



Mineral Sands Companies

ASX Code	Company name	Share Price	Mkt Cap	Debt	Cash + Inv.	EV	Dec'14 Cash Burn
BSE	Base Resources Limited	\$0.30	\$168.6m	\$215.0m	\$10.9m	\$405.0m	Not Applicable
ILU	Iluka Resources Limited	\$7.08	\$2,962.3m	\$146.9m	\$9.2m	\$3,100.0m	Not Applicable
IMA	Image Resources NL	\$0.09	\$13.4m	\$0.1m	\$1.5m	\$11.9m	\$0.7m
MDL	Mineral Deposits Limited	\$1.41	\$145.7m	US\$0.0m	US\$27.3m	\$114.3m	Not Applicable

Market Overview

Overall, demand for zircon was stable in the third quarter of 2014, as were prices.

The smaller, but expanding, zirconium chemicals industry is experiencing a recovery in demand.

The conditions for demand recovery in high grade feedstock markets remained intact, particularly in the chloride pigment.

Inventories of titanium dioxide feedstock continue to be worked down but are likely to stay at elevated levels for the remainder of 2014.

Zircon: Overall, demand for zircon was stable in the third quarter of 2014, as were prices. In China, customers elected to defer September volume into the fourth quarter. The most recent government actions to relax access to mortgages and a lower mortgage rate are reported to have improved housing affordability across a broad range of cities in China and may help customer confidence. The smaller, but expanding, zirconium chemicals industry is experiencing a recovery in demand. In Asian markets (ex-China), demand patterns were variable and generally subdued, although zircon sales into Japan were strong after an extended period of low demand. The North American market, where demand predominantly reflects industrial and manufacturing activity has been robust, associated with United States industrial production strength.

Titanium Dioxide: The conditions for demand recovery in high grade feedstock markets remained intact, particularly in the chloride pigment. North American pigment producers continue to run at higher capacity utilisation rates and there have been some positive downstream indicators in terms of architectural paint demand, as indicated by a major US paint retailer deciding to keep their stores open for an additional hour each day, a reported 18 month backlog for professional painting services, and by contractor availability shortages in the commercial sector. European pigment demand has shown some signs of slowing as a result of economic slow-down in Germany and the rest of Europe. Inventories of titanium dioxide feedstock continue to be worked down but are likely to stay at elevated levels for the remainder of 2014.

Image Resources NL

Code: IMA

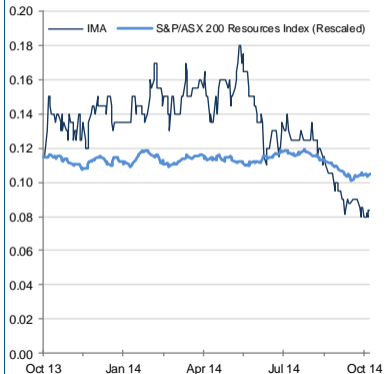
Mkt Cap: \$13.4m

Debt: \$0.1m

Cash: \$1.5m

EV: \$11.9m

Dec'14 Qtr Cash Burn: \$0.7m



- The Minister for Environment has granted environmental approval under Part IV of the Environmental Protection Act 1986 for IMA's Boonanarring Mineral Sands Project, located north-west of Gingin. The project involves open cut mineral sands mining, processing through primary and secondary concentration plants to produce heavy minerals concentrate and further treatment through a dry mill to produce ilmenite, rutile, zircon and leucoxene.
- During the period, IMA raised \$1.2m through a placement of 10.43 million shares at \$0.115 each. The funds raised strengthen IMA's financial position allowing it to kick off its fully funded resources extension drilling programme at the North Perth Basin Project; finalise the review and representation of the base case feasibility study and support the delivery of increased JORC Compliant resource.
- Confidential discussions with a number of third parties with the intention to be able to bring the North Perth Basin Project into production as quickly and cost effectively as practicable have commenced.

Shaw Commentary

- The projects of IMA are in strategic positions in the WA minerals sands region. A JV is likely.