

QUARTERLY ACTIVITIES REPORT – for quarter ended 31 March 2021

Image Resources NL
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 IMA

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Issued Capital
 Shares – Quoted
 992,139,693
 As at 31 March 2021

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)

HIGHLIGHTS

- Achievement of two major milestones:
 - Debt-free position from 8 Feb 2021 with early payment of total outstanding debt;
 - Intention to pay inaugural dividend of \$0.02 per share announced 17 March 2021, on the back of CY2020 net profit after tax of \$24.8 million, with dividend to be paid 27 April.
- A\$51 million cash balance at 31 March 2021 on strong sales with slightly lower HMC realised prices from lower ZrO2 content, but with commodity prices starting to rise in March.
- Heavy mineral concentrate (“HMC”) production up 9% QoQ to quarterly record high of 85.2kt, and running ahead of guidance for CY2021.
- HMC sales of 84.5kt, in line with high production, was down QoQ from previous record high sales quarter, but running ahead of guidance range for CY2021.
- C1 and AISC cash costs per tonne HMC produced decreased 20% and 22% QoQ, aided by higher HMC production.
- C1 and AISC costs per tonne HMC sold increased QoQ following previous quarter record high sales, but running below lower end of CY2021 guidance range.
- Bidaminna inaugural dredge mining Mineral Resources of 102 million tonnes at 2.2% total heavy minerals (“HM”) announced 31 March.

Table 1: Quarterly Summary

	Mar Q 2020	Dec Q 2020	Mar Q 2021	QoQ % change	YTD CY2021	CY2021 Guidance
Production						
HMC Production (kt)	83.9	78.1	85.2	9%	85.2	290-320
HMC Sales (kt)	44.8	109.6	84.5	-23%	84.5	300-320
HMC Realised Price (A\$/t HMC)	659	521	463	-11%	463	N/A
Unit Costs (HMC produced)						
C1 Cash Costs (A\$/t HMC) ¹	229	349	279	-20%	279	N/A
AISC (A\$/t HMC) ²	264	408	320	-22%	320	N/A
Unit Costs (HMC sold)						
C1 Cash Costs (A\$/t HMC) ¹	430	248	281	13%	281	290-320
AISC (A\$/t HMC) ²	495	291	322	11%	322	340-370

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

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

- HMC average realised price down to A\$463/t versus \$521/t for Q4 2020 mainly due to lower ZrO2 grades in HMC sold.
- Net mine operating cash inflow for Q1 2021 was A\$21m.
- Strong demand for HMC product continuing with commodity prices for zircon and ilmenite beginning to rise and higher prices expected in Q2 2021 to help boost average HMC realised pricing.
- Breakdown of total expenditures include A\$29.5m (58.4%) on mining/production operations at Boonanarring (including logistics); A\$18.0m (35.6%) on repayment of outstanding debt; A\$1.0m (2.0%) on exploration; A\$0.8m (1.6%) on Corporate (including FX); A\$0.5m (1.0%) on Boonanarring project development; A\$0.5m (1.0%) on Boonanarring PP&E; and A\$0.2m (0.4%) on Atlas project development.
- The solar farm constructed at Boonanarring by Sunrise Energy Group generated 25% of total electricity requirements for the quarter, at slightly lower unit costs than grid power.

ACTIVITIES REPORT

High Level Summary

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to report record high quarterly HMC production for the March 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. Record production was supported with strong, matched HMC sales and all-in sustaining costs running below the lower range of guidance. Importantly, continued positive operational performance was augmented with the achievement of two major milestones of transitioning to a debt-free position and announcing the intention to pay an inaugural dividend.

On the back of strong CY2020 results, which resulted in a net profit after tax of A\$24.8 million and a net cash position of A\$34 million, the Company moved to repay its total outstanding debt on 8 February and on 11 March announce its intention to pay an inaugural dividend of A\$0.02, unfranked, and with payment scheduled for 27 April 2021. The ending cash balance as at 31 March 2021 was A\$51m with zero debt.

Managing Director and CEO Patrick Mutz commented “It is a real privilege to be working with a team that continues to perform positively in all aspects operationally, and for a Company with high quality mining assets, that in combination, after only two years as an active miner, has allowed the achievement of two major milestones that strongly support Image’s transition to a mid-tier mining company; with those milestones being repayment of original development debt and paying an inaugural dividend to shareholders.”

