

QUARTERLY ACTIVITIES REPORT – for quarter ended 30 September 2021

Image Resources NL
 ABN 57 063 977 579

ASX Code:
 IMA

Contact Details
 Level 2, 7 Ventnor Avenue,
 West Perth WA 6005

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

Issued Capital
 Shares – Quoted
 996,288,437
 As at 30 September 2021

Board Members

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

HIGHLIGHTS

- QoQ heavy mineral concentrate (HMC) sales up 14% to 77.3k tonnes.
- Zircon benchmark price up 8.3% QoQ and up a further 10.4% effective 1 October for total 25% higher than start of CY2021. Zircon price in China currently 45% higher than 1 October benchmark price. Ilmenite benchmark price up 7.5% QoQ and up 46% from start of CY2021.
- QoQ average HMC realised price increased 26% to A\$631/t and final HMC shipment in September achieved record high price of A\$794/t.
- Q3 ending cash increased to A\$50.3M excluding late September shipment revenue of A\$7.7M received in early October.
- HMC production down 63% QoQ (following Q2 quarterly record high), due to planned downtime for relocating Feed Preparation Plant to Block C exacerbated by record rainfall events. Q3 YTD HMC production still 3% higher than forecast.
- HMC shipping costs remain stubbornly high at approximately AU\$75/tonne for Q3; more than double original CY2021 forecast costs per tonne.
- C1 and AISC costs per tonne HMC sold decreased 13% and 5% QoQ respectively, mainly due to higher QoQ sales.
- C1 and AISC cash costs per tonne HMC produced increased 168% and 194% QoQ respectively, due to quarterly record low HMC production following quarterly record high production in Q2.
- Production, sales and cost guidance for CY2021 to be maintained despite low Q3 HMC production from FPP relocation, weather delays, and continuing higher shipping costs.

Table 1: Quarterly Summary

	Mar Q 2021	Jun Q 2021	Sep Q 2021	QoQ % change	YTD CY2021	CY2021 Guidance
Production						
HMC Production (kt)	85.2	102.3	38.0	-63%	225.5	290-320
HMC Sales (kt)	84.5	67.8	77.3	14%	229.6	300-320
HMC Realised Price (A\$/t HMC)	463	502	631	26%	530	N/A
Project Operating Costs (A\$m)	23.8	24.1	24.0	-1%	71.9	90-100
Unit Costs (HMC produced)						
C1 Cash Costs (A\$/t HMC) ¹	279	236	631	168%	318	N/A
AISC (A\$/t HMC) ²	320	265	776	194%	371	N/A
Unit Costs (HMC sold)						
C1 Cash Costs (A\$/t HMC) ¹	281	355	310	-13%	313	290-320
AISC (A\$/t HMC) ²	322	399	381	-5%	365	340-370

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

- Net mine operating cash inflow for Q3 2021 was A\$16.5m, up from A\$8m in Q2 mainly due to increased revenues per tonne and an increase in tonnes HMC sold.
- Total cash expenditure for Q3 includes A\$24.4m (85.1%) on mining/production at Boonanarring (including logistics); A\$0.6m (2%) on exploration; A\$1.6m (5.4%) on Corporate (net of FX/other income); A\$1.7m (5.9%) on Boonanarring PP&E; A\$0.3m (1.2%) on Atlas project development and A\$0.1M (0.4%) on Other Capital.

ACTIVITIES REPORT

High Level Summary

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

The big story for CY2021 thus far has been rising commodity prices, and Q3 was no exception with the average benchmark prices for zircon up 8.3%, ilmenite up 7.5% and rutile up 4.3% QoQ. Importantly, the benchmark price for zircon rose a further 10.4% above the Q3 average price, to US\$1,800/t on 1 October 2021, and in total, zircon has risen 25% since the start of CY2021 (Figure 1). More significantly, the benchmark price for ilmenite has risen a total of 46% and a total of 39% for rutile since the start of CY2021 (Figure 2). The market price for zircon in China is US\$2,600/t which is a further 45% higher than Image’s 1 October 2021 benchmark price, which suggests Image’s benchmark price will likely continue to rise.

Figure 1.

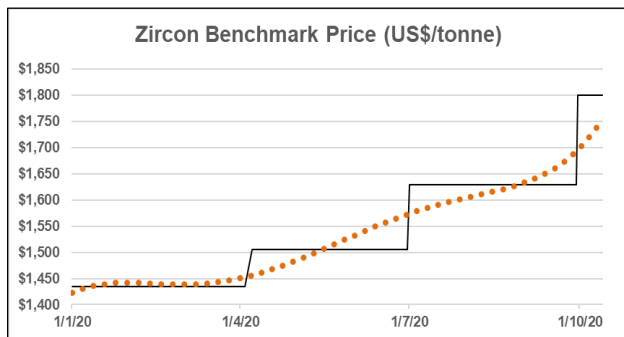
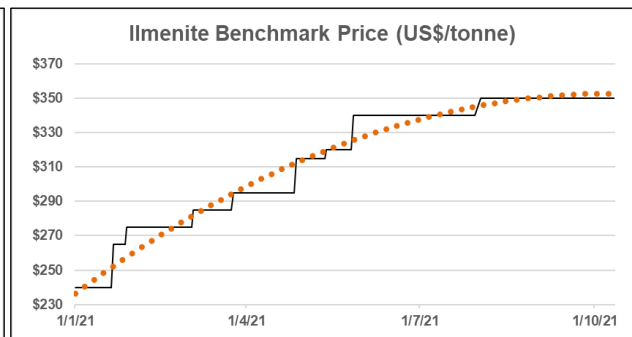


Figure 2.



At the same time, costs remain in line with forecast and Q3 YTD HMC production is 3% higher than forecast, despite the very low HMC production during Q3 which was down 63% QoQ following the quarterly record high HMC production of Q2. Record quarterly low HMC production for Q3 was a result of the indirect impacts of unusually high rainfall events in July/August and fully saturated ground conditions at Boonanarring. These wet conditions added substantially to the total downtime required for the relocation of the Feed Preparation Plant (FPP) from Block A to Block C, and contributed to a pit wall slump on the eastern high wall of the mine, which prevented access to higher grade Eastern Strand ore and resulted in quarterly record low ore grades being processed. Despite the delayed HMC production in Q3 and stubbornly high HMC shipping costs (more than double forecast costs of A\$35/t), market guidance on production, sales and costs for CY2021 has been maintained.

The Company is focused on permitting and project development planning at Atlas in preparation for relocating mining and ore processing operations following the depletion of available Ore Reserves at Boonanarring. Studies are also underway to determine if higher commodity prices and recent more favourable FX will support the conversion of additional Mineral Resources to Ore Reserves at Boonanarring and Atlas, with the goal of extending mine life at Boonanarring into Q1 2023 and thus deferring the planned relocation to Atlas, while at the same time potentially expanding the Ore Reserves and mine life at Atlas.

The Company ended Q3 2021 with a debt free cash position of A\$50.3M, excluding A\$7.7M cash for the final HMC shipment in September, which was received in early October. This strong cash position was achieved post the early repayment of outstanding debt in Q1 and the payment of approximately \$19m in dividends in Q2 2021.

