QUARTERLY ACTIVITIES REPORT – for quarter ended 30 September 2020

Image Resources NL
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ASX Code:
IMA

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Issued Capital
Shares – Quoted
979,759,854
As at 30 September 2020

Board Members
Robert Besley
(Non-Executive Chairman)
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)
Eddy Wu
(Non-Executive Director)

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HIGHLIGHTS

- **Heavy mineral concentrate (HMC) sales increased 43% QoQ to a quarterly record high of 92.5kt and sales are expected to remain strong in December quarter to achieve guidance**
- **Cash balance of A$50m and net cash position of A$22m at 30 September 2020**
- **HMC production down 26% QoQ at 61kt with anticipated lower ore grades, however still tracking with guidance. Production forecast to bounce back in Q4 with higher ore grades**
- **HMC realised price decreased 16% QoQ to A$534/t HMC due mainly to lower zircon grade in HMC due to temporarily blending down zircon grade in HMC sold per off-takers request**
- **C1 and AISC cash costs per tonne of HMC sold decreased 24% and 25% QoQ respectively as a result of higher unit sales, and YTD costs tracking with guidance**
- **Image remains on track to meet CY2020 guidance for production, sales volume and costs and guidance is unchanged**

	Mar Q 2020	Jun Q 2020	Sep Q 2020	QoQ % change	YTD	CY2020 Guidance
Production						
HMC Production (kt)	83.9	82.9	61.1	-26%	227.9	300-330
HMC Sales (kt)	44.8	64.6	92.5	43%	201.8	300-330
HMC Realised Price (A$/t HMC)	659	637	534	-16%	595	N/A
Unit Costs (HMC produced)						
C1 Cash Costs (A$/t HMC)[1]	229	257	378	47%	279	N/A
AISC (A$/t HMC)[2]	264	297	433	46%	321	N/A
Unit Costs (HMC sold)						
C1 Cash Costs (A$/t HMC)[1]	430	330	250	-24%	316	290-320
AISC (A$/t HMC)[2]	495	381	286	-25%	363	340-370

Notes: 1 – C1 cash costs include mining, processing, general and admin and HMC transport costs
2 – All-in sustaining cash costs (AISC) include C1 plus royalties, sustaining capital and corporate overheads

- C1 and AISC cash costs per tonne HMC produced increased 47% and 46% QoQ respectively due primarily to lower HMC production and higher HMC transport and royalty costs from substantially higher HMC sales.
- Net operating cash inflow YTD of A$46.8m.
- At 30 September Image had a net cash position of A$22.4m (cash balance of A$50.2m less loan notes of A$27.8m).
- HMC inventory decreased by 31kt to end the quarter at 83kt.
- In July Image secured a master sales agreement for 100kt HMC with off-take partners Natfort and OZC, for delivery across a 3 to 5 month period starting in July 2020. 56kt was delivered during the quarter. Subsequently, an additional master sales agreement has been executed and a preliminary delivery schedule agreed for up to 130kt during the December quarter.
- Prioritised exploration efforts under Project 'MORE' to identify new Ore Reserves to extend the mine life at Boonanarring continued in earnest and study work is currently underway to identify new Mineral Resources and Ore Reserves.
- Sunrise Energy Group completed construction of the 2.3MW solar farm at Boonanarring, with first renewable energy power received in September.

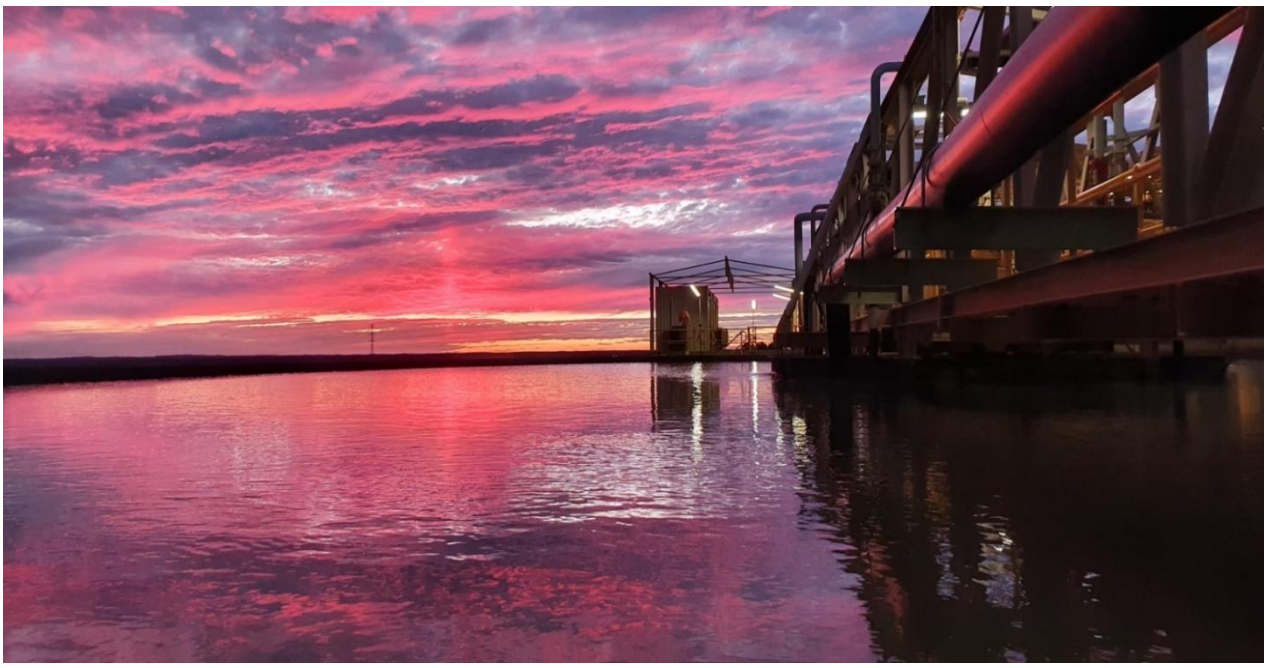
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ACTIVITIES REPORT

High Level Summary

Image Resources NL (ASX: IMA) (**"Image"** or **"the Company"**) is pleased to report record sales across the September quarter from its 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project, located 80km north of Perth in the North Perth Basin in WA.

Managing Director and CEO Patrick Mutz commented "It is gratifying to see the completion of another successful quarter of operations with no adverse effects from COVID-19, thanks to the continuing combined efforts of our employees and State and Federal actions to restrict travel. Success this quarter includes record HMC sales as China gains control of the spread of the virus and the Chinese economy shows strong signs of recovery. Record sales catapulted cash reserves to a net cash position over remaining debt and moves the Company one step closer to considering an offering of an inaugural dividend payment, and growing demand for our HMC product suggests December quarter sales will remain strong. Overall, despite the many challenges posed by the onset of COVID-19 on a local basis and globally, Image remains on track to meet its CY2020 guidance."



Details

Safety

There were no lost time injuries (LTI) recorded during the quarter and there were no confirmed or suspected cases of COVID-19 at any of the Company's sites.

Image is committed to the promotion of a positive health and safety 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 as well as protection of the environment.

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

Community

Image continues to proudly contribute to the local community, including through local employment. At 30 September, 53% of its workforce lived locally to Boonanarring operations or within regional shires. The Company has an active and varied community support program. During the quarter this included the support of the Gingin Recreation Group through Cropping and Grazing Programs, which through sub-leasing, provides a revenue stream which the Group then directs back to community projects. On 20 October Sunrise Energy Group held the official opening of the solar power station at Boonanarring.

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Boonanarring Solar Farm

Mining and Processing

HMC production at Boonanarring was down 26% QoQ at 61.1kt following the very strong June Quarter production. HMC production was largely in line with expectations for the quarter due to anticipated lower ore grades. On a YTD basis, production is tracking with expectations and CY2020 production guidance of 300-330kt HMC is unchanged with higher grades anticipated for Q4 as higher grade ore is mined in Block A.

In early September, the Company reached a major milestone of a cumulative 500,000 tonnes of HMC produced since commencement of ore processing at Boonanarring in December 2018.

Image operated solely within Block B during the quarter. Ore production was predominantly from the Block B Eastern Strand, with the Western Strand blended as required to maintain grade consistency through the plant. The operation continued to encounter indurated material within the overburden and experienced minor instability in the eastern high wall of Pit B due to the intersection of perched aquifers. This did not materially impact production, which was broadly as expected for the quarter with ore processing of 950kt at an ore grade of 7.0% HM.