Photos: Green Credentials

Solar Farm generating 25% of electricity requirements



Post-Mining Rehabilitation – Block C – Mining Commenced mid-2018

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 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 work practices and procedures to minimise any potential impacts from COVID-19 to its employees and other stakeholders.

Community

Image continues to proudly contribute to the local community, including through local employment. At 31 March, 48% of its workforce lived locally to the Boonanarring operations 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.

Mining and Processing

Mining operations were conducted within Blocks A, B and C during the quarter. Ore processing was a blend from Block A and Block B Eastern and Western Strands. Mining operations encountered some indurated material within Pit C.

Ore processing for the quarter was 882kt (-7% QoQ) at an ore grade of 10.1% HM (up 15% QoQ) but with lower ZrO₂ grades (-12% QoQ) within the HM which negatively impacts the value of HMC produced.

HMC production at Boonanarring was up 9% QoQ to quarterly record high of 85.2kt due to higher average HM grade of ore processed from Block A which was partially offset by lower Ore tonnes processed.

Table 2: Mining & Production Statistics

		Mar Quarter 2020	Dec Quarter 2020	Mar Quarter 2021	QoQ % change	YTD
Mining						
Ore	kt	957	1,001	874	-13%	874
Waste	kt	5,250	5,924	4,979	-16%	4,979
Processing						
Ore Processed	kt	985	945	882	-7%	882
HM Grade (in Ore)	HM%	9.7%	8.8%	10.1%	14%	10.1%
ZrO ₂ Grade (in HM)	ZrO ₂ %	22.0%	20.6%	18.1%	-13%	18.1%
TiO ₂ Grade (in HM)	TiO ₂ %	31.1%	32.3%	35.5%	10%	35.5%
Recovery	HM%	81.3%	88.3%	90.1%	2%	90.1%
	ZrO ₂ %	97.1%	98.2%	98.3%	0%	98.3%
	TiO ₂ %	86.6%	92.9%	93.4%	1%	93.4%
HMC Produced	kt	83.9	78.1	85.2	9%	85.2
HM Grade (in HMC)	HM%	92.4%	93.8%	93.6%	0%	93.6%
ZrO ₂ Grade (in HMC)	ZrO ₂ %	21.7%	19.2%	18.5%	-4%	18.5%
ZrO ₂ Grade (in HMC)	TiO ₂ %	31.0%	33.3%	34.5%	4%	34.5%

Photo 3: Qube Logistics Truck Loading from HMC Stockpiles



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

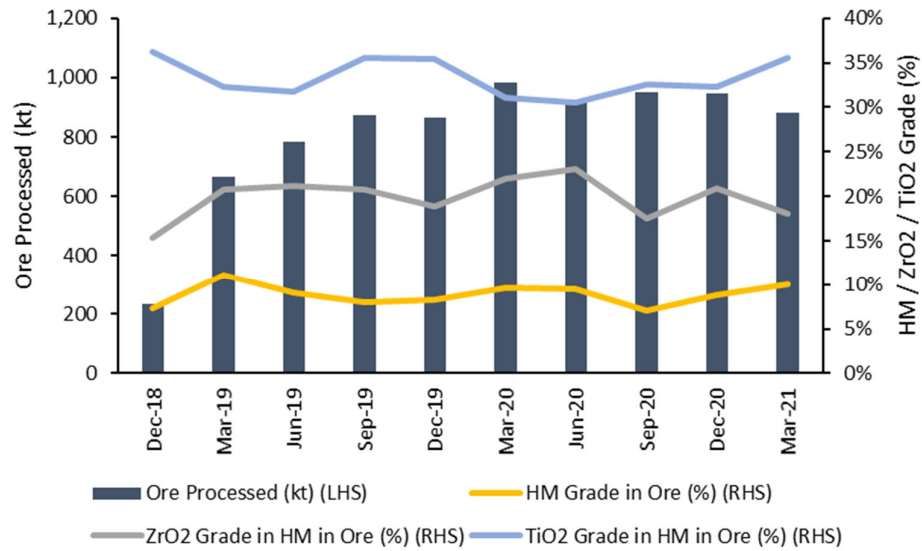


Figure 2: Quarterly HMC production (kt) and contained HM/ZrO₂/TiO₂ grades (%) in HMC