Managing Director and CEO Patrick Mutz commented “Rising commodity prices are always positively welcomed by mine operators, especially when price rises are so substantial, as in the case of zircon, rutile and ilmenite, and especially when operating costs remain in check, as in our case. The net effect is that added revenue simply flows to the bottom line to improve profitability to the benefit of shareholders. For Image, rapidly rising commodity prices may also serve to delay certain capital costs such as for relocating mining and processing operations to our Atlas project and may serve to increase total Ore Reserves if a lower cut-off grade can be justified”

Photos: Green Credentials:

Solar Farm generating 25% of annual electricity requirements



Dewar Creek Rehabilitation

Details

Safety

There were zero lost time injuries (LTI) recorded during the quarter and no confirmed or suspected cases of COVID-19 at any of the Company's sites. Image is committed to meeting the recent government mandate of full vaccination of all employees and contractors against COVID-19.

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

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

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 30 September, 53% of the Boonanarring project workforce lived locally to the site or within regional shires. The Company has an active and varied community support program, details of which can be found in the Company's presentation materials. Notable programs occurring or ongoing during this reporting period include the following:

- Leasing of Image land to the Gingin Recreation Group with profits donated back to a variety of local Shire community programs;
- Providing clayey materials to local landowners to assist in demonstration testing to assess carbon sequestration enhancement in local soils;
- Donation to the Cervantes Primary School to assist with computer hardware purchases for kindergarten through year 6;
- Donation to the Gingin Shire for the Shire's 150th year anniversary celebration;
- Donation to the Nambung Country Music Muster with proceeds above costs donated to local charities; and
- Participation in Vinnies CEO Sleepout to raise funds for homelessness in Western Australia with more than \$19,000 raised.

Mining and Processing

Mining operations were conducted primarily within Blocks A, B and C during the quarter. Ore processing was mainly a blend of ore from Block A and Block B Eastern and Western Strands plus Block C Western Strand. Major events during the reporting period that severely hampered mining, processing and HMC production were the planned relocation of the Feed Preparation Plant (FPP) and much higher than normal rainfall in July that delayed the FPP relocation, slowed mining progress and caused a slump of the eastern pit wall that delayed mining of higher-grade Eastern Strand ore in Block C. The FPP relocation was completed in mid-August after saturated ground conditions delayed work efforts. The FPP was moved from Block B, across Wannamal Road West to the south, and back into Block C, which was previously mined in 2019.

Q3 HMC production was forecast to be lower than normal due to the planned relocation of the FPP. However due to the unusually wet weather and saturated ground conditions delaying the FPP relocation efforts and causing a pit wall slump that temporarily restricted access to higher grade Eastern Strand ore, HMC production was at a quarterly record low of only 38k tonnes. Importantly, this is delayed production, not lost production and Q3 YTD HMC production is still 3% higher than forecast.

As a result of record quarterly low HMC production for Q3, following Q2 record high quarterly production of 102.3kt, QoQ HMC production was down 63%. Q3 YTD HMC production is tracking in line with guidance at 225.5kt, and with production for Q4 expected to be in the range of 70-80kt, HMC production guidance for CY2021 is maintained at 290-320kt.

Ore processing for the quarter reduced to 753kt (-15% QoQ) mainly due to downtime associated with the FPP move. The ZrO₂ grade in the HM in the ore was 16.9% (+2% QoQ) (Table 2) which is lower than average for Boonanarring, but is forecast to increase in Q4 2021 as we access higher ZrO₂ grades in Block C.

Table 2: Mining & Production Statistics

		Mar Quarter 2021	Jun Quarter 2021	Sep Quarter 2021	QoQ	YTD
Mining						
Ore	kt	874	838	994	19%	2,705
Waste	kt	4,979	4,821	3,384	-30%	13,184
Processing						
Ore Processed	kt	882	886	753	-15%	2,521
Grade Processed	HM%	10.1%	12.1%	5.6%	-54%	9.4%
	ZrO ₂ %	18.1%	16.6%	16.9%	2%	17.2%
	TiO ₂ %	35.5%	37.9%	38.1%	1%	37.1%
Recovery	HM%	90.1%	91.0%	84.5%	-7%	89.5%
	ZrO ₂ %	98.2%	98.5%	97.7%	-1%	98.3%
	TiO ₂ %	93.4%	93.0%	85.9%	-8%	91.9%
HMC Produced	kt	85.2	102.3	38.0	-63%	225.5
HMC Grade	HM%	93.6%	93.9%	93.2%	-1%	93.7%
	ZrO ₂ %	18.5%	17.0%	18.3%	7%	17.8%
	TiO ₂ %	34.5%	36.9%	36.7%	0%	35.9%

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

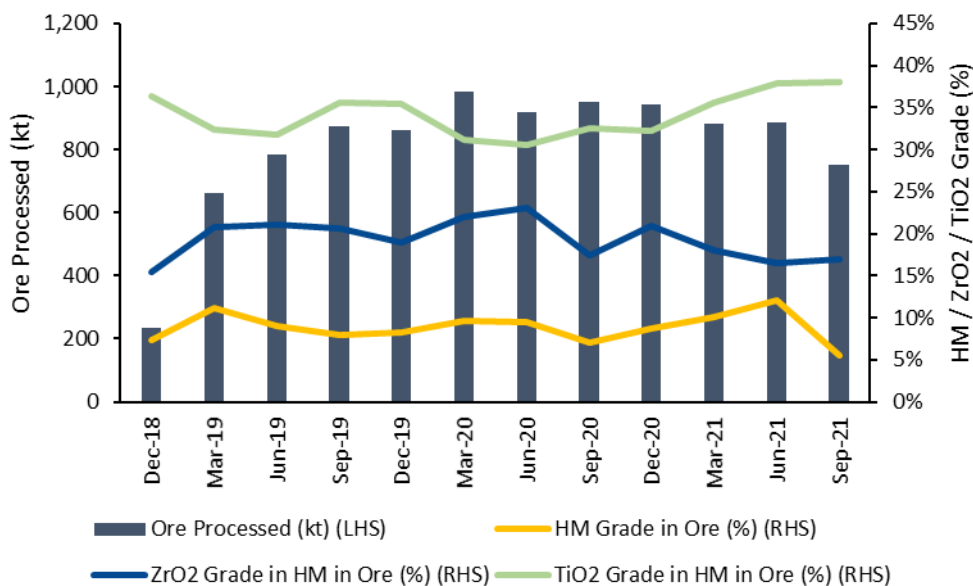


Figure 4: Quarterly HMC production (kt) and contained HM/ZrO₂/TiO₂ within HMC grades (%)

