

8 April 2021

MINING LEASE GRANTED FOR ATLAS MINERAL SANDS PROJECT

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to advise the Company has been granted a Mining Lease for its **100%-owned Atlas Mineral Sands Project (“Atlas”)**, located 165km north of Perth in the North Perth Basin in Western Australia.

Mining Lease M70/1305 was granted effective 1 April 2021 by the Department of Mines, Industry Regulation and Safety (**DMIRS**) on the heels of the execution and filing of a native title agreement over the proposed Atlas mining area (**Yued Land Access and Compensation Agreement**), which was finalised in March 2021.

Atlas Project Background

The Atlas project has current Ore Reserves of 9.5mt at 8.1%¹ total heavy minerals (“HM”) (see ASX announcement dated 30 May 2017 – “Ore Reserves Update for 100% Owned Atlas Project”).

As presented in the Company’s 2017 Bankable Feasibility Study for the Boonanarring and Atlas Projects (see ASX announcement dated 30 May 2017 – “Strong Bankable Feasibility Study Results, Boonanarring and Atlas Projects”) Atlas was always contemplated to be developed and operated in series, following the exhaustion of all available Ore Reserves at Boonanarring. That is, mining and ore processing equipment and infrastructure would be relocated from Boonanarring to Atlas following final processing of all available ore at Boonanarring.

Development planning for relocating to Atlas is well underway and the grant of a Mining Lease is a critical part of the planning and implementation process. Based on current projections, the exhaustion of available Ore Reserves at Boonanarring and the relocation of mining and wet concentration processing plant (“**WCP**”) could occur as early as the December quarter 2022.

The Ore Reserves base at Atlas may be expandable, and the nearby 100%-owned projects of Helene and Hyperion (Figure 1) are being evaluated to determine if any potential Ore Reserves from these projects could be economically transferred (pumped or trucked) to the WCP located at Atlas, to extend total mine-life in the Atlas area.

¹ This information is extracted from the ASX announcement referenced in the body of the text and is available to view on the Company’s website and the ASX website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Figure 1: Atlas Area Projects Proximity Map

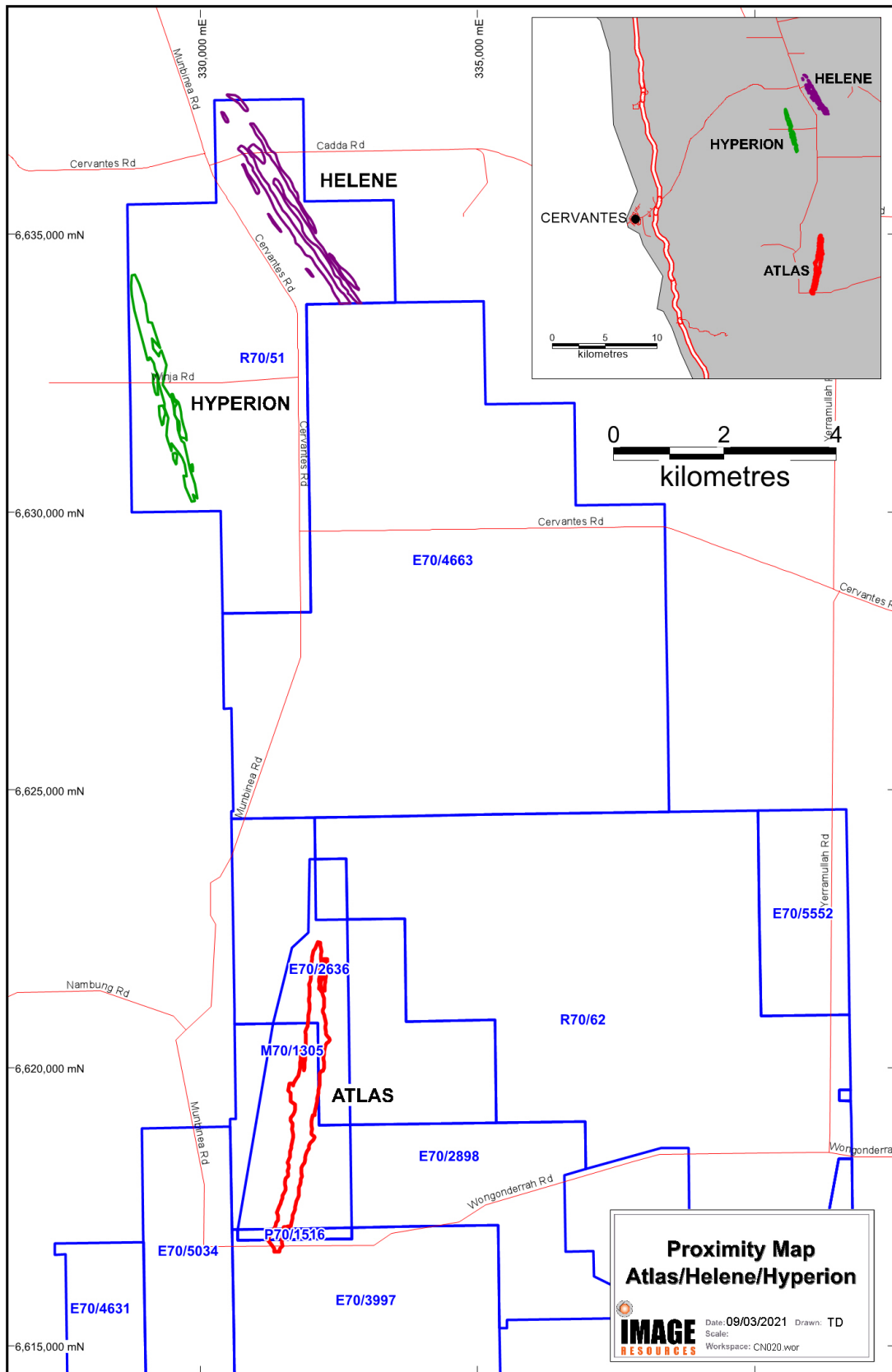


Image Resources Background Information

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.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to exploration results 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. Mr Sakalidis is an employee of Image Resources NL. Mr 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'. Mr 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.