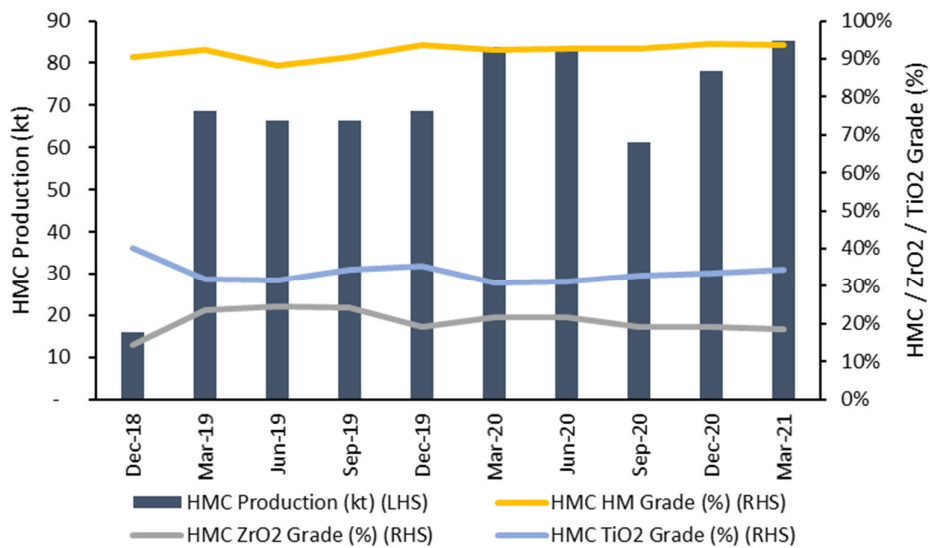
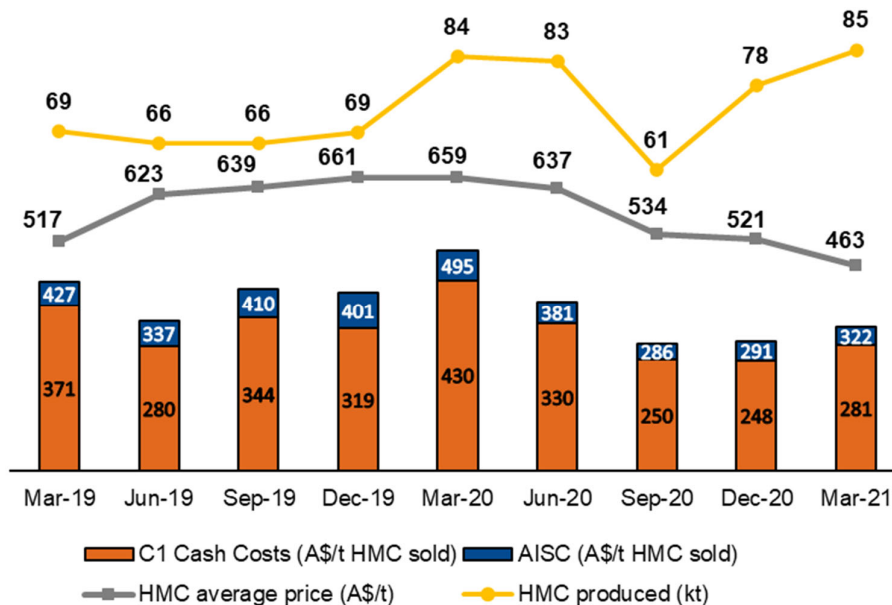


Figure 3: Quarterly HMC Production (kt) with Average Realised Prices & Costs per Tonne HMC Sold