Table 1: Mining and Processing

		Mar Quarter 2020	Jun Quarter 2020	Sep Quarter 2020	QoQ	YTD
Mining						
Ore	kt	957	959	980	2%	2,895
Waste	kt	5,250	6,361	5,624	-12%	17,235
Processing						
Ore Processed	kt	985	919	950	3%	2,854
Grade Processed	HM%	9.7%	9.5%	7.0%	-26%	8.7%
	ZrO2%	22.0%	23.1%	17.5%	-24%	21.1%
	TiO2%	31.1%	30.6%	32.6%	7%	31.3%
Recovery	HM%	81.3%	87.9%	84.9%	-3%	84.6%
	ZrO2%	97.1%	99.0%	98.7%	0%	98.2%
	TiO2%	86.6%	91.7%	92.3%	1%	89.9%
HMC Produced	**kt**	83.9	82.9	61.1	-26%	227.9
HMC Grade	HM%	92.4%	92.6%	92.6%	0%	92.5%
	ZrO2%	21.7%	21.7%	19.0%	-12%	21.0%
	TiO2%	31.0%	31.1%	33.0%	6%	31.6%

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Boonanarring Block C North: Pre-Mining – April 2018



Boonanarring Block C North: Early Stage Mining – June 2019

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Boonanarring Block C North: Backfilled after Mining – December 2019



Boonanarring Block C North: Rehabilitated to pre-mining conditions – August 2020

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Figure 1: Quarterly ore processing rate (kt) and contained HM/ZrO2/TiO2 ore grades (%)

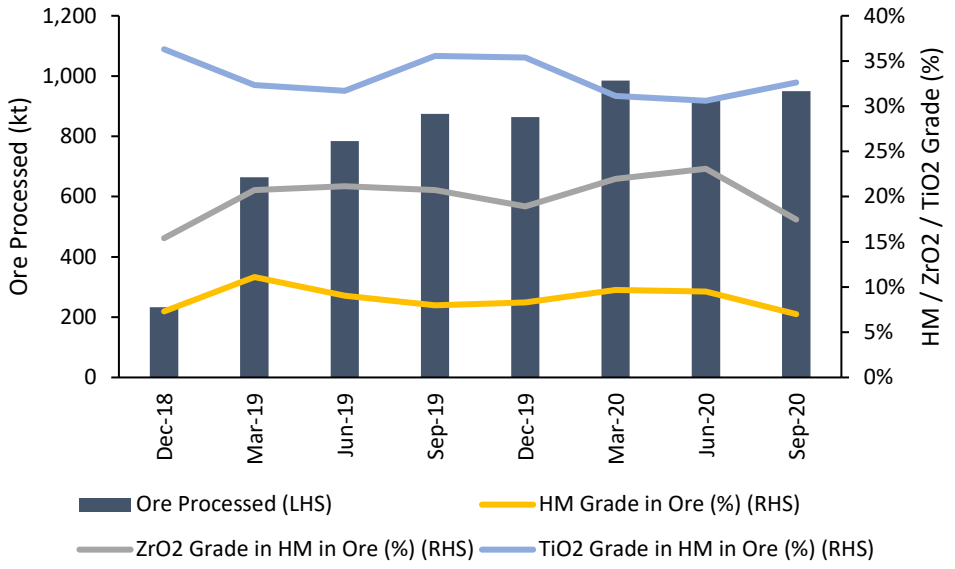
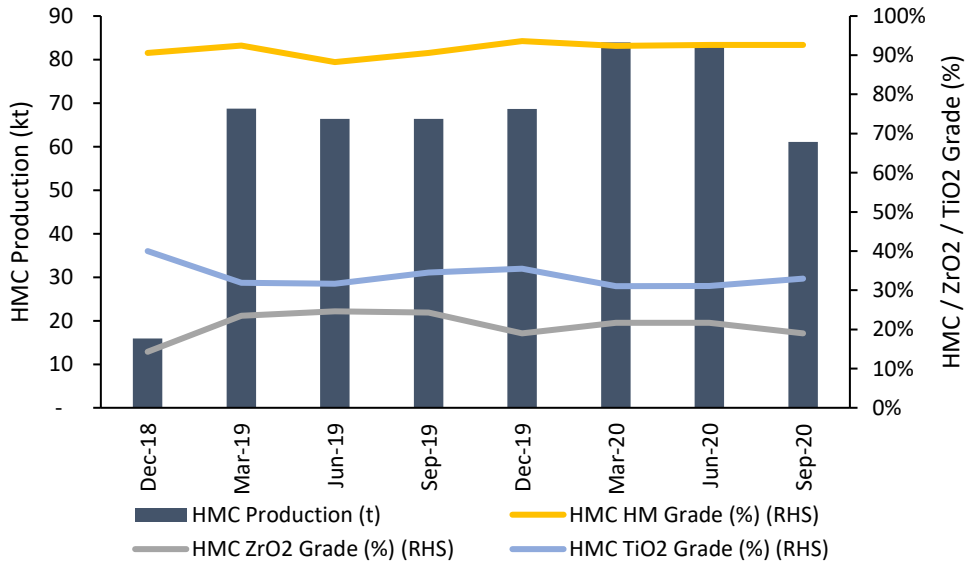


Figure 2: Quarterly HMC production (kt) and contained HM/ZrO2/TiO2 within HMC grades (%)



Costs

C1 and AISC cash costs per tonne HMC sold fell 24% and 25% respectively QoQ. C1 costs decreased to A$250/t HMC sold and AISC fell to A$286/t HMC sold. Both cost metrics were driven by an increase in total sales. CY2020 C1 guidance of A$290-320/t HMC sold and AISC guidance of A$340-370/t HMC sold are unchanged.

C1 and AISC cash costs per tonne HMC produced both increased 46% and 47% respectively QoQ. C1 costs increased to A$378/t HMC produced and AISC increased to A$433/t HMC produced. Cost increases per tonne HMC produced were driven by lower HM grades combined with increased logistics costs associated with an increase in tonnes shipped.

Total project cash operating costs were A$23.1m for the quarter and A$63.7m for the 9 months of CY2020. CY2020 guidance on project operating costs, on an accounting basis, of A$100-110m is unchanged.

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Table 2: Cash Costs

		Mar Quarter 2020	Jun Quarter 2020	Sep Quarter 2020	QoQ	YTD
Costs (HMC produced)						
Mining	A$/t HMC	126	127	114	-10%	123
Pre-Strip	A$/t HMC	0	23	77	236%	29
Processing	A$/t HMC	52	47	66	40%	54
Site Support	A$/t HMC	9	9	14	53%	10
Logistics	A$/t HMC	42	52	108	108%	63
C1 Cash Costs	**A$/t HMC**	**229**	**257**	**378**	47%	**279**
Royalties	A$/t HMC	17	23	38	63%	25
Sustaining Capital	A$/t HMC	6	5	3	-42%	5
Corporate	A$/t HMC	12	11	13	23%	12
AISC	**A$/t HMC**	**264**	**297**	**433**	46%	**321**
Costs (HMC sold)						
C1 Cash Costs	A$/t HMC	430	330	250	-24%	316
AISC	A$/t HMC	495	381	286	-25%	363

Sales

During the quarter Image shipped a record quarter high 92.5kt HMC which was up 43% QoQ. Shipments were a nominal 30kt in July, 20kt in August and two shipments of a nominal 26kt and 20kt in September. The final shipment for the quarter sailed on 24 September with funds received before the end of the month.

During July Image signed a master sales agreement for 100kt of HMC with off-take partners Shantou Natfort Zirconium and Titanium Co., Ltd, ("Natfort") and Guangdong Orient Zirconic Ind Sci & Tech Co., Ltd, ("OZC"), for deliveries across a 3 to 5 month period (at Image's discretion) starting in July 2020. 56kt were delivered under this agreement during the quarter.

Subsequent to quarter end, an additional master sales agreement was signed and a preliminary shipping schedule has been agreed with off-takers Natfort and OZC for the sale of up to 130k tonnes of HMC for the December Quarter. In addition, letters of credit were received supporting two shipments in October for a nominal total of 50kt. The first of these shipments of a nominal 20kt sailed on 13 October and the remaining nominal 30kt is scheduled to commence loading on 26 October.

