

QUARTERLY ACTIVITIES REPORT – for quarter ended 31 March 2023

Image Resources NL
ABN 57 063 977 579

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IMA

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Issued Capital

Shares – Quoted
1,083,410,931

Unlisted warrants
11,351,099

As at 31 March 2023

Board Members

Robert Besley
(Non-Executive Chair)
Patrick Mutz
(Managing Director)
Chaodian Chen
(Non-Executive Director)
Aaron Chong Veoy Soo
(Non-Executive Director)
Peter Thomas
(Non-Executive Director)
Ran Xu
(Non-Executive Director)
Winston Lee
(Non-Executive Director)

HIGHLIGHTS

- HMC production increased 18% QoQ due to higher ore grade and despite lower ore tonnes processed, due in part to mining adjustments as we approach the end of mine life at Boonanarring.
- HMC sales up 7% QoQ with 3 shipments completed during Q1 despite port congestion.
- Average HMC realised pricing decreased 14% QoQ due to lower zircon grade in HMC shipped, but with underlying product demand and commodity prices remaining strong.
- C1 and AISC cash costs per tonne HMC produced decreased 31% and 28% respectively QoQ due to increased production combined with lower operating costs.
- C1 and AISC costs per tonne HMC sold decreased 24% and 21% respectively QoQ mainly due to lower operating costs.
- Cash on hand at the end of Q1 2023 increased A\$2.2m from end of Q4 2022, to A\$55.6m.

Table 1: Quarterly Summary

	Q1 2022	Q4 2022	Q1 2023	QoQ % change	CY2023 YTD	CY2023 Guidance
Production						
HMC Production (kt)	44.0	38.8	45.7	18%	45.7	80-90
HMC Sales (kt)	38.8	43.5	46.7	7%	46.7	110-120
HMC Realised Price (A\$/t HMC)	961	935	807	-14%	807	N/A
Project Operating Costs (A\$m)	27.6	26.8	22.9	-15%	22.9	45-55
Unit Costs (HMC produced)						
C1 Cash Costs (A\$/t HMC) ¹	499	649	451	-31%	451	N/A
AISC (A\$/t HMC) ²	571	735	527	-28%	527	N/A
Unit Costs (HMC sold)						
C1 Cash Costs (A\$/t HMC) ¹	565	578	441	-24%	441	460-500
AISC (A\$/t HMC) ²	647	654	515	-21%	515	530-570

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 2023 was A\$15m (Q4 2022: A\$10m) with improved cash inflows mainly due to lower mining costs from lower strip ratios as we near the end of mining at Boonanarring.
- Strong demand for HMC product continues in H1 2023. Benchmark market price for zircon increased US\$50/tonne effective 1 April 2023, which combined with forecast higher zircon grades, is expected to significantly increase average HMC sales prices in Q2 2023.
- Breakdown of total expenditures include A\$22.9m (64%) on mining/production operations at Boonanarring (including logistics); A\$3.9m (10.9%) on Rehabilitation at Boonanarring; A\$0.7m (2.0%) on tenement acquisitions; A\$1.5m (4.2%) on Atlas mine development; A\$2.6m (7.3%) on income tax instalments; A\$1.4m (3.9%) on exploration; A\$1.8m on corporate/interest costs plus FX movements (5.0%) and A\$1.0m on late claimed dividend payments from 2022.
- The solar farm constructed at Boonanarring by Sunrise Energy Group generated 23% of total electricity requirements for Q1, 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 the first quarter of its financial reporting year (CY2023), for 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.

Heavy mineral concentrate ("**HMC**") production was 18% higher QoQ due primarily to higher heavy mineral ("**HM**") ore grade QoQ, due to blending of remaining ore in Block D with ore from the southern section of Block C. Higher ore grade was partially offset by lower ore tonnes processed QoQ. HMC sales were marginally higher (up 7% QoQ), while the average realised price per tonne of HMC sold was 14% lower QoQ mainly due to lower zircon content.

Total project operating (cash) costs decreased 15% QoQ mainly due to lower mining costs in absolute terms as well as on a unit basis. As a result, C1 and AISC cash costs per tonne of HMC produced decreased 31% and 28% respectively, while C1 and AISC cash costs per tonne of HMC sold decreased 24% and 21% respectively.