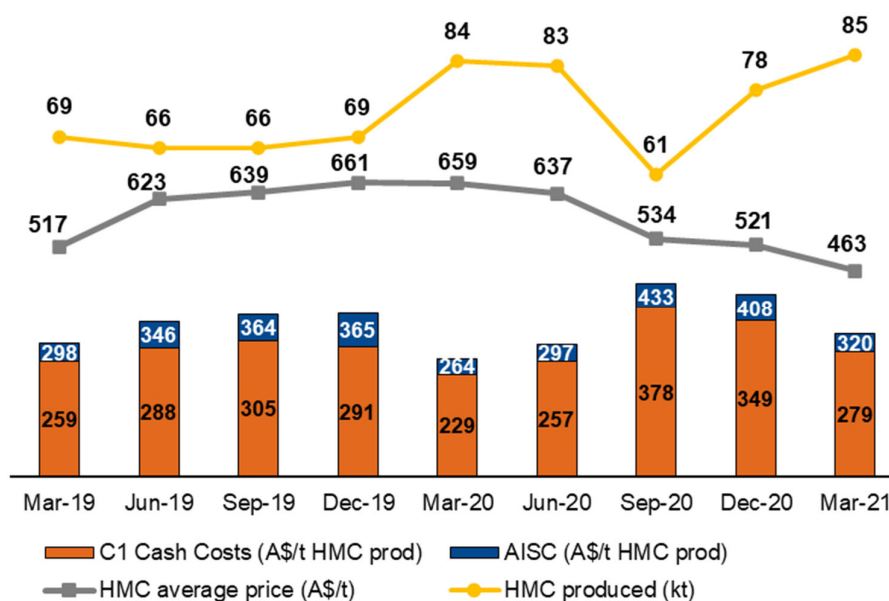


Costs

C1 and AISC cash costs per tonne HMC sold for Q1 2021 were below the lower end of the guidance range as shown in Table 5.

C1 and AISC cash costs per tonne HMC sold increased QoQ (Figure 3 and Table 3). C1 costs increased from \$248/t to A\$281/t HMC sold and AISC increased from \$291/t to \$322/t HMC sold. Tonnes sold for Q1 2021 were in line with production but were lower QoQ following the record high sales quarter in Q4 2020.

Figure 4: Quarterly HMC Production (kt) with Average Realised Prices & Costs per Tonne HMC Produced



C1 and AISC cash costs per tonne HMC produced (Figure 4 and Table 3) decreased 20% and 22% respectively QoQ. C1 costs decreased to A\$279/t HMC produced and AISC decreased to A\$320/t HMC produced. Cost decreases per tonne HMC produced were driven by higher average HM Ore grade resulting in the quarterly record high tonnes of HMC produced in Q1 2021 and 9% higher production QoQ as shown in Table 2.

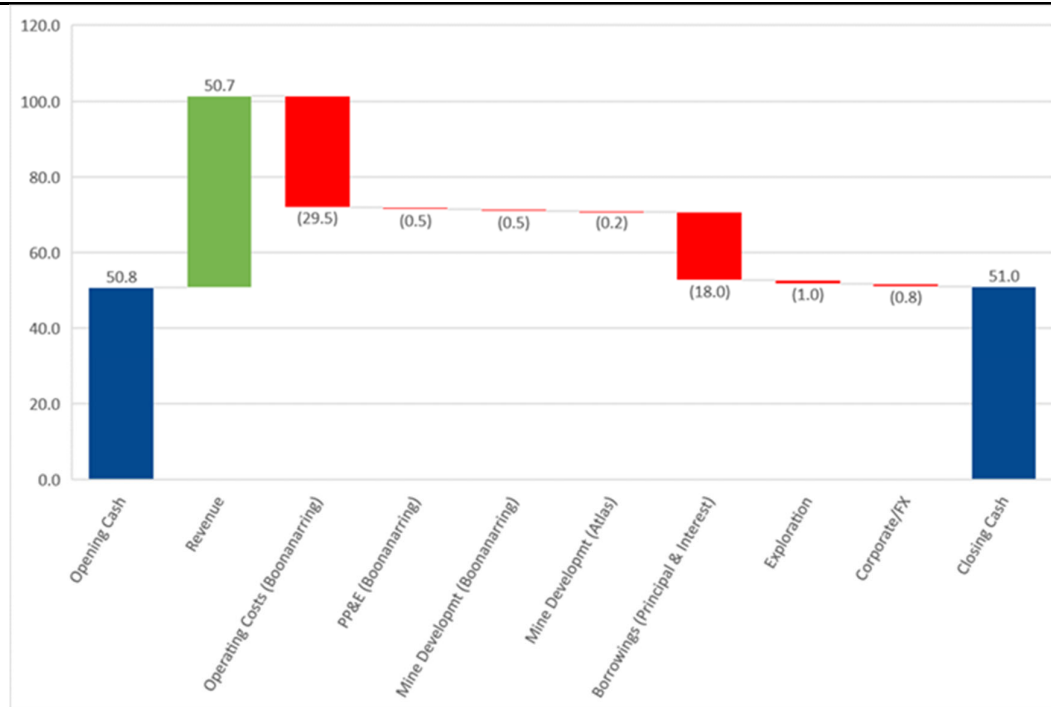
Total project cash operating costs were A\$23.8m for the quarter, which is in line with CY2021 guidance of A\$90-100m (Table 5). By comparison, Q4 CY2020 project cash operating costs were A\$26m and for full year CY2020 were \$90m.