Realised pricing of A$534/t HMC was down 16% QoQ due to lower ZrO2 grades in the HMC as a result of temporary requests from the off-takers for higher TiO2 content in the HMC. Realised pricing was also negatively impacted by a slight strengthening of the AUD/USD exchange rate. Despite lower realised prices, overall revenue was up 20% on record high sales volumes.

Finished HMC inventory at the end of the quarter decreased to 83kt.

Table 3: Sales and Stockpiles

		Mar Quarter 2020	Jun Quarter 2020	Sep Quarter 2020	QoQ	YTD
Sales						
HMC sold	kt	44.8	64.6	92.5	43%	201.8
ZrO2 in HMC	%	22%	22%	20%	-8%	21%
TiO2 in HMC	%	33%	31%	33%	8%	32%
Average price realised	A$/t HMC	659	637	534	-16%	595
HMC Revenue	A$m	29.5	41.1	49.2	20%	119.8
Stockpiles						
HMC for shipping	kt	96	114	83	-27%	Na

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Financial Summary

Image's revenue for the quarter was A$49.2m up 20% from A$41.1m in the prior quarter. The company generated A$31.4m of operating cash flow for the quarter, up over 300% from A$10.2m in the prior quarter. At 30 September Image had a net cash position of A$22.4m, with a cash balance of A$50.2m and outstanding loan notes of A$27.8m. The final shipment for the quarter sailed on 24 September with funds from the letter of credit received before the end of the month.

Guidance

CY2020 guidance is unchanged. In light of ongoing investment uncertainty in the global economy as a result of the increasingly volatile economic landscape stemming from the variety of business restriction measures enacted by governments world-wide, there remains a number of factors outside of Image's control that could impact downstream demand for its end products and thereby affect sales guidance. Image is continually reassessing its guidance position.

Table 4: CY2020 Guidance

		CY20 Guidance
HMC Produced	Kt	300-330
HMC Sold	kt	300-330
Project Operating Costs[1]	A$m	100-110
C1 Cash Costs (HMC Sold)	A$/t HMC	290-320
AISC Cash Costs (HMC Sold)	A$/t HMC	340-370

Notes; 1 – cost of production after stock adjustments

Corporate

Given the Company's strong cash position the Board will consider early repayment of the loan notes; provided doing so is value accretive to Image. Elimination of remaining debt will pave the way for the Board to consider an inaugural dividend, likely post announcement of the 2020 financial results.

On 13 July, Paradice Investment Management Pty Ltd issued a Form 604 indicating an increase in its shareholding to 64.2 million Image shares and increasing its voting power from 5.67% to 6.34%

On 2 September, the Company released its Interim Financial Report for the half year ended 30 June 2020 and reported underlying EBITDA of $45.5 million and a profit before tax of $19.4 million.

On 29 September, Murray Zircon Pty Ltd and related companies advised the market of an off-market disposal of 40 million Image shares reducing their combined interest to approximately 203.7 million shares or 20.8%. The Company issued an ASX announcement titled "Major Shareholder Update" on 23 September 2020 regarding this share sale.

Exploration

The Company's exploration portfolio is almost exclusively focused on mineral sands except for one exploration licence with a focus on gold (see Table 6: Tenement Schedule). All tenements are in Western Australia and all mineral sands related tenements are located in the North Perth Basin across a combined area of 1,085 square kilometres.

The North Perth Basin tenements consist of 12 named project areas, each with identified Mineral Resources as presented in Table 7: Mineral Resources and Ore Reserves Statement. Eight of these key project areas are presented in a location map (Figure 3) along with mineral assemblage pie charts.

The current priority of exploration efforts is on the zircon rich Boonanarring project area and the development of additional Mineral Resources for conversion to Ore Reserves under a formal program of work code-named Project 'MORE'. The objective of Project MORE is to evaluate areas of mineralisation within economic pumping (or hauling) distance from the current location of the wet concentration plant (WCP), as rapidly as practicable. The goal of Project MORE is to identify two years of new Ore Reserves at Boonanarring prior to the end of December 2020.

Focus areas under Project MORE during this reporting period include the Boonanarring Northern Extension Area, Boonanarring North-western Extension Area, Boonanarring West (including Trandos Blue Lake) and Gingin North.

Drilling programs are also being conducted on several other project areas to meet minimum expenditure requirements, investigate new mineralisation extensions and to advance the understanding and enhance the size of existing Mineral Resources.

Image no longer considers individual drilling results announced in the quarter to be material for the purposes of its quarterly reports. All material drilling results, Mineral Resources and Ore Reserves updates will be reported separately.

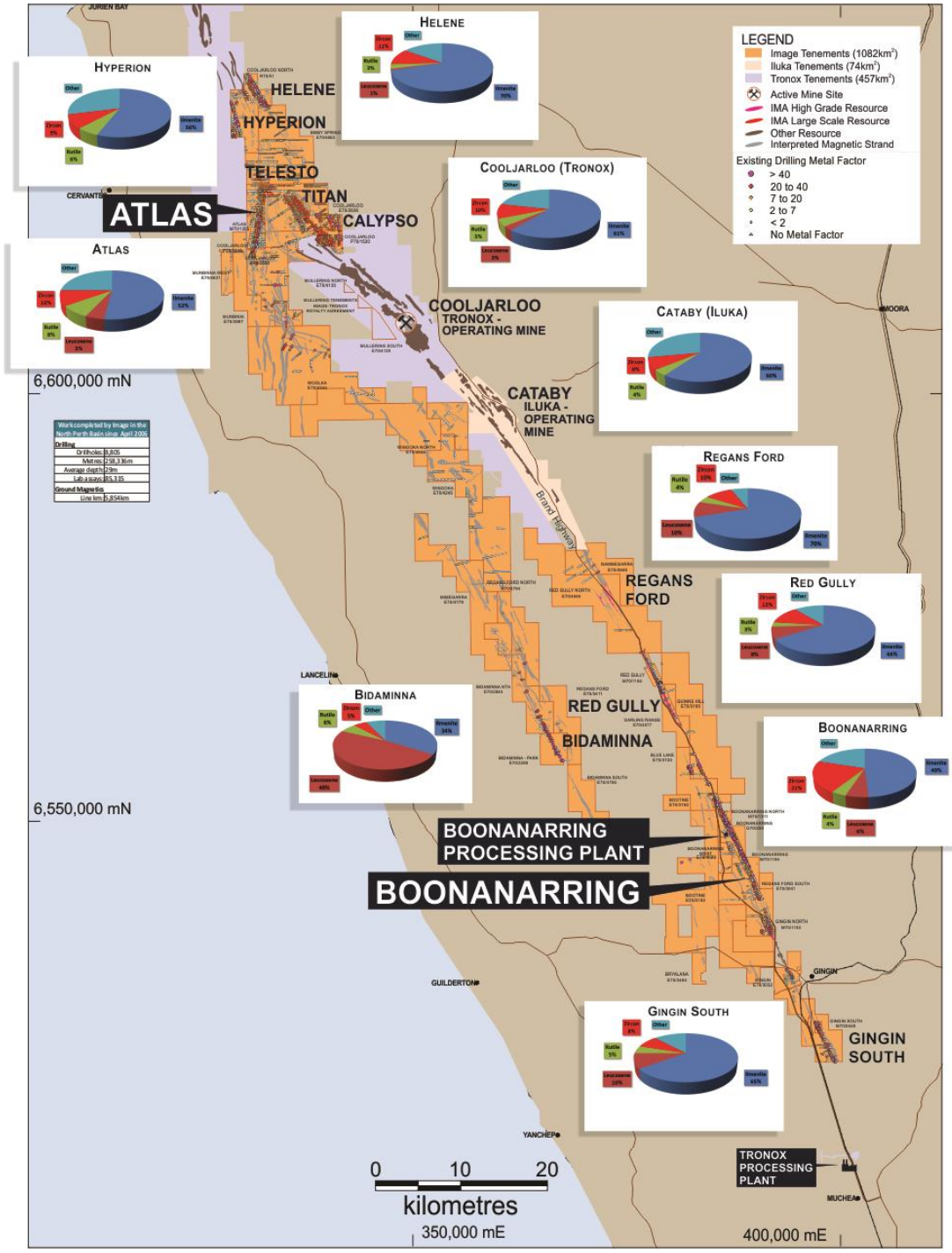


Figure 3: North Perth Basin showing operating Mines and Projects with their respective mineral assemblages.

