

QUARTERLY ACTIVITIES REPORT – for quarter ended 31 March 2022

Image Resources NL
ABN 57 063 977 579

ASX Code:
IMA

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Issued Capital

Shares – Quoted
1,038,628,245
As at 31 March 2022

Board Members

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

HIGHLIGHTS

- At an extraordinary general meeting of shareholders on 24 March 2022, all six resolutions proposed by Murray Zircon (MZ) to remove 3 current Image directors and replace them with 3 MZ nominees were defeated by overwhelming shareholder turnout and support for the current Board.
- Completed acquisitions of Eneabba Exploration Licences (A\$23m) and McCalls Project (A\$12m) from Sheffield Resources (paid from cash reserves) as major component of growth strategy.
- HMC production decreased 37% QoQ due to lower ore grade which was forecast.
- HMC sales were down 38% QoQ due to planned late March shipment of nominal 17kt being delayed to early April due to port congestion. Two shipments of a nominal 32kt to be loaded in April.
- Average HMC realised pricing increased a further 6% QoQ to quarterly record high of A\$961/T.
- C1 and AISC cash costs per tonne HMC produced increased 36% and 45% respectively QoQ mainly due to lower production.
- C1 and AISC costs per tonne HMC sold increased 40% and 37% respectively QoQ mainly due to lower sales but are expected to “normalise” in April with two shipments planned.

Table 1: Quarterly Summary

	Q1 2021	Q4 2021	Q1 2022	QoQ % change	CY2022 YTD	CY2022 Guidance
Production						
HMC Production (kt)	85.2	69.7	44.0	-37%	44.0	200-230
HMC Sales (kt)	84.5	63.0	38.8	-38%	38.8	220-250
HMC Realised Price (A\$/t HMC)	463	904	961	6%	961	N/A
Project Operating Costs (A\$m)	23.8	25.5	27.6	8%	27.6	95-105
Unit Costs (HMC produced)						
C1 Cash Costs (A\$/t HMC)¹	279	366	499	36%	499	N/A
AISC (A\$/t HMC)²	320	427	571	34%	571	N/A
Unit Costs (HMC sold)						
C1 Cash Costs (A\$/t HMC)¹	281	404	565	40%	565	390-420
AISC (A\$/t HMC)²	322	471	647	37%	647	460-490

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

- Net mine operating cash inflow for Q1 2022 was A\$10m (Q4 2021: A\$21m) with lower cash inflows due to a March HMC shipment being delayed into early April.
- Strong demand for HMC product continuing and with a further US\$100/T increase in benchmark market price for zircon effective 1 April 2022. Spot prices for zircon in China of around US\$3,000/T remain significantly higher than long-term benchmark prices (US\$2,100-2,200/T) foreshadowing likely further increases in long-term benchmark prices.
- Breakdown of total expenditures include A\$27.6m (40.5%) on mining/production operations at Boonanarring (including logistics); A\$1.6m (2.3%) on P,P&E at Boonanarring; A\$35.1m (51.5%) on tenement acquisitions; A\$4.6m (6.7%) on Atlas mine development (\$0.9m) and land (\$3.7m); A\$1.2m (1.8%) on income tax instalments; A\$0.6m (0.9%) on exploration; offset partially by a net positive A\$2.5m (3.7%) receipt from the exercise of warrants (+\$4.5m), partially offset by corporate/interest costs plus FX movements (-A\$2.0m).
- The solar farm constructed at Boonanarring by Sunrise Energy Group generated 33% 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 provide a summary of another challenging and successful quarter of operations at its 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project, located 80km north of Perth in the North Perth Basin in WA. While heavy mineral concentrate (HMC) production was significantly lower QoQ, this was due to lower ore grade which was forecast. Similarly, HMC sales were down substantially QoQ due to a planned late March shipment being delayed into April due to port congestion. Whereas the average realised price per tonne of HMC sold for the March quarter reached a new quarterly record high due to further rises of commodity prices.

In March 2022, the Company announced strong results for CY2021, including a net profit after tax of A\$19.4m and a closing cash position of A\$79.8 million. This strong cash flow generation resulted in the Board declaring the Company’s second annual dividend in only three years of mining operations at Boonanarring, of A\$0.02/share fully franked (2021: A\$0.02/share unfranked) and with payment of the dividend scheduled for 28 April 2022.

As part of its formal growth strategy, the Company completed two strategic acquisitions of mineral sands tenements during the quarter, which together substantially transform Image’s base of Mineral Resources available for future project development. The acquisition of a package of tenements in the historic Eneabba mining district, effectively tripled the Company’s Mineral Resources accessible by dry mining method, to approximately 300 million tonnes (refer to the Company’s ASX release dated 11 March 2022), and the acquisition of the McCalls Project added a further significant Mineral Resource base (refer to the Company’s ASX announcement dated 14 March 2022). Both acquisitions were made using cash reserves for a total of A\$35m. Importantly, the closing cash balance following these acquisitions as at 31 March 2022 was A\$49m and with zero debt.

The March quarter was also challenging from a corporate perspective, with the Company having to manage special resolutions put forth by Image’s largest shareholder Murray Zircon Pty Ltd (MZ) in a 249D action aimed at removing three Image Directors and replacing them with three of MZ’s nominees. All six resolutions proposed by MZ were defeated by shareholders’ voting at an extraordinary general meeting of shareholders on 24 March 2022, resulting in no changes to the current Board of Directors.

There were further mineral sands commodity price increases in Q1 2022 with the average benchmark market price for zircon rising 12% on 1 January and ilmenite rising 2.5% in February. Then, on 1 April 2022 the benchmark market price for zircon rose a further 5% to US\$2,120/t. In total, zircon has risen over 45% since the start of CY2021 (Figure 1). In addition, the benchmark price for ilmenite rose over 58% since the start of CY2021 (Figure 2) and the benchmark price for rutile rose approximately 54% during the same period.

Figure 1.

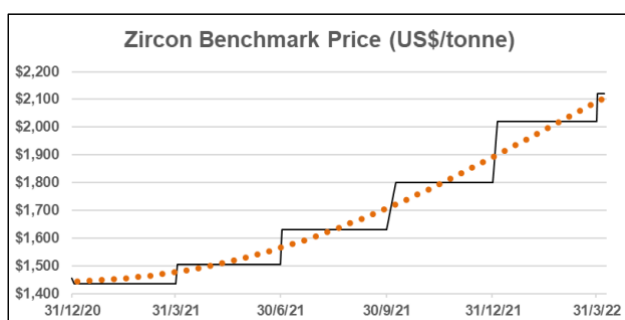
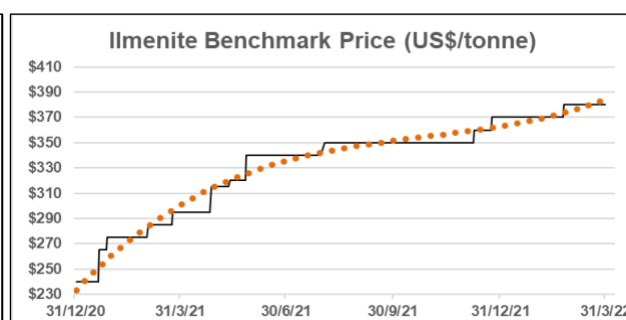


Figure 2.



Due to continuing high demand for zircon, ilmenite and rutile in China, in Q4 2021 the Company achieved record high pricing for its HMC. This was due to rising commodity prices generally but also to higher demand for Image’s HMC. As a result of much higher spot prices for zircon in China (as compared to long term benchmark prices), plus competition for Image’s HMC, Image was able to achieve a premium to benchmark pricing for its HMC. The wider than normal gap between zircon spot prices in China and long-term benchmark prices has continued into 1H 2022 and foreshadows potential further rises in long-term benchmark prices.

Total project operating costs were 8% higher QoQ due primarily to higher fuel prices, higher shipping costs and changes to the mining plan which reduced the opportunity to capitalise certain mine pre-stripping costs. Whereas operating costs on a cost per tonne of HMC basis were substantially higher QoQ as a result of lower HMC production and lower HMC sales for the quarter.

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 currently planned for Q1 2023.

Additional permitting and land access negotiations are underway to access the final section in Block D. Should these negotiations not be successful then processing of ore at Boonanarring is expected to complete in Q4 2022.

Managing Director and CEO Patrick Mutz commented *“With the publication of the CY2021 Annual Report results, the Image team has now completed three full years as a successful and profitable mining company, ending the year with almost A\$80m in cash and being debt-free. This has allowed the Board to commit to pay a 2nd annual dividend of \$0.02 per share fully franked. During the March quarter Image was the beneficiary of very strong shareholder support to ward off an attack by the Company’s largest shareholder. It was humbling to see more than 96% of voters that cast a vote at the EGM on 24 March, did so in support of the current Image Directors. However, the most exciting element of the current quarter was the two strategic acquisitions of additional mineral sands projects on which to grow the Company into a sustainable, long-life, multi-operation mining company. The acquisition of a package of tenements in the historic Eneabba mining district tripled Image’s in-ground Mineral Resources accessible by dry mining to some 300 million tonnes, and the acquisition of the McCalls Project added further significant Mineral Resources. Together these projects provide Image with ample opportunities for multiple, potential multi-decade operations.”*

* - see ASX announcement date 14 March 2022 titled “Strategic Acquisition of 84 Million Tonnes Total Heavy Minerals McCalls Mineral Sands Project”.

