

16 February 2021

MARKET GUIDANCE

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to provide the following comparison of actual performance against market guidance for CY2020 and guidance for CY2021.

Table 1: CY2020 Performance against Guidance and CY2021 Guidance¹

		CY20 Actual	CY20 Guidance	CY21 Guidance
HMC Production	kt	306	300-330	290-320
HMC Sales	kt	311	300-330	300-320
Project Operating Costs	A\$m	90	100-110	90-100
C1 Cash Costs ² (HMC sold)	A\$/t HMC	292	290-320	290-320
AISC Cash Costs (HMC sold) ³	A\$/t HMC	337	340-370	340-370

Notes: 1. To be read in conjunction with the Forward-looking Statements disclaimer
 2. C1 cash costs include mining, processing, general and admin and HMC transport costs
 3. All-in-sustaining cash costs (AISC) include C1 plus royalties, sustaining capital and corporate overheads.

CY2021 guidance range for HMC production represents a slight decrease (3%) in production compared to the guidance range for CY2020, and, as a flow-on effect, a slight decrease in the upper end of the guidance range for HMC sales (kt HMC) compared to CY2020. This is due to a forecast decrease in average ore grade as mining transitions from the very high ore grades from Block A & B in Q1 and Q2 2021, back to the southern section of Block C and progressing further southward towards year end.

CY2021 guidance range for Project operating costs is lower than CY2020 guidance figures, and only slightly higher than CY2020 actuals due to an increase in forecast mining costs, primarily due to increased quantities (BCMs) of overburden forecast to be moved compared to CY2020.

CY2021 guidance ranges for C1 and AISC cash costs per tonne of HMC sold are the same as CY2020 guidance.

The Company is expecting slightly lower zircon content in HMC produced in 2021 (circa 5% lower than in CY2020), and it is noted that the current AUD:USD exchange rate is significantly above the average rate of circa 0.70 achieved in 2020. As a result, the Company is forecasting lower total revenue and therefore lower forecast CY2021 profitability compared to CY2020 actuals.

Managing Director Patrick Mutz commented, “*The achievement of original market guidance ranges for CY2020, in a year when many companies retracted their market guidance due to the uncertainties of global economic conditions stemming from the onset of COVID-19, is a testament to tenacious planning and strong stakeholder relations. It also instils confidence in the company’s ability to achieve guidance ranges for CY2021, with the operating group*

focusing on improving those things it can control, such as operating costs, production and sales volumes.”

Forecast guidance for 2022 is not provided at this time due to the outstanding information regarding potential new ore reserves at or near Boonanarring. Planning for relocation of the WCP to Atlas is currently advancing with a target of being prepared to relocate in Q4 2022 as a worst-case scenario in the event no new ore reserves, that can rapidly be made accessible for mining, are identified at Boonanarring.

Image Resources Background Information

Image is Australia's newest mineral sands mining company, operating open-cut mining and ore processing facilities at its 100%-owned, high-grade, zircon-rich Boonanarring Mineral Sands Project located 80km north of Perth, Western Australia, in the infrastructure-rich North Perth Basin. Boonanarring is arguably one of the highest grade, zircon-rich, mineral sands projects in Australia. The project was constructed and commissioned on-time and on-budget in 2018 and production of HMC ramped-up to exceed name-plate capacity in only the second month of operation (January 2019).

Image has now completed two full years of successful operations with performance meeting or exceeding market guidance ranges in all categories. The Company is focused on maintaining its strong operational and health, safety and environmental performance and has prioritised the identification of new Mineral Resources and Ore Reserves, to extend the cumulative mine life of Ore Reserves in its portfolio, while investigating the development of a second operating centre in parallel with current operations.

This document is authorised for release to the market by:

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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.