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Drilling Programs

Several drilling programs were completed in the September Quarter for a total of 397 holes and 7,060m, mainly within 10km radius of the Boonanarring wet concentrator plant. Additional drilling is planned for the December quarter (Table 5: 818 holes for 19,200m planned). The main areas drilled this Quarter under Project MORE include Boonanarring North-western Extension area, Boonanarring Northern Extension area, Gingin North, and other project areas drilled include Atlas.

Table 5: Drilling Programs Completed in 2020, the September Quarter and Proposed for Q4 2020

	2020			July-September 2020			Proposed Drilling	
Project	**Holes**	**Metres**	**Assays**	**Holes**	**Metres**	**Assays**	**Holes**	**Metres**
Atlas	211	2050	2050	211	2050	2050	111	1,179
Hyperion							115	1,587
Munbinia (Atlas Ext)	81	1,773	100					
Woolka (new dredge prospect)	7	210	45				39	1,443
BN Northwest ext.Atlit East & West (E70/3100 & E70/3720)	13	348	151	13	348	151		
BN Northwest ext. (CSC) (E70/3720, E70/3100)	72	1,842	750				35	945
BN North ext. Roadside (E70/3100, E70/4077)	55	2006	648	55	2006	648	138	5,730
BN West (E70/4689, E70/3041 & E70/3100)	44	1132	387	23	654	274		
BN and BN South ext. Blocks A, B, C, D, E, F	609	22,984	7,508				33	1,293
BN West Blue Lake Trandos	99	2,774	555				187	5,001
BN West Drew East & West (E70/3192)							147	1782
Gingin North Trandos/Dewar/Dalla Riva (E70/3041)	225	5,646	2,658	95	2,002	1,245	13	240
Erayinia Gold	5	1,081	270					
Total:	**1,421**	**41,846**	**15,122**	**397**	**7,060**	**4,368**	**818**	**19,200**

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Boonanarring Northern Extension Area

An initial program has been completed over a 2.7km long within the direct northern extension of the Boonanarring Deposit with 107 holes totalling 3,890m made up of the east side of the newly acquired Atlit property and Brand Highway roadside drilling (Figure 4). There are many promising intercepts in this area, some of which include 10m at 22.2% HM from 25m in IM02098 and 8m at 31.7% HM from 25m in IM02087, 7m at 26.5% HM from 32m in IM02067 and 4m at 37.8% HM from 26m in IM02052. Figure 4 shows the promising intersections over the entire 2.7km length. All intersections greater than 10% HM were presented in Table form in a separate ASX announcement "Exploration Update – Project MORE" dated 26 October 2020.

Drill results show similarities to the high-grade eastern strand within the Boonanarring deposit. This program has shown that the high-grade core within the current Boonanarring Eastern strand likely extends into this area and appears to extend under the Brand Highway and potentially to the west of the Brand Highway within the North-eastern part of the newly acquired Atlit property.

Three cross sections (Figures 5-7) show the promising high-grade zones and the mineralised intercepts indicate a possible lower strip ratio if Ore Reserves are defined in this area.

As a result of promising results within Northern Extension Area from drilling in 2017 to 2019, Image purchased the Central Stockcare property Lot 503 on 6 February 2020 and Lot 501 Brand Hwy owned by Atlit on 11 August 2020. Further access is being sought from the landowner directly east of the Brand Highway to allow future mining studies to progress.

Mineral Resources and Ore Reserves Studies

Work is continuing collating drilling results and collecting composite samples for mineral assemblage determination to facilitate Mineral Resources and Ore Reserves studies. So far 23 composites for the Central Stockcare portion of the North-western Extension have been analysed. Further composites will be taken for the Atlit portion of the North-western Extension and the Brand Highway roadside and Atlit East portions of the Northern Extension, as well as Gingin North. The primary focus is the identification of new Ore Reserves and study results will be reported separately as they are finalized,

At this time, there is insufficient information to determine if any of the mineralisation identified under Project MORE will translate to Ore Reserves. In addition, due to the uncertainty of environmental permitting requirements in certain areas and substantial infrastructure encroachment in other areas, there is currently insufficient information to determine if any new Ore Reserves will be available for mining prior to the completion of mining and processing of current Ore Reserves at Boonanarring.

In any event, the Company has implemented plans and actions to advance preparations for the relocation of mining and processing equipment to the Atlas deposit once mining of all assessable Ore Reserves at Boonanarring is deemed complete. The move to Atlas has always been an integral part of continuation of mining operations for Image and was included in the Bankable Feasibility Study published in 2017. The only unknown was and remains whether additional Ore Reserves will be identified at Boonanarring to allow the move to be delayed. The determination of new Ore Reserves is scheduled to be finalised in the December quarter.

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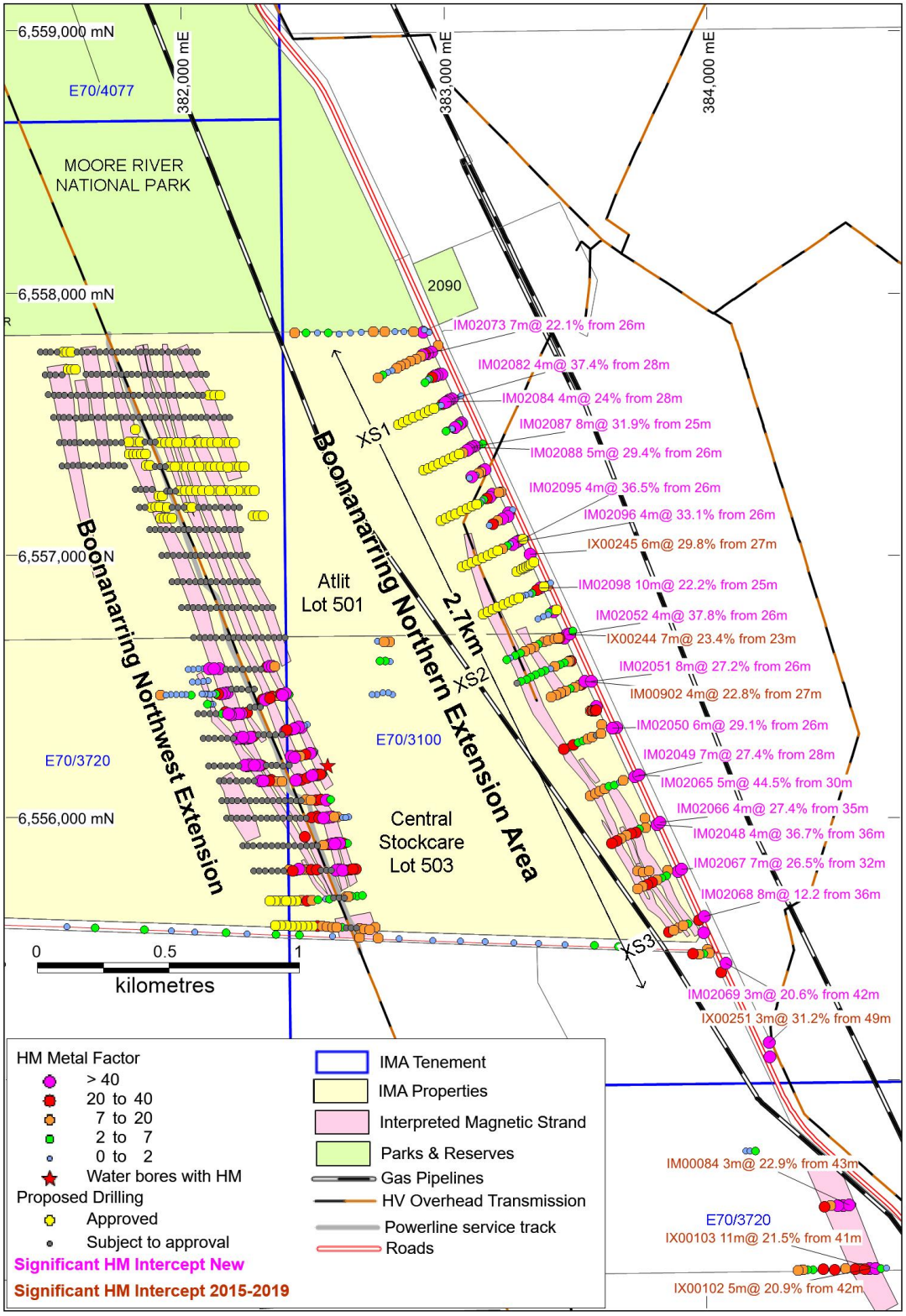


Figure 4 – Boonanarring Northern Extension (68% of the drilling completed) with significant intersections.