Photo 1: Green Credentials

Solar Farm generating 25% of electricity requirements



Details

Safety

There were no lost time injuries (LTIs) recorded during the quarter. This completes 25 months since the last reported LTI in February 2020.

In terms of protocols to mitigate the spread of COVID-19, Image is committed to meeting the recent government mandate of full vaccination of all employees and contractors against COVID-19 as well as the mask mandate. A number of employees have been impacted by COVID isolation protocols during the quarter and we have been providing support to the individuals and their

families as required. A primary focus continues to be on maintaining a safe working environment, whilst also maintaining production targets where possible.

The Company follows Government mandates closely to ensure compliance. In Q1 2022, the WA Government mandated that mining companies must demonstrate that all employees, contractors and visitors to its mine sites had provided evidence of being fully up-to-date with the COVID vaccination programme and we are pleased to report full compliance from our workforce and our contractors. Site visitors are being kept to a minimum to reduce the risk of COVID infection.

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

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, the Company has moved to tracking and reporting total recordable incident frequency rate (TRIFR), which is the number of recordable incidents per million hours of work. The 12-month rolling average TRIFR at the end of March 2022 was 9.7 (up from 7.2 on 31 December 2021).

Community

Image continues to proudly contribute to the local community, including through local employment. At 31 March, 51% 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 collected by the group donated back to a variety of local Shire community programs;
- Providing materials to local landowners to assist in demonstration testing to assess carbon sequestration enhancement in local soils;
- Sponsorship of the Happiness Co Foundation Annual Gala in support of mental health in general (other charities being supported through the 2021 event include The Blue Tree Project and The Fathering Project);
- Support of various Gingin and Cervantes community group and local area programmes.
- Conditional support for the construction of a green hydrogen production and dispensing facility at Boonanarring as a post-mining activity for beneficial use of the land and established infrastructure.

Mining and Processing

Mining operations were conducted mainly within Blocks C and D during the quarter, with material being returned to Blocks A and B as part of the rehabilitation of these mined-out pits. Ore processed was mainly from Block C south but also from the start of ore mining in Block D.

Ore processing for the quarter was 868kt (down 10% QoQ) at an ore grade of 5.6% HM (down 28% QoQ) and at lower ZrO₂ grades (down 25% QoQ).

HMC production at Boonanarring was down 37% QoQ to 44Kt due to lower average HM grade of ore processed from Block C (which was forecast) combined with lower ore tonnes processed.

Table 2: Mining & Production Statistics

		Q1 2021	Q4 2021	Q1 2022	QoQ % change	YTD 2022
Mining						
Ore	kt	874	742	1,027	38%	1,027
Waste	kt	4,979	5,210	4,957	-5%	4,957
Processing						
Ore Processed	kt	882	964	868	-10%	868
HM Grade (in Ore)	HM%	10.1%	7.8%	5.6%	-28%	5.6%
ZrO2 Grade (in HM)	ZrO2%	18.1%	22.7%	17.0%	-25%	17.0%
TiO2 Grade (in HM)	TiO2%	35.5%	31.6%	35.1%	11%	35.1%
Recovery	HM%	90.1%	86.5%	84.3%	-3%	84.3%
	ZrO2%	98.2%	97.7%	97.9%	0%	97.9%
	TiO2%	93.4%	89.3%	90.2%	1%	90.2%
HMC Produced						
	kt	85.2	69.7	44.0	-37%	44.0
HM Grade (in HMC)	HM%	93.6%	93.0%	93.4%	0%	93.4%
ZrO2 Grade (in HMC)	ZrO2%	18.5%	23.6%	18.5%	-22%	18.5%
ZrO2 Grade (in HMC)	TiO2%	34.5%	30.0%	36.9%	-23%	36.9%

Photo 2: Late evening loading of Qube Truck from Boonanarring HMC Stockpiles



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

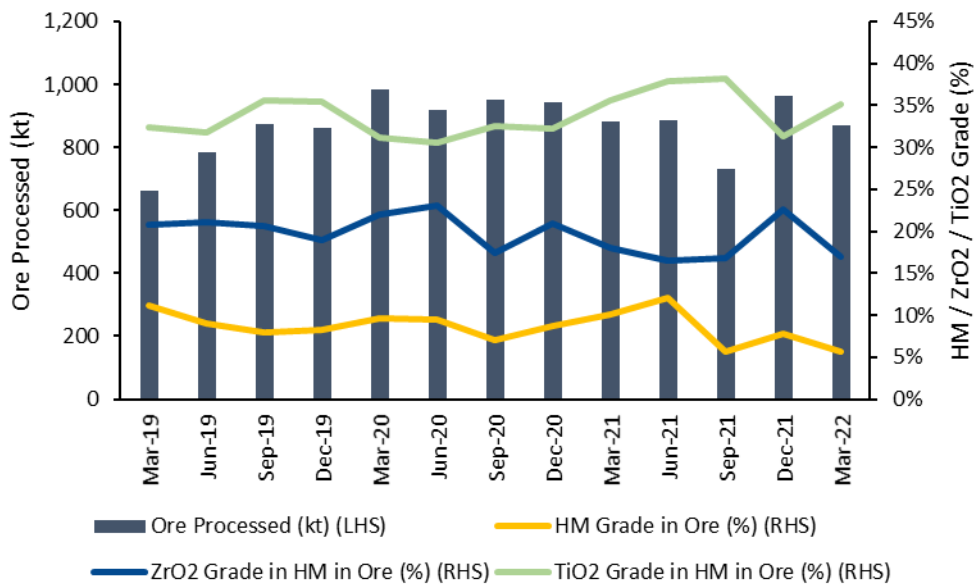


Figure 4: Quarterly HMC production (kt) and contained HM/ZrO₂/TiO₂ grades (%) in HMC

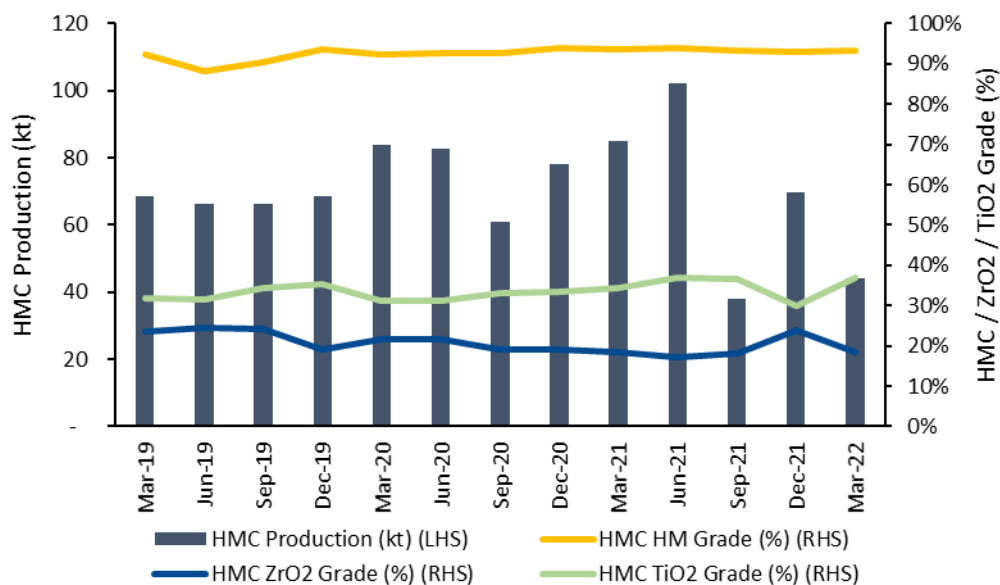
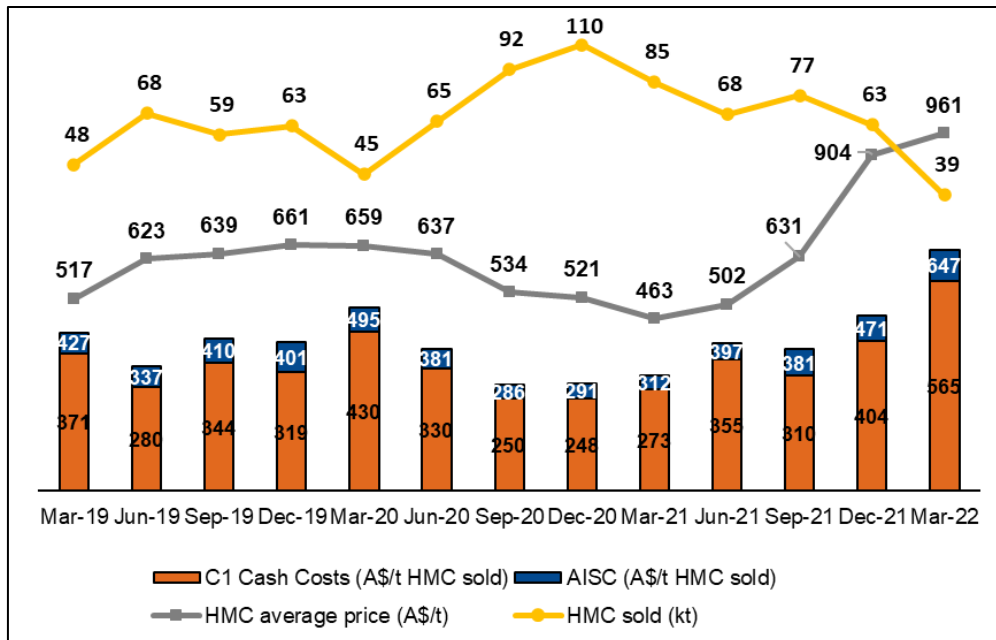