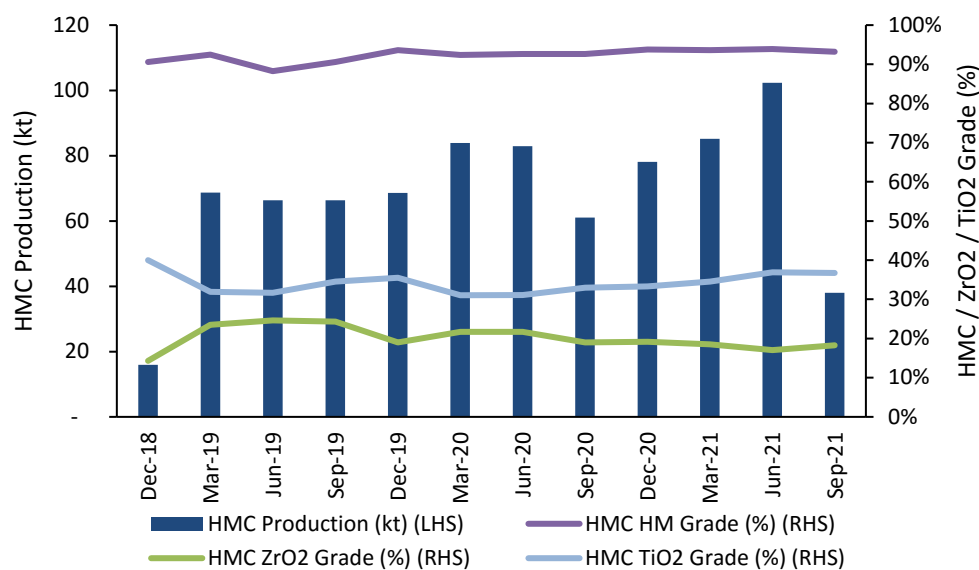
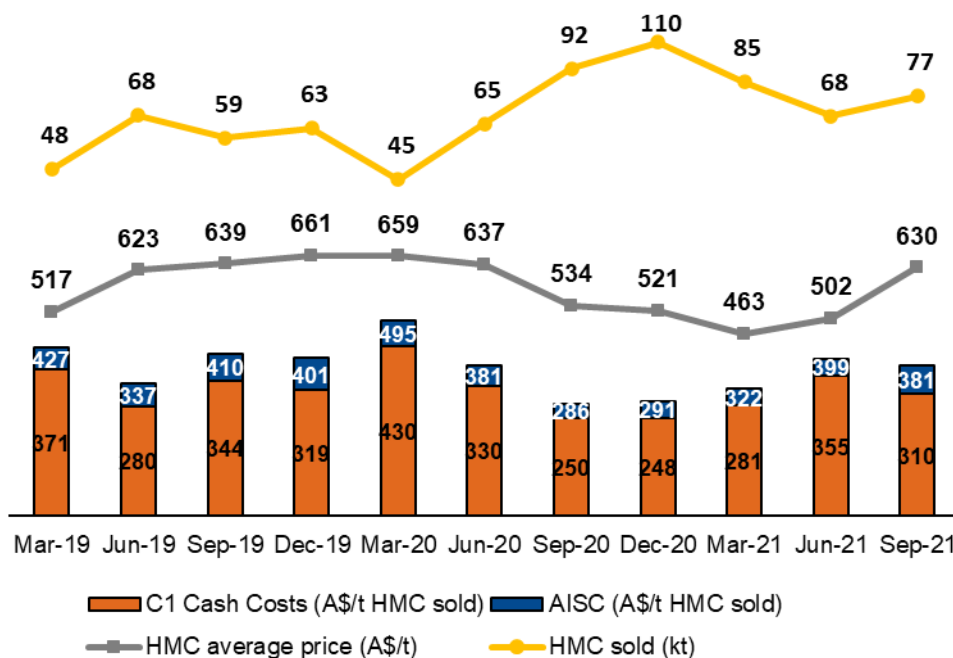


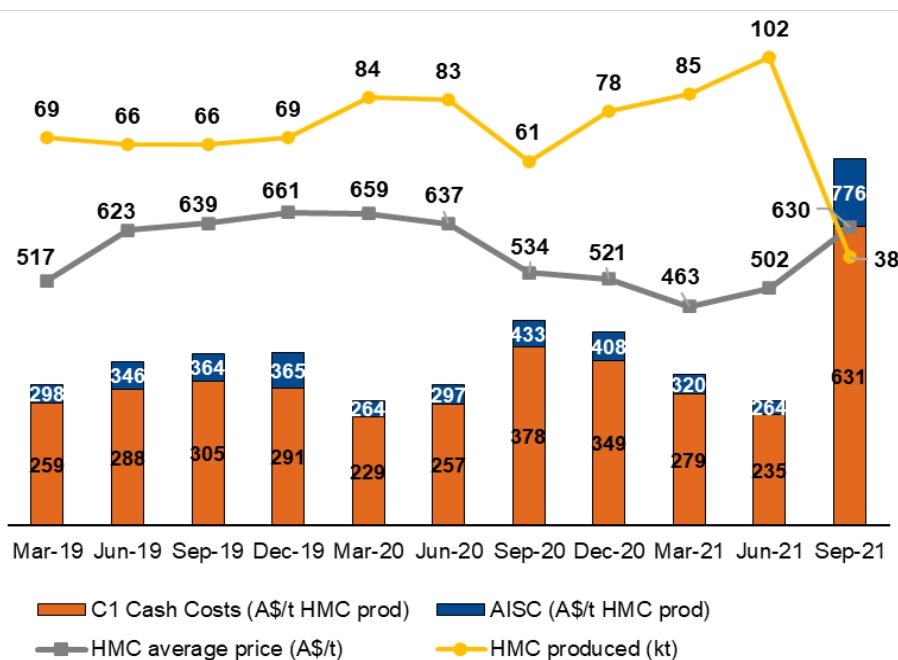
Figure 5: Quarterly HMC Sold (kt) with Revenues & Costs per Tonne Sold



Costs

C1 and AISC cash costs per tonne HMC sold decreased QoQ (Figure 5) due mainly to 14% higher sales QoQ. C1 costs decreased from A\$355/t to A\$310/t HMC sold (down 13% QoQ) and AISC decreased from A\$399/t to A\$381/t HMC sold (down 4% QoQ). As a result of lower QoQ costs, YTD C1 and AISC costs (A\$313 and A\$365 per tonne HMC sold respectively) are running within CY2021 guidance ranges. C1 and AISC cash costs market guidance are therefore maintained at A\$290-A\$320 and A\$340-A\$370 (respectively) per tonne HMC sold.