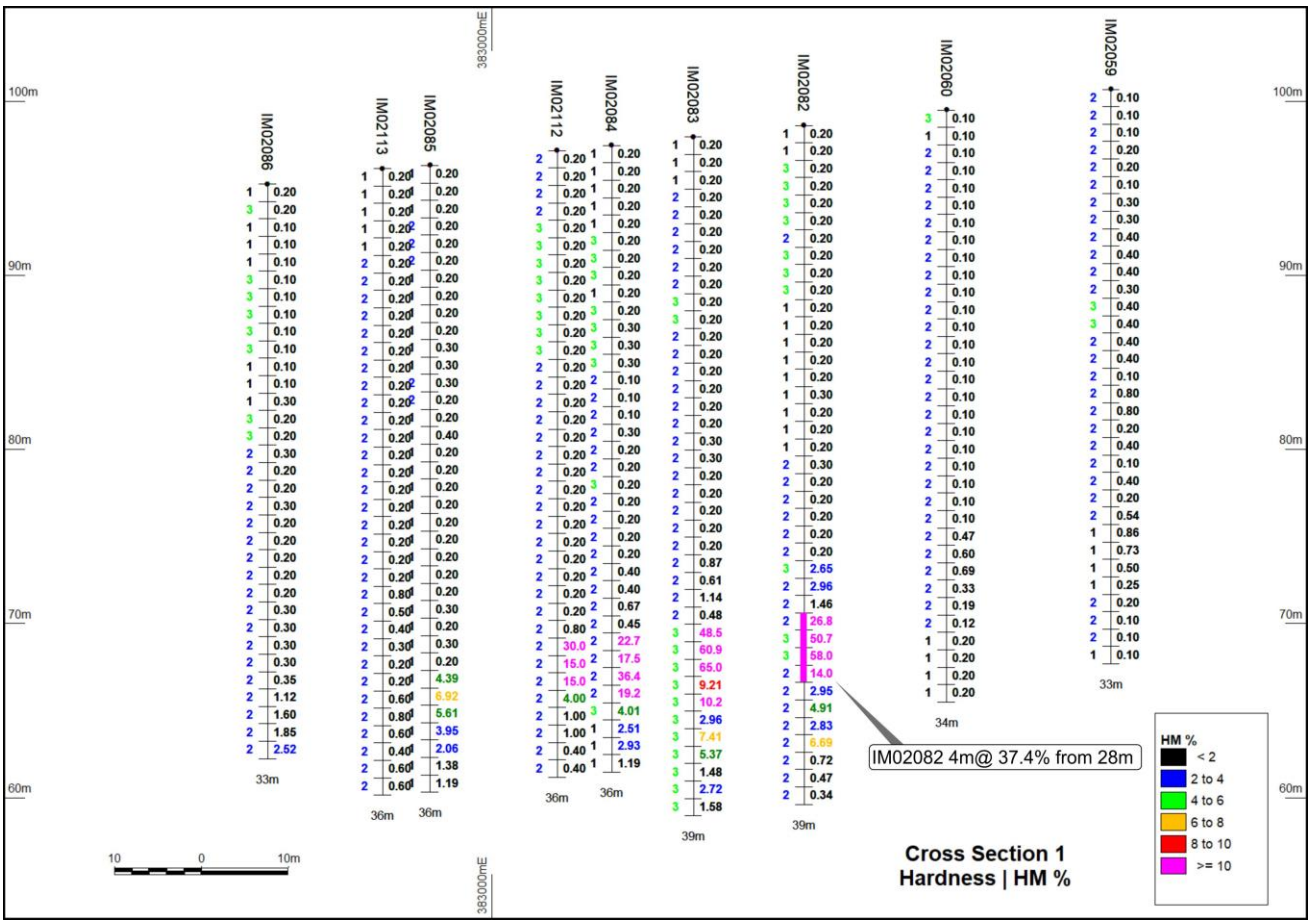


Figure 5 – Cross Section 1 (XS1)

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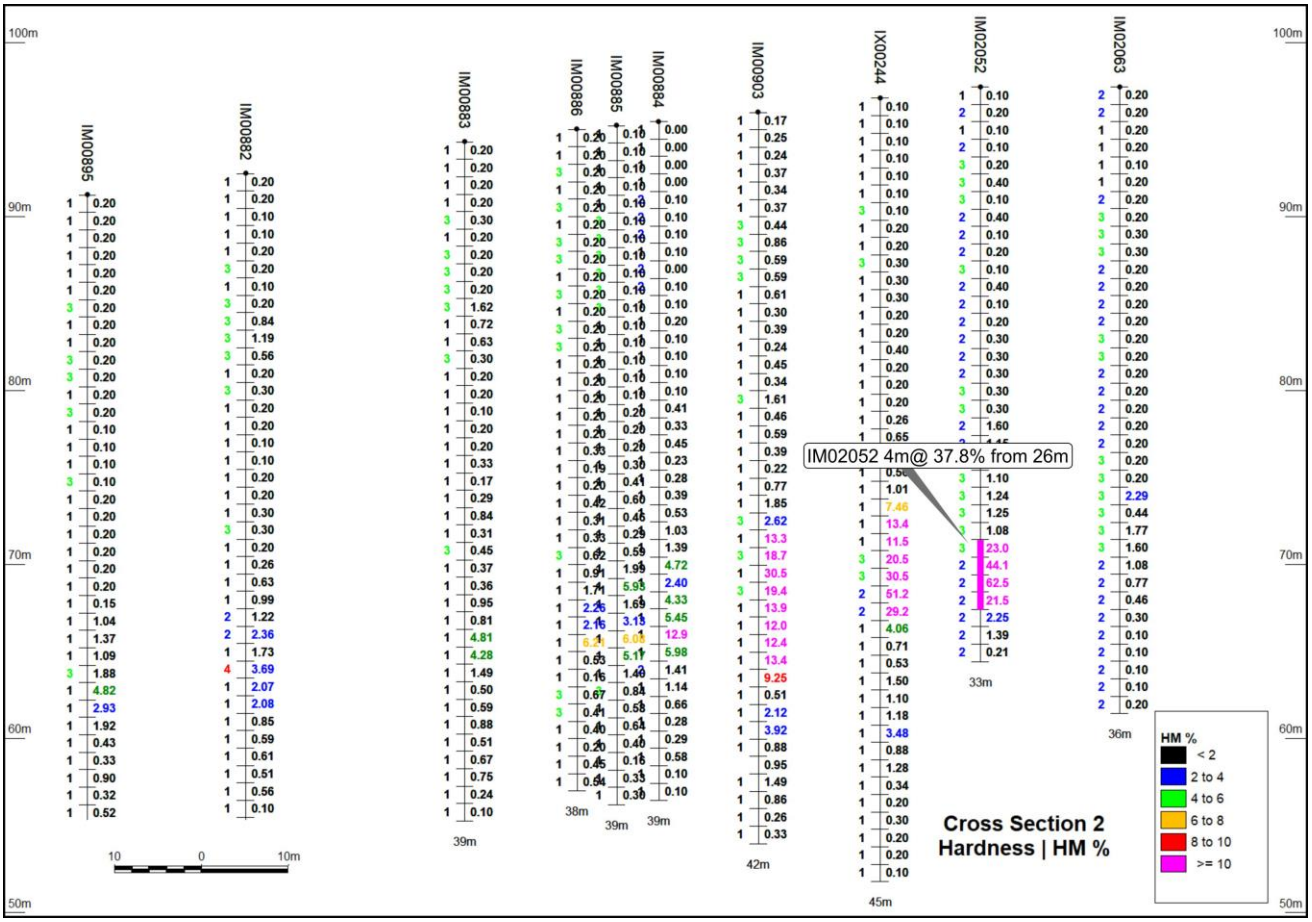


Figure 6 – Cross Section 2 (XS2)