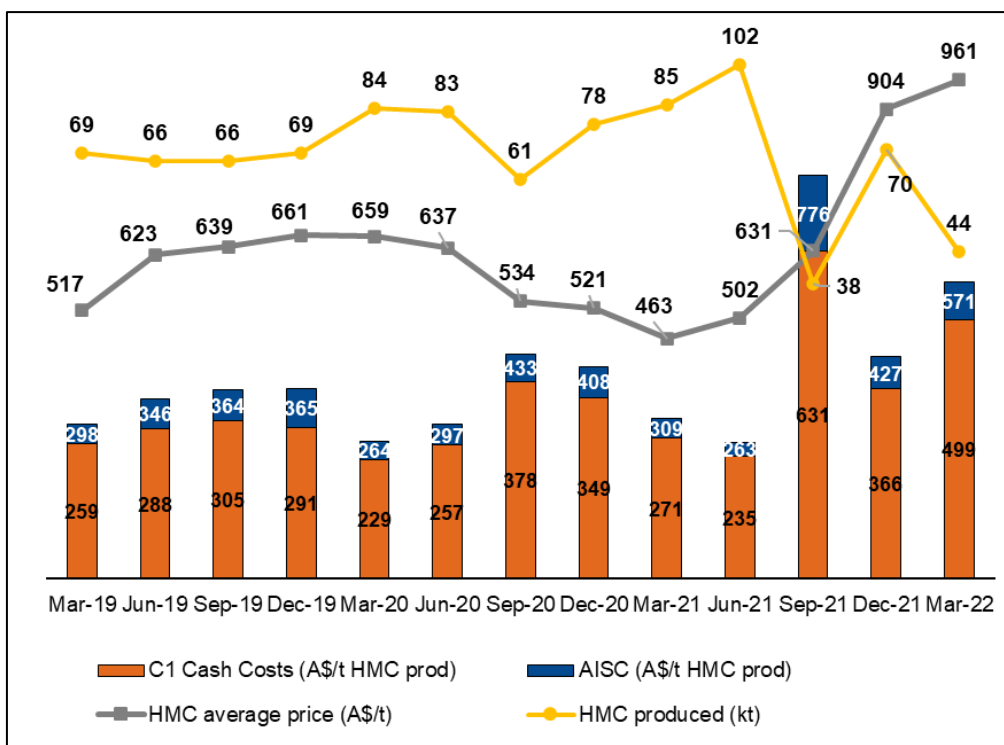
Figure 5: Quarterly HMC Production (kt) with Average Realised Prices & Costs per Tonne HMC Sold



Costs

C1 and AISC cash costs per tonne HMC sold increased 40% and 37% respectively QoQ due to lower sales (Figure 5 and Table 3). C1 costs increased from \$404/t to A\$565/t HMC sold and AISC increased from \$471/t to \$647/t HMC sold mainly due to lower tonnes sold, with a nominal 17Kt shipment planned for late March slipping into early April. Two shipments for a total nominal 32Kt sailed in April with an additional two shipments being planned for May and June.

Figure 6: Quarterly HMC Production (kt) with Average Realised Prices & Costs per Tonne HMC Produced



C1 and AISC cash costs per tonne HMC produced (Figure 6 and Table 3) increased 36% and 34% respectively QoQ due to lower HMC production. C1 costs increased to A\$499/t HMC produced and AISC increased to A\$571/t HMC produced. Cost increases per tonne HMC produced were driven by lower average HM Ore grade processed, resulting in 37% lower HMC production QoQ (Table 2).

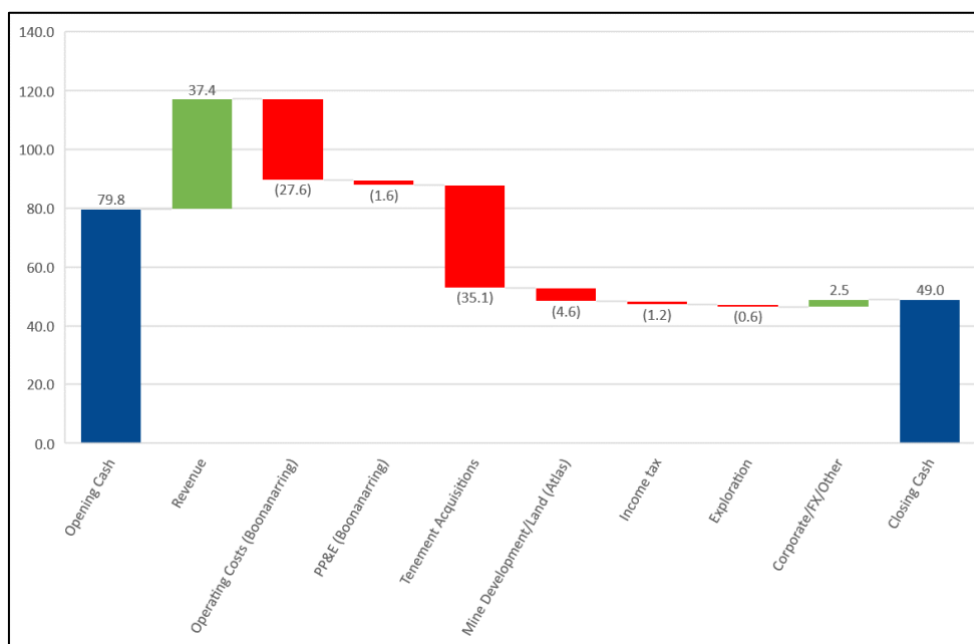
Total project cash operating costs were A\$27.6m for the quarter with CY2022 guidance of A\$95-105m (Table 5) being maintained, despite shipping and fuel cost pressures.

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

		Q1 2021	Q4 2021	Q1 2022	QoQ % change	YTD 2022
Costs/tonne HMC produced						
Mining	A\$/t HMC	124	179	299	67%	299
Pre-Strip	A\$/t HMC	5	16	0	-100%	0
Processing	A\$/t HMC	46	69	89	28%	89
Site Support	A\$/t HMC	9	13	17	34%	17
Logistics	A\$/t HMC	87	89	94	6%	94
Total – C1 Cash Costs	A\$/t HMC	271	366	499	36%	499
Royalties	A\$/t HMC	21	38	40	4%	40
Sustaining Capital	A\$/t HMC	6	6	3	-56%	3
Corporate	A\$/t HMC	12	17	29	76%	29
Total – AISC	A\$/t HMC	309	427	571	34%	571
Costs/tonne HMC sold						
C1 Cash Costs	A\$/t HMC	273	404	565	40%	585
AISC	A\$/t HMC	312	471	647	37%	647

Net Operating Cashflow was A\$9.8 million for Q1 2022 with the late March shipment being delayed into early April. Four shipments are expected to complete in Q2 2022. During the quarter the Company completed the acquisitions of two tenements packages at Eneabba and McCalls at a total cost, including fees, of A\$35.1 million. Other expenditure for the quarter included A\$1.6 million on Boonanarring related capital, including A\$0.4 million on the CT1 Demonstration Plant which is expected to process around 100tph of Boonanarring ore. This plant is nearing completion with commissioning commencing in April 2022. The Company continues to advance the development at Atlas with A\$0.9 million of general development expenditure combined with A\$3.7 million outlaid for the acquisition of land.

Figure 7: Quarterly Cashflow Waterfall Chart



Sales

HMC sales were down by 38% to 38.8Kt as a result of a delay to the March shipment which sailed in early April.

Image continues to see strong demand for its HMC product from its off-takers and other potential customers. Two shipments totalling a nominal 32kt loaded in April with a further 2 shipments are planned for May/June. Further anticipated increases in zircon benchmark market prices are expected to aid higher average realised prices for Boonanarring HMC in Q2 compared to Q1 2022, on an equivalent contained zircon basis.

Realised pricing of A\$961/t HMC sold for Q1 2022 (Table 4) was up 6% QoQ following record high quarterly average realised prices for Image HMC of \$904/t in Q4 2021. As a result of higher realised prices, but lower sales volumes, sales revenue for the March Quarter was down 35% QoQ to \$37.3m. Total finished HMC inventory, at Boonanarring plus at port storage, increased to 52kt.

Table 4: HMC Sales and Stockpiles

		Q1 2021	Q4 2021	Q1 2022	QoQ % change	YTD 2022
Sales						
HMC sold	kt	84.5	63.0	38.8	-38%	38.8
ZrO2 in HMC	%	18%	22%	22%	0%	22%
TiO2 in HMC	%	34%	32%	31%	-6%	31%
Average price realised	A\$/t HMC	463	904	961	6%	961
HMC Revenue	A\$m	39.1	57.6	37.3	-35%	37.3
Stockpiles (end of period)						
HMC for shipping	kt	51	47	52	11%	52

Financial Summary

Revenue for Q1 2022 was A\$37.3 million, down 35% from the previous quarter (Table 4). The Company generated A\$9.8 million of net project operating cash flow for the quarter.