In addition to mining, processing and rehabilitation operations at Boonanarring, the Company is also focusing on project development efforts for Atlas, advancing a preliminary feasibility study* ("**PFS**") for Bidaminna, and expanding its focus to include the newly adopted, longer-term growth and sustainability strategy which includes a PFS on mineral separation operations, developing a testing regime for synthetic rutile ("**SR**") production using hydrogen, and pre-development activities associated with the 2022 strategic acquisitions of the Eneabba Tenements and McCalls Project.

** - previously forecast as a feasibility study ("**FS**") but adjusted to preliminary feasibility study due to stricter interpretation of JORC requirements for FS and requirement for closer-spaced geotechnical drilling*

Growth and Sustainability Strategy

In Q4 2022, the Board adopted a new, long-term growth and sustainability strategy. This new strategy reiterates the Company's original 'transition to production' plan outlined in its 2017 Bankable Feasibility Study ("**BFS**") of mining of all Ore Reserves at Boonanarring and then self-funding the relocation of mining and processing facilities to the Atlas project. The new strategy also incorporates the potential development of a standalone dredge mining operation at Bidaminna and has been expanded to include studies aimed at demonstrating the viability of transitioning from a single mining/processing operation, with a single product (HMC only) and a single market jurisdiction (currently China) ("**Chapter 1**"), to multiple mining/processing operations operating simultaneously, with multiple products and expanded geographical market ("**Chapter 2**").

In addition to the planned development of Atlas and potential development of Bidaminna, the new growth strategy encompasses studies for the following:

- Development of an initial dry mining and processing operations at 100%-owned Yandanooka project (or alternatively Durack and later others) in the Eneabba Tenements area, with potential for 10+ year mine-life;
- Development of hydraulic mining and processing operations at 100%-owned McCalls project with potential 50+ year mine-life;
- Construction of a mineral separation plant ("**MSP**") to capture the value-adding advantages of multiple products (including by-products such as monazite) and expanding the Company's market reach geographically, as well as capitalising on the opportunity for effective post-mining use of the land and installed infrastructure at Boonanarring; and,
- Potential for the construction of an SR production facility in the vicinity of the proposed MSP, for the value-adding and market-expanding upgrading of ilmenite from Bidaminna and McCalls to 'green' SR by using hydrogen as the iron reductant.

Managing Director and CEO Patrick Mutz commented "*We are pleased to report another successful and profitable quarter of results, which is shaping up to be the penultimate quarter of HMC production for the Boonanarring project. None-the-less, we look forward to a strong final quarter of results, as we continue preparations for the relocation of mining and processing operations to Atlas later this calendar year. As a result of the original and continuing plan to self-fund the relocation of mining and processing to Atlas in CY2023, the Board made the difficult decision and determined that a dividend will not be offered this year.*"

Despite the delays with study work, due to personnel shortages in the ranks of our mine services organisations, we remain optimistic about the prospects of imminent, positive pre-feasibility study results for Bidaminna. We also look

forward to the results of a PFS (commenced) on the viability of a mineral separation plant, which by design will have capital cost benefits from the installed infrastructure at the Boonanarring wet concentration plant with water supply, roads, grid power, solar power, proximity to natural gas supply and miscellaneous support buildings. A PFS is also underway for the Yandanooka (or Durack) project which could also benefit from capital cost savings with the availability of some processing equipment from Boonanarring.

In addition, concept studies for the potential mining and processing at the McCalls project are highlighting the potential for a multi-decade operation, to include lower cost hydraulic mining methods and with the ilmenite to be evaluated as a high-quality feedstock for the production of synthetic rutile, potentially to be operated by Image using hydrogen for iron reduction to generate a 'green' SR product.

CY2023 will be a transition year and holds promise for numerous studies to build a solid base for Image's migration from our Chapter 1 plan of 'transition to production', to Chapter 2 ambitions of 'growth and sustainability'."

Innovation

In CY2022, Image successfully partnered with Mineral Technologies ("MT") in a cost-sharing arrangement for the construction and operation of a demonstration-scale wet concentration plant ("**Demo Plant**") located at Boonanarring (Photo 1). The Demo Plant was designed to confirm that MT's innovative, smaller diameter CT1 heavy mineral separation spiral technology, could perform as well or better than industry standard spiral technology (as currently used at Boonanarring).