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



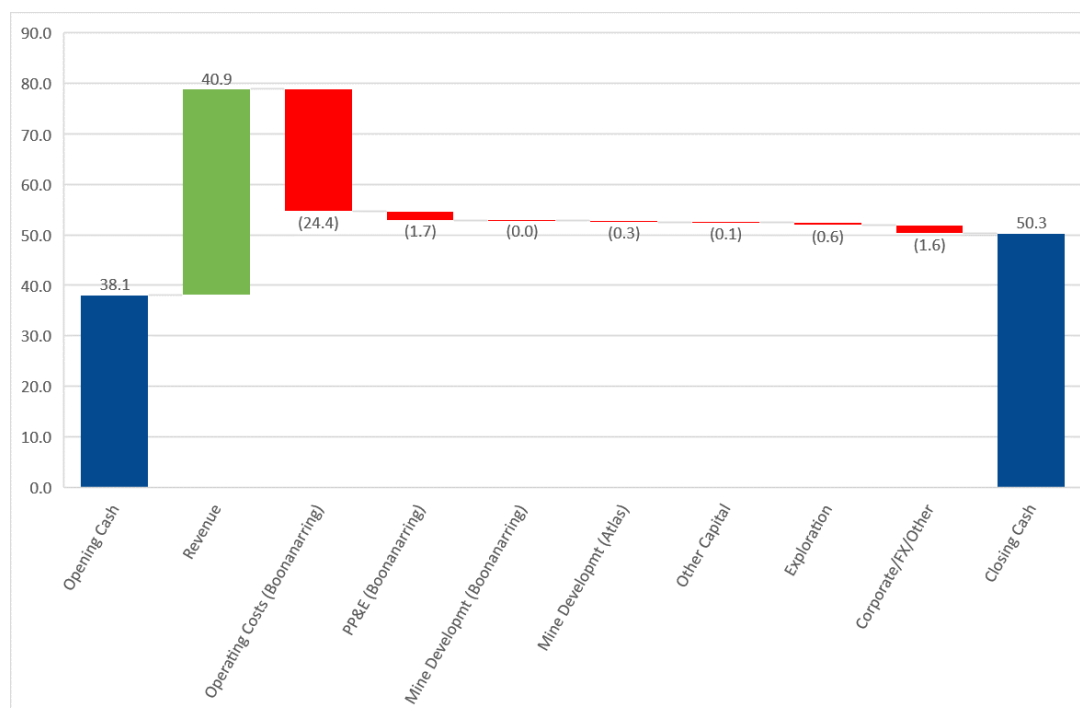
In contrast, C1 and AISC cash costs per tonne HMC produced increased 168% and 194% respectively QoQ. C1 costs increased from A\$236/t to A\$631/t HMC produced and AISC increased from A\$264/t to A\$776/t (Figure 6 and Table 3). Cost increases per tonne HMC produced were driven by low HM ore grades after record high grades in Q2 (-54% QoQ) which resulted in lower HMC production (-63% QoQ) during Q3 (Table 2).

Project operating costs were A\$24.0m for the quarter (down 1% QoQ) and \$71.9m YTD. Project operating costs have been impacted YTD by substantially higher shipping costs than forecast but project operating costs remain well within guidance and CY2021 guidance of A\$90-100m is maintained.

Table 3: Costs per Tonne HMC Produced & Sold

		Mar Quarter 2021	Jun Quarter 2021	Sep Quarter 2021	QoQ	YTD 2021
Costs/tonne HMC produced						
Mining	A\$/t HMC	132	114	265	132%	146
Pre-Strip	A\$/t HMC	5	0	14	N/A	4
Processing	A\$/t HMC	46	38	98	157%	51
Site Support	A\$/t HMC	9	8	25	234%	11
Logistics	A\$/t HMC	87	75	229	204%	105
C1 Cash Costs	A\$/t HMC	279	235	631	168%	318
Royalties	A\$/t HMC	21	14	53	271%	23
Sustaining Capital	A\$/t HMC	6	3	51	1,712%	12
Corporate	A\$/t HMC	14	12	41	-17%	18
AISC	A\$/t HMC	320	264	776	294%	371
Costs/tonne HMC sold						
C1 Cash Costs	A\$/t HMC	330	281	310	-13%	314
AISC	A\$/t HMC	381	322	381	-4%	356

Figure 7: Quarterly Cashflow Waterfall Chart



Net Operating Cashflow (Figure 7) was \$16.5m for Q3 2021 (\$8.0m for Q2 2021). Improved Q3 cashflow was principally due to higher sales volumes and pricing QoQ. In total \$1.7m was spent for the quarter on Boonanarring mine property, plant & equipment, and with an additional \$0.3m expenditure for Atlas mine development.

Quarterly exploration activities mainly focussed on Bidamina and on the gold tenements at Erayinia and the King Farmin Prospect with expenditures of \$0.6m (further detail can be found in the section titled 'Exploration'). Development and exploration programmes being hampered by wet weather. Corporate costs (-\$1.2m), income taxes paid (-\$0.4m), foreign exchange movements (+\$0.3m) and other minor income/costs (-\$0.3) amounted to \$1.6m of net expenditure.

Sales

The Company has maintained the strong start to 2021 with 229.6kt HMC sold YTD, putting the Company on track to meet CY2021 guidance of 300-320kt HMC sold, which is maintained. Funds for the final Q3 shipment (9,636 dry tonnes) of A\$7.7m were received in early October at a price of almost A\$800/t.

Realised pricing of A\$631/t HMC sold for Q3 2021 was up 8% QoQ mainly due to increased benchmark prices for zircon and ilmenite and slightly higher average ZrO2 content in the HMC. Finished HMC inventory reduced to lower end working levels of approximately 47kt at the end of Q3.

Image continues to see strong demand for its HMC from its offtakers and potential new customers. A small 5,000t sale for trial testing was completed in October to a new customer and a further 20,000t shipment to existing offtakers is scheduled to finish loading in early November. Sales for Q4 are expected to be in the range of 65-75kt (dry tonnes). Increases in zircon and ilmenite commodity prices achieved late in Q3, combined with forecast increasing ZrO2 grades in the ore from Block C, are expected to improve average realised prices for Boonanarring HMC significantly QoQ in Q4.

Table 4: Sales and Stockpiles

		Mar Quarter 2021	Jun Quarter 2021	Sep Quarter 2021	QoQ	YTD 2021
Sales						
HMC sold	kt	84.5	67.8	77.3	14%	229.6
ZrO2 in HMC	%	18%	18%	17%	-6%	18%
TiO2 in HMC	%	34%	36%	36%	2%	35%
Average price realised	A\$/t HMC	463	502	630	26%	530
HMC Revenue	A\$m	39.1	34.0	44.1	30%	117.2
Stockpiles (end of period)						
HMC for shipping	kt	51	84	47	-44%	47

Financial Summary

Revenue for Q3 2021 was A\$44.1m, up 30% QoQ from A\$34.0m (Table 4). The Company generated A\$16.5m of net project operating cash flow for the quarter and A\$45.7m YTD.

At 30 September 2021, Image had a cash position of A\$50.3m after fully repaying debt in Q2 and paying a dividend of A\$19.0 million in Q3. An additional A\$7.7m was received in October related to a late September shipment.

Performance against Guidance

The Company is pleased to report that Q3 2021 results support maintaining guidance for calendar year 2021. HMC produced in Q3 was well below average mainly due to wet weather causing delays in the relocation of the feed preparation plant (FPP) from Block B to Block C combined with lower average HM ore grades in Q3, mainly due to saturated ground conditions causing a pit wall slump and delayed access to the higher-grade Eastern Strand ore in Block C. Despite the low Q3 HMC production, HMC tonnes produced and HMC sold remain on track to meet guidance for CY2021. Project Operating Costs, C1 Cash Costs and

AISC Cash Costs per tonne of HMC sold also remain on track, and CY2021 cost guidance is maintained, despite significantly higher shipping costs.

