

QUARTERLY ACTIVITIES REPORT – for quarter ended 31 December 2021

Image Resources NL
 ABN 57 063 977 579

ASX Code: IMA

Contact Details

Level 2, 7 Ventnor Avenue,
 West Perth WA 6005

T: +61 8 9485 2410
 E: info@imageres.com.au
 W: imageres.com.au

Issued Capital

Shares – Quoted
 1,012,642,386

As at 31 December 2021

Board Members

Robert Besley
 (Non-Executive Chair)
 Patrick Mutz
 (Managing Director)
 Chaodian Chen
 (Non-Executive Director)
 Aaron Chong Veoy Soo
 (Non-Executive Director)
 Huangcheng Li
 (Non-Executive Director)
 Peter Thomas
 (Non-Executive Director)

HIGHLIGHTS

- QoQ average heavy mineral concentrate (HMC) realised price increased a further 43% to A\$904/t, following a 26% increase in the previous quarter with the Company achieving prices consistently above benchmark market pricing as per the offtake agreements.
- Cash margins per tonne HMC sold increased from A\$190 in Q1 to a record A\$500 in Q4 2021.
- Successful in a tender process and completed Sale and Purchase Agreement to acquire an extensive package of tenements in historic Eneabba mining district for \$24M cash.
- Year-end cash increased to A\$79.8M, up A\$29.5M or 59% from Q3 closing cash of A\$50.3M.
- QoQ HMC production up 83% to 69.7k tonnes. CY2021 HMC production within guidance range.
- Zircon benchmark price up 10% QoQ and up a further 10% effective 1 January 2022 for a total 40% higher than start of CY2021. Zircon traded price in China is currently 24% higher than 1 January 2022 benchmark price. Ilmenite benchmark price up over 50% from start of CY2021.
- HMC shipping costs fell slightly from AU\$75/tonne in Q3 to A\$65/tonne in Q4 (approximately double original CY2021 forecast costs per tonne).
- C1 and AISC cash costs per tonne HMC produced decreased 42% and 45% QoQ respectively, due to increased Q4 production after record low HMC production in Q3. C1 and AISC costs per tonne HMC sold increased 30% and 24% QoQ respectively, from higher QoQ sales.
- HMC Production and Project Operating Cost CY2021 guidance were met despite substantially higher than forecast shipping costs. C1 Cash Costs and AISC/t sold closed the year marginally above guidance and HMC tonnes sold were marginally higher than the upper range of guidance for the year due to slightly lower HMC sales and higher shipping costs.

Table 1: Quarterly Summary

	Mar Q 2021	Jun Q 2021	Sep Q 2021	Dec Q 2021	QoQ % change	CY2021 Actual	CY2021 Guidance
Production							
HMC Production (kt)	85.2	102.3	38.0	69.7	83%	295.9	290-320
HMC Sales (kt)	84.5	67.8	77.3	63.0	-18%	292.6	300-320
HMC Realised Price (A\$/t HMC)	463	502	631	904	43%	611	N/A
Project Operating Costs (A\$m)	23.8	24.1	24.0	25.5	6%	97.4	90-100
Unit Costs (HMC produced)							
C1 Cash Costs (A\$/t HMC) ¹	271	235	631	366	-42%	327	N/A
AISC (A\$/t HMC) ²	309	263	776	427	-45%	381	N/A
Unit Costs (HMC sold)							
C1 Cash Costs (A\$/t HMC) ¹	273	355	310	404	30%	337	290-320
AISC (A\$/t HMC) ²	312	397	381	471	24%	388	340-370

Notes: 1 – C1 cash costs include mining, processing, general and administration and HMC transport costs

2 – All-in sustaining costs (AISC) include C1 plus royalties, sustaining capital & corporate overheads

- Total cash expenditure for Q4 includes \$27.9m (78.4%) on mining/production at Boonanarring (including logistics); \$1.4m (3.9%) on exploration; \$1.5m (4.2%) on Corporate (net of FX/other income) plus \$1.1m (3.1%) of income tax paid; \$2.0m (5.6%) on Land; \$0.4m (1.1%) on Boonanarring PP&E; \$1.1m (3.1%) on Atlas project development and \$0.2m (0.6%) on Other Capital.

ACTIVITIES REPORT

High Level Summary

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to report that high demand for mineral sands commodities, coupled with limited supply, is continuing to push commodity prices higher, and delivered increased cashflow and profitability in 2H 2021 from mining operations at the Company’s 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project, located 80km north of Perth in the North Perth Basin in WA.

There were further mineral sands commodity price increases in Q4 with the average benchmark price for zircon up 10.4% and ilmenite up 5.7%, whilst rutile prices remained unchanged. On 1 January 2022 the benchmark price for zircon rose a further 10.4% above the Q4 average price, to US\$2,020/t. In total, zircon has risen 40% since the start of CY2021 (Figure 1). In addition, the benchmark price for ilmenite has risen over 50% and rutile approximately 40% since the start of CY2021 (Figure 2).

Figure 1.

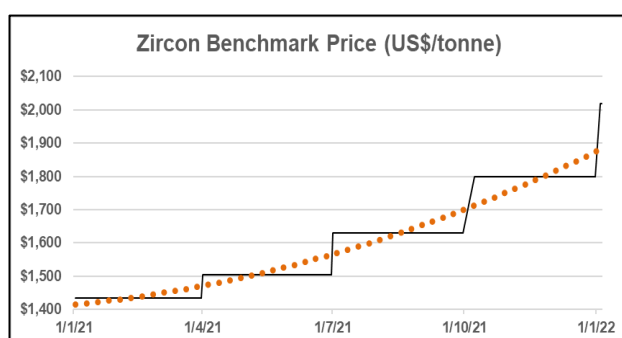
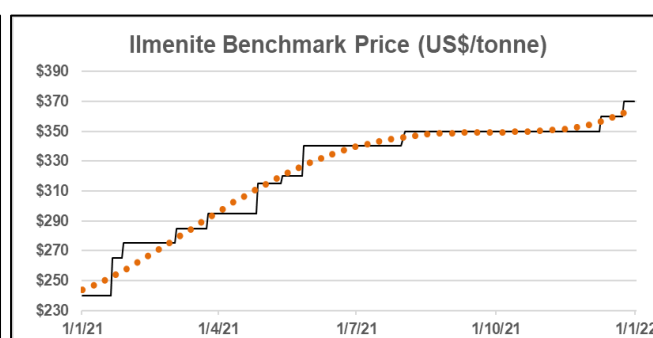


Figure 2.



In Q4, due to very high demand for HMC in China, the Company was able to achieve pricing higher than benchmark pricing for November and December shipments as a result of competitive bidding. Premium pricing achieved is beyond the prescribed market benchmark pricing formulation of the HMC pricing model and may be temporary as these higher prices were negotiated based on the current wider-than-normal price gap between market-based benchmark pricing and abnormally high spot market pricing in China. Premium pricing is continuing into 1H 2022.

While commodity prices have been rising, costs have remained broadly in line with forecast despite substantially higher shipping costs. In addition, Q4 HMC production of almost 70kt resulted in guidance being met on this key statistic, despite the very low HMC production during Q3 which resulted from unusually high rainfall events in July/August and saturated ground conditions at Boonanarring. This resulted in substantial delays of the relocation of the Feed Preparation Plant (FPP) from Block A to Block C and contributed to a pit wall slump on the eastern high wall of the mine, which prevented access to higher grade Eastern Strand ore and resulted in record low ore grades being processed in Q3. HM ore grades bounced back in Q4 with re-established access to the higher-grade eastern strand ore in Block C.

The Company is focused on permitting and project development planning at Atlas in preparation for relocating mining and ore processing operations following the depletion of available Ore Reserves at Boonanarring. However, every effort is also being made to extend the mine-life at Boonanarring. Studies have been completed with respect to potentially accessing additional ore in Block D at Boonanarring based on higher commodity prices and recent more favourable FX. Results indicate that sufficient ore is available to extend mine life at Boonanarring into Q1 2023. Additional permitting and land access negotiations are underway.

The Company ended Q4 2021 with a debt-free cash position of A\$79.8M, a significant increase on Q3 2021 due to the strong operating cash flow from higher commodity prices. This strong cash position has been achieved post the early repayment of outstanding debt in Q1 2021 and the payment of approximately \$19m in dividends in Q2 2021.

Managing Director and CEO Patrick Mutz commented “Image’s operational team is to be commended for its brilliant recovery in Q4 following the major setbacks in Q3 from heavy winter rains. Q4 performance boosted production to guidance levels and allowed the Company to take full advantage of very buoyant commodity prices to boost its cashflow and profitability.”

Photos:

Solar Farm generating 25% of annual electricity requirements



Loading December 2021 Shipment

Details

Safety

There were zero lost time injuries (LTI) recorded during the quarter and no confirmed or suspected cases of COVID-19 at any of the Company's sites. Image is committed to meeting the recent government mandate of full vaccination of all employees and contractors against COVID-19. The Company recognises that it will be increasingly more challenging to maintain a COVID-free work environment, particularly once the WA borders re-open to international travellers. None-the-less the primary focus will be on maintaining a safe working environment.

