

16 February 2021

EARLY RETIREMENT OF DEBT

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to advise it has **completed the early repayment of its outstanding debt** effective 10 February 2021 and thereby moves the Company to a **debt-free position** three months earlier than originally scheduled. Early repayment allows earlier consideration by the Board of Directors of the potential **for Image to offer an inaugural dividend to shareholders**.

Cash Position

Cash balance at the end of December 2020 was **A\$51m**, and the balance of remaining debt including interest as a payout figure as at 10 February was US\$13.8M (**A\$18m**), reflecting a **net cash position of A\$32m**, excluding cash from sales (less creditor payments) in 2021 through 10 February.

HMC Sales

Three HMC shipments were completed in 2021 through 10 February for a total of 47k tonnes and an additional nominal 20kt shipment is scheduled to sail prior to the end of February and a further nominal 20kt shipment is being scheduled for March. As a result, the Company expects to continue to build its cash position for the balance of Q1.

Early Repayment Rationale

Early repayment resulted in only a very minor cost savings on the total amount scheduled to be paid under the full term of the loan. The key rationale for early repayment of the debt was the opportunity for the Board to consider an inaugural dividend earlier, as well as the opportunity to consider potential investment options without the requirements for loan holder consent under the loan agreements.

Managing Director Patrick Mutz commented, *“We are extremely pleased to be able to retire the outstanding debt earlier than originally planned. This was possible in large part due to successful operational performance and cost control measures. Early retirement of the debt not only places the Board in a strong position to consider the payment of an inaugural dividend to shareholders, but it also allows the Company to consider potential investment in growth opportunities which were restricted under the loan agreement documents. We very much look forward to the broader opportunities available to a debt-free, cash-generating mining company.”*

Image Resources Background Information

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

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

This document is authorised for release to the market by:

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Forward looking statements

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

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