Table 5: CY2021 Guidance

		YTD 2021 Actuals	CY2021 Guidance
HMC Produced	kt	225.5	290-320
HMC Sold	kt	229.6	300-320
Project Operating Costs ¹	A\$m	71.9	90-100
C1 Cash Costs (HMC Sold)	A\$/t HMC	314	290-320
AISC Cash Costs (HMC Sold)	A\$/t HMC	356	340-370

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

Corporate

Corporate costs for Q3 included \$243,000 of related party transactions (all director salary or fee related).

On 20 August 2021 Image released its Interim Financial Report for the six-month period ended 30 June 2021 and reported underlying EBITDA of A\$29.3 million and a net profit after tax (NPAT) of \$2.9 million. EBITDA and NPAT are expected to increase significantly during the second half of CY2021 mainly due to increasing zircon and ilmenite benchmark prices and increasing average ZrO₂ grades in the ore as well as in the HMC.

The Company has fully utilised previous tax losses and commenced paying income tax in September 2021. This will allow at least a partial franking of any dividends paid in 2022.

Project Development Planning and Studies

Atlas Project, including nearby Hyperion and Helene

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

Atlas is located approximately 160km north of Perth (80km north of Boonanarring) and currently has Ore Reserves of 9.5Mt at 8.1% HM (see Table 8). The plan outlined in the BFS was for the wet concentration plant (WCP) and associated equipment, infrastructure and mining operations to be relocated from Boonanarring when mining and processing at Boonanarring is complete. As the current forecast for completion of mining and processing at Boonanarring is late CY2022, detailed development planning for Atlas commenced in Q4 2020.

The mining and processing plan for Atlas was contemplated in the 2017 BFS to be the same as for Boonanarring using dry mining and producing an HMC for export under existing HMC off-take agreements. However, current development planning includes the evaluation of dredge mining as an option to determine if the typically lower cost dredge mining methodology will be beneficial to overall project economics, including potentially increasing total mineable Ore Reserves using a lower cut-off grade.

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

Current work includes the advancement of environmental approvals, updating options for water and electricity supply, assessment of road and other infrastructure options, as well as updating the original feasibility assumptions including capital and operating costs for both dry and dredge mining, and including updated revenue assumptions based on current commodity pricing and FX assumptions. Work has been delayed in Q3 2021 due to unusually wet weather and competing demand for external resources.

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

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

Bidaminna

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

The Bidaminna deposit has a high-value titanium mineral assemblage, including an estimated 36% leucoxene (70-95% TiO₂), 4.4% rutile and 48% ilmenite (as percentages within the HM). It is a coarse-grained deposit (amenable to high recoveries), with very low slimes (<4%), minimal oversize (<3%) and very low trash content (93% VHM). The mineralisation is located below the water table and has a strip ratio of approximately 1:1. Initial scoping study results indicates the deposit is amenable to lower-cost dredge mining and IHC Robbins has been commissioned to complete a feasibility study (FS), with results now anticipated late in Q1 2022 due to delays on some work programmes in Q3 2021 primarily due to unusually wet weather and competing demand for external resources.

Additional drilling, compositing and mineral assemblage analysis is being undertaken to improve confidence for definition of Mineral Resources into JORC Indicated and Measured categories. Further metallurgical testwork and final product quality assessments will be undertaken in support of an Ore Reserve estimate.

Exploration

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

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

Drilling Programs

The drilling activity planned for CY2021 includes 519 holes for 20,000m (Table 6). No mineral sands exploration drilling was conducted in Q3 2021 primarily as a result of wet weather delays. Current planned work programs are designed primarily to increase Ore Reserves and secondarily to maintain minimum expenditure commitments. Planned drilling in Q4 is primarily focused on Bidamina and Hyperion.

A number of new tenements E70/5763, E70/5776, E70/5777 were granted in July 2021 covering potential extensions and parallel strand systems north and northwest of the Bidamina Mineral Resources area (Figure 8).

An aircore (AC) drill program comprising 36 holes for 1,305m has been completed at Erayinia, Madoonia Downs and the King Farmin Prospect gold tenements with all results pending. Previous notable reverse circulation (RC) gold intersections were 10m at 8.40g/t Au from 40m (including 3m at 25.17g/t from 47m) in EYRC58 and 18m at 1.85g/t from 82m (including 2m at 4.11g/t from 88m and 7m at 2.29g/t from 93m) in EYRC54 (ASX release 26 July 2021).

Table 6: Drilling Programs Planned in December Quarter 2021

Project	Proposed Drilling	
	Holes	Metres
Atlas	30	450
Bidamina (E70/2844, E70/3298) Stages 1 & 2	208	11,856
Hyperion (R70/51)	94	1692
Helene (R70/51)	27	730
Regans Ford (E70/4946, E70/4949)	20	720
Woolka (E70/4244)	20	800
Atlit East (E70/3100)	40	1,200
Atlit West (E70/3720)	35	1,035
Bootine	12	242
Gingin (E70/3032)	25	575
Gingin South (E70/3032, M70/0448)	20	700
Total:	519	20,000

Bidaminna Area

The two main tenements over the current Bidaminna Mineral Resources estimate (MRE) area are E70/3298 and E70/2884. Two recently acquired tenements (E70/4779 and E70/4794) are located over potential northern extensions of the MRE area.

An upgraded MRE for Bidaminna was announced to the ASX on 31 March 2021 and was reported as Indicated (17%) and Inferred (83%) JORC Resources at a cut-off grade of 0.5% HM (see Table 10). The MRE summary outlined the following favourable characteristics:

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

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

The deposit also has very low slimes (3.3%), low oversize (2.2%) and is coarse-grained and therefore amenable to high mineral recoveries.

The initial programme planned with POW approval is for 50 holes for 3,249m. A further larger drilling plan of 158 holes for 9,006m has been approved by DMIRS and a heritage clearance has now been completed and drilling is set to commence subject to drill rig availability. This infill drilling is designed to support an upgrade of a majority of the Resources to the JORC Indicated category.

Following the publication of an upgraded MRE using a lower cut-off grade applicable for dredge mining, and confirmation from preliminary scoping study work indicating the deposit is amenable to dredging, 3 new tenement areas to the south and the north-northwest of the MRE area, were applied for and granted in July 2021 (E70/5763, E70/5776 and E70/5777). See Figure 6. These tenements are to be added into the Bidaminna reporting group for purpose of consolidating expenditures.

As shown on Figure 8, there are a series of 6km long aeromagnetic targets (shown in red) within Bidaminna West E70/5776 parallel to the Bidaminna MRE area. The magnetic amplitudes are similar to the amplitudes over the Bidaminna MRE area. Ground magnetic surveys are planned over these targets to determine if they are mineral sands signatures which would justify follow-on drilling. With recent landowner permission, a 30km ground magnetic survey will be conducted after ground conditions improve following recent, heavier than normal winter rainfall.