The Company follows Government mandates closely to ensure compliance. In Q4, the WA Government mandated that mining companies must demonstrate that all employees, contractors and visitors to its mine sites had provided evidence of their first and second COVID-19 vaccinations doses by 1 January 2022. Unfortunately, three employees who elected not to comply with the Government's vaccination mandate had their employment terminated in January 2022 as a consequence of the Company complying with the vaccination mandates.

The Company remains vigilant with respect to flu symptoms and maintains adherence to the modifications of its daily work practices and procedures to minimise potential impacts from COVID-19 to its employees and other stakeholders.

Image is committed to the promotion of a positive health, safety and environmental protection culture, including safety programs and procedures that encourage job safety analysis and planning as well as active incident reporting for the purpose of continual improvement of the health, safety and well-being of all employees, contractors, visitors and members of the community.

Image uses a forward-looking metric of positive performance scoring (PPS) to gauge the effectiveness of the overall Health, Safety and Environment (HSE) program. PPS scoring is based on the total number of workplace audits conducted monthly across all areas of the project and scoring has been consistently positive. In addition, statistics are maintained on the total recordable injury frequency rate (TRIFR) and with only 3 recordable incidents across the past 18 months, the 12-month rolling average TRIFR at the end of December 2021 was 7.2 per million hours worked (up slightly from 6.99 on 30 September 2021).

Community

Image continues to proudly contribute to the local community, including through local employment. At 31 December, 45% of the Boonanarring project workforce lived locally to the site or within regional shires. The Company has an active and varied community support program, details of which can be found in the Company's presentation materials. Notable programs occurring or ongoing during this reporting period include the following:

- Leasing of Image land to the Gingin Recreation Group with profits donated back to a variety of local Shire community programs;
- Providing clayey materials to local landowners to assist in demonstration testing to assess carbon sequestration enhancement in local soils;

- Sponsorship of the Happiness Co Foundation Gala in support of mental health in general and specifically The Blue Tree Project and The Fathering Project;
- Support of Beyond Blue mental health awareness programme.
- Support of various Cervantes community group and local area programmes.

Mining and Processing

Mining operations were completed in Block A, with ore mining mainly sourced from Block C during Q4, with pre-stripping advancing in Block D. Ore processing was primarily from Block C East and West strands. Following delays with the relocation of the FPP from very wet weather conditions in Q3, ore processing increased by 27% to 956Kt in Q4, despite the presence of indurated material which resulting in higher FPP wear.

HM Ore Grades increased 37% to an average 7.8% HM in Q4, following the very low ore grades experienced in Q3. The combination of higher HM ore grades, higher throughput rates and improved recoveries resulted in an 83% increase in HMC production in Q4 over Q3, from 38.0kt to 69.7kt. Total HMC production for calendar year 2021 was 295.2Kt (within guidance of 290-320Kt).

Importantly, average ZrO₂ grades in HMC increased 30% QoQ to 23.5%, significantly higher than the previous three quarters. This was a result of ore mining from Block C East. These higher grades flowed through into significantly higher average ZrO₂ grades in Q4 HMC shipments and resulted in significantly higher average HMC realised prices (refer Table 4).

Table 2: Mining & Production Statistics

		Q1 2021	Q2 2021	Q3 2021	Q4 2021	QoQ	2021
Mining							
Ore	kt	874	838	996	742	-26%	3,449
Waste	kt	4,979	4,821	3,384	5,210	54%	18,394
Processing							
Ore Processed	kt	882	886	733	964	32%	3,465
Grade Processed	HM%	10.1%	12.1%	5.7%	7.8%	37%	9.0%
	ZrO ₂ %	18.1%	16.6%	16.9%	22.7%	34%	18.5%
	TiO ₂ %	35.5%	37.9%	38.8%	31.6%	-19%	35.8%
Recovery	HM%	90.1%	89.8%	84.8%	86.5%	2%	88.4%
	ZrO ₂ %	98.2%	98.5%	97.6%	97.7%	0%	98.1%
	TiO ₂ %	93.4%	93.0%	86.3%	89.3%	3%	91.3%
HMC Produced	kt	85.2	102.3	38.0	69.7	83%	295.2
HMC Grade	HM%	93.6%	93.9%	93.2%	93.0%	0%	93.5%
	ZrO ₂ %	18.5%	17.0%	18.3%	23.58%	30%	19.2%
	TiO ₂ %	34.5%	36.9%	36.7%	30.0%	-18%	34.6%



Figure 3: Quarterly ore processing rate (kt) and contained HM/ZrO₂/TiO₂ ore grades (%)

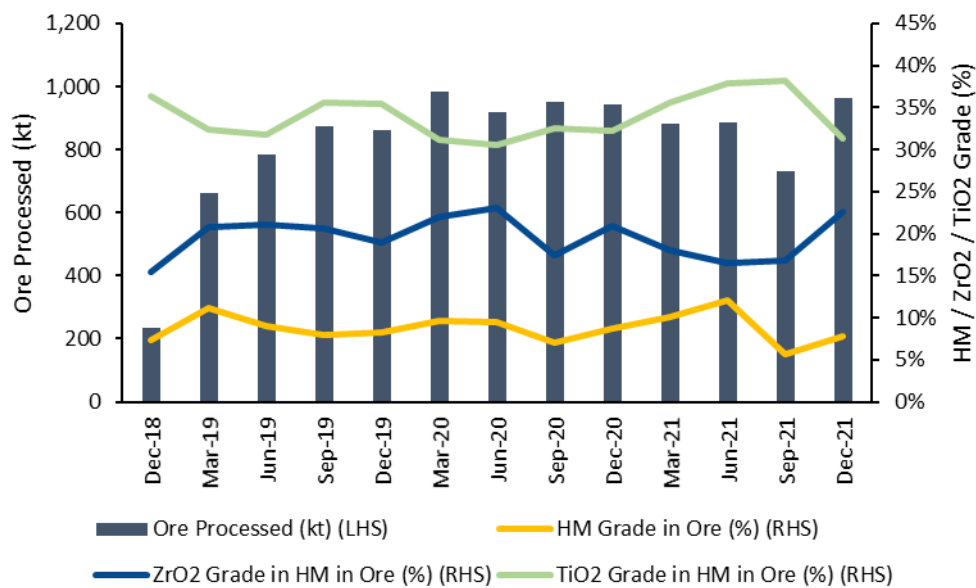


Figure 4: Quarterly HMC production (kt) and contained HM/ZrO₂/TiO₂ within HMC grades (%)

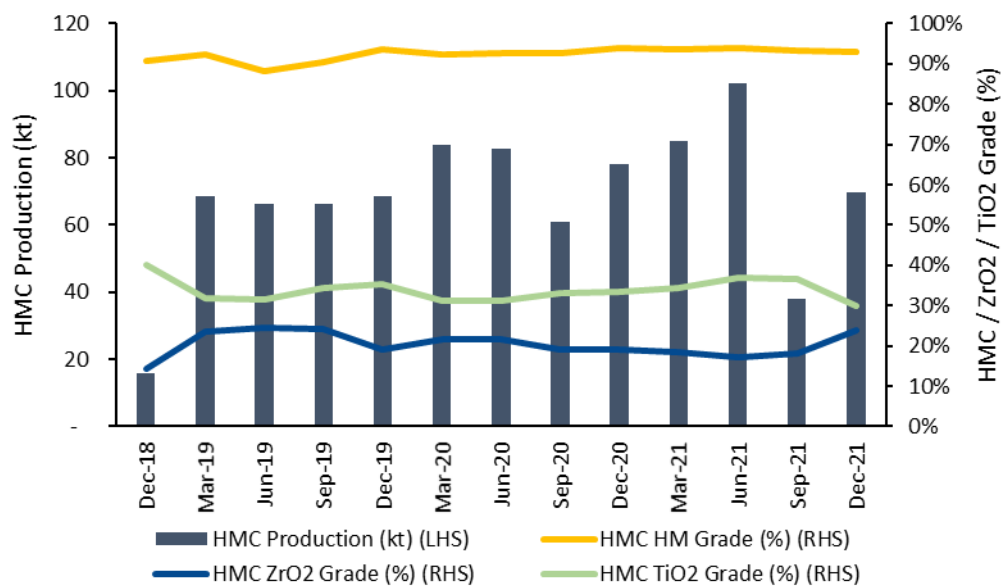
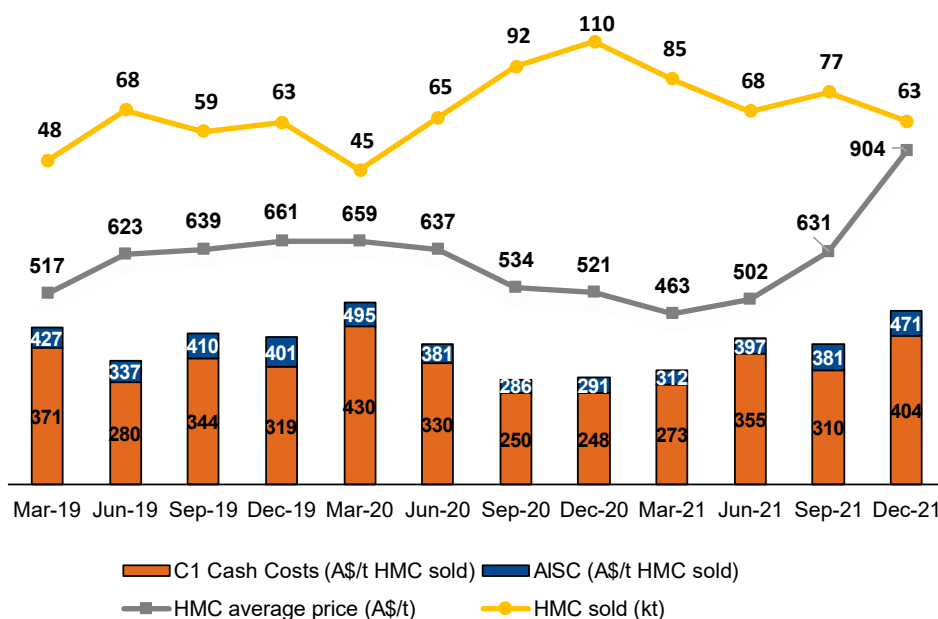