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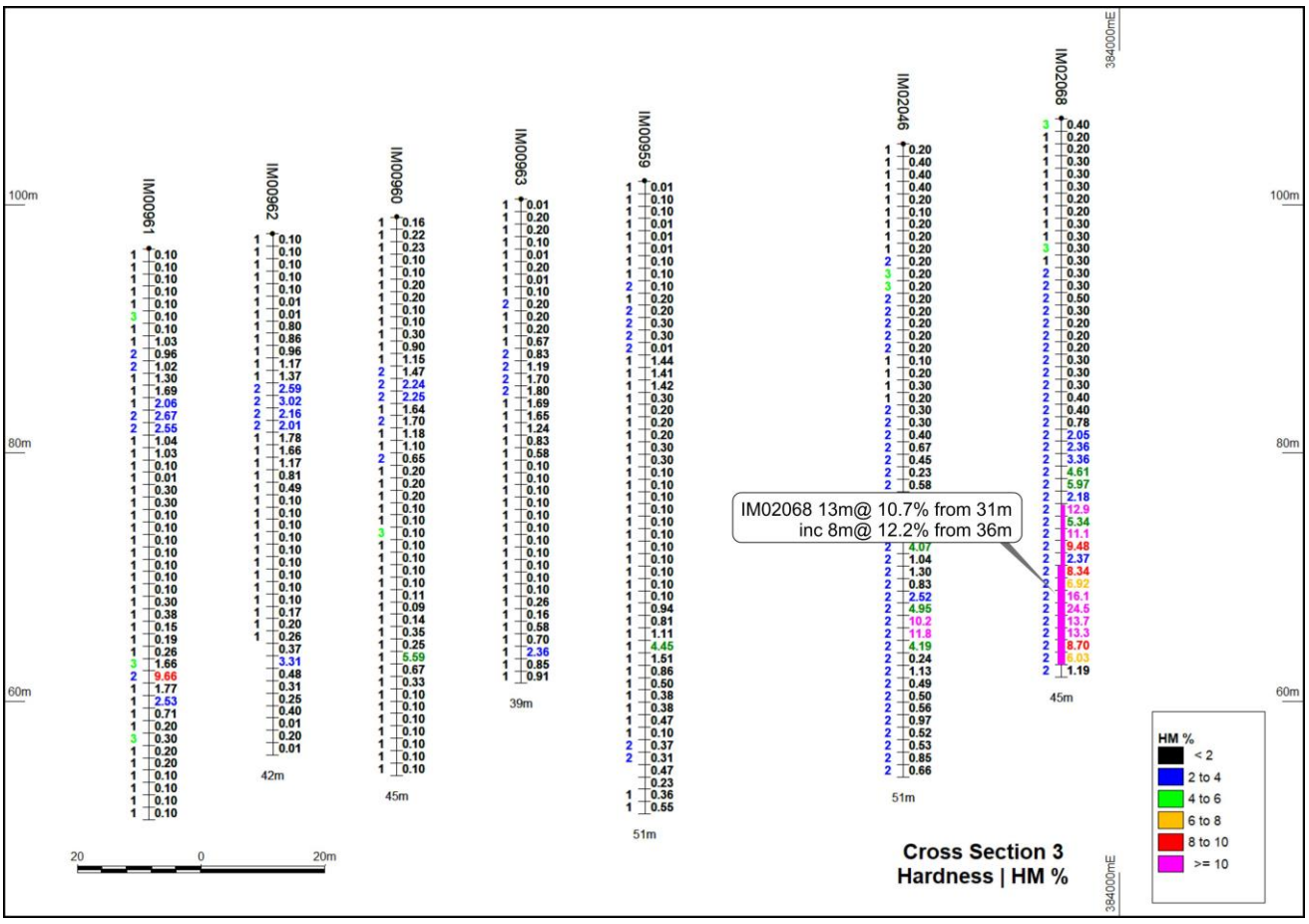


Figure 7 – Cross Section 3 (XS3)

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Gingin North

The Gingin North project (Figure 8) is still emerging as a priority area mainly because of the extension of the Boonanarring Piggery strand here, overlaying layer and the adjacent 48-55m RL strand.

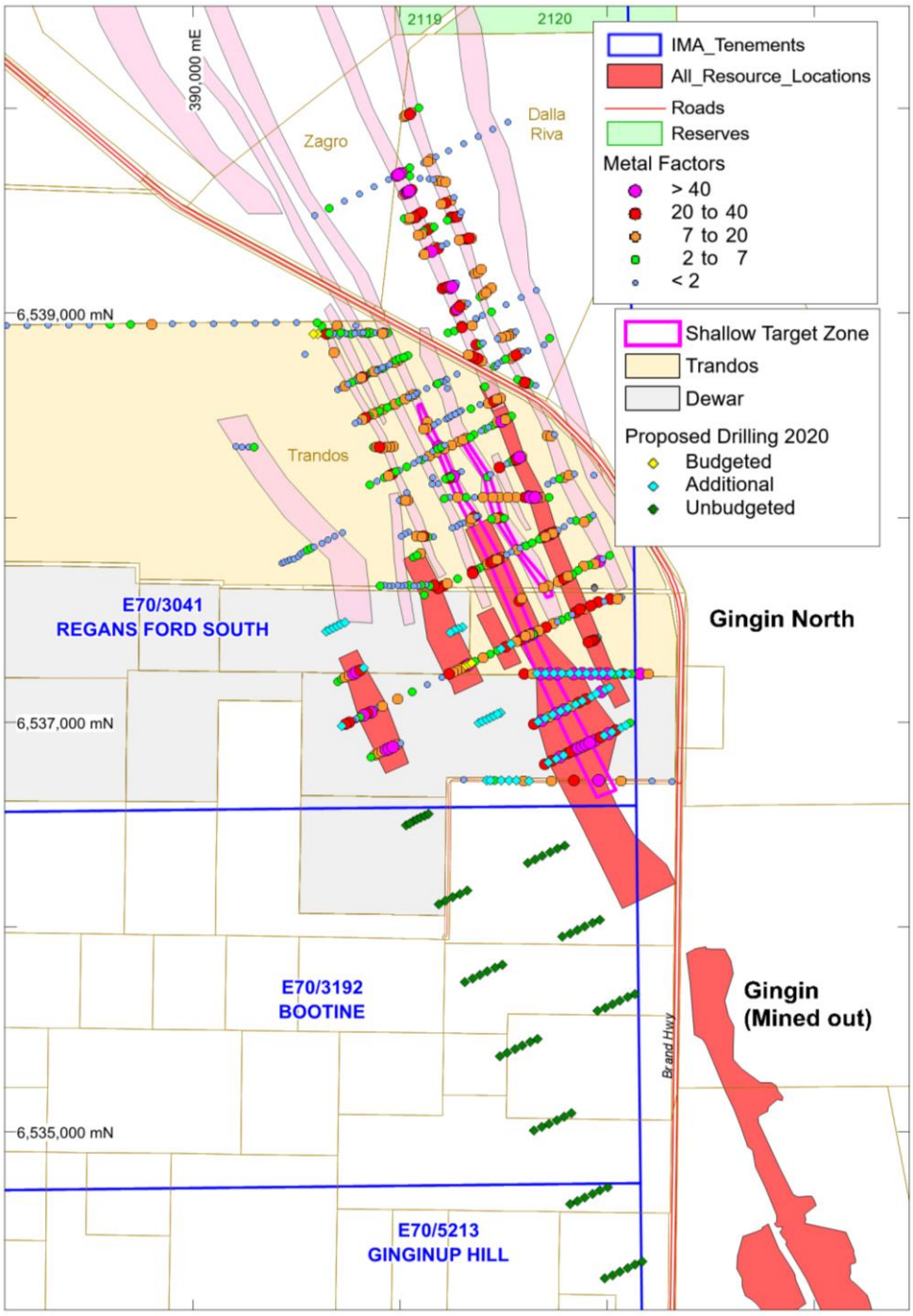


Figure 8 Metal Factors for Gingin North showing holes completed and some planned drilling

This Gingin North area lies just over 10km from the Boonanarring wet concentration plant (WCP) but may still be within economic pumping or hauling distance to be included for processing at the WCP if Ore Reserves are identified here. Infill drilling on the northern part of the Dalla Riva location, which contains the southern extension of the Piggery strand and is directly north of Gingin North, appears quite promising after 95 holes were completed for 2,002m.

The total length between Zagro – Dalla Riva and Gingin North for this southern extension of the piggery strand is 2.5km and is being reviewed for its potential for Ore Reserves.