Table 3: C1 and AISC Costs per Tonne HMC Produced & Sold

		Mar Quarter 2020	Dec Quarter 2020	Mar Quarter 2021	QoQ % change	YTD 2021
Costs/tonne HMC produced						
Mining	A\$/t HMC	126	169	132	-22%	132
Pre-Strip	A\$/t HMC	0	0	5	N/A	5
Processing	A\$/t HMC	52	66	46	-30%	46
Site Support	A\$/t HMC	9	12	9	-24%	9
Logistics	A\$/t HMC	42	102	87	-15%	87
Total – C1 Cash Costs	A\$/t HMC	229	349	279	-20%	279
Royalties	A\$/t HMC	17	34	21	-38%	21
Sustaining Capital	A\$/t HMC	6	6	6	2%	6
Corporate	A\$/t HMC	12	20	14	-30%	14
Total – AISC	A\$/t HMC	264	408	320	-22%	320
Costs/tonne HMC sold						
C1 Cash Costs	A\$/t HMC	430	248	281	13%	281
AISC	A\$/t HMC	495	291	322	11%	322

Net Operating Cashflow was \$21.2m for Q1 2021. In total \$1.0m was spent for the quarter on Boonanarring property, plant & equipment and mine development. Expenditures for Atlas mine development was minimal at \$0.2m. Debt was fully repaid in the quarter (Principal \$17.2m plus interest \$0.8m). See Figure 4. Quarterly exploration activities mainly focussed on Bidaminna, Red Gully and the gold prospects at Erayinia. Further detail is provided in the Exploration Section.

Figure 4: Quarterly Cashflow Waterfall Chart



Sales

The Company had another strong quarter of HMC sales of 84.5kt which closely matched quarterly record high HMC production. Sales were down QoQ by 23% following quarterly record high sales of 109.7kt in Q4 CY2020. Funds from all HMC shipments during the quarter were received before quarter end.

Image continues to see strong demand for its HMC product from its off-takers and potential new customers for Q2 2021. Two shipments totalling a nominal 30kt have been booked for loading late April / early May. Recent increases in ZrO2 and TiO2 commodity prices are expected to improve average realised prices for Boonanarring HMC in Q2 compared to Q1 2021, on an equivalent ZrO2 contained basis.

Realised pricing of A\$466/t HMC sold for Q1 2021 (Table 4) was down 11% QoQ due mainly to lower average ZrO2 content in the HMC. As a result of lower realised prices and lower sales volumes than the record high sales in Q4 2020, sales revenue for the March Quarter was down by 31% QoQ to \$39.1m. Total finished HMC inventory at Boonanarring plus at port storage remained steady at 51kt.

Table 4: HMC Sales and Stockpiles

		Mar Quarter 2020	Dec Quarter 2020	Mar Quarter 2021	QoQ % change	YTD 2021
Sales						
HMC sold	kt	44.8	109.6	84.5	-23%	84.5
ZrO2 in HMC	%	22%	20%	18%	-11%	18%
TiO2 in HMC	%	33%	33%	34%	5%	34%
Average price realised	A\$/t HMC	659	521	466	-11%	466
HMC Revenue	A\$m	29.5	57.1	39.1	-32%	39.1
Stockpiles (end of period)						
HMC for shipping	kt	96	51	51	0%	51

Financial Summary

Revenue for Q1 2021 was A\$39.1m, down 32% from the quarterly record high revenue of A\$57.1m in the prior quarter (Table 4) but up 32% from the March Quarter 2020 of \$29.5m. The Company generated A\$21.2m of net project operating cash flow for the quarter.

At 31 March 2021, Image had a net cash position of A\$50.8m with all debt having been repaid in February 2021.