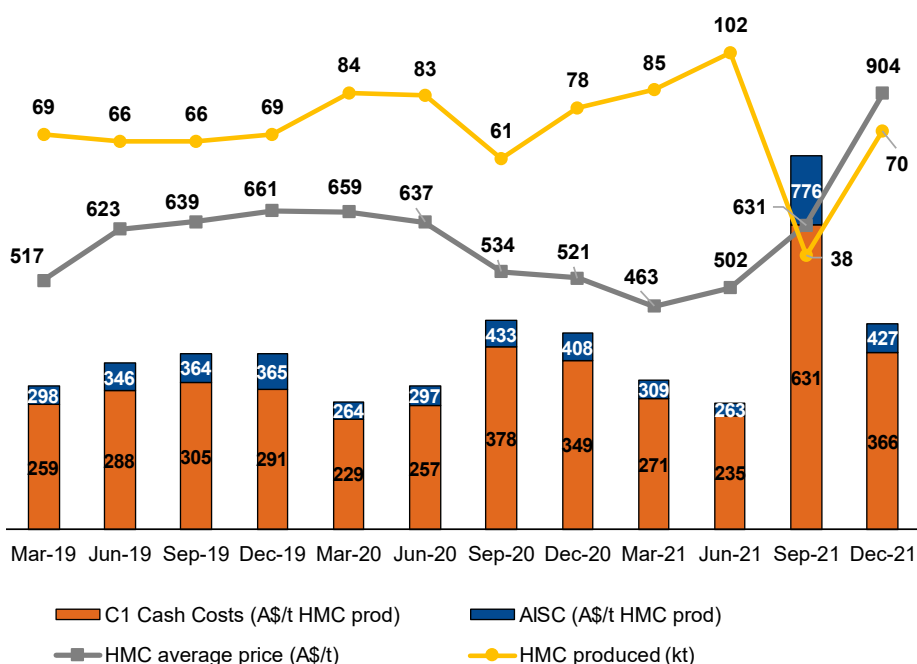
Figure 5: Quarterly HMC Sold (kt) with Revenues & Costs per Tonne Sold



Costs

C1 and AISC cash costs per tonne HMC sold increased QoQ (Figure 5) mainly due to 18% lower sales. C1 costs increased from A\$310/t to A\$404/t HMC sold (up 30% QoQ) and AISC increased from A\$381/t to A\$471/t HMC sold (up 24% QoQ). As a result of higher Q4 costs and lower tonnes shipped. 2021 C1 and AISC costs (A\$337 and A\$388 per tonne HMC sold respectively) finished the year slightly higher than CY2021 guidance ranges.

Figure 6: Quarterly HMC Production (kt) with Revenues & Costs per Tonne Produced





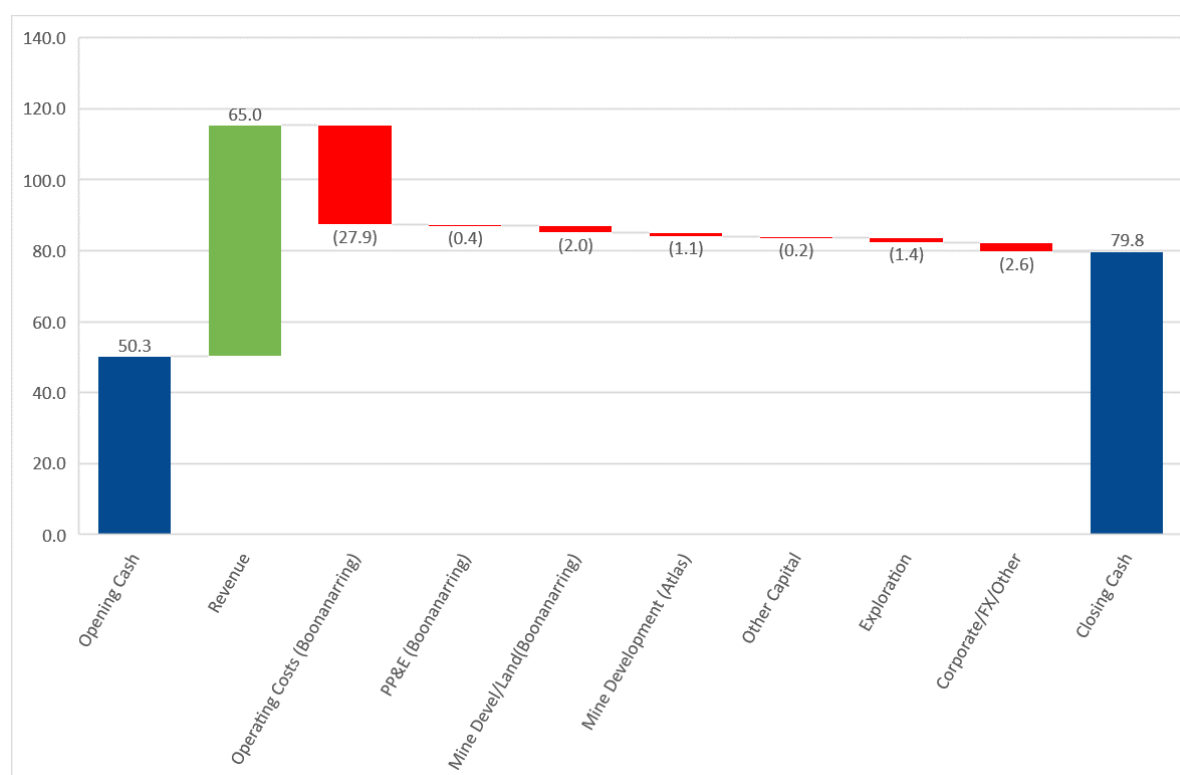
In contrast, C1 and AISC cash costs per tonne HMC produced decreased 42% and 45% respectively QoQ. C1 costs decreased from A\$631/t to A\$366/t HMC produced and AISC decreased from A\$776/t to A\$427/t (Figure 6 and Table 3). Cost decreases per tonne HMC produced were driven by higher HM ore grades, after lower-than-average grades in Q3 (+24% QoQ), and an increase in ore processed (+27% QoQ) which resulted in higher HMC production (+83% QoQ) during Q4 (Table 2).

Project operating costs were A\$25.5m for the quarter (up 6% QoQ) and \$97.4m YTD. Project operating costs have been impacted YTD by substantially higher shipping costs than forecast but were within guidance range of \$90-100m for 2021.

Table 3: Costs per Tonne HMC Produced & Sold

		Q1 2021	Q2 2021	Q3 2021	Q4 2021	QoQ	2021
Costs/tonne HMC produced							
Mining	A\$/t HMC	124	114	265	179	-32%	152
Pre-Strip	A\$/t HMC	5	0	14	16	15%	7
Processing	A\$/t HMC	46	38	98	69	-29%	56
Site Support	A\$/t HMC	9	8	25	13	-50%	12
Logistics	A\$/t HMC	87	75	229	89	-61%	101
C1 Cash Costs	A\$/t HMC	271	235	631	366	-42%	327
Royalties	A\$/t HMC	21	14	53	38	-28%	27
Sustaining Capital	A\$/t HMC	6	3	51	6	-89%	11
Corporate	A\$/t HMC	12	11	41	17	-59%	16
AISC	A\$/t HMC	309	263	776	427	-45%	381
Costs/tonne HMC sold							
C1 Cash Costs	A\$/t HMC	273	355	310	404	30%	337
AISC	A\$/t HMC	312	397	381	471	24%	388

Figure 7: Quarterly Cashflow Waterfall Chart



Net Operating Cashflow (Figure 7) was \$28.2m for Q4 2021 (\$16.5m for Q3 2021). Improved Q4 cashflow was principally due to a significant increase in HMC realised pricing QoQ. In total \$0.4m was spent for the quarter on Boonanarring mine property, land (\$2m), plant & equipment (\$0.4m) and with an additional \$1.1m expenditure for Atlas mine development.

Quarterly exploration activities mainly focussed on Bidamina and on the gold tenements at Erayinia and the King Farmin Prospect with expenditures of \$1.4m (further detail can be found in the section titled 'Exploration'). Development and exploration programmes were delayed by a lack of suitable rigs. Corporate costs (-\$1.5m), income taxes paid (-\$1.1m), foreign exchange movements (-\$0.2m) and other minor income/costs (+\$0.2) amounted to \$2.6m of net expenditure.