At 31 March 2022, Image had a net cash position of A\$49m, after finalising the acquisition of the Eneabba and McCalls tenements at a total cash cost of A\$35.1 million during the quarter.

Performance against Guidance

The Company is pleased to report that Q1 2022 results support maintaining guidance for calendar year 2022. In particular, the delay of a late March shipment into early April resulted in an increase in Cash Costs per tonne sold (Table 5) which is expected to normalise in Q2 with four shipments, rather than the usual three, expected to complete in the quarter.

Table 5: CY2022 Guidance

		Q1 2022 Actuals	CY2022 Guidance
HMC Produced	kt	44.0	200-220
HMC Sold	kt	38.8	220-250
Project Operating Costs ¹	A\$m	27.8	95-105
C1 Cash Costs (HMC Sold)	A\$/t HMC	565	390-420
AISC Cash Costs (HMC Sold)	A\$/t HMC	647	460-490

Notes: 1 – Project operating costs represent cash costs of production at Boonanarring (pre stock adjustments and pre-audit)

Corporate

On 19 January 2022, the Company announced the completion of the acquisition of 8 exploration licences in the Eneabba region from Sheffield Resources Ltd for A\$23 million from cash reserves, with the acquisition of an additional 3 Mining Leases being subject to FIRB approval and a further A\$1 million payment, delayed into Q2.

On 14 March 2022, the Company announced the completion of the acquisition of the McCalls Project for A\$12 million cash.

On 21 March 2022 the Company lodged the Annual Financial Report for the year ended 31 December 2021 and reported a Net Profit After Tax of \$19.4 million (2020: \$24.8 million) and a cash balance of \$79.8 million (2020: \$50.8 million). On the same day the Company announced details of a \$0.02 per share fully-franked dividend (2021: \$0.02/share unfranked), with payment expected by end of April 2022, along with details of the related Dividend Reinvestment Plan.

On 24 March 2022, the Company advised that **none** of the six resolutions proposed by Murray Zircon Pty Ltd (Murray Zircon), for the removal of three current Image directors and the appointment of 3 Murray Zircon nominees, were approved by the Company's shareholders at the extraordinary general meeting held earlier that day. As such, the composition of Image's Board of Directors remains unchanged. The Company remains in discussions with Murray Zircon over its desire to have representation on the Image Board and access to Image HMC for its controlling company, OZC in China.

During the quarter the Company announced the issue of 21,525,000 shares related to the conversion of warrants at A\$0.11385 per share and issue of 4,298,901 shares related to the conversion of warrant at A\$0.1365 per share.

Corporate costs for Q1 included \$288,000 of related party transactions (all director salary or fee related)

Development and Exploration

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 detailed project development planning, heritage clearances and final permitting.

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 11). 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. The forecast for completion of mining and processing at Boonanarring is late CY2022 or early 2023 and with relocation of equipment, personnel and mining to commence immediately following cessation of processing of final ore at Boonanarring.

Study work regarding the evaluation of dry versus dredge mining has been completed. The dry mining option has been selected based on a number of benefits including lower capital costs and reduced environmental impacts. The purchase of a key piece of land close to Atlas was completed in Q1 2022. The property provides a suitable location for a camp site and has the added benefit of environmental land offsets if required.

During a heritage survey conducted in November 2021 an ethnographic site was identified covering part of the Atlas deposit. The Company continues to work actively and co-operatively with the local traditional owners, through SWALSC, to address this issue and try and identify a workable solution to allow mining in this area.

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.

Project development, planning and study costs for Atlas are being funded internally and capital costs for the project 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 11), 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 11 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, 5% zircon 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 in Q3 2022 due to delays on some work programmes in Q4 2021 primarily due to unusually wet weather and competing demand for external resources.

Additional drilling for upgrading Mineral Resources and collection of geotechnical data is underway with results expected in Q2.

Eneabba Tenements

As a key component of its growth strategy, Image evaluated seven mineral sands properties in CY2021, outside of its then-current portfolio, for possible investment to gain access to Mineral Resources with the potential for longer-life mining operations. Only two of the seven properties evaluated were determined to be target worthy.

The first was a package of tenements located in the historic Eneabba mining district, owned by Sheffield Resources Limited (**Eneabba Tenements**). The package contains some 200 million tonnes (Mt) of Mineral Resources assessable by dry mining. Image was successful in tendering a strategic acquisition of the Eneabba Tenements in December 2021.

Acquisition of the vast majority of the Eneabba Tenements, being 8 Exploration Licences and one Retention Licence, was completed on 18 January 2022 with the payment of A\$23 million (excluding purchase costs) from Image cash reserves. Acquisition of the balance of the package, being 3 Mining Leases, is subject to FIRB approval and other conditions precedent and will be delayed into Q2 2022 at a cost of a further A\$1 million.

The tenements acquired have an existing Mineral Resource of 199Mt at 2.8% Total Heavy Minerals (THM) containing 5.5Mt THM across 8 project areas (refer Table 11). The tenements acquired cover an area of approximately 232km² and ground magnetic survey techniques will be applied in an effort to test previously identified extents of mineralisation and potentially to develop new target areas.

The existing Mineral Resources have a number of positive attributes including:

- Located in Western Australia in a historic mineral sands mining district;
- 84% valuable heavy minerals (VHM) within mineral assemblage;
- 19% zircon plus rutile in THM;
- Mineralisation located from surface in some places with low average strip ratios likely.

The initial development focus within the Eneabba Tenements will be at Yandanooka which hosts 60Mt at 3% THM containing 1.8Mt total heavy minerals (refer Table 11).

McCalls Project

The second strategic acquisition was for the McCalls Project, also owned by Sheffield Resources. As announced on 14 March 2022 (ASX: Strategic Acquisition of McCalls Mineral Sands Project), the acquisition of McCalls was completed 14 March 2022 for A\$12 million, excluding purchase costs, and paid from Image cash reserves.

Mineralisation at McCalls covers four exploration licences across two project areas over a total area of 224Km². McCalls has the potential to host several massive, lower grade project areas. Very thick seams of mineralisation occur from surface in some areas. McCalls provide the potential for multi-decade operations.

The Company's JORC Competent Person is currently completing a review of these Mineral Resources.

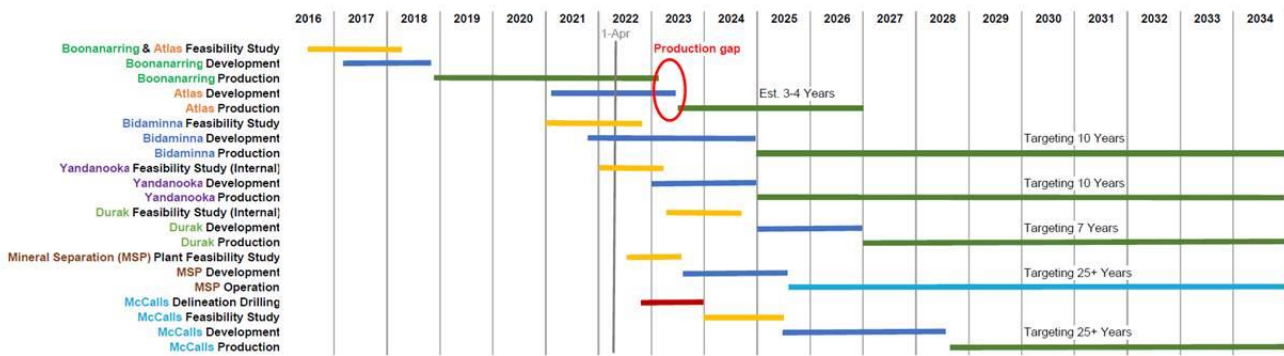
Preliminary Development Strategy

The Company's development strategy has been to develop the Boonanarring project first and, when Ore Reserves are depleted at Boonanarring, to relocate the processing equipment and mining to Atlas. This remains the plan.

Bidamina has been the primary focus for the development of a second operating centre, as a standalone dredge mining project, to be operated in parallel with Atlas. Bidamina development remains a priority with a feasibility study (FS) being conducted by IHC Robbins well underway and completion anticipated in Q3 2022.

As a major component of the Company's growth strategy, the strategic acquisition of the Eneabba Tenements and the McCalls Project has, for the first time, allowed the Company to articulate a longer-term strategy which includes the development of potential multi-decade projects operating in parallel, and the growth to a sustainable mid-tier mining company. The following preliminary development Gantt Chart provides an indicative time-line and prioritisation for the development of projects that now sit within the companies impressive portfolio of 100%-owned mineral sands assets.

Image Resources NL - Growth and Development Preliminary Forecast (Aggressive; based on ready access to funding)



Aggressive, preliminary macro schedule based on ready access to funding with the use of funds in the short and medium term as follows:

1. Accelerate development activities for Atlas and Bidamina and support construction at Atlas (next 12 months)
2. Accelerate feasibility studies on Bidamina, Yandanooka and Mineral Separation Plant (next 1-2 years)
3. Accelerate delineation drilling and Mineral Resources studies at McCallis (Q4 2022 thru Q4 2023)
4. Ensure available funds to bridge production gap between Boonanarring and Atlas (1H 2023)
5. Ramp-up of general corporate services as necessary to support accelerated activities (next 1-2 years)

Exploration

The Company’s exploration portfolio is primarily focused on mineral sands, with the exception of two, adjacent exploration licences and two associated prospecting licences 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 1,688 square kilometres.