Following completion of the Demo Plant testing regime, including various structural and other improvements that were implemented, tested and approved, Image committed to utilising the CT1 technology on a commercial scale at Atlas, in combination with standard spiral technology. Combining CT1 technology with parts of the Boonanarring wet concentration plant ("**WCP**") at Atlas will preserve some of the existing spirals and equipment operating at Boonanarring for potential use at one of Image's future development projects such as Yandanooka or Durack, thereby decreasing overall capital costs under the strategy of establishing a second project operating independently and potentially in parallel to operations at Atlas.

Photo 1: CT1 Demonstration Plant at Boonanarring



Atlas Development

The key item on the critical path for the development of the Atlas project is environmental approvals, which has been the priority focus for the past 24 months. The Environmental Protection Authority (“EPA”) has provided its summary of public comments to Image’s Environmental Review Document (“ERD”) submitted for public comment in December 2022. In Q1 2023 Image also commenced drafting Environmental Management Plans in parallel with responding to public comments to the ERD, to inform the final ERD submission and EPA assessment. Current estimate for the grant of approvals for Atlas is Q3 2023.

Other development activities, including engineering, design and construction of long-lead items, power and water supply, civil design and detailed mine planning, are progressing to schedule.

Bidamina Feasibility Study and Pre-Development

An updated Mineral Resources estimate for Bidamina was announced in Q1 2023 (**ASX: 28th February 2023: Mineral Resources Update Bidamina Project**) showing a 7% increase in total Mineral resources to 109 million tonnes, a 15% increase in grade to 2.5% total Heavy Minerals (“HM”) and a 23% increase in total contained (in-situ) HM to 2.8m tonnes.

In March 2023, Image announced that continuing labour shortages in the consulting and engineering ranks of its service providers have impacted PFS progress and results have been delayed into Q2 2023. Preliminary indications of study results are positive for an HMC only product base case. However, overall economics are further improved when combined with the concept of producing final products through an MSP, which is the subject of an independent PFS which has commenced. In addition, separation of the HMC from Bidamina would provide the opportunity for the ilmenite to be available as a potential high-quality synthetic rutile (“SR”) feedstock for sale locally or internationally, or for consideration to be converted to SR by Image.

The potential for a significant mine-life at Bidamina, combined with the Company’s long-term strategy of producing additional HMC from its Eneabba Tenements projects and McCalls project provides strong justification for the construction of an MSP, most likely to be located at Boonanarring.

Mineral Sands Market

After a slight decline in Image’s benchmark market price for zircon in Q3 2022, the price stabilised at circa US\$2,255 per tonne in Q4 2022 and Q1 2023 before increasing US\$50 per tonne from 1 April 2023. In total, the benchmark price for zircon has risen 28% since the start of CY2022 and a total of 58% since the start of CY2021 (Figure 1).

Image’s benchmark market price for ilmenite hit a peak of \$410 per tonne in Q3 2022 but has subsequently softened to US\$360 per tonne at end of Q4 2022 and has remained stable at this level during Q1 2023. Overall, the ilmenite price decreased 3% during CY2022, but increased 55% since the start of CY2021 (Figure 2).

Figure 1.

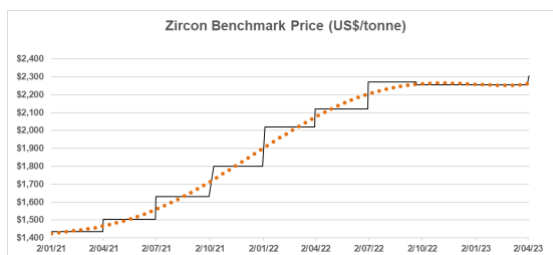
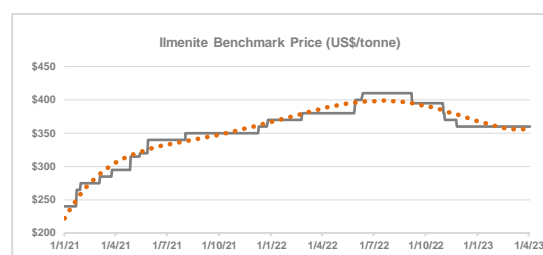


Figure 2.



