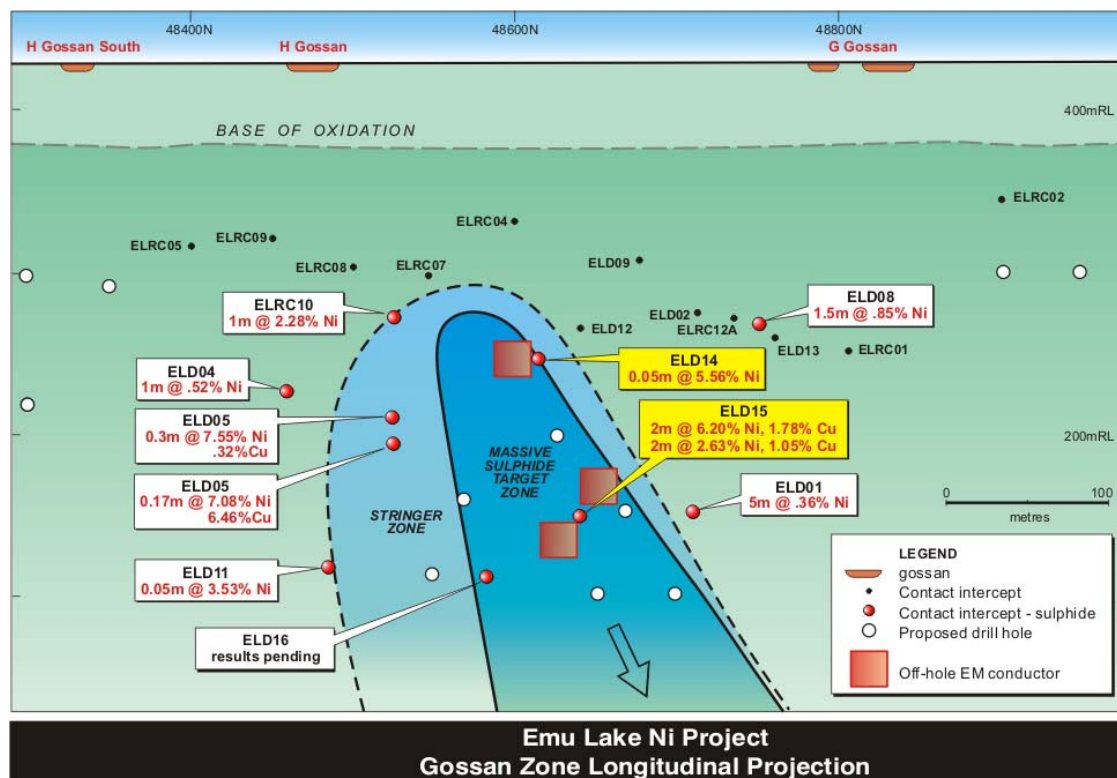
High-grade stringer mineralisation was intersected in drill hole ELD 14 (0.05m @ 5.56%Ni from 192.9m) close to the same contact approximately 100m up-dip from the ELD 15 intersections. These and previous intersections now confirm widespread nickel sulphide mineralisation near the same ultramafic contact. This mineralisation remains open at depth. These results are considered to be important as they indicate that this area potentially has similar characteristics to the high-grade Silver Swan nickel mine situated 30km to the west.

Hole Number	Collar Coordinates ¹		Dip	Azimuth ²	From m	To m	Internal m	Ni %	Cu %
	Northing	Easting							
ELD 14	48615	50240	-60	230	194.52	194.57	0.05	5.56	0.18
ELD 15	48650	50355	-56	229	336.0	338.0	2.0	6.20	1.78
				(Includes)	336.3	337.0	0.7	16.90	3.49
					343.5	345.5	2.0	2.63	1.05
				(Includes)	344.3	344.55	0.25	8.81	2.39

1: Local Grid

2: Magnetic Bearing

Jubilee has also completed DHEM surveys of holes ELD 14, 15 and 16 and identified several encouraging off-hole conductor targets as shown in the longitudinal projection.