The North Perth Basin tenements consist of numerous named project areas associated with the Company’s portfolio as at 31 December 2021, each with identified Mineral Resources as presented in the Mineral Resources and Ore Reserves Statement (below) and Figure 11, plus the recently acquired projects being the 224 sq km McCallis Project (Figure 11) and the 232 sq km Eneabba Tenements (Figure 12). The updated Tenement Schedule is presented in Table 7.

Drilling Programs

The drilling activity planned for 2022 includes 635 holes for 28,651m (Table 6).

Most of the expenditure planned in 2022 is for the mineral sand resource drilling, and primarily at Bidamina, Hyperion, Bidamina West, and the planned gold drilling will be at Erayinia and King.

Due to high mineral sands commodity prices, there is a severe shortage of available drill rigs and previous drilling plans have all been delayed. Mineral sands drilling commenced in early April 2022 at Bidamina. Gold drilling commenced in late March at King and Erayinia and is scheduled to be complete early in Q2 2022.

Table 6: Drilling Programs Planned for CY2022

Project Title	Tenement ID	DHs	Metres	Access
Atlas	E70/2636, E70/2898, M70/1305, P70/1520, E70/3997	80	776	Granted
Bidamina	E70/2844, E70/3298, E70/4779, E70/4919, E70/4794, E70/4919, E70/5763	191	11,500	Granted
Hyperion	R70/051	94	1,670	Granted
Helene	E70/4663, R70/051	28	672	Granted
Bidamina West	E70/5776, E70/5777	40	2,400	Granted
Bootine	E70/3192, E70/5213	25	850	Granted
Woolka	E70/4244	10	400	Granted

Regans Ford	E70/4946, E70/4949	25	855	Granted
Gingin	E70/3032, E70/5661, M70/0448,	10	230	Granted
Bibby Springs	E70/4663	12	288	Granted
Saddle Hill	E70/5034	10	210	Granted
Blue Lake - Quinns Hill	E70/3100, E70/3720, E70/5646	60	1,800	Granted
Erayinia	E28/1895, E28/2742	13	1,820	Granted
King	P28/1320, P28/1321	37	5,180	Granted
Total		635	28,651	

Bidaminna Area

The two main tenements over the current Bidaminna Mineral Resources estimate (MRE) area are E70/3298 and E70/2884. Two additional tenements (E70/5776 and E70/4794) are located over potential northern extensions of the MRE area (Figure 8).

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 (refer Table 11). 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% leucosene (70-95% TiO₂)
- 5% zircon (premium grade)
- 4% rutile (95% TiO₂)
- 48% ilmenite (50-70% TiO₂) and
- 93% valuable heavy minerals (VHM).

Two drill programmes are planned in 1H 2022 with total 191 holes for 11,500m (Figure 8) and are mainly over the Bidaminna MRE area and will include some exploration drilling on Mimegarra, Caro, Orange Springs and Regans Ford North.

The drilling on the Bidaminna MRE area has been approved by DMIRS with heritage clearance completed and drilling is set to commence in Q2. This infill line drilling will be used to upgrade Bidaminna Mineral Resources to an Indicated status.

In addition, a further assessment of a 4km mineralised zone directly north of the Moore River within E70/2844 and along strike of the Bidaminna MRE area will be carried out. Ongoing interpretation of the aeromagnetics and ground magnetics for the northern tenements including Mimegarra, Winooka North, Caro and Red Gully North, are focused on delineating the combined upper and lower coincident strands like the Bidaminna MRE layered strands.

A 20km ground magnetic survey was completed in December 2021 at Bidaminna West and results suggest potential mineral sand signatures worthy of drill testing and a 40-hole 2400m AC program (shown in yellow in Figure 8) is planned. A POW has been submitted on the Crown Land for a drilling programme and an access agreement is being finalised for drilling on the adjacent northern property. A further 69km of ground magnetic surveys have now been completed in Feb-Mar 2022 and results suggest additional mineral sand signatures worthy of drill testing, north of the Bidaminna West ground magnetic targets and within the Mimegarra tenement (Figure 8). An access agreement is being prepared for this location.

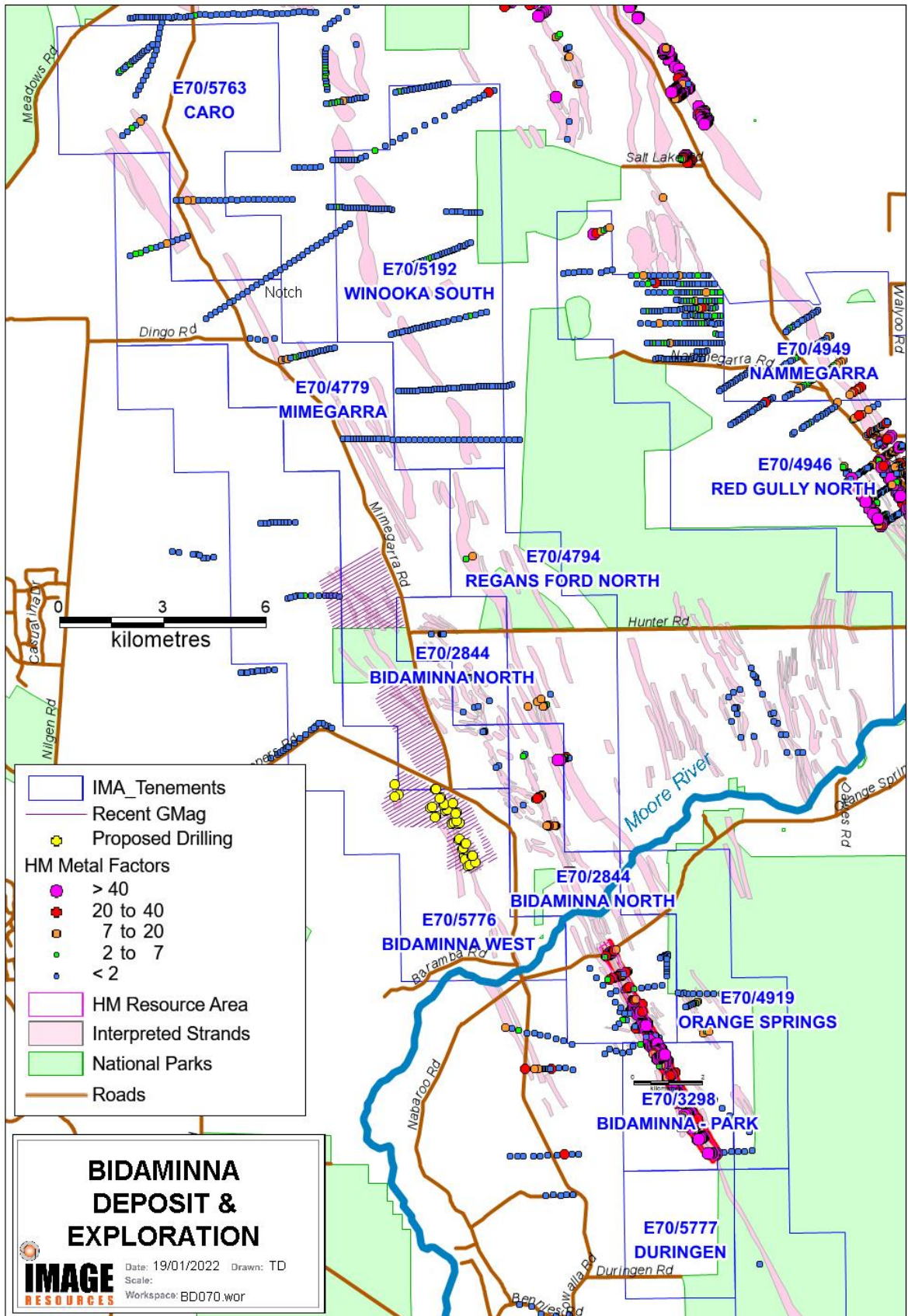


Figure 8: Ground Magnetics completed at Bidamina West and Mimegarra with drilling planned at Bidamina West shown in yellow

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

The King Farmin Prospect is located in the heart of, and completely surrounded by, Erayinia and Image's adjacent 100%-owned Madoonia Downs tenement (Figure 9) and is located 135km SE of Kalgoorlie in Western Australia. Image's has completed its required exploration expenditures on the King Prospect as part of earn-in rights under a Farmin Agreement announced to the ASX on 2 March 2021. For this expenditure Image earned an initial 40% beneficial ownership of the King Prospect under the Farmin Agreement and has since acquired a further 40% ownership by a cash payment of \$240,000 to Westex (15% interest) and Rocky Reef (5% interest) the vendors of P28/1320-21. In Q1 2022 the owners elected to revert to a combined 2.0% net smelter royalty position and Image is now the 100% owner of the King Prospect.