Page 13 of 27

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

After encouraging assay results from initial RC drilling on both Image's 100%-owned Erayinia Gold tenement and the King Gold Farmin Prospect (ASX release 26 July 2021), a follow up aircore drill programme was completed with assay results pending. The King Farmin Prospect is located in the heart of, and completely surrounded by, Erayinia and Image's adjacent 100%-owned Madoonia Downs tenement, and is located 135km SE of Kalgoorlie in Western Australia. Image's exploration expenditures on the King Prospect are part of earn-in rights under a farmin agreement announced to the ASX on 2 March 2021. Image is currently reviewing total expenditures to date to confirm it has met the initial expenditure requirements to have earned an initial 40% beneficial ownership of the King Prospect under the King Prospect farmin agreement.

Highlights of previous notable RC gold intercepts:

- 10m at 8.40g/t from 40m including 3m at 25.17g/t from 47m in EYRC58.
- 18m at 1.85g/t from 82m including 2m at 4.11g/t from 88m and 7m at 2.29g/t from 93m in EYRC54.
- 10m at 1.48g/t from 96m including 3m at 3.3g/t from 103m in EYRC37.
- 4m at 1.51g/t from 41m in EYRC39.
- 4m at 1.58g/t from 33m in EYRC47.

The objective of the previous RC drilling program was to maximise Image's ownership in the King Prospect while looking to corroborate historic drilling results, increase drilling density, and expand the overall extents of gold mineralisation in the lead up to an inaugural Mineral Resources estimate in Q4 2021 with the goal of progressing to a scoping study in CY2022. Investigating the development potential of Image's 100%-owned Erayinia and Madoonia Downs gold tenements and the King Farmin Prospect is one of the four key elements of Image's overall growth strategy.

The previously completed reverse circulation (RC) drilling program of 26 holes for 2,765m (EYRC28-49,52-55 & 58) highlighted a **high-grade area that extends over 400 metres in strike length**, as shown by the intersections highlighted in Figure 9. The supergene zone that contains these higher-grade intersections is part of a much more extensive 1.5km x 300m zone.

The RC drilling program included 714, 2-4m composites and 642, 1m splits. This RC program was aimed at evaluating a promising supergene layer as well as testing for multiple stacked shallow lodes that are indicated down to a depth of at least 150m.

Within Erayinia and the King Farmin Prospect there are many shallow intersections (Figure 9) with a total of 214 intersections (ranging from 1 to 13m) greater than 0.5g/t Au, which includes 121 intersections greater than 1g/t Au, 54 greater than 2g/t Au, 26 greater than 3g/t Au and 18 greater than 4g/t Au.

An aircore (AC) drill programme (shown in yellow on Figure 9) over the King Farmin tenement was completed in September 2021 and assay results are pending. AC was selected over RC to minimise total drilling costs. The AC program was originally designed to be 40 holes of 2,505m, but due to limited penetration by AC drilling, only 36 holes for 1,305m was completed, with many holes not able to achieve target depth. The program was designed to identify new supergene zones mainly to the south of the existing supergene zone in the King Prospect and elsewhere on Image's tenements (Figure 9).

The historic Exploration Results in Figure 9 below have been reported by WMC Resources Ltd, St Ives Gold Mining Company Pty Ltd and Integra Mining Ltd. The Exploration Results were prepared and reported under JORC Code 2004 and the reporting of those results may not conform to the requirements in the JORC Code 2012. The Competent Person, Mr Sakalidis, has not done sufficient work to disclose the Exploration Results in accordance with JORC Code 2012. It is possible that, following further evaluation and/or exploration work, the confidence in the prior reported Exploration Results may be reduced. Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the Exploration Results.

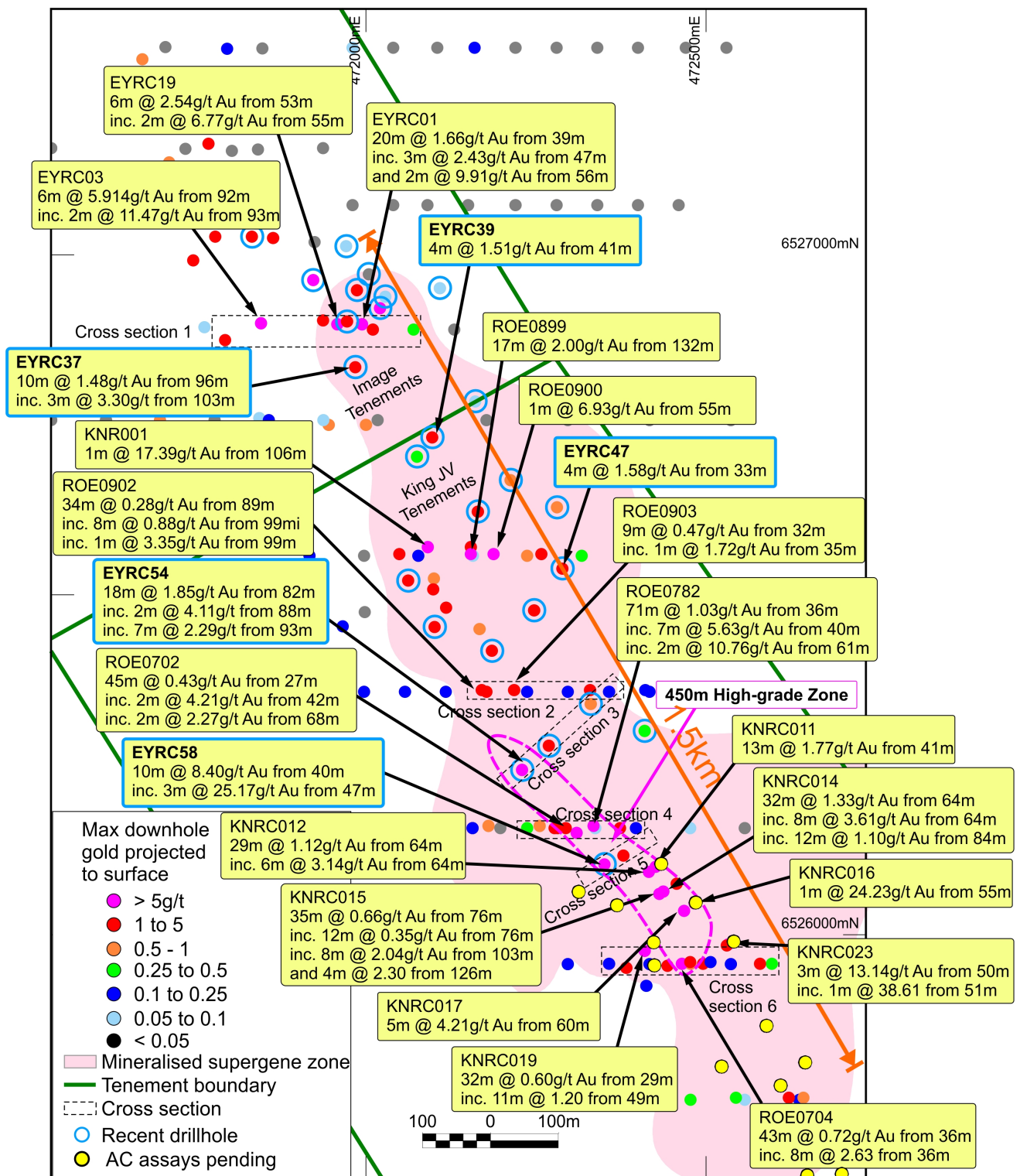


Figure 9: Hole locations, maximum mineralisation intercepts, enlarged supergene zone (pink shade) and recent drilling on Erayinia & King Prospect and completed AC holes (yellow)