Sales

The Company finished 2021 with 292.6kt HMC sold YTD which was marginally below CY2021 guidance of 300-320kt HMC sold. Funds for the December shipment were received before the end of the year.

Realised pricing of A\$904/t HMC sold for Q4 2021 was a record and was up 43% QoQ due to increased benchmark prices for zircon and ilmenite and significantly higher average ZrO2 content in the HMC. Finished HMC inventory increased to 47kt at the end of Q4. With zircon prices in particular continuing their upward trajectory in Q1 2022 the Company made the decision not to push for an additional smaller shipment in late December.

Image continues to see strong demand for its HMC from its offtakers and potential new customers and the Company expects demand to continue to outpace supply in 2022 with resulting further upward pressure on prices from what are currently record HMC prices for the Company. Average ZrO2 grades are expected to decline in CY2022 which will serve to partially offset rising commodity prices in terms of HMC realised prices.

Table 4: Sales and Stockpiles

		Q1 2021	Q2 2021	Q3 2021	Q4 2021	QoQ	YTD 2021
Sales							
HMC sold	kt	84.5	67.7	77.3	63.0	-18%	292.6
ZrO2 in HMC	%	18%	18%	17%	22%	30%	18%
TiO2 in HMC	%	34%	36%	36%	32%	-11%	35%
Average price realised	A\$/t HMC	463	502	631	904	43%	611
HMC Revenue	A\$m	39.1	34.0	44.1	57.6	31%	174.8
Stockpiles (end of period)							
HMC for shipping	kt	51	84	45	47	5%	47

Financial Summary

Revenue for Q4 2021 was \$57.6m, up 31% QoQ from \$44.1m (Table 4). The Company generated \$27.1m of net project operating cash flow for the quarter and \$72.8m YTD.

At 31 December 2021, Image had a cash position of \$79.8m after fully repaying debt and paying a dividend of \$19.0 million during the year.

Performance against Guidance

The Company is pleased to report that 2021 guidance was met for the Key Performance Indicators of HMC Produced and Project Operating Costs (refer Table 5). C1 and AISC cash costs per tonne sold were slightly higher than guidance mainly as a result of higher shipping costs per tonne than forecast in 2021 and HMC tonnes sold was marginally below guidance for 2021.

Table 5: CY2021 and CY 2022 Guidance

		YTD 2021 Actuals	CY2021 Guidance	CY2022 Guidance
HMC Produced	kt	295.2	290-320	200-230
HMC Sold	kt	292.6	300-320	220-250
Project Operating Costs ¹	A\$m	97.4	90-100	95-105
C1 Cash Costs (HMC Sold)	A\$/t HMC	337	290-320	390-420
AISC Cash Costs (HMC Sold)	A\$/t HMC	388	340-370	460-490

Notes: 1 – Project operating costs are stated before stock adjustments (pre-audit)

CY2022 guidance has lower tonnes produced and sold as we move further south in Block C and into Block D where HM ore grades are lower. An increase in average stripping ratios, particularly in Block D, and a recognition of higher shipping costs results in an increase in forecast Project Operating Costs for 2022 compared to 2021 guidance. However, recent increases in zircon and ilmenite prices mean that the Company is forecasting similar Project EBITDA to previous years at Boonanarring.

Corporate

Corporate costs for Q4 included \$366,000 of related party transactions (all director salary or director fee related).

On 20 August 2021 Image released its Interim Financial Report for the six-month period ended 30 June 2021 and reported underlying EBITDA of \$29.3 million and a net profit after tax (NPAT) of \$2.9 million. Significantly higher EBITDA and NPAT are expected to be announced for the second half of CY2021 mainly due to increasing zircon and ilmenite benchmark prices, increasing average ZrO₂ grades in the ore as well as in the HMC, and more favourable AUD: USD FX.

The Company has fully utilised previous tax losses and commenced paying income tax in September 2021. The Company is expecting to report a significant tax payable position for the year ended 31 December 2021 and the resulting franking credits can be applied against future dividends.

In December 2021, the Company acquired additional land near Boonanarring for \$1.955m.

On 29 November 2021, the Company announced that it had been successful in a tender process to acquire an extensive package of mineral sands tenements in historic Eneabba mining district for \$24m cash from Sheffield Resources Ltd. A Sale and Purchase Agreement was executed in December and the deal is anticipated to be closed in Q1 2022.

During the quarter the Company advised the owners of the King Gold Prospect that it had met the initial expenditure requirements to have earned an initial 40% beneficial ownership of the King Prospect under the Farmin Agreement. In December the Company also exercised its option to acquire an additional 40% of the King Prospect for \$240k cash. Transfer of ownership is underway and in January 2022 the owners will be required to elect to either contribute to future joint venture expenditures at their remaining 20% ownership position, or to revert to a combined 2.0% royalty position.

Information Subsequent to end of Quarter

On 21 January 2022 the Company announced that it had received a notice pursuant to section 249D of the Corporations Act 2001 (Cth) (Corporations Act) on behalf of Murray Zircon Pty Ltd (MZ), regarding the intention to move resolutions at a general meeting of the Company for the removal of three directors of the Company and appointment of three new directors that are associates/directors of MZ, and to requisition a meeting of the Company's shareholders to consider those resolutions (Notice). On 25 January, the Company announced that MZ had withdrawn the Notice on the basis that the Company formed the view the Notice was invalid as it sought to appoint an executive director. Then on 28 January, the Company announced it had received a

further 249D notice (Further Notice) from MZ proposing the Company's shareholders consider resolutions to: (i) remove three directors of the Company, being Mr Robert Besley, Mr Patrick Mutz and Mr Chaodian Chen; and (ii) appoint Mr Chaohua Huang, Mr Graham Hewson and Ms Ran Xu as directors of the Company. The Company will comply with its obligations under the Corporations Act to convene a general meeting of shareholders (Meeting) within 21 days of receipt of the Further Notice, and hold that Meeting within 2 months of receipt of the Further Notice. The notice of the Meeting will include the statement provided by MZ summarising the reasons for the Further Notice and the Company's response.

On 20 January 2022, the owners of King Gold Farmin Prospect provided notice to Image that the owners had elected to convert their remaining 20% ownership position to a combined 2.0% net smelter royalty. Transfer of remaining ownership positions is underway and a royalty agreement is being drafted.

Project Development Planning and Studies

Atlas Project, including nearby Hyperion and Helene

The Atlas Project is 100%-owned and was included as part of Image's Bankable Feasibility Study (BFS) published in 2017, and was contemplated to be mined after all available Ore Reserves at Boonanarring are mined out. Atlas is currently undergoing detailed project development planning, heritage clearances and final permitting.

Atlas is located approximately 160km north of Perth (80km north of Boonanarring) and currently has Ore Reserves of 9.5Mt at 8.1% HM (see Table 8). The plan outlined in the BFS was for the wet concentration plant (WCP) and associated equipment, infrastructure and mining operations to be relocated from Boonanarring when mining and processing at Boonanarring is complete. The forecast for completion of mining and processing at Boonanarring is late CY2022 or early 2023 and with relocation of equipment, personnel and mining to commence immediately following cessation of processing of final ore at Boonanarring.

Study work continues regarding the evaluation of dry versus dredge mining. Either method works economically with the higher capital costs for dredge mining being largely offset by lower operating costs and increased total HM production. Technical risks of the two options are still being assessed to determine the best mining method overall. The purchase agreement for a property close to Atlas is in final form and is expected to be signed in Q1 2022. The property will provide a suitable location for a camp site and has the added benefit of environmental land offsets.

During a heritage survey conducted in November 2021 an ethnographic site was identified covering part of the Atlas deposit. The Company is working actively and co-operatively with the local traditional owners, through SWALSC, to address this issue.

Atlas is a high-grade deposit and has coarse-grained minerals which favour high recoveries, very much like at Boonanarring. However, unlike at Boonanarring, the strip ratio is much lower at Atlas, estimated at approximately 1.2:1 (Boonanarring 6:1), which translates to significantly lower mining costs at Atlas. However, the zircon content of the HM in the ore at Atlas is lower at 11%, compared to 24% at Boonanarring.

Project development, planning and study costs for Atlas are being funded internally and capital costs are anticipated to be funded from cash reserves.

The 100%-owned Hyperion and Helene projects (Mineral Resources of 5.0Mt at 6.3% HM and 13.2Mt at 4.3% HM respectively – Table 10), are located to the immediate north of Atlas, and are potentially within economic pumping distance from the planned location of the Atlas WCP. Both projects are being assessed as part of the overall plan to extend the mine life in the Atlas area.

Bidaminna

The Bidaminna Project is 100%-owned and is currently under feasibility study as a potential stand-alone production centre, to be operated in parallel with operations in the Atlas area. Bidaminna is located 100km north of Perth (25km northwest of Boonanarring). Bidaminna has current Mineral Resources of 102mt at 2.2% HM (see Table 10 and refer ASX announcement 31 March 2021).

The Bidaminna deposit has a high-value titanium mineral assemblage, including an estimated 36% leucosene (70-95% TiO₂), 4.4% rutile, 5% zircon and 48% ilmenite (as percentages within the HM). It is a coarse-grained deposit (amenable to high recoveries), with very low slimes (<4%), minimal oversize (<3%) and very low trash content (93% VHM). The mineralisation is located below the water table and has a strip ratio of approximately 1:1. Initial scoping study results indicates the deposit is amenable to lower-cost dredge mining and IHC Robbins has been commissioned to complete a feasibility study (FS), with results now anticipated in Q2 2022 due to delays on some work programmes in Q4 2021 primarily due to unusually wet weather and competing demand for external resources.