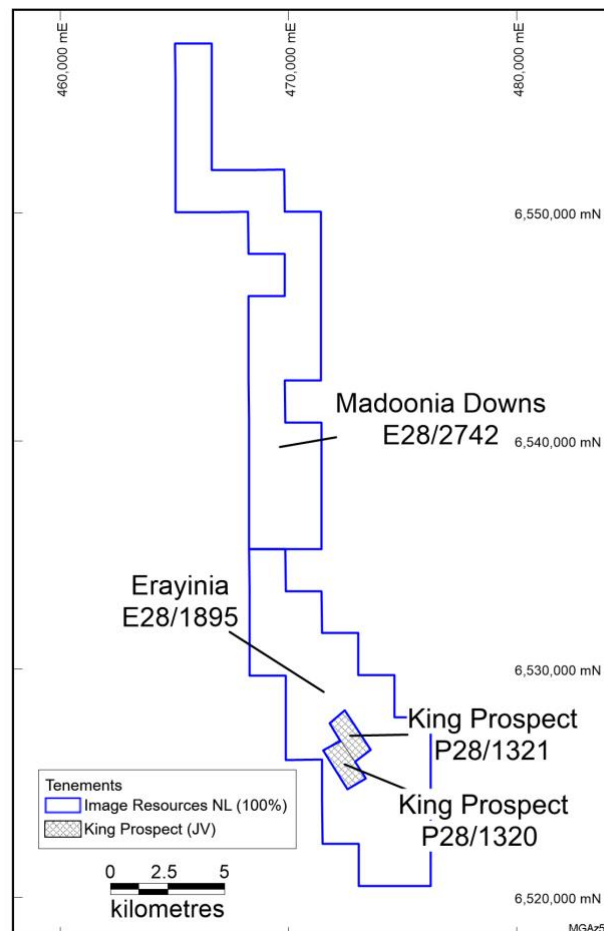


Figure 9: Tenement summary for Erayinia and Madoonia Downs and King Prospect (100% Image)

The King -Erayinia Gold Prospect contains both higher-grade areas, thickened zones and mineralisation open down-dip within a 1.5km x 300m zone (Figure 10). Internally there is a **high-grade area that extends over a +400m length**, as shown by the previous intersections highlighted in Figure 10, including 7m at 5.6g/t Au from 40m in ROE782, 8m at 3.6g/t Au from 64m in KNRC014, 5m at 4.2g/t Au from 60m in KNR017, and 3m at 13.14g/t Au from 50m in KNRC013.

The most recent AC drilling program in 2021 of 37 holes for 1369m was designed to find new supergene zones mainly to the south of the existing supergene zone in the King Prospect and elsewhere on the Image tenements. AC was selected over RC to minimise total drilling costs. The AC program was originally designed to be 40 holes for 2,505m, but due to limited penetration by AC drilling, only 36 holes for 1,305m were completed, with only five holes able to achieve target depth. Nevertheless, the best intersection was 9m at 3.1g/t Au from 44m in EYAC035 adjacent to ROE074 with 8m at 2.6g/t from 36m (Figure 10) (refer Company's ASX release dated 26 April 2021).

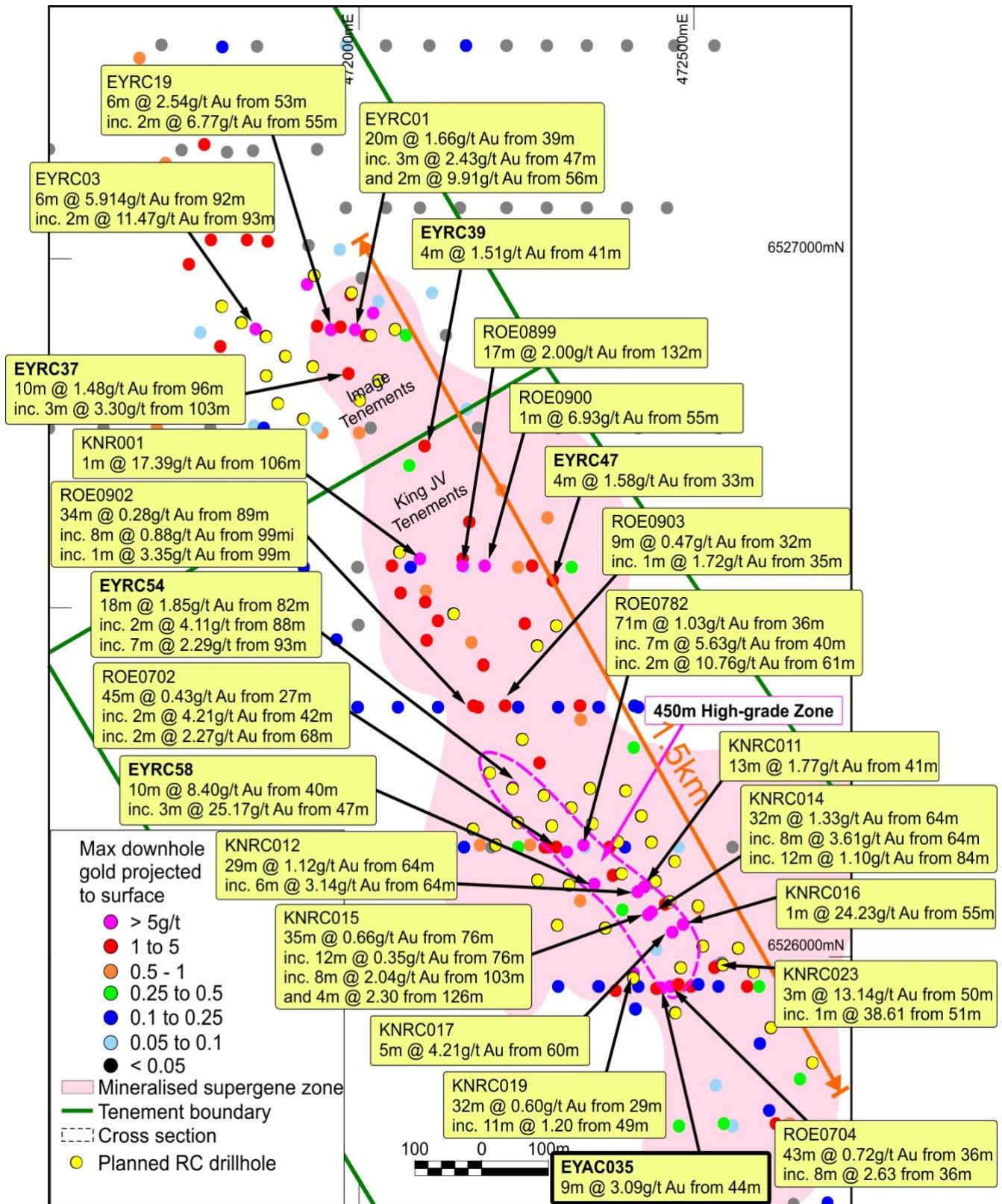


Figure 10 Hole locations, maximum mineralisation intercepts, enlarged supergene zone (pink shade) and planned program on the Erayinia & King Prospect in yellow

Highlights of the recent AC and previous RC drilling programme:

- 9m at 3.09g/t Au from 44m including 1m at 7.35g/t Au from 52m in EYAC035*
- 18m at 1.85g/t Au from 82m including 2m at 4.11g/t from 88m and 7m @ 2.29g/t Au from 93m in EYRC54
- 10m at 1.48g/t Au from 96m including 3m at 3.3g/t Au from 103m in EYRC37
- 4m at 1.51g/t Au from 41m in EYRC39
- 4m at 1.58g/t Au from 33m in EYRC47

* Recent AC drilling

Refer to the Company's ASX release dated 26 April 2021 and December 2021 Quarterly.

Initial planned drilling for 2022 includes 50 RC holes for 7,000m designed to allow the Erayinia and King Prospect gold mineralisation to qualify as Indicated Resources. The focus will be the higher grade and thicker intersections especially trying to define and extend the 400m high-grade zone shown on Figure 10 and other thicker, near-surface prospective zones and additional holes where the AC drilling did not get to target depth, mostly in the southern parts of the prospective supergene target zone shown in Figure 10. This drilling programme is expected to finish in Q2.