Performance against Guidance

The Company is pleased to report that Q1 2021 results support maintaining guidance for calendar year 2021. In particular, the strong HMC production and sales volumes for Q1 2021, resulted in C1 and AISC costs per tonne of HMC sold, being lower than the lower end of the guidance range (Table 5).

Table 5: CY2020 Guidance

		Q1 2021 Actuals	CY2021 Guidance
HMC Produced	kt	85.2	290-320
HMC Sold	kt	84.5	300-320
Project Operating Costs ¹	A\$m	23.8	90-100
C1 Cash Costs (HMC Sold)	A\$/t HMC	281	290-320
AISC Cash Costs (HMC Sold)	A\$/t HMC	322	340-370

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

Corporate

During the quarter the Company made a number of key announcements including “Early Retirement of Debt” (ASX: 16 February 2021) and “Notification of Dividend / Distribution” (ASX: 17 March 2021) as well as associated Dividend Reinvestment Plan (ASX: 17 March 2021). These announcements marked significant milestones for the Company.

In late February, the Company entered into a Farmin Agreement with the owners of the King Gold Prospect (ASX: 2 March 2021) for a low risk, low cost right, but not the obligation, to earn up to 80% ownership of the tenement.

On 11 March 2021 the Company lodged the Annual Financial Report for the year ended 31 December 2020 and reported a Net Profit After Tax of \$24.8 million (2019: \$20.8 million).

On 31 March 2021, an inaugural dredge mining Mineral Resources estimate was announced for Image's Bidaminna project with 102 million tonnes at 2.2% total heavy minerals.

Exploration / Development

The Company's exploration portfolio (see Table 7: Tenement Schedule) remains predominantly focused on mineral sands, with the exception of two exploration licences focused on gold (Erayinia E28/1895 and Madoonia Downs E28/2742). 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 gold tenements are located approximately 130km southeast of Kalgoorlie in the Northeast Coolgardie Mineral Field across a combined area of 116 square kilometres.

The North Perth Basin tenements consist of 12 named project areas, each with identified Mineral Resources as presented in Table 8: Mineral Resources and Ore Reserves Statement.

Project 'MORE'

The objective of Project 'MORE' was to rapidly assess areas with potential Ore Reserves within economic pumping or hauling distance of the current location of the wet concentration plant (WCP) at Boonanarring, and the goal was to identify two years of new Ore Reserves in time to extend the current mine-life at Boonanarring. The key focus under Project 'MORE' for Q1 2021 was the finalisation of Mineral Resources and Ore Reserves studies in the Boonanarring and Atlas areas. Results of these studies were announced to the ASX on 31 March (“PROJECT 'MORE' UPDATE BOONANARRING AND ATLAS PROJECT AREAS”). Results concluded that while the objective of Project 'MORE' was achieved, and substantial additional Mineral Resources were identified in the Boonanarring and Atlas areas, the goal of identifying new Ore Reserves was not achieved. At this time, no new Ore Reserves have been identified in any of the potential extension areas around Boonanarring.

New Mineral Resources were identified in the Boonanarring area at Boonanarring North Extension, Boonanarring Northwest and Gingin North totalling 13 million tonnes at 6.1% HM and 11% zircon in the HM. However, as Boonanarring North Extension is located beneath the Brand Highway, and is in close proximity to two high pressure gas pipelines, it is not accessible without substantial infrastructure relocation costs and would not fit within the available window of remaining mine life at Boonanarring.

Similarly, the lower HM grades and zircon content of the Boonanarring Northwest and Gingin North deposits, do not allow conversion to Ore Reserves due to the cost of transport of this material to the current location of the WCP. In addition, the time required to secure permitting is greater than the remaining life of the current Ore Reserves at Boonanarring. Therefore, the timing and costs associated with gaining access to any of these new Mineral Resources (and potential Ore Reserves) does not fit the window of completion of mining and processing of currently remaining Ore Reserves at Boonanarring.

Potential future Ore Reserves from these new Mineral Resources at Boonanarring are to be evaluated for potential future mining as smaller scale satellite operations in parallel with mainstream processing at Atlas.