A central zone within the Gingin North area is up to 3km in length and is outlined in magenta Shallow Target Zone (Figure 8). This target is of interest because it outcrops and has high visual zircon values (up to 20%) and it has now been infill drilled. This surficial mineral (from 0-8m depth) has also been assayed as its extent is much larger than previously indicated as some areas were not previously assayed. A total of 33 composites have been prepared and are being analysed from the Gingin North strands and will be used in Mineral Resources and Ore Reserves studies scheduled for the December quarter.

Atlas Deposit

The majority of the shallow infill holes have been completed including 211 holes totaling 2,050m (average 9.7m). A further 600m of drilling is planned to start in November. This program was designed verify mineral assemblages and Ore Reserves and to define the high-grade core within the deposit on a 10m spacing (Figure 9).

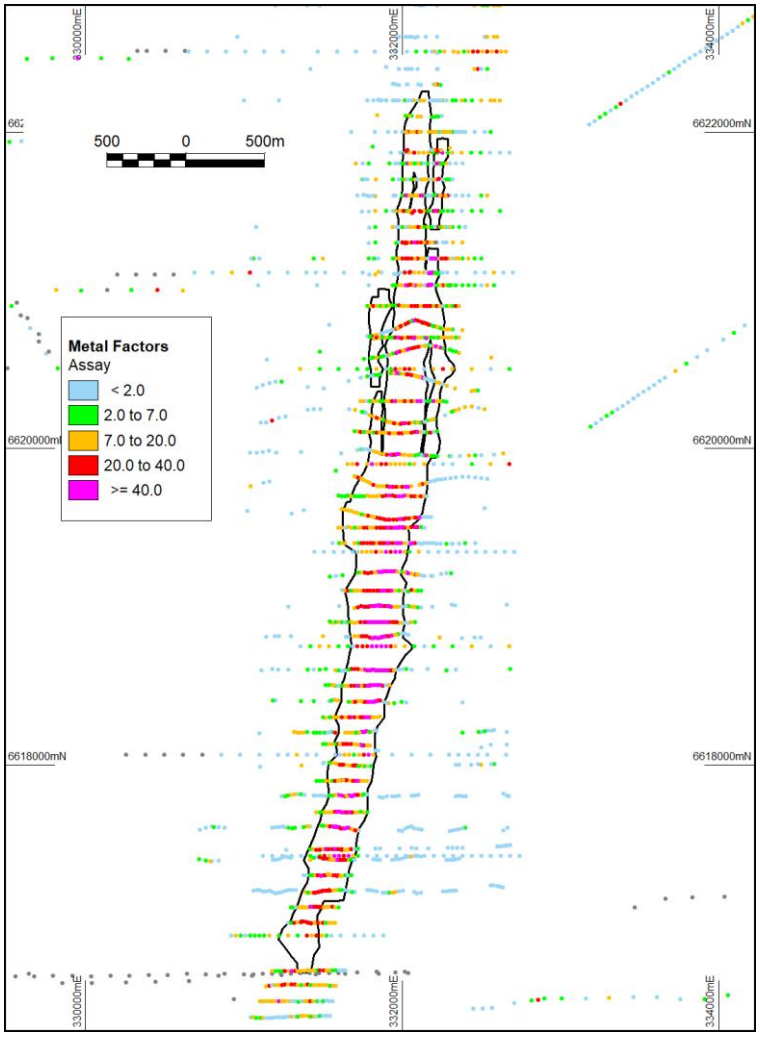


Figure 9 Atlas Metal Factors, Pit outline and cross section locations

New drilling results are confirming the mineralisation extents within the Ore Reserve and pit outlines shown (Figure 9). A further 30-40 composites will be compiled to facilitate Mineral Resources and Ore Reserve update studies which are scheduled to be completed in early 2021.

The nearby Hyperion and Helene deposits Mineral Resources are being updated so as to quantify potential Ore Reserves for processing through the WCP once it is relocated to the Atlas deposit. Up to 40 composite samples from infill drilling for each deposit will be compiled and assayed to determine update mineral assemblages for the determination of updated Mineral Resources and potential Ore Reserves. Previous composites were based on very widespread lines of drill holes.

Hyperion and Helene are within 10km pumping distance from Atlas. Discussions with landowners regarding carrying out further drilling programs within the Hyperion deposit are being progressed.

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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.

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Table 6 – Tenement Schedule

Tenement Schedule in accordance with ASX Listing Rule 5.3.3

Tenements held at the end of the December Quarter 2019

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	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	90%	90%
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	E70/4245	Granted	WINOOKA	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	P70/1516	Granted	COOLJARLOO	100%	100%
WA	M70/1311	Granted	BOONANARRING NORTH	100%	100%
WA	G70/0250	Granted	BOONANARRING	100%	100%
WA	R70/0051	Granted	COOLJARLOO NORTH	100%	100%
WA	M70/1305	Application	ATLAS	100% pending grant	100% pending grant
WA	P70/1520	Application	COOLJARLOO	100% pending grant	100% pending grant
WA	E70/4631	Granted	MUNBINIA WEST	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	E28/2742	Granted	MADOONIA DOWNS	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% pending grant	100%
WA	E70/5268	Granted	WOOLKA SOUTH	100% pending grant	100%
WA	E70/5306	Application	BOONANARRING HILL	100% pending grant	100% pending grant
WA	R70/0062	Application	NAMBUNG	-	100% pending grant

Mining Tenements acquired during the Quarter

WA	R70/0062	Application	NAMBUNG	-	100% pending grant

Mining Tenements disposed during the Quarter

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Table 7: Mineral Resources and Ore Reserves Statements as at 1 October 2019

Ore Reserves - Strand Deposits; in accordance with the JORC Code (2012)										
Project/Deposit	**Category**	**Tonnes**	**% HM**	**% Slimes**	**HM Tonnes**	**VHM**	**Ilmenite**	**Leucoxene**	**Rutile**	**Zircon**
		(million)			**(million)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**
Boonanarring	Proved	3.5	13.9	16.0	0.5	82.7	44	4.6	2.2	31.9
Boonanarring	Probable	7.1	6.4	16.0	0.5	76.6	49	1.7	2.8	23.1
Total Boonanarring		**10.7**	**8.9**	**16.0**	**0.9**	**79.6**	**46**	**3.2**	**2.5**	**27.5**
Atlas	Probable	9.5	8.1	15.5	0.8	73.3	50.7	4.5	7.5	10.6
Total Atlas		**9.5**	**8.1**	**15.5**	**0.8**	**73.3**	**50.7**	**4.5**	**7.5**	**10.6**
Total Ore Reserves		**20.2**	**8.5**	**15.8**	**1.7**	**76.8**	**48.3**	**3.8**	**4.7**	**19.9**

1 Refer to Boonanarring Ore Reserves Release 20 December 2019
http://www.imageres.com.au/images/joomd/1576806279201912 20OreReserveUpdateHigherOreGradeandIn-SituZircon.pdf

2 Atlas Reserves refer to the 30 May 2017 release "Ore Reserves Update for 100% Owned Atlas Project" http://www.imageres.com.au/images/joomd/1496113407201705 30ORERESERVESUPDATEFOR100OWNEDATLASPROJECT.pdf

Mineral Resources - Strand Deposits; in accordance with the JORC Code (2012) @ 2.0% HM Cut-off										
Project/Deposit	**Category**	**Tonnes**	**% HM**	**% Slimes**	**HM Tonnes**	**VHM**	**Ilmenite**	**Leucoxene**	**Rutile**	**Zircon**
		(million)			**(million)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**
Boonanarring	Measured	8.8	10.3	14	0.9	78.1	46	3.8	2.3	26.0
Boonanarring	Indicated	14.6	4.6	17	0.7	71.2	48	2.6	2.7	17.9
Boonanarring	Inferred	6.9	3.5	20	0.2	59.4	45	4.9	3.9	5.6
Boonanarring Total		**30.3**	**6.0**	**17.0**	**1.8**	**72.7**	**46**	**3.6**	**2.7**	**20.4**
Atlas	Measured	9.9	7.9	16.1	0.8	71.0	49.1	4.2	7.2	10.5
Atlas	Indicated	6.4	3.7	17.3	0.2	56.5	41.6	3.4	4.7	6.8
Atlas	Inferred	1.8	4.0	19.9	0.1	41.5	29.0	3.3	4.4	4.8
Atlas Total		**18.1**	**6.0**	**16.9**	**1.1**	**65.9**	**46.1**	**4.0**	**6.5**	**9.3**
Sub-Total Atlas/Boonanarring		**48.4**	**6.0**	**17.0**	**2.9**	**70.1**	**46.1**	**3.7**	**4.1**	**16.2**