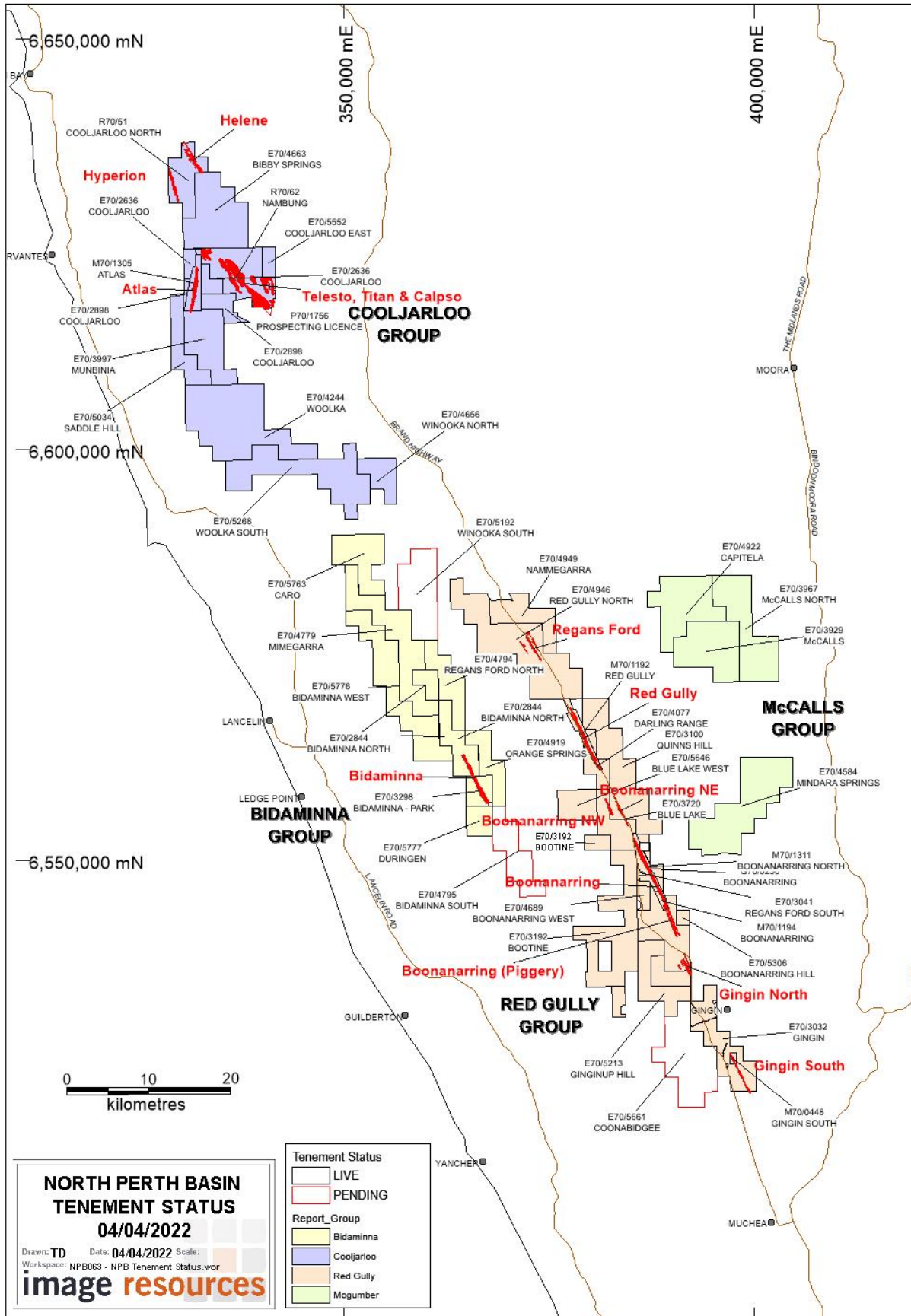


Figure 11 North Perth Basin tenements including recently acquired McCalls Group tenements.

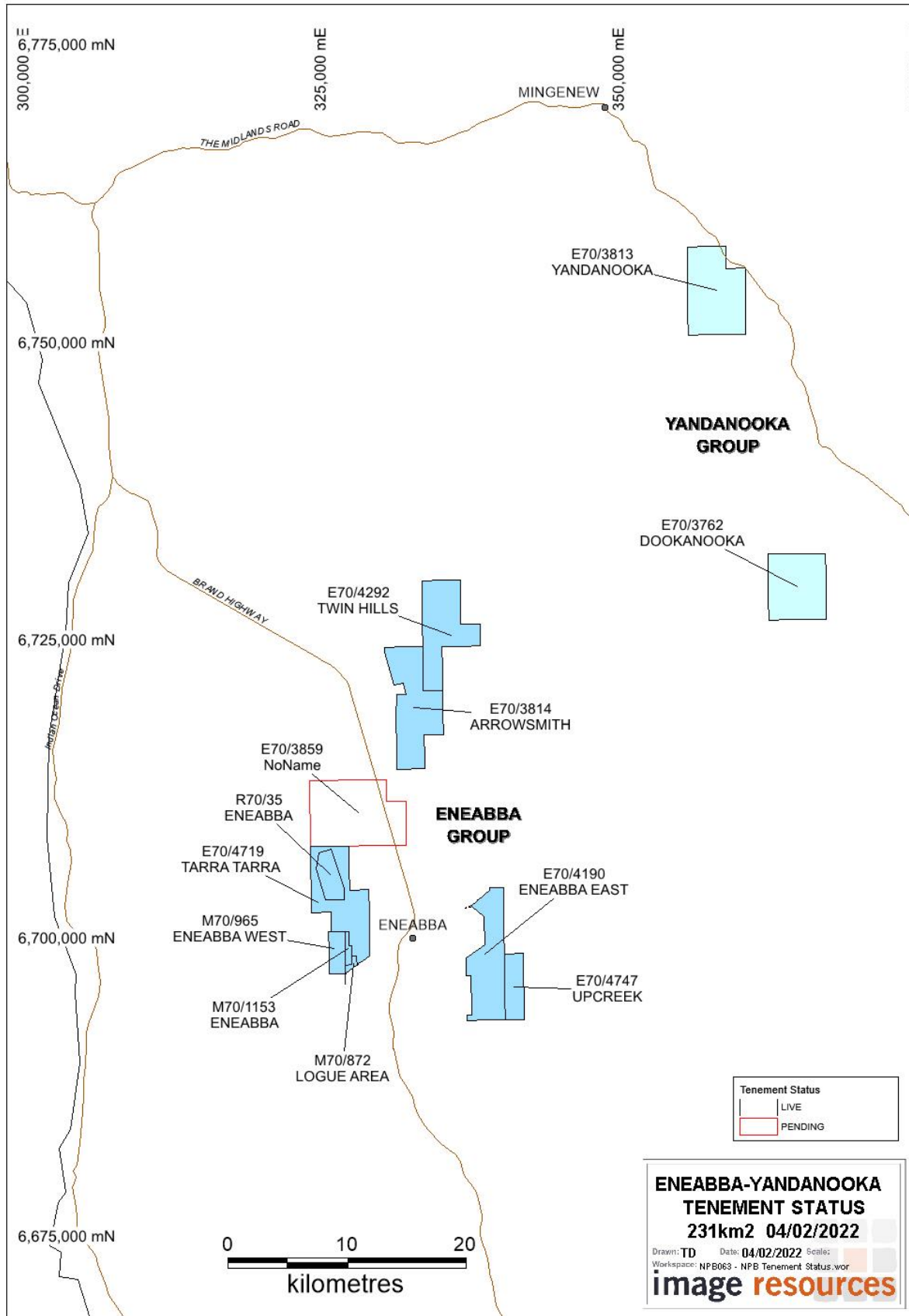


Figure 12 Recently acquired Eneabba-Yandanooka Tenements.

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 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	E70/3720	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	E70/4919	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	E70/5646	Granted	BLUE LAKE WEST	100%	100%
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	E70/4795	Application	BIDAMINNA SOUTH	100% pending grant	100% pending grant
WA	E70/5192	Application	WINOOKA SOUTH	100% pending grant	100% pending grant
WA	E70/5661	Application	COONABIDGEE	100% pending grant	100% pending grant
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%
WA	P28/1320	Granted	KING	100% pending transfer	100% pending transfer
WA	P28/1321	Granted	KING	100% pending transfer	100% pending transfer
WA	E70/3762	Granted	DOOKANOOKA	100% pending transfer	100% pending transfer
WA	E70/3813	Granted	YANDANOOKA	100% pending transfer	100% pending transfer
WA	E70/3814	Granted	ARROWSMITH	100% pending transfer	100% pending transfer
WA	E70/3929	Granted	MCCALLS	100% pending transfer	100% pending transfer
WA	E70/3967	Granted	MCCALLS NORTH	100% pending transfer	100% pending transfer
WA	E70/4190	Granted	ENEABBA EAST	100% pending transfer	100% pending transfer
WA	E70/4292	Granted	TWIN HILLS	100% pending transfer	100% pending transfer
WA	E70/4584	Granted	MIDARRA SPRINGS	100% pending transfer	100% pending transfer
WA	E70/4719	Granted	TARRA TARRA	100% pending transfer	100% pending transfer
WA	E70/4747	Granted	UPCREEK	100% pending transfer	100% pending transfer
WA	E70/4922	Granted	CAPITELA	100% pending transfer	100% pending transfer
WA	R70/0035	Granted	ENEABBA	100% pending transfer	100% pending transfer
WA	M70/0872	Granted	LOGUE AREA	100% pending FIRB approval	100% pending FIRB approval
WA	M70/0965	Granted	ENEABBA WEST	100% pending FIRB approval	100% pending FIRB approval
WA	M70/1153	Granted	ENEABBA	100% pending FIRB approval	100% pending FIRB approval
WA	E70/3859	Application	ENEABBA	100% pending grant	100% pending grant

Mining Tenements acquired during the Quarter

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Mining Tenements disposed during the Quarter

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Mineral Resources & Ore Reserves Statement

The estimated Ore Reserves at Boonanarring include depletion from mining through 31 December 2021 and thereby represent remaining Ore Reserves as at 31 December 2021.

Table 8 – Ore Reserves - Strand Deposits; in accordance with the JORC Code (2012) – as at 31 December 2021

Project/ Deposit	Ore Reserve Category	Tonnes (million)	In-situ HM Tonnes (millions)	Total HM grade (%)	HM Assemblage (% of total HM)				Slimes (%)	Oversize (%)
					Zircon	Rutile	Leuc.	Ilmenite		
Boonanarring	Proved	2.8	0.21	7.4	20	2.9	1.8	49	12	4.5
	Probable	1.1	0.07	6.2	17	4.8	6.2	43	15	6.1
	Sub Total	3.9	0.28	7.1	19	3.4	2.9	48	13	4.9
Atlas	Probable	9.5	0.80	8.1	11	7.5	4.5	51	16	5.7
	Sub Total	9.5	0.80	8.1	11	7.5	4.5	51	16	5.7
Total Ore Reserves		13.4	1.08	7.8	13	6.4	4.1	50	15	5.5

¹ Refer to Boonanarring Ore Reserves release 11 March 2022 "Boonanarring Annual Ore Reserve Update"

² Atlas Reserves refer to the 30 May 2017 release "Ore Reserves Update for 100% Owned Atlas Project"

The estimated Mineral Resources at Boonanarring have been updated to include depletion from mining through 31 December 2021 and thereby represent remaining Mineral Resources as at 31 December 2021.

