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BIDAMINNA PROJECT FEASIBILITY STUDY UPDATE

Image Resources NL (ASX: IMA) (**Image** or the **Company**) advises that results of a feasibility study (**FS**) being conducted by IHC Robbins on the Company's 100%-owned Bidamina mineral sands project are progressing positively, however a final report has been delayed into 1H 2023.

Bidamina is being evaluated as a standalone greenfield mineral sands project utilising low-cost dredge mining with a floating wet concentration plant to produce heavy mineral concentrate (**HMC**). The Bidamina deposit has estimated Mineral Resources of 102 million tonnes at 2.2% total heavy minerals (**HM**) (refer Table 1 below). The HM contains 93% valuable heavy minerals including 36% leucosene, 48% ilmenite, 5% zircon and 4% rutile. The deposit contains very low slimes (3.3%) and very low oversize (2.2%), with the mineralisation being below the water table and amenable to dredge mining technology. (See 31 March 2021 ASX announcement: "102 Million Tonnes Inaugural Dredge Mining Mineral Resources Estimate for Bidamina Mineral Sands Deposit" on Image's website at www.imageres.com.au).

Whilst no red flags have been identified in the FS work to-date, labour shortages (real and COVID related) within the ranks of Image's contractors and consultants have seen the target date for delivery of FS results extended into 2023.

In addition to the cumulative delays with data collection and engineering analysis from labour shortages, an optimisation step has been added to the FS to evaluate the initial findings that utilising a two-dredge mining approach can positively impact operating costs as well as the potential future use or resale value of the equipment, which may further improve overall project economics.

In CY2023 Image will also be conducting a separate feasibility study on the value-adding aspects of down-stream processing to separate the Company's future HMC production through a mineral separation plant (**MSP**) into final products of zircon, zircon concentrate, ilmenite, rutile, leucosene and monazite for sale into domestic and international markets. The marketing and sale of individual products into multiple markets would greatly decrease the Company's current geographical risks of selling only HMC product into a single geographical jurisdiction.

Separating HMC and selling individual products also lowers product shipping costs by eliminating the costs of transporting moisture and non-valuable components contained in the HMC. It would also provide likely and potential by-product credits for monazite and other heavy mineral by-products. Any decision to action the construction of a mineral separation plant will be contingent on positive MSP feasibility results, as well as positive feasibility results for the Bidamina project as a longer-term source of HMC supply for separation. Consequently, potential MSP construction and operation may likely align with the potential construction and operation of a mining centre at Bidamina.

Studies are also planned for CY2023 to evaluate the production of synthetic rutile (**SR**) from the conversion of ilmenite and potentially leucoxene proposed to be produced from the Bidaminna deposit. Testing will also be conducted on ilmenite proposed to be produced from the Company's newly acquired, and potentially much longer term McCalls project. Such SR production testing and studies will involve the use of hydrogen (instead of coal) to reduce the iron component of the ilmenite/leucoxene in a fluidised bed reactor. The goal of testing will be to demonstrate near-zero greenhouse gas emissions from the high-temperature iron reduction process step, and the production of green SR for international markets.

Preliminary evaluation of the ilmenite from both Bidaminna and McCalls, based on the TiO₂ grades and overall ilmenite qualities, indicates both ilmenites are suitable as SR feedstock, with the combination of ilmenite from the two deposits to potentially provide multi-decade, consistent, supply of high-quality SR feedstock.

Table 1. 2021 Bidaminna Dredge Mining Mineral Resources summary

Classification	Million tonnes	Total HM %	Slimes %	Oversize %	% of total heavy mineral				
					VHM	Zircon	Rutile	Leucoxene	Ilmenite
Measured	-	-	-	-	-	-	-	-	-
Indicated	17	3.2	3.6	1.4	93	5.0	5.1	30	53
Inferred	84	2.0	3.3	2.4	94	5.1	4.2	38	47
Total	102	2.2	3.3	2.2	93	5.1	4.4	36	48

Table 1 notes:

1. Reported above a cut-off grade of 0.5% total heavy minerals (HM).
2. Mineral Resource has been classified and reported in accordance with the guidelines of JORC Code (2012).
3. Estimates of the mineral assemblage (zircon, ilmenite, rutile and leucoxene) are presented as percentages of the total HM component of the deposit, as determined by QEMSCAN and grain counting methods. Different rules were used for mineral assemblage data sets but are considered to be generally equivalent to: ilmenite: 50 to 70% TiO₂; leucoxene: 70 to 95% TiO₂; rutile: >95% TiO₂.
4. All tonnages and grades have been rounded to reflect the relative uncertainty of the estimate, thus sum of columns may not equal.

This document is authorised for release to the market by the Managing Director on behalf of the Board of Image Resources NL.

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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.

PREVIOUSLY REPORTED INFORMATION

The information in this report that relates to the Bidamina Mineral Resource estimate is extracted from the Company's ASX announcement dated 31 March 2021, which is available 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 market announcement and, in the case of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the original 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.