The gap between zircon spot-market prices in China and Image’s longer-term benchmark market prices for zircon, has now closed, with spot prices similar to longer-term benchmark pricing. Additional supply of zircon from new mining projects might contribute to some downward price pressure in CY2023, although it is noted that new projects rarely ramp-up as quickly as expected, Boonanarring being an exception. Despite these potential pressures on pricing, benchmark market prices for zircon increased a further US\$50 per tonne effective 1 April 2023 providing an indication of ongoing strong demand.

Environmental, Social & Governance (“ESG”)

Environment – Rehabilitation

In addition to the removal and recycle or appropriate disposal of many years of accumulated farming equipment and debris in a local creek near the Boonanarring mine by previous landowners (as reported in the Q4 2022 Quarterly Report), reseeded and replanting of trees and shrubs has been conducted as part of the overall process of restoring the environment and improving the soil and vegetation at and around the Boonanarring operation. Image is a significant landholder in the area and recognises its duty and responsibility to rehabilitate mined areas to a high standard and to work to improve the local environment outside of the mining lease where possible and practicable to do so.

Photo 2: Replanting by Image near Boonanarring



Safety

There were no lost-time injuries (“LTIs”) recorded during the quarter.

The Company remains vigilant with respect to COVID and influenza 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 at Boonanarring. 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.

The Company also tracks and reports its 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 31 March 2023 was 7.3 (up from 4.6 at 31 December 2022, from only a single recordable injury in Q1 2023).

Community

Image continues to proudly contribute to the local communities in which it operates, including through local employment and support for local community events. At 31 March 2023, 52.5% of Image’s workforce at Boonanarring 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’s unused land to the Gingin Recreation Group with profits collected by the group donated back to a variety of local Shire community programs. During Q4 2022, as a

result of this programme, the company was listed as a finalist in the AMEC Community Contribution Award;

- Providing select mined materials to local landowners to assist in demonstration testing to assess carbon sequestration enhancement in local soils;
- Major sponsor of Happiness Co Foundation in support of mental health within the Image workforce and in local communities and regional areas;
- Support of various Gingin and Cervantes community groups and local area programmes through in-kind contributions and Social Investment funding;
- Conditional support for investigations of 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; and,
- Investigation of options for post-mining use of the land for Image landholdings such as for the potential generation of renewable energy from other generation sources, such as expanded solar, wind turbines or small-scale pumped hydro.

Modern Slavery

Image is continuing to execute initiatives under the Modern Slavery Act (“Act”). In Q1 2023, Modern Slavery awareness training was rolled out to mine site personnel and new employees. At the end of Q1 2023, the Board of Directors, all corporate employees and more than half of operations personnel have received Modern Slavery awareness training. In addition, select tier-1 suppliers were audited, using self-assessment questionnaires to gauge the supplier’s compliance with the Act. Audit results will be reviewed and assessed in Q2 2023.

ESG & Sustainability Reporting

During Q1 2023, ESG related data for Image’s four years of mining operations (CY2019-CY2022) were collated into a purpose-built database, based on the SASB Metals and Mining Sustainability Accounting Standard, as recommended by Image’s ESG consultant BDO Advisory. This data is being analysed for inclusion into Image’s inaugural ESG and Sustainability Report to be issued in CY2023. While the adoption of a formal ESG reporting standard only occurred in 2H 2022, the Company has been collecting ESG related data since 2019 and has informally been operating in a manner consistent with many of the principles of UN’s Sustainable Development Goals. For example, Image’s inaugural ESG and Sustainability Report will highlight decreasing water consumption due to recycle and increasing use of renewable energy across the past four years of operations.

Operations

Mining and Processing

Mining operations at Boonanarring were conducted mainly within Blocks C and D during the quarter, with material being returned to Block D as part of the rehabilitation of this mined-out area. Ore processed was primarily from Block D, with the balance from Block C South.

Ore processing for the quarter was 672kt (down 26% QoQ) at an ore grade of 7.6% HM (up 44% QoQ) and at higher ZrO₂ grades (up 