A 60km long 50m-spaced ground magnetic survey mainly covering part of the central area of the King Farmin Prospect was completed in August (Figure 10). Results from the survey shows the gold zones are within both near-surface magnetic highs and some magnetic lows. A strong magnetic zone continuing a further 2km to the south from recent AC drilling, and very wide-spaced historical drilling, is also shown. 1km to the NE are NNW trending parallel lineated zones, which may indicate shear zones prospective for gold.

The areas that are mineralised have magnetic signatures, which are mostly sharp signatures, implying near-surface mineralisation. Downhole susceptibility measurements of all the drill holes are being conducted and should show any direct relationship of gold mineralisation with the magnetic zones down the hole, which if successful can potentially be used as a future exploration tool. At this stage these survey results and any interpretation of the survey should not be considered material.

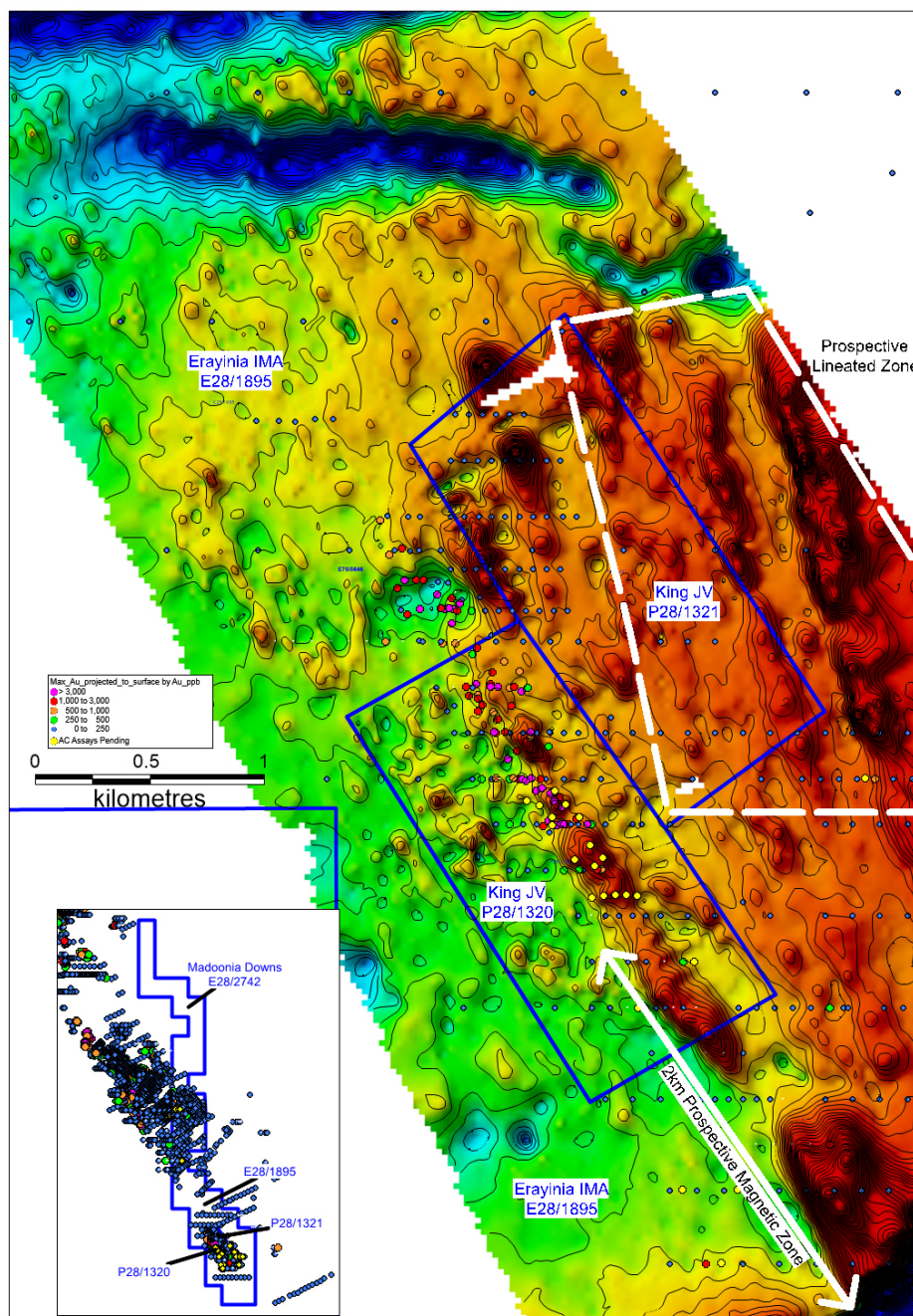


Figure 10. Detailed ground magnetics with overlain RC and AC drill results on the King Farmin Prospect and surrounding Erayinia tenement

King Prospect Farmin Agreement Background Information

On 2 March 2021, Image announced it had entered into a Farmin agreement with the owners of the King Gold Prospect ("King Prospect"), located in the heart of, and completely surrounded by, Image's 100%-owned Erayinia gold tenement in Western Australia. This Farmin represents a low risk, low-cost opportunity for Image to evaluate the King Prospect in stepwise fashion, and if deemed prospective, to earn up to 80% interest with limited expenditure.

Understanding the structural and geological model of historic mineralisation in the King Prospect, which has been shown to contain a thick supergene zone that extends into Image's Erayinia tenement, will provide insight into the potential for a much larger mineralised system within Erayinia and King.

Key Terms of Farmin of King Prospect

1. Image has the right, but not the obligation, to spend \$330k within 24 months to earn 40% interest in the King Prospect.
2. Upon Image earning a 40% interest, a joint venture will be deemed to have been formed with Image as the JV manager.
3. Image will then have the right, but not the obligation, to purchase a further 40% interest (to get to 80%) with a cash payment of \$240,000 to the owners within 180 days of the initial 40% interest earn-in date.
4. If Image obtains an 80% interest, the owners then have the right to contribute 20% to future project expenditures to maintain their 20% ownership position, or the owners can elect not to contribute to any expenditures and instead to convert to a 2% net smelter royalty.
5. If the owners convert to a 2% royalty, they also have the right to elect that their royalty be purchased by Image at fair market value as determined by an independent organization agreed by Image and the owners.