In the absence of any new Ore Reserves at Boonanarring, the Company is moving forward with its original plans, as contemplated in its 2017 Bankable Feasibility Study, to relocate the WCP to the Atlas Project area following the completion of mining and processing of remaining Ore Reserves at Boonanarring. Current Ore Reserves are scheduled to be depleted at the end of the September quarter 2022.

Relocation of mining, associated infrastructure and the WCP from Boonanarring to Atlas is anticipated to have a transition period of three months with no HMC production and at an estimated cost of \$25 million which is expected to be paid from cash reserves. It is anticipated that some sales of final HMC inventory from Boonanarring will be made during the transition period.

Potential Ore Reserves at Helene and Hyperion near Atlas are undergoing assessment for added mine-life for Atlas Project area operations or as smaller scale satellite operations in parallel with mainstream processing at Atlas.

Drilling Results

All material drilling results, Mineral Resources and Ore Reserves updates are reported to the ASX separately as they occur and these announcements are referenced in the subsequent quarterly report.

For Q1 2021, Image announced the following Mineral Resources and Ore Reserves estimates/updates:

- Boonanarring Ore Reserves update through 31 December 2020 entitled "Boonanarring Annual Ore Reserves Update" (ASX: 10 March 2021);
- Maiden Mineral Resources estimates for Boonanarring Northern Extension and Boonanarring North-western Extension area, and Mineral Resources updates for Gingin North, Hyperion and Helene, entitled "Project 'MORE' Update, Boonanarring and Atlas Project Areas" (ASX: 31 March 2021); and
- Maiden dredge mining Mineral Resources estimate for the Bidaminna Project entitled "102 Million Tonnes Inaugural Dredge Mining Mineral Resources Estimate for Bidaminna Mineral Sands Project" (ASX: 31 March 2021).

During the quarter, the Company entered into a Farmin Agreement with the owners of the King Gold Prospect (ASX: 2 March 2021, "IMAGE RESOURCES GOLD FARMIN; THICK SUPERGENE ZONE IDENTIFIED"). Under this agreement Image has the right but not the obligation to earn up to 80% staged interest in P28/1320 for total consideration of \$570k to be paid in a combination of cash and exploration expenditure. The King Prospect has a large number of historic, low-grade gold intercepts and appears to contain a thickened supergene zone, 1km long and up to 70m thick. The King Prospect is located in the heart of Image's Erayinia gold tenement and could aid in a better understanding of the overall gold mineralisation model which extends north into Erayinia. Drilling at King, associated with the initial earn-in stage to 40% interest, is scheduled to begin in late April 2021.

Drilling Programs

Drilling activity tentatively planned for 2021 includes 592 holes for 29,207m (Table 6) but all planned drilling is being reviewed against a revised economics driven model to focus on the potential for new Ore Reserves. No drilling was completed in Q1 2021, as planned drilling was determined to have insufficient potential for new Ore Reserves. Some drilling will be conducted to ensure minimum expenditure commitments are met.

Drilling is mainly being carried out at Bidaminna, Hyperion and Atlit. Access for drilling has been approved for Hyperion and Helene. Access is still being sought for Regans Ford, Red Gully and Bootine.

Drilling at the Erayinia Project area (Erayinia, Madoonia Downs and King Farmin tenements) is due to start in late April.

The Company will seek to convert project areas with Mineral Resources into Retention Licences.

Table 6: Drilling Programs Proposed for Q2 2021

Project	Proposed Drilling	
	Holes	Metres
Atlas	30	450
Bidaminna (E70/2844, E70/3298) Stage 1 & 2	208	11,856
Hyperion (R70/51)	94	6,025
Helene (R70/51)	27	729
Regans Ford E70/4946, E70/4949	20	720
Erayinia Gold (P28/1320, P28/1321, E28/1895, E28/2742)	73	4,875
Woolka (E70/4244)	20	800
Atlit East (E70/3100)	40	1,200
Atlit West (E70/3720)	35	1,035
Bootine (E70/3192)	12	242
Gingin (E70/3032)	25	575
Gingin South (E70/3032, M70/0448)	20	700
Total	592	29,207