Additional drilling for upgrading Mineral Resources and collection of geotechnical data is scheduled for Q1 2022.

Exploration

The Company's exploration portfolio is primarily focused on mineral sands, with the exception of two, adjacent exploration licences and an associated Farm-in arrangement with a focus on gold (see Table 7 – Tenement Schedule). All tenements are located in Western Australia and all mineral sands related tenements are located in the North Perth Basin across a combined area of 1,134 square kilometres.

The North Perth Basin tenements consist of 12 named project areas, each with identified Mineral Resources as presented in Tables 9 and 10.

Drilling Programs

The drilling activity planned for 2022 includes 635 holes for 28,651m (Table 6).

Most of the expenditure planned in 2022 is for the mineral sand resource drilling, which is mainly planned at Bidaminna, Hyperion, Bidaminna West and the gold drilling is at Erayinia and King. Due to high mineral sands commodity prices, there is a severe shortage of available drill rigs. Mineral sands drilling is expected to recommence in Q2 2022.

The next gold drilling is scheduled to commence in Q1 2022. There was no change in the Company's tenement holding in Q4 2021 (Table 7).

Table 6: Drilling Programs Planned in December Quarter 2021

Project Title	Tenement ID	DHs	Metres	Access
Atlas	E70/2636, E70/2898, M70/1305, P70/1520, E70/3997	80	776	Granted
Bidaminna	E70/2844, E70/3298, E70/4779, E70/4919, E70/4794, E70/4919, E70/5763	191	11,500	Granted
Hyperion	R70/051	94	1,670	Granted
Helene	E70/4663, R70/051	28	672	Granted
Bidaminna West	E70/5776, E70/5777	40	2,400	Granted
Bootine	E70/3192, E70/5213	25	850	Granted
Woolka	E70/4244	10	400	Granted
Regans Ford	E70/4946, E70/4949	25	855	Granted
Gingin	E70/3032, E70/5661, M70/0448,	10	230	Granted
Bibby Springs	E70/4663	12	288	Granted
Saddle Hill	E70/5034	10	210	Granted
Blue Lake - Quinns Hill	E70/3100, E70/3720, E70/5646	60	1,800	Granted
Erayinia	E28/1895, E28/2742	13	1,820	Granted
King	P28/1320, P28/1321	37	5,180	Granted
Total		635	28,651	

Bidaminna Area

The two main tenements over the current Bidaminna Mineral Resources estimate (MRE) area are E70/3298 and E70/2884. Two additional tenements (E70/5776 and E70/4794) are located over potential northern extensions of the MRE area (Figure 8).

An upgraded MRE for Bidaminna was announced to the ASX on 31 March 2021 and was reported as Indicated (17%) and Inferred (83%) JORC Resources at a cut-off grade of 0.5% HM. The MRE summary outlined the following favourable characteristics:

102 million tonnes at 2.2% total heavy minerals (HM), and with the HM consisting of:

- 36% leucoxene (70-95% TiO₂)
- 5% zircon (premium grade)
- 4% rutile (95% TiO₂)
- 48% ilmenite (50-70% TiO₂) and
- 93% valuable heavy minerals (VHM).

Two drill programmes are planned in 1H 2022 with total 191 holes for 11,500m (Figure 8) and are mainly over the Bidaminna Resource and will include some exploration drilling on Mimegarra, Caro, Orange Springs and Regans Ford North.

The drilling on the Bidaminna Resource area has been approved by DMIRS with heritage clearance completed and Bidaminna is now ready for the drilling to commence in Q2. This infill line drilling will be used to upgrade the Bidaminna Resource to an Indicated status.

In addition, a further assessment of a 4km mineralised zone directly north of the Moore River within E70/2844 and along strike of the Bidaminna Resource will be carried out. Ongoing interpretation of the aeromagnetics and ground magnetics for the northern tenements including Mimegarra, Winooka North, Caro and Red Gully North, will be looking at trying to delineate the combined upper and lower coincident strands like the Bidaminna Resource layered strands.

A 44km ground magnetic survey was completed in December 2021 at Bidaminna West and results suggest potential mineral sand signatures worthy of drill testing and a 40-hole 2400m AC program (shown in yellow in Figure 8) is planned here. A POW has been submitted on the Crown Land for a drilling programme and an access agreement is being finalised for drilling on the adjacent northern property.

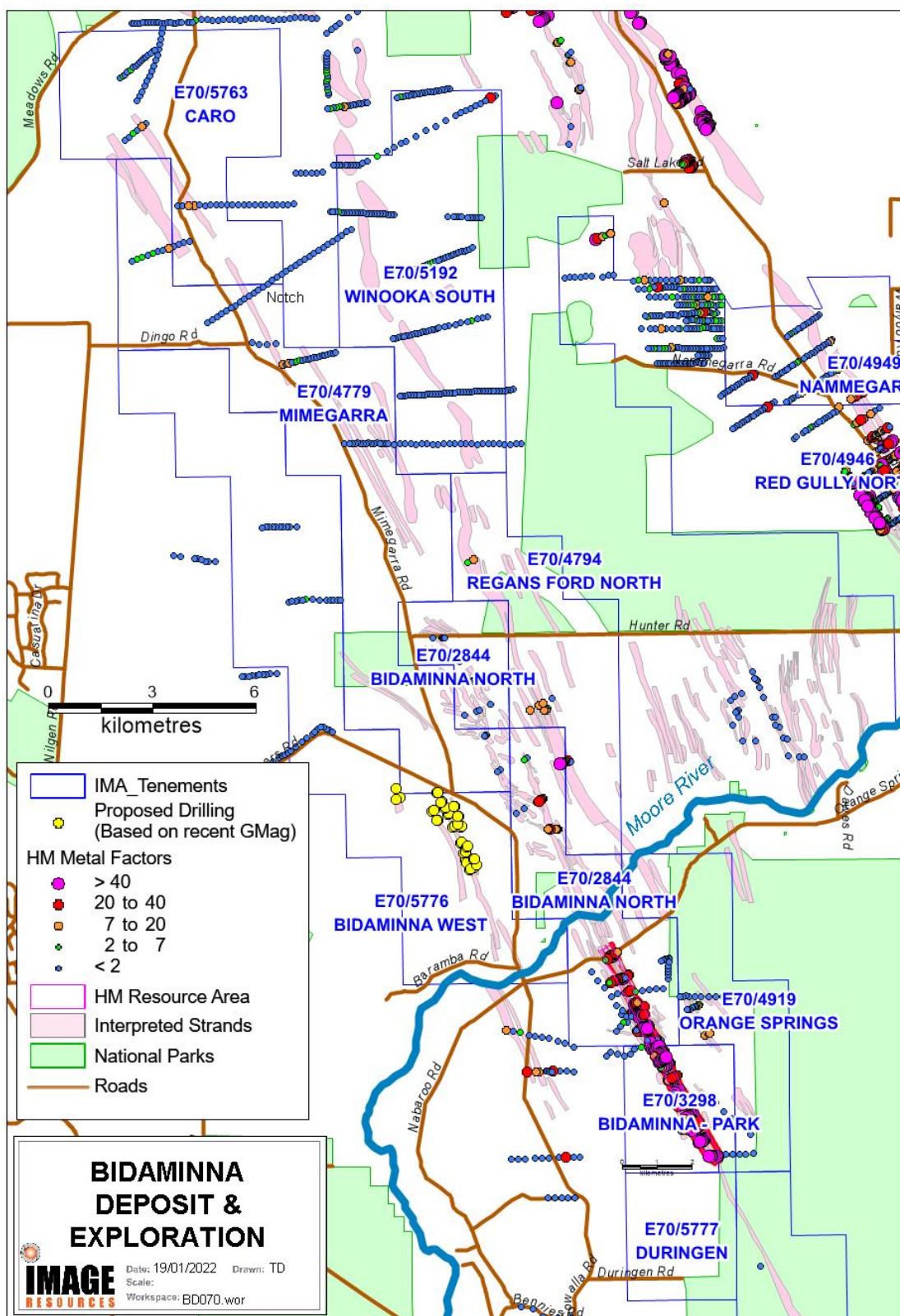


Figure 8: Drilling planned at Bidaminna West shown in yellow

Erayinia E28/1895, Madoonia Downs E28/2742, King Farmin Prospect P28/1320, P28/1321

The King Farmin Prospect is located in the heart of, and completely surrounded by, Erayinia and Image's adjacent 100%-owned Madoonia Downs tenement (Figure 9) and is located 135km SE of Kalgoorlie in Western Australia. Image's exploration expenditures on the King Prospect are part of earn-in rights under a Farmin Agreement announced to the ASX on 2 March 2021. Image has met the initial expenditure requirements to earn an initial 40% beneficial ownership of the King Prospect under the Farmin Agreement and has also acquired a further 40% ownership by a cash payment of \$240,000 to Westex (15% interest) and Rocky Reef (5% interest) the vendors of P28/1320-21. The owners must now decide collectively to participate in future exploration expenditures on the King Prospect at the vendor's combined 20% ownership position, or to revert to a combined 2.0% net smelter royalty position.