FORWARD LOOKING STATEMENTS

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding prices, exploration or development costs and other operating results, growth prospects and the outlook of Image's operations contain or comprise certain forward-looking statements regarding Image's operations, economic performance and financial condition. Although Image believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties, fluctuations in prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Image undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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

Tenement Schedule in accordance with ASX Listing Rule 5.3.3					
Tenements held at the end of the Quarter					
Location	Tenement	Nature of Interest	Project	Equity (%) held at start of Quarter	Equity (%) held at end of Quarter
WA	E28/1895	Granted	ERAYINIA	100%	100%
WA	E28/2742	Granted	MADOONIA DOWNS	100%	100%
WA	E52/3917	Granted	WILTHORPE	100%	1% Royalty payable in all minerals
WA	M52/1067	Granted	WILTHORPE	1% Royalty payable in all minerals	1% Royalty payable in all minerals
WA	E70/2636	Granted	COOLJARLOO	100%	100%
WA	E70/2844	Granted	BIDAMINNA NTH	100%	100%
WA	E70/2898	Granted	COOLJARLOO	100%	100%
WA	E70/3032	Granted	GINGIN	100%	100%
WA	E70/3041	Granted	REGANS FORD SOUTH	100%	100%
WA	E70/3100	Granted	QUINNS HILL	100%	100%
WA	E70/3192	Granted	BOOTINE	100%	100%
WA	E70/3298	Granted	BIDAMINNA -PARK	100%	100%
WA	E70/3494	Granted	BRYALANA	100%	100%
WA	E70/3720	Granted	BLUE LAKE	100%	100%
WA	E70/3892	Granted	CHAPMAN HILL	100%	100%
WA	E70/3997	Granted	MUNBINIA	100%	100%
WA	E70/4077	Granted	DARLING RANGE	100%	100%
WA	E70/4244	Granted	WOOLKA	100%	100%
WA	E70/4656	Granted	WINOOKA NORTH	100%	100%
WA	E70/4663	Granted	BIBBY SPRINGS	100%	100%
WA	E70/4689	Granted	BOONANARRING WEST	100%	100%
WA	E70/4779	Granted	MIMEGARRA	100%	100%
WA	E70/4794	Granted	REGANS FORD NORTH	100%	100%
WA	E70/4795	Application	BIDAMINNA SOUTH	100% pending grant	100% pending grant
WA	E70/4919	Granted	ORANGE SPRINGS	100%	100%
WA	E70/4946	Granted	RED GULLY NORTH	100%	100%
WA	E70/4949	Granted	NAMMEGARRA	100%	100%
WA	E70/5034	Granted	SADDLE HILL	100%	100%
WA	E70/5192	Application	WINOOKA SOUTH	100% pending grant	100% pending grant
WA	E70/5193	Granted	CHAPMAN HILL NORTH	100%	100%
WA	E70/5213	Granted	GINGINUP HILL	100%	100%
WA	E70/5268	Granted	WOOLKA SOUTH	100%	100%
WA	E70/5306	Granted	BOONANARRING HILL	100%	100%
WA	E70/5552	Granted	COOLJARLOO EAST	100%	100%
WA	E70/5646	Granted	BLUE LAKE WEST	100%	100%
WA	E70/5661	Application	COONABIDGEE	100% pending grant	100% pending grant
WA	E70/5763	Granted	CARO	100%	100%
WA	E70/5776	Granted	BIDAMINNA WEST	100%	100%
WA	E70/5777	Granted	DURINGEN	100%	100%
WA	G70/0250	Granted	BOONANARRING	100%	100%
WA	M70/0448	Granted	GINGIN SOUTH	100%	100%
WA	M70/1192	Granted	RED GULLY	100%	100%
WA	M70/1194	Granted	BOONANARRING	100%	100%
WA	M70/1305	Granted	ATLAS	100%	100%
WA	M70/1311	Granted	BOONANARRING NORTH	100%	100%
WA	P70/1520	Application	COOLJARLOO	100% pending grant	100% pending grant
WA	P70/1756	Application	COOLJARLOO EAST	100% pending grant	100% pending grant
WA	R70/0051	Granted	COOLJARLOO NORTH	100%	100%
WA	R70/0062	Granted	NAMBUNG	100%	100%
Mining Tenements acquired during the Quarter					
WA	E70/5763	Granted	CARO	0%	100%
WA	E70/5776	Granted	BIDAMINNA WEST	0%	100%
WA	E70/5777	Granted	DURINGEN	0%	100%
Mining Tenements disposed during the Quarter					
WA	E70/3494	Surrendered	BRYALANA	100%	100%

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

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

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

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

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

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

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

MINERAL RESOURCES – MATERIAL MINING PROJECTS

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

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

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

GOVERNANCE CONTROLS

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

MINERAL RESOURCES – NON-MATERIAL PROJECTS

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

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

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

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

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

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



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

COMPETENT PERSON STATEMENT AND PREVIOUSLY REPORTED INFORMATION

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

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

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

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

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

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

was prepared

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

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

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

The information in this report that relates to exploration results (other than those previously reported as noted above) is based on, and fairly reflects, information and supporting documentation prepared by George Sakalidis BSc (Hons), who is a member of the Australasian Institute of Mining and Metallurgy. George Sakalidis is an employee of Image Resources NL. George Sakalidis 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 provided his prior written consent to the inclusion of this information in the form and context in which it appears in this report. Mr Sakalidis is a shareholder in the Company.

The information in this report that relates to historical Exploration Results presented in Figure 9 was extracted from the ASX announcements from the entities listed in the notes above Figure 9 and was reported under JORC Code 2004. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcements. 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

30/09/2021

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	40,901	125,575
1.2	Payments for		
	(a) exploration & evaluation	(560)	(2,378)
	(b) development		
	(c) production	(24,326)	(79,849)
	(d) staff costs	(745)	(1,728)
	(e) administration and corporate costs	(425)	(1,496)
1.3	Dividends received (see note 3)		
1.4	Interest received	10	15
1.5	Interest and other costs of finance paid	(90)	(1,051)
1.6	Income taxes paid	(385)	(385)
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)	26	84
1.9	Net cash from / (used in) operating activities	14,406	38,787
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(2,165)	(4,117)
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets		
	• Security deposits	-	(85)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) financial derivatives	(301)	(301)
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	(2,466)	(4,503)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	414
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(4)
3.6	Repayment of borrowings	-	(17,169)
3.8	Dividends paid	-	(19,025)
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	(35,784)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	38,142	50,761
4.2	Net cash from / (used in) operating activities (item 1.9 above)	14,406	38,787
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,466)	(4,503)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(35,784)
4.5	Effect of movement in exchange rates on cash held	261	1,082
4.6	Cash and cash equivalents at end of period	50,343	50,343

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	50,327	38,126
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)	50,343	38,142

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – Directors Fees	243
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	14,406
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	14,406
8.4	Cash and cash equivalents at quarter end (item 4.6)	50,343
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	50,343
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Not applicable	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

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: 27th October 2021



Authorised by: Mr John Clark McEvoy, CFO

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

Notes

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