A substantial 2,500m, 6-hole step-out diamond drilling programme is now underway to test the modelled conductors and to further examine the extent of the mineralised contacts. In addition, a further 5 RC holes totalling about 1,000m are planned along strike both to the north and south of ELD 15. These holes will test prospective contact positions below gossan occurrences and anomalous geochemistry as shown in the longitudinal projection.

Meteoric (Image 60% to 100%)

As recently announced, Image has, subject to shareholder approval, reached agreement to farm out eight of its gold and copper-gold projects to its wholly owned subsidiary Meteoric Resources NL and to assist Meteoric to list on the ASX. More details of the proposed Meteoric float are described in the Corporate section of this report.

It is intended that Meteoric will join into a portfolio of eight gold and copper-gold projects comprising of Warrego North and Murchison Range projects in the Northern Territory and the Bullfinch, Ularring, Junction Well, Wilthorpe, Ruby Well and Jarbora Hill projects in Western Australia. Image holds a 100% interest in these projects with the exception of Wilthorpe and Bullfinch where Image holds a 90% interest and Ruby Well where it is entitled to a 60% interest.

Under the terms of the joint venture Meteoric will, subject to a successful listing on the ASX, pay Image \$220,000 cash and spend \$1 million within two years of listing to earn 80% of Image's interest. Meteoric is obligated to spend a minimum of \$0.5 million over three years, with Image retaining a 1% gross royalty interest on all minerals and metals. In the event that Image wishes to farm out additional projects, Meteoric will be entitled to a short preference period to negotiate commercially acceptable joint venture terms.

Lake Percy (Image 100%)

Western Areas has completed a 57-hole, 1629m reconnaissance RAB drilling programme over geological and geophysical target areas on joint venture tenements situated about 25km north of the Emily Ann nickel mine. Anomalous values of 5820ppm Ni, 179ppm Cu, 65ppb Pt plus Pd and 3.6% S have been encountered on the margin of an aeromagnetic anomaly in drill hole LPR29 (collar coordinates 62564N, 36850E), in the 2m interval from 46m. These anomalous values occur within weathered ultramafic rocks near a contact with sheared metasediments. A second anomalous intersection of 6750ppm Ni and 100ppm Cu occurs over a 2m interval from 39m at end of hole within sheared mafic/ultramafic rocks about 6km to the west in drill hole LPR32 (collar coordinates 60854N, 42448E) on a separate magnetic feature.

These early stage results from shallow wide-spaced drilling are considered most encouraging. Western Areas has advised that it has met the minimum expenditure requirement of the joint venture and has elected to proceed to the next stage. Under the terms of the joint venture, Western Areas may earn a 60% interest by expenditure of \$700,000. Further drilling to follow up these promising results is being planned.

Jilbadjie (Image 100%)

Westonia Mines conducted infill soil sampling over target ultramafic sequences at the Jilbadjie 30 km south of Southern Cross. Three nickel targets have now been defined by coherent nickel, base metal, PGM and gold geochemistry. Planning for an EM survey to further investigate these targets is in progress.

Trojan (Image mostly 100%)

The grant of the first of three exploration licences over the Woongaring gold and base metal project is imminent. This project is situated 150km north west of Southern Cross in an under-explored area of extensive sand cover on the margin of the WA wheat belt. Upon completion of any required heritage clearances a programme of RAB drilling is planned in order to test a 10km-long gold-anomalous zone with coincident anomalous copper, lead and zinc values.

NEW PROJECTS

Image continues to use its aeromagnetic database to identify new gold and nickel opportunities. During the quarter four exploration licences totalling 205sqkm were applied for in Western Australia.