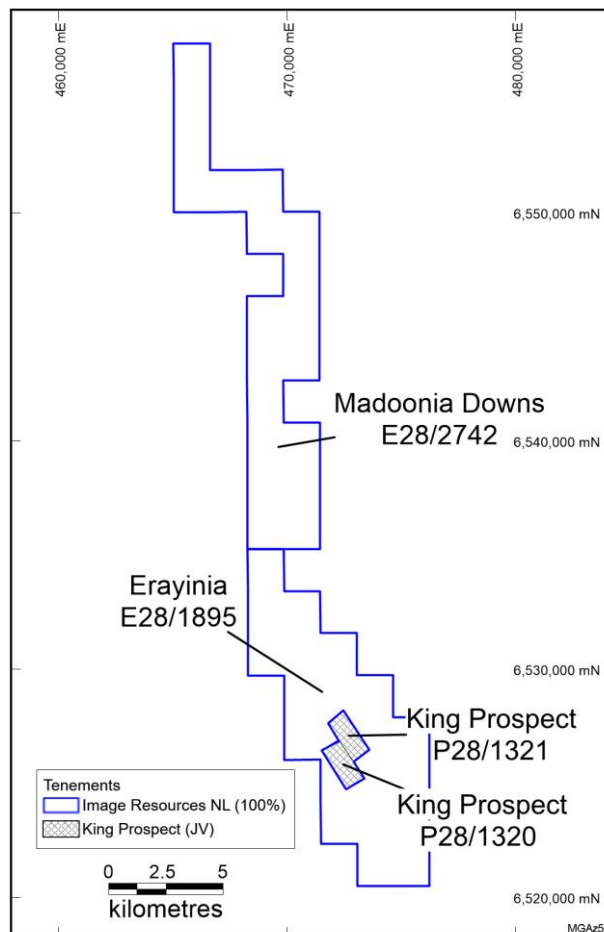


Figure 9: Tenement summary for Erayinia and Madoonia Downs (100% Image) and the King Prospect JV

The King -Erayinia Gold Prospect contains both higher-grade areas, thickened zones and mineralisation open down-dip within a 1.5km x 300m zone (Figure 10). Internally there is a **high-grade area that extends over a 400+m length**, as shown by the previous intersections highlighted in Figure 10, including 7m at 5.6g/t Au from 40m in ROE782, 8m at 3.6g/t Au from 64m in KNRC014, 5m at 4.2g/t Au from 60m in KNR017, and 3m at 13.14g/t Au from 50m in KNRC013.

The most recent AC drilling program in 2021 of 37 holes for 1369m was designed to find new supergene zones mainly to the south of the existing supergene zone in the King Prospect and elsewhere on the Image tenements. AC was selected over RC to minimise total drilling costs. The AC program was originally designed to be 40 holes for 2,505m, but due to limited penetration by AC drilling, only 36 holes for 1,305m were completed, with only five holes able to achieve target depth. Nevertheless, the best intersection was 9m at 3.1g/t Au from 44m in EYAC035 adjacent to ROE074 with 8m at 2.6g/t from 36m (Figure 10).

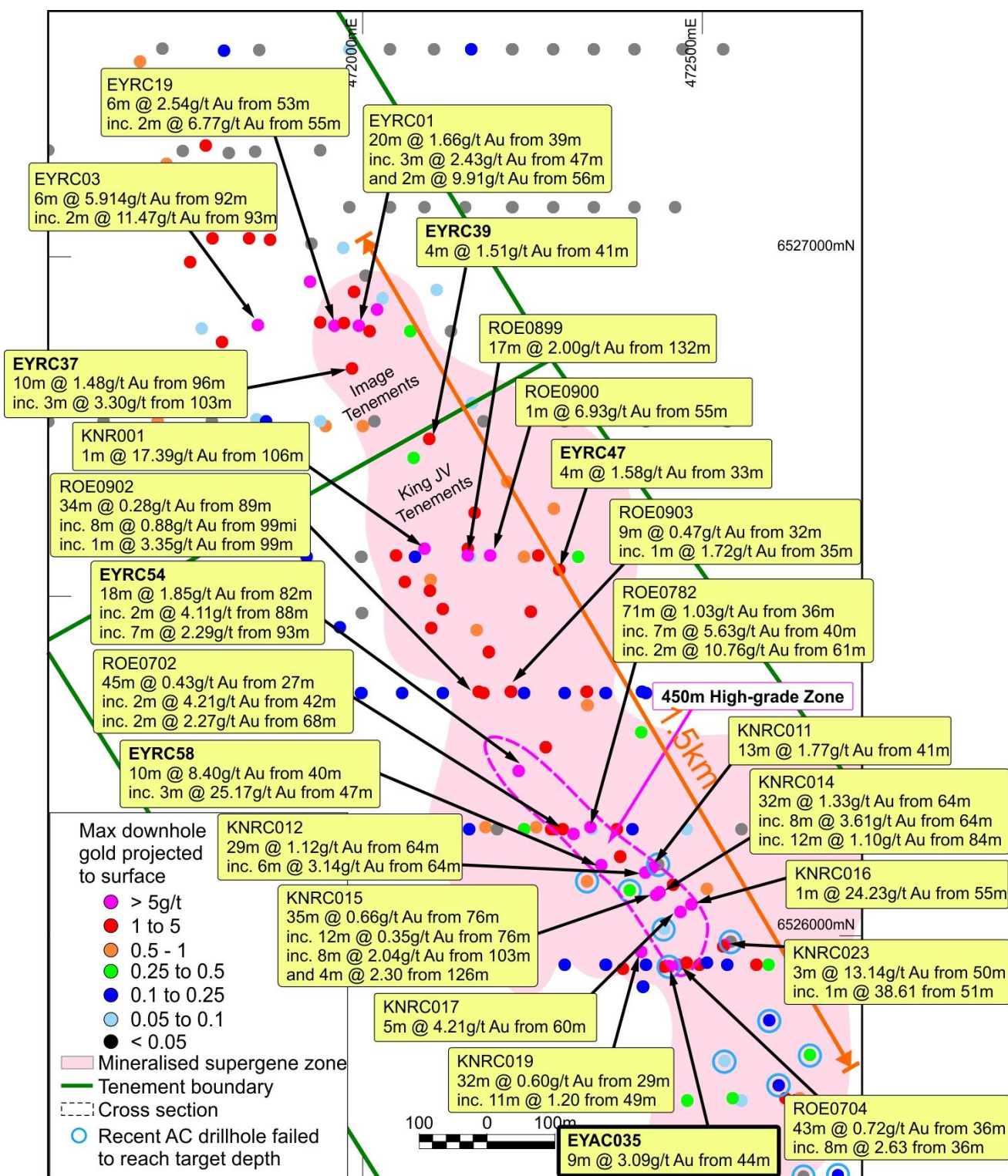


Figure 10: Hole locations, maximum mineralisation intercepts, enlarged supergene zone (pink shade) and recent AC drilling on the Erayinia & King Prospect.

Highlights of the recent AC and previous RC drilling programme:

9m at 3.09g/t Au from 44m including 1m at 7.35g/t Au from 52m in EYAC035*
 18m at 1.85g/t Au from 82m including 2m at 4.11g/t from 88m and 7m @ 2.29g/t Au from 93m in EYRC54
 10m at 1.48g/t Au from 96m including 3m at 3.3g/t Au from 103m in EYRC37
 4m at 1.51g/t Au from 41m in EYRC39
 4m at 1.58g/t Au from 33m in EYRC47
 * Recent AC drilling

Highlights of older and historical RC drilling showing thickened zones:

71m at 1.03g/t Au from 36m in ROE0782
 29m at 1.12g/t Au from 64m in KNRC012
 43m at 0.72g/t Au from 36m in ROE0704
 35m at 0.66g/t Au from 76m in KNRC015
 20m at 1.66g/t Au from 39m in EYRC01
 13m at 1.77g/t Au from 41m in KNRC011
 17m at 2.0g/t Au from 132m in ROE0899

Planned drilling for 2022 includes 37 RC holes for 5180m designed to allow the Erayinia and King Prospect gold mineralisation to qualify as Indicated Resource. Initial planning for the next RC drilling programme has commenced with focus on the higher grade and thicker intersections especially trying to define and extend the 400m high-grade zone shown on Figure 10 and other thicker, near-surface prospective zones and additional holes where the AC drilling did not get to target depth, mostly in the southern parts of the prospective supergene target zone shown in Figure 10.

A 60km long 50m-spaced ground magnetic survey mainly covering the central area of the King Prospect was completed in August 2021 (Figure 11). Results from the ground magnetics survey show that the gold zones are within both near-surface ground magnetic highs and also some magnetic lows.

It also shows this strong magnetic zone continuing a further 2km to the south from previous AC drilling with very wide-spaced historical drilling. One km to the NE is prospective NNW-trending parallel lineated zones, which may indicate strong shear zones prospective for gold. The areas that are mineralised have magnetic signatures, which are mostly sharp implying near-surface mineralisation.