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

Tenements held at the end of the March Quarter 2021

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	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	E70/4631	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	E70/4919	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	E70/5193	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	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	M70/1311	Granted	BOONANARRING NORTH	100%	100%
WA	P70/1516	Granted	COOLJARLOO	100%	100%
WA	R70/0051	Granted	COOLJARLOO NORTH	100%	100%
WA	R70/0062	Granted	NAMBUNG	-	100%
WA	E52/3917	Application	ERIVILLA	-	100% pending grant
WA	E70/4795	Application	BIDAMINNA SOUTH	100% pending grant	100% pending grant
WA	E70/5192	Application	WINOOKA SOUTH	100% pending grant	100% pending grant
WA	E70/5646	Application	BLUE LAKE WEST	100% pending grant	100% pending grant
WA	E70/5661	Application	COONABIDGEE	100% pending grant	100% pending grant
WA	P70/1520	Application	COOLJARLOO	100% pending grant	100% pending grant
WA	M70/1305	Application	ATLAS	100% pending grant	100% pending grant
WA	P70/1756	Application	COOLJARLOO	-	100% pending grant

Mining Tenements acquired during the Quarter

WA	E70/5552	Granted	COOLJARLOO EAST	100%	100%
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Mining Tenements disposed during the Quarter

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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 tonnages 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/161534167120210310BoonanarringAnnualOreReserveUpdate.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.

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.

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 Mineral Resources and Ore Reserves Statement as a whole has been approved by George Sakalidis who is the Executive Advisor - Exploration of Image Resources NL. George Sakalidis is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. George Sakalidis has given his prior written consent to the inclusion in this report of the Mineral Resources and Ore Reserves statement in the form and context in which it appears.

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 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 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.*

COMPETENT PERSON'S STATEMENT – Titan and Telesto Mineral Resources

The information in this presentation that relates to Mineral Resources is based on information compiled by Lynn Widenbar BSc, MSc, DIC MAusIMM MAIG employed by Widenbar & Associates who is a consultant to the Company. Lynn Widenbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Lynn Widenbar consents to the inclusion of this information in the form and context in which it appears.

COMPLIANCE STATEMENT - Bidaminna Mineral Resources

The information in this report which relates to the estimation of Mineral Resources at Bidaminna is extracted from the Company's ASX announcement dated 31 March 2021 and is 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 announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement 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.

APPENDIX 5B

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

Name of entity

IMAGE RESOURCES NL

ABN

57 063 977 579

Quarter ended ("current quarter")

31/03/2021

<u>Consolidated statement of cash flows</u>		Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		50,690	50,690
1.2 Payments for			
(a) exploration & evaluation (if expensed)		(959)	(959)
(b) development			
(c) production		(29,481)	(29,481)
(d) staff costs		(498)	(498)
(e) administration and corporate costs		(643)	(643)
1.3 Dividends received (see note 3)			
1.4 Interest received		1	1
1.5 Interest and other costs of finance paid		(856)	(856)
1.6 Income taxes paid			
1.7 Government grants and tax incentives			
1.8 Other income		2	2
1.9 Net cash from / (used in) operating activities		18,256	18,256
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities			
(b) tenements			
(c) property, plant and equipment		(1,139)	(1,139)
(d) exploration & evaluation (if capitalised)			
(e) investments			
(f) other non-current assets			

<u>Consolidated statement of cash flows</u>		Current quarter \$A'000	Year to date (3 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	(1,139)	(1,139)

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		
3.6	Repayment of borrowings	(17,169)	(17,169)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(17,169)	(17,169)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	50,761	50,761
4.2	Net cash from / (used in) operating activities (item 1.9 above)	18,256	18,256
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,139)	(1,139)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17,169)	(17,169)
4.5	Effect of movement in exchange rates on cash held	338	338
4.6	Cash and cash equivalents at end of period	51,047	51,047

5. <u>Reconciliation of cash and cash equivalents</u> <u>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</u>	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	51,031	50,745
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)	51,047	50,761

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

288

-

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

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	-	-
7.2 Credit standby arrangements	55	55
7.3 Other (please specify)	-	-
7.4 Total financing facilities	55	55

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 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.

8. <u>Estimated cash available for future operating activities</u>	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	18,256
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	18,256
8.4 Cash and cash equivalents at quarter end (Item 4.6)	51,047
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	51,047
8.7 <u>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</u>	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

Compliance statement

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

28 April 2021

Date:

Dennis Wilkins - Company Secretary

Authorised by:

(Name of body or officer authorising release – see note 4)

Notes

- 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.
- 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.

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