CORPORATE

As a result of the proposed Meteoric joint venture mentioned above, it is intended that Meteoric will issue approximately 5.5 million fully paid ordinary shares to Image shareholders in a 1 for 10 bonus issue, 4.2 million shares to Image Resources NL and 8.25 million contributing shares (20 cents unpaid) to Image shareholders in a 3 for 20 bonus issue. Meteoric plans a May / June 2004 initial public offering to raise \$4 million by issue of 20 million fully paid 20 cent shares. Together with seed capital subscriptions already received, and if accepted, this will bring the total issued capital of Meteoric to about 34.7 million shares plus 14.75 million contributing shares (20 cents unpaid). If Meteoric is admitted to the ASX, application for quotation of contributing shares will not be made within the first 12 months of listing. The record date for holders of Image shares to receive the Meteoric entitlement will be announced to the ASX. Image shareholders will receive a copy of the Meteoric prospectus in the event that they wish to apply for shares.

The Image board is confident that the transaction with Meteoric will add value for Image shareholders by accelerating exploration on some of Image's underrated projects and in turn allow Image to focus on its core business of generating and identifying new projects and opportunities.



PROJECT LOCATIONS

For more information on the company visit www.imageres.com.au

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The information on mineralisation contained in this report accurately reflects the information compiled by Mr Roger Thomson BSc, MAusIMM, 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.

MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity:

Image Resources NL

ABN:

57 063 977 579

Quarter ended ("current quarter")

31/3/2004

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$AUD'000	Year to date (9 months) \$AUD'000
1.1 Receipts from product sales and related debtors	-	81
1.2 Payments for:		
(a) exploration and evaluation	(114)	(345)
(b) development	-	-
(c) production	-	-
(d) administration	(126)	(544)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	52	117
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(188)	(691)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(5)	(96)
(b) equity investments	-	-
(c) other fixed assets	(1)	(4)
1.9 Proceeds from sale of:		
(a) prospects	-	150
(b) equity investments	9	9
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	3	59
1.13 Total operating and investing cash flows (carried forward)	(185)	(632)

1.13	Total operating and investing cash flows (brought forward)	(185)	(632)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	131	1,631
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	(12)	(62)
Net financing cash flows		119	1,569
Net increase (decrease) in cash held		(66)	937
1.20	Cash at beginning of quarter/year to date	3,447	2,444
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,381	3,381

**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 \$AUD'000
1.23	Aggregate amount of payments to the parties included in item 1.2	81
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

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

N/A

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

N/A

Financing facilities available

		Amount available \$AUD'000	Amount used \$AUD'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$AUD'000
4.1 Exploration and evaluation	120
4.2 Development	-
Total	120

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 \$AUD'000	Previous quarter \$AUD'000
5.1 Cash on hand and at bank	322	447
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – Short Term Deposit	3,059	3,000
Total: cash at end of quarter (item 1.22)	3,381	3,447

Changes in interests in mining tenements

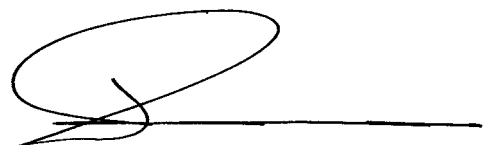
	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		N/A		
6.2 Interests in mining tenements acquired or increased	E39/1087	Application	0%	100%
	P39/4329	Application	0%	100%
	E38/1661	Application	0%	100%
	E77/1212	Application	0%	100%
	E30/287	Application	0%	100%
	E37/787	Application	0%	100%
	E24138	Application	0%	100%
	E24259	Application	0%	100%
	E24255	Application	0%	100%
	E24257	Application	0%	100%

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference securities	N/A			
7.2 Issued during quarter	Nil			
7.3 Ordinary securities	55,490,368	38,985,675		
7.4 Issued during quarter	524,111		\$0.25	\$0.25
7.5 Convertible debt securities	N/A			
7.6 Issued during quarter	Nil			
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
Non-employee Options	15,053,080 2,000,000	Not Quoted Not Quoted	\$0.25 \$0.335	25.8.2006 27.11.2008
Employee Options	1,035,000	Not Quoted	\$0.25	4.7.2005
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	524,111		\$0.25	
7.10 Expired during quarter	Nil			
7.11 Debentures	N/A			
7.12 Unsecured notes	N/A			

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.
- 2 This statement does give a true and fair view of the matters disclosed.



Rudolf Tieleman (Company Secretary)

Date: 28 April 2004