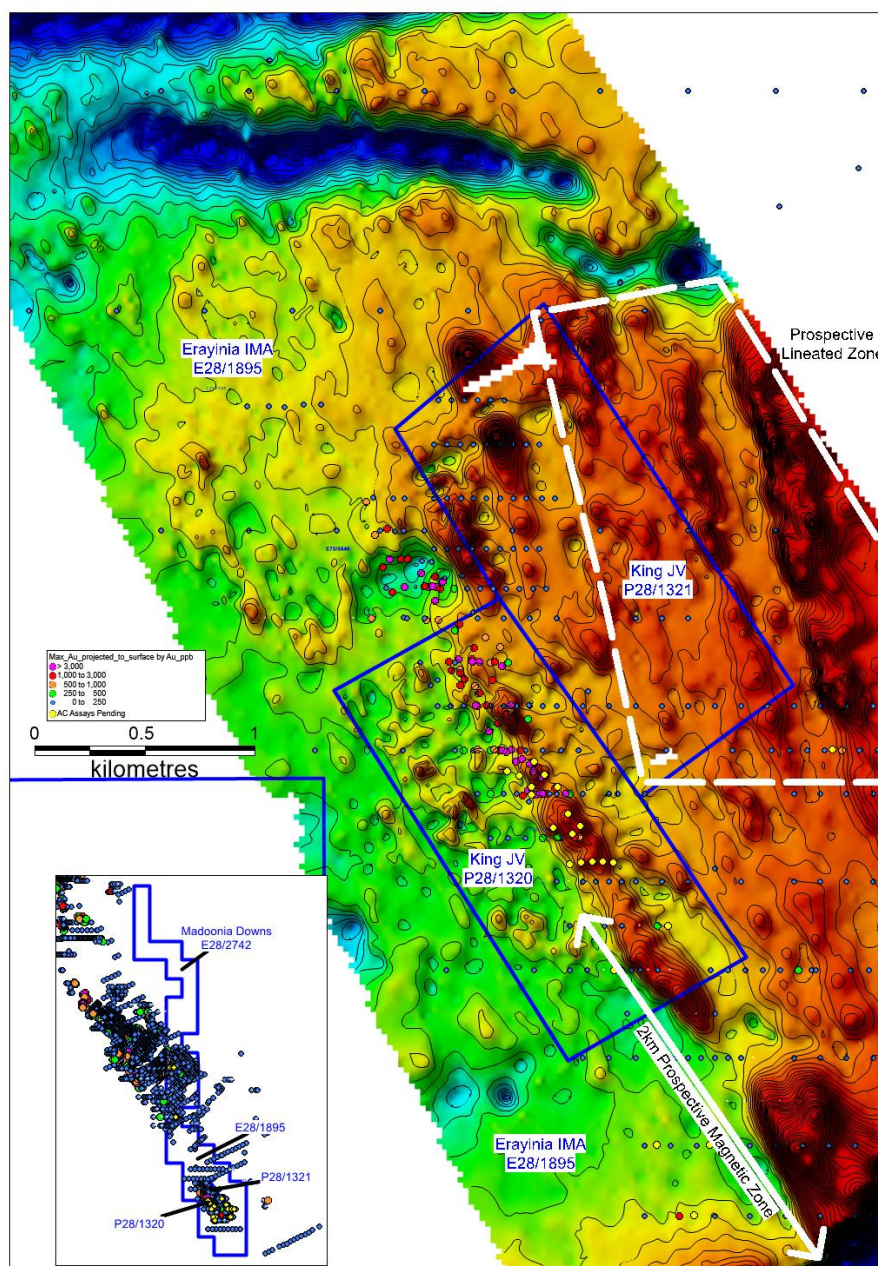


Figure 11: Detailed ground magnetics with overlain RC and AC drill results on the King Farmin Prospect and surrounding Erayinia tenement

Key Terms of King Prospect Farmin Agreement

1. Image has already spent \$330k in exploration expenditure within 24 months and has earned a 40% interest in the King Prospect.
2. Upon Image earning a 40% interest, a joint venture will be deemed to have been formed with Image as the JV manager.
3. Image has now also purchased a further 40% interest (to get to 80%) with a cash payment of \$240,000 to the owners.
4. The owners have the right to contribute at the 20% level or convert to a 2% royalty. They also have the right to elect that their royalty be purchased by Image at fair market value as determined by an independent organization agreed by Image and the owners.

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.

Table 7 – Tenement Schedule in accordance with ASX Listing Rule 5.3.3

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	E28/2742	Granted	MADOONIA DOWNS	100%	100%
WA	E52/3917	Granted	WILTHORPE	100%	1% Royalty payable in all minerals
WA	M52/1067	Granted	WILTHORPE	1% Royalty payable in all minerals	1% Royalty payable in all minerals
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	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	E70/4656	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%	100%
WA	E70/5034	Granted	SADDLE HILL	100%	100%
WA	E70/5192	Application	WINOOKA SOUTH	100% pending grant	100% pending grant
WA	E70/5193	Granted	CHAPMAN HILL NORTH	100%	100%
WA	E70/5213	Granted	GINGINUP HILL	100%	100%
WA	E70/5268	Granted	WOOLKA SOUTH	100%	100%
WA	E70/5306	Granted	BOONANARRING HILL	100%	100%
WA	E70/5552	Granted	COOLJARLOO EAST	100%	100%
WA	E70/5646	Granted	BLUE LAKE WEST	100%	100%
WA	E70/5661	Application	COONABIDGEE	100% pending grant	100% pending grant
WA	E70/5763	Granted	CARO	100%	100%
WA	E70/5776	Granted	BIDAMINNA WEST	100%	100%
WA	E70/5777	Granted	DURINGEN	100%	100%
WA	G70/0250	Granted	BOONANARRING	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	M70/1305	Granted	ATLAS	100%	100%
WA	M70/1311	Granted	BOONANARRING NORTH	100%	100%
WA	P70/1520	Application	COOLJARLOO	100% pending grant	100% pending grant
WA	P70/1756	Application	COOLJARLOO EAST	100% pending grant	100% pending grant
WA	R70/0051	Granted	COOLJARLOO NORTH	100%	100%
WA	R70/0062	Granted	NAMBUNG	100%	100%

Mining Tenements acquired during the Quarter

--	--	--	--	--	--

Mining Tenements disposed during the Quarter

--	--	--	--	--	--

Table 8 – Ore Reserves Summary – JORC Code 2012 – as at 31 December 2020

Ore Reserves - Strand Deposits; in accordance with the JORC Code (2012) ¹										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	----- as percent of 'HM (%)' -----				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring ²	Proved	3.9	8.1	13	0.32	81	52	3.0	2.9	23
Boonanarring ²	Probable	2.2	7.3	18	0.16	81	44	4.8	4.6	28
Total Boonanarring		6.1	7.8	15	0.48	80	49	3.6	3.5	24
Atlas ³	Probable	9.5	8.1	15.5	0.8	73	51	4.5	7.5	11
Total Atlas		9.5	8.1	15.5	0.8	73	51	4.5	7.5	11
Total Ore Reserves		15.6	8.0	15.2	1.2	76	50	4.2	6.0	16

1 - All tonages and grades have been rounded to reflect the relative uncertainty of the estimate, thus sums of columns may not equal.

2 - Boonanarring Reserves refer to the 10 March 2021 ASX release "Boonanarring Annual Ore Reserve Update"

<http://www.imageres.com.au/images/joomd/161534167120210310BoonanarringAnnualOreReserve.pdf>

3 - Atlas Reserves refer to the 30 May 2017 release "Ore Reserves Update for 100% Owned Atlas Project"

<http://www.imageres.com.au/images/joomd/149611340720170530ORERESERVESUPDATEFOR100OWNEDATLASPROJECT.pdf>

MINERAL RESOURCES – MATERIAL MINING PROJECTS

The estimated Mineral Resources at Boonanarring have been updated to include depletion from mining through 31 December 2020 and thereby represent remaining Mineral Resources as at 31 December 2020.

Table 9 – Mineral Resources Summary – Material Mining Projects – JORC Code 2012 – as at 31 December 2020

Mineral Resources - Strand Deposits; in accordance with the JORC Code (2012) @ 2.0% HM Cut-off										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring	Measured	7.4	7.3	13	0.5	77	51	4.0	3.1	19
Boonanarring	Indicated	7.1	5.4	17	0.4	79	48	8.3	4.7	18
Boonanarring	Inferred	1.4	3.5	18	0.05	77	53	5.0	4.1	16
Boonanarring Total		15.9	6.1	15	1.0	78	50	5.7	3.8	19
Atlas	Measured	9.9	7.9	16	0.8	71	49	4.2	7.2	10
Atlas	Indicated	6.4	3.7	17	0.2	57	42	3.4	4.7	6.8
Atlas	Inferred	1.8	4.0	20	0.1	41	29	3.3	4.4	4.8
Atlas Total		18.1	6.0	17	1.1	66	46	4.0	6.4	9.3
Sub-Total Atlas/Boonanarring		34.0	6.1	16	2.1	72	48	4.8	5.2	14

GOVERNANCE CONTROLS

Mineral Resources and Ore Reserves are compiled by qualified Image Resources personnel and / or independent consultants following industry standard methodology and techniques. The underlying data, methodology, techniques and assumptions on which estimates are prepared are subject to internal peer review by senior Company personnel, as is JORC compliance. Where deemed necessary or appropriate, estimates are reviewed by independent consultants. Competent Persons named by the Company are members of the Australasian Institute of Mining and Metallurgy and / or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code 2012.