Table 9 – Mineral Resources – Dry Mining Strand Deposits; in accordance with the JORC Code (2012) - as at 31 December 2021

Deposit	Mineral Resource Category	Cut-off (total HM%)	Tonnes (million)	In-situ HM Tonnes (millions)	Total HM grade (%)	HM Assemblage (% of total HM)				Slimes (%)	Oversize (%)	
						Zircon	Rutile	Leuc.	Ilmenite			
Boonanarring	Measured	2.0	3.9	0.28	7.2	18.1	2.9	2.8	48	12	4.5	
	Indicated	2.0	5.4	0.26	4.8	12.3	4.6	9.8	49	17	4.8	
	Inferred	2.0	0.9	0.03	3.3	11.5	4.4	5.5	53	15	6.4	
	Sub Total	2.0	10.2	0.57	5.6	15.1	3.7	6.1	49	15	4.8	
Atlas	Measured	2.0	9.9	0.78	7.9	10.5	7.2	4.2	49	16	5.8	
	Indicated	2.0	6.4	0.24	3.7	6.8	4.7	3.4	42	17	5.2	
	Inferred	2.0	1.8	0.07	4.0	4.8	4.4	3.3	29	20	7.2	
	Sub Total	2.0	18.1	1.09	6.0	9.3	6.4	4.0	46	17	5.7	
	Total Measured			13.7	1.06	7.7	12.5	6.0	3.8	49	15	5.4
	Total Indicated			11.8	0.50	4.2	9.7	4.6	6.8	45	17	5.0
	Total Inferred			2.7	0.10	3.8	6.7	4.4	4.0	36	18	7.0
	Grand Total			28.3	1.66	5.9	11.3	5.5	4.7	47	16	5.4

Table 10 – Mineral Resources – Dredge Mining Strand Deposits; in accordance with the JORC Code (2012) – as at 31 December 2021

Deposit	Mineral Resource Category	Cut-off (total HM%)	Tonnes (million)	In-situ HM Tonnes (millions)	Total HM grade (%)	HM Assemblage (% of total HM)				Slimes (%)	Oversize (%)
						Zircon	Rutile	Leuc.	Ilmenite		
Bidaminna	Indicated	0.5	17	0.6	3.2	5.0	5.1	30	53	3.6	1.4
	Inferred	0.5	84	1.7	2.0	5.1	4.2	38	47	3.3	2.4
	Total	0.5	102	2.2	2.2	5.1	4.4	36	48	3.4	2.2

Table 11- Mineral Resources – Dry and Dredge Mining Strand Deposits; in accordance with JORC Code 2012 and JORC Code 2004 – as at 31 March 2022

	Deposit	Mineral Resource Category	Cut-off (total HM%)	Tonnes (million)	In-situ HM Tonnes (millions)	Total HM grade (%)	HM Assemblage (% of total HM)				Slimes (%)	Oversize (%)
							Zircon	Rutile	Leuc.	Ilmenite		
Dry Mining, JORC 2012 and 2004	Boonanarring	Meas Ind and Inf	2.0	10.2	0.6	5.6	15.1	3.7	6.1	49	15	4.8
	Atlas	Meas Ind and Inf	2.0	18.1	1.1	6.0	9.3	6.4	4.0	46	17	5.7
	Boonanarring North West	Ind and Inf	2.0	4.3	0.2	5.1	9.2	6.9	32	33	11	1.1
	Boonanarring North	Ind and Inf	2.0	2.7	0.3	11.2	16.4	2.7	11	41	17	7.2
	Gingin North	Ind and Inf	2.0	8.7	0.4	4.7	6.8	4.7	17	48	15	4.7
	Helene	Ind and Inf	2.0	13.1	0.6	4.8	7.4	5.2	14	47	18	1.4
	Hyperion	Ind and Inf	2.0	3.6	0.3	8.3	8.0	6.7	8.1	36	19	2.6
	Drummond Crossing	Ind and Inf	1.4	38.8	0.9	2.4	13.9	10.2	3.4	54	14	7.7
	Durack	Ind and Inf	1.4	26.3	0.7	2.8	13.8	2.9	4.4	70	14	15.5
	Ellengail	Ind and Inf	2.0	11.8	0.6	4.8	9.9	8.1	9.6	64	15	2.9
	Robbs Cross	Meas Ind and Inf	1.4	17.8	0.3	1.9	14.7	12.3	4.8	48	6	6.6
	Thomson	Inf	1.4	25.7	0.5	2.0	18.8	13.8	5.4	42	18	6.9
	Yandanooka	Meas Ind and Inf	1.4	60.8	1.8	3.0	12.1	3.5	3.6	70	15	11.5
	Corridor	Inf	2.0	18.1	0.6	3.1	6.7	5.5	0.4	47	14	4.8
	Gingin South *	Meas Ind and Inf	2.5	8.1	0.5	6.1	8.3	5.2	10.3	65	7	8.7
	Regans Ford *	Ind and Inf	2.5	9.9	1.0	9.6	10.0	4.3	9.8	70	17	0.0
	Red Gully *	Ind and Inf	2.5	6.0	0.5	7.7	12.4	3.1	8.3	66	11	0.0
		Total Measured Dry		17.9	1.2	6.9	12.0	5.7	4.3	51	14	5.9
	Total Indicated Dry		192	7	3.9	11.3	5.4	7.8	59	14	8.0	
	Total Inferred Dry		74	2	3.0	11.5	7.5	6.5	51	15	6.6	
	Sub Total Dry		284	11	3.8	11.4	5.8	7.1	57	15	7.5	
Dredge Mining, JORC 2012	Bidamina	Ind and Inf	0.5	101.6	2.2	2.2	5.1	4.4	36.3	48	3	2.2
	Titan	Ind and Inf	1.0	136.6	2.6	1.9	9.5	3.1	1.5	72	19	0.0
	Telesto	Ind	1.0	3.5	0.1	3.8	9.5	5.6	0.7	67	17	0.0
	Calypso	Inf	1.0	51.5	0.9	1.7	10.8	5.1	1.6	68	14	0.0
		Total Indicated Dredge		42.1	1.1	2.5	7.2	4.4	16.3	61	14	0.6
		Total Inferred Dredge		251.0	4.7	1.9	8.2	3.8	14.5	62	13	0.8
	Sub Total Dredge		293.2	5.8	2.0	8.0	4.0	14.8	62	13	0.8	
Total Combined Resources	Total Measured		18	1	6.9	12.0	5.7	4.3	51.1	14.4	5.9	
	Total Indicated		234	9	0.5	2.9	1.4	2.4	16.2	1.8	0.8	
	Total Inferred		325	7	0.2	1.0	0.5	1.3	6.2	0.9	0.2	
	Grand Total		577	16.7	0.3	1.7	0.9	1.7	10.0	1.2	0.4	

PREVIOUSLY REPORTED INFORMATION

This report includes information that relates to 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: 11 March 2022 "Boonanarring Annual Ore Reserve Update"
- Atlas Ore Reserves: 30 May 2017 "Ore Reserves Update for 100% Owned Atlas Project"
- Bidamina Mineral Resource: 31 March 2021 – "102 Million Tonnes Inaugural Dredge Mining Mineral Resource Estimate for Bidamina Mineral Sands Project"
- Eneabba Mineral Resource: 11 March 2022 – "Mineral Resources Update – Eneabba Tenements"
- Gingin North Mineral Resource: 31 March 2021 – "Project MORE Update Boonanarring Atlas Projects"
- Boonanarring North Extension Mineral Resource: 31 March 2021 – "Project MORE Update Boonanarring Atlas Projects"
- Boonanarring North West Mineral Resource: 31 March 2021 – "Project MORE Update Boonanarring Atlas Projects"
- Helene Mineral Resources: 31 March 2021 – "Project MORE Update Boonanarring Atlas Projects"
- Hyperion Mineral Resources: 31 March 2021 – "Project MORE Update Boonanarring Atlas Projects"
- Titan Mineral Resources: 31 October 2019
- Telesto South Mineral Resources: 31 October 2019
- Calypso Mineral Resources: 31 October 2019.

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:

- Regans Ford Mineral Resources: 20 February 2017 (released 21 February 2017)
- Gingin South Mineral Resources: 21 July 2011
- Red Gully Mineral Resources: 9 March 2011

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.*

This report includes information that relates to Exploration Results which were prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcement dated 26th April 2021 and December 2021 Quarterly Report released 31st January 2022 which are available to view on the Company's website. 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 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		

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

<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)

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

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

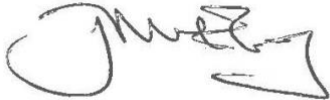
7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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.		
	<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)	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	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	N/A
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: Not applicable	
	2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: Not applicable	
	3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: Not applicable	

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: 29 April 2022



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.