Mineral Resources - Strand Deposits; in accordance with JORC Code (2012) @ 2.0% HM Cut-off											
Project/Deposit	**Category**	**Volume**	**Tonnes**	**% HM**	**% Slimes**	**HM Tonnes**	**VHM**	**Ilmenite**	**Leucoxene**	**Rutile**	**Zircon**
		(million)	**(million)**			**(million)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**
Helene	Indicated	6.4	13.2	4.3	18.6	0.57	88.7	74.6	0.0	3.6	10.5
Hyperion	Indicated	2.4	5.0	6.3	19.0	0.32	69.4	55.8	0.0	6.3	7.3
Cooljarloo Nth Total		**8.8**	**18.2**	**4.8**	**18.7**	**0.88**	**81.8**	**67.9**	**0.0**	**4.6**	**9.4**

Previously Reported Mineral Resources - Strand Deposits; in accordance with JORC Code (2004) @ 2.5% HM Cut-off											
Project/Deposit	**Category**	**Volume**	**Tonnes**	**% HM**	**% Slimes**	**HM Tonnes**	**VHM**	**Ilmenite**	**Leucoxene**	**Rutile**	**Zircon**
		(million)	**(million)**			**(million)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**
Gingin Nth	Indicated	0.7	1.3	5.7	15.7	0.1	75.4	57.4	9.3	3.2	5.5
Gingin Nth	Inferred	0.6	1.1	5.2	14.0	0.1	78.4	57.3	11.3	3.7	6.0
Gingin Nth Total		**1.3**	**2.4**	**5.5**	**15.0**	**0.1**	**76.7**	**57.3**	**10.2**	**3.4**	**5.7**
Gingin Sth	Measured	0.9	1.5	4.4	7.2	0.1	79.4	50.7	15.3	5.6	7.8
Gingin Sth	Indicated	3.2	5.8	6.5	7.1	0.4	90.6	67.6	9.8	5.1	8.1
Gingin Sth	Inferred	0.4	0.7	6.5	8.4	0.0	91.6	67.4	7.5	5.8	10.9
Gingin Sth Total		**4.5**	**8.1**	**6.1**	**7.3**	**0.5**	**89.2**	**65.3**	**10.3**	**5.2**	**8.3**
Red Gully	Indicated	1.9	3.4	7.8	11.5	0.3	89.7	66.0	8.3	3.1	12.4
Red Gully	Inferred	1.5	2.6	7.5	10.7	0.2	89.0	65.4	8.2	3.0	12.3
Red Gully Total		**3.4**	**6.0**	**7.7**	**11.2**	**0.5**	**89.4**	**65.7**	**8.2**	**3.1**	**12.4**
Sub-Total Gingin & Red Gully		**9.2**	**16.5**	**6.6**	**9.8**	**1.1**	**87.8**	**64.5**	**9.4**	**4.1**	**9.7**

Historic Deposit Mineral Resources - Strand deposit; in accordance with JORC Code (2004) @ 2.5% HM Cut-off											
Project/Deposit	**Category**	**Volume**	**Tonnes**	**% HM**	**% Slimes**	**HM Tonnes**	**VHM**	**Ilmenite**	**Leucoxene**	**Rutile**	**Zircon**
		(million)	**(million)**			**(million)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**
Regans Ford	Indicated	4.5	9.0	9.9	16.8	0.9	94.3	70.0	10.0	4.3	10.0
Regans Ford	Inferred	0.5	0.9	6.5	18.5	0.1	90.5	68.3	7.7	4.4	10.1
Regans Ford Total		**5.0**	**9.9**	**9.6**	**17.0**	**1.0**	**94.1**	**69.9**	**9.9**	**4.3**	**10.0**
Grand Totals		**49.1**	**93.0**	**6.3**	**16.0**	**5.8**	**79.1**	**56.7**	**5.2**	**4.2**	**13.0**

Mineral Resources - Dredge deposits; in accordance with JORC Code (2012) @ 1.0% HM Cut-off											
Project/Deposit	**Category**	**Volume BCM**	**Tonnes**	**% HM**	**% Slimes**	**HM Tonnes**	**VHM**	**Ilmenite**	**Leucoxene**	**Rutile**	**Zircon**
		(million)	**(million)**			**(million)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**
Titan	Indicated	10.3	21.2	1.8	22.1	0.38	86.0	71.9	1.5	3.1	9.5
Titan	Inferred	58.5	115.4	1.9	18.9	2.2	85.9	71.8	1.5	3.1	9.5
Total Titan	**Total**	**68.8**	**136.6**	**1.9**	**19.4**	**2.6**	**85.9**	**71.8**	**1.5**	**3.1**	**9.5**
Telesto	Indicated	1.7	3.5	3.8	18.4	0.13	83.3	67.5	0.7	5.6	9.5
Calypso	Inferred	27.1	51.5	1.7	13.7	0.85	85.6	68.1	1.6	5.1	10.8

Mineral Resources - Dredge deposits; in accordance with JORC Code (2004) @ 1.0% HM Cut-off											
Project/Deposit	**Category**	**Volume BCM**	**Tonnes**	**% HM**	**% Slimes**	**HM Tonnes**	**VHM**	**Ilmenite**	**Leucoxene**	**Rutile**	**Zircon**
		(million)	**(million)**			**(million)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**
Bidaminna	Inferred	26.3	44.6	3.0	3.6	1.3	96.8	83.1	7.2	1.0	5.5
Total Dredge		**123.9**	**236.2**	**2.1**	**15.2**	**4.9**	**87.8**	**73.1**	**2.6**	**3.2**	**9.0**

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COMPETENT PERSON'S STATEMENTS – EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES

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: 20 December 2019
- Atlas Ore Reserves: 30 May 2017
- Atlas Mineral Resources: 8 May 2017
- Helene Mineral Resources: 31 Oct 2019
- Hyperion Mineral Resources: 31 Oct 2019
- Titan Mineral Resources: 31 Oct 2019
- Telesto South Mineral Resources: 31 Oct 2019
- Calypso Mineral Resources: 31 Oct 2019

The Company confirms that, other than mining depletion, 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 Ore Reserves and 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 North Mineral Resources: 31 Mar 2011
- Gingin South Mineral Resources: 21 Jul 2011
- Red Gully Mineral Resources: 9 Mar 2011
- Bidaminna Mineral Resources: 23 Jun 2008

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.*

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	**30/09/2020**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	54,661	119,618
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(1,461)	(3,458)
	(b) development		
	(c) production	(19,757)	(61,264)
	(d) staff costs	(347)	(1,207)
	(e) administration and corporate costs	(477)	(1,668)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	36
1.5	Interest and other costs of finance paid	(1,307)	(5,378)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other income	52	136
1.9	**Net cash from / (used in) operating activities**	**31,365**	**46,815**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(7,209)	(16,000)
	(d) exploration & evaluation (if capitalised)		
	(e) investments		
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
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**	**(7,209)**	**(16,000)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(9,115)	(28,943)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**(9,115)**	**(28,943)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	36,067	49,935
4.2	Net cash from / (used in) operating activities (item 1.9 above)	31,365	46,815
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,209)	(16,000)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9,115)	(28,943)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(904)	(1,603)
4.6	**Cash and cash equivalents at end of period**	**50,204**	**50,204**

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	50,188	36,052
5.2	Call deposits	16	15
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)**	**50,204**	**36,067**

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	276
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

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7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	27,800	27,800
7.2	Credit standby arrangements	55	55
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	27,855	27,855

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.	

Loan held is as follows:

A senior secured debt facility of US$38,850,000 + capitalised interest of US$7,257,672 less repayments to date of US$26,347,241. (US$19,760,431 at 30 September 2020) Interest rate is 14% for the first fifteen months following draw down on 25 May 2018 and 13% thereafter for the balance of the loan. Interest is paid quarterly in arrears. Further details can be found in the announcement lodged with the ASX on 8 March 2018.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	31,365
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	31,365
8.4	Cash and cash equivalents at quarter end (Item 4.6)	50,204
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	50,204
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	N/A

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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

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

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

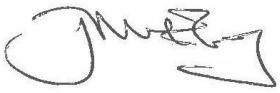
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Compliance statement

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: 28 October 2020



Authorised by: Chief Financial Officer
(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.

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