MINERAL RESOURCES – NON-MATERIAL PROJECTS

The Mineral Resources for the Company's non-material mining projects as at 31 March 2021 are shown in the tables below. Inaugural Mineral Resources have been reported for Boonanarring Northwest and Boonanarring North Extension and Mineral Resources updates have been reported for Gingin North, Helene and Hyperion projects during the March Quarter 2021. There are no Ore Reserves reported in relation to these non-material projects.

Table 10 – Mineral Resources Summary – Non-Material Projects – JORC Code 2012 – as at 31 March 2021

Mineral Resources - Strand Deposits; in accordance with JORC Code (2012) @ 2.0% HM Cut-off										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring Northwest	Indicated	3.1	5.1	11	0.2	82	35	30	6.8	9.6
Boonanarring Northwest	Inferred	1.2	5.0	10	0.1	79	27	36	7.4	8.3
Boonanarring North Extension	Indicated	2.5	11.8	17	0.3	72	41	12	2.7	16
Boonanarring North Extension	Inferred	0.2	4.7	17	0.0	68	39	11	2.5	16
Gingin North	Indicated	6.6	4.7	16	0.3	77	50	15	4.5	7.2
Gingin North	Inferred	2.0	4.7	13	0.1	76	41	23	5.4	5.5
Boonanarring Satellite Total		15.6	5.9	14	0.9	76	43	19	4.6	11
Helene	Indicated	12.1	4.9	18	0.6	74	47	14	5.1	7.4
Helene	Inferred	1.0	4.0	15	0.04	74	45	16	5.7	7.5
Hyperion	Indicated	3.6	8.3	19	0.3	58	36	8.1	6.7	8.0
Hyperion	Inferred	0.03	5.9	17	0.002	48	31	4.9	5.0	7.3
Cooljarloo Nth Total		16.7	5.5	18	0.92	69	43	12	5.7	7.6

Previously Reported Mineral Resources - Strand Deposits; in accordance with JORC Code (2004) @ 2.5% HM Cut-off										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Gingin Sth	Measured	1.5	4.4	7.2	0.1	79	51	15	5.6	7.8
Gingin Sth	Indicated	5.8	6.5	7.1	0.4	91	68	9.8	5.1	8.1
Gingin Sth	Inferred	0.7	6.5	8.4	0.0	92	67	7.5	5.8	11
Gingin Sth Total		8.1	6.1	7.3	0.5	89	65	10	5.2	8.3
Red Gully	Indicated	3.4	7.8	12	0.3	90	66	8.3	3.1	12
Red Gully	Inferred	2.6	7.5	11	0.2	89	65	8.2	3.0	12
Red Gully Total		6.0	7.7	11	0.5	89	66	8.2	3.1	12
Sub-Total Gingin & Red Gully		14.1	6.8	8.9	1.0	89	65	9.3	4.2	10

Historic Deposit Mineral Resources - Strand deposit; in accordance with JORC Code (2004) @ 2.5% HM Cut-off										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Regans Ford	Indicated	9.0	9.9	17	0.9	94	70	10	4.3	10
Regans Ford	Inferred	0.9	6.5	19	0.1	91	68	7.7	4.4	10
Regans Ford Total		9.9	9.6	17	1.0	94	70	9.9	4.3	10
Grand Totals - Strand Deposits		90	6.4	13	5.8	78	53	10	4.9	11

Mineral Resources - Dredge deposits; in accordance with JORC Code (2012) @ 1.0% HM Cut-off										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Titan	Indicated	21	1.8	22	0.4	86	72	1.5	3.1	9.5
Titan	Inferred	115	1.9	19	2.2	86	72	1.5	3.1	9.5
Total Titan	Total	137	1.9	19	2.6	86	72	1.5	3.1	9.5
Telesto	Indicated	4	3.8	18	0.1	83	67	0.7	5.6	9.5
Calypso	Inferred	51	1.7	14	0.9	86	68	1.6	5.1	10.8



Mineral Resources - Dredge deposits; in accordance with JORC Code (2012) @ 0.5% HM Cut-off										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Bidaminna	Indicated	17	3.2	3.6	0.6	93	53	30	5.1	5.0
Bidaminna	Inferred	84	2.0	3.3	1.7	94	47	38	4.2	5.1
Total Bidaminna		102	2.2	3.4	2.2	94	48	36	4.4	5.1
Grand Total Dredge		293	2.0	12.8	5.8	89	62	15	4.0	8.0

COMPETENT PERSON STATEMENT AND PREVIOUSLY REPORTED INFORMATION

This report includes information that relates to Ore Reserves and Mineral Resources which were prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows:

- **Boonanarring Mineral Resources and Ore Reserves:** Release "Boonanarring Annual Ore Reserve Update" dated 10 March 2021
- **Atlas Ore Reserves:** 30 May 2017 – "Ore Reserves Update for 100% Owned Atlas Project"
- **Atlas Mineral Resources:** 8 May 2017 – "68% Increase in Mineral Resources for Atlas Project"
- **Boonanarring North Extension Mineral Resources:** 31 March 2021 – "Project MORE Update Boonanarring and Atlas Projects"
- **Boonanarring Northwest Mineral Resources:** 31 March 2021 – "Project MORE Update Boonanarring and Atlas Projects"
- **Gingin North Mineral Resources:** 31 March 2021 – "Project MORE Update Boonanarring and Atlas Projects"
- **Helene Mineral Resources:** 31 March 2021 – "Project MORE Update Boonanarring and Atlas Projects"
- **Hyperion Mineral Resources:** 31 March 2021 – "Project MORE Update Boonanarring and Atlas Projects"
- **Bidaminna Mineral Resources:** 31 March 2021 – "102 Million Tonnes Inaugural Dredge Mining Mineral Resources Estimate for Bidaminna Mineral Sands Project"
- **Titan Mineral Resources:** 31 Oct 2019
- **Telesto Mineral Resources:** 31 Oct 2019
- **Calypso Mineral Resources:** 31 Oct 2019

These reports are available to view on the Company's website under "ASX Releases". The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

This report includes information that relates to Mineral Resources for non-material mining projects of the Company which were prepared and first disclosed under JORC Code 2004. The information was extracted from the Company's previous ASX announcements as follows:

- **Gingin South Mineral Resources:** 21 Jul 2011
- **Red Gully Mineral Resources:** 9 Mar 2011

These reports are available to view on the Company's website under "ASX Releases". The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement. This information

was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to tonnes, grade and mineral assemblage for **Regans Ford deposit** (not part of the Company's material mining projects) is based on historic information published by Iluka Resources Limited indicating the Mineral Resources were compiled in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. *This information was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

The information in this report that relates to exploration results is extracted from the Company's ASX announcements noted in the text of the announcement which are available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that the form and context in which the competent person's findings are presented have not been materially altered.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

IMAGE RESOURCES NL

ABN

Quarter ended ("current quarter")

57 063 977 579

31/12/2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	65,012	190,587
1.2	Payments for		
	(a) exploration & evaluation	(1,417)	(3,795)
	(b) development		
	(c) production	(27,927)	(107,776)
	(d) staff costs	(1,075)	(2,803)
	(e) administration and corporate costs	(495)	(1,991)
1.3	Dividends received (see note 3)		
1.4	Interest received	12	27
1.5	Interest and other costs of finance paid	(96)	(1,147)
1.6	Income taxes paid	(1,101)	(1,486)
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)	-	84
1.9	Net cash from / (used in) operating activities	32,913	71,700
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(3,513)	(7,630)
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets		
	• Security deposits	-	(85)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	4	4
	(d) investments		
	(e) financial derivatives	(174)	(475)
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(3,683)	(8,186)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	414
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(11)	(15)
3.6	Repayment of borrowings	-	(17,169)
3.8	Dividends paid	-	(19,025)
3.9	Other – Employee share plan loan repayments	512	512
3.10	Net cash from / (used in) financing activities	501	(35,283)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	50,343	50,761
4.2	Net cash from / (used in) operating activities (item 1.9 above)	32,913	71,700
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,683)	(8,186)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	501	(35,283)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(234)	848
4.6	Cash and cash equivalents at end of period	79,840	79,840

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	79,824	50,327
5.2	Call deposits	16	16
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	79,840	50,343

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – Directors Fees	366
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements	140	140
7.3 Other (please specify)	-	-
7.4 Total financing facilities	140	140
7.5 Unused financing facilities available at quarter end	Nil	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>Loan held is as follows:</p> <p>A senior secured debt facility with a balance of US\$13,173,620 at 31 December 2020 was repaid on 10 February 2021. Further details can be found in the announcement lodged with the ASX on 16 February 2021.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	34,006
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	34,006
8.4 Cash and cash equivalents at quarter end (item 4.6)	79,840
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	79,840
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022



Authorised by: Mr John Clark McEvoy, CFO
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
6. By the Company lodging this Appendix 5B, the Managing Director and CFO declare that the Appendix 5B for the relevant quarter:
 - presents a true and fair view, in all material respects, of the cashflows of the Company for the relevant quarter and is in accordance with relevant accounting standards;
 - the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
 - the Company's financial records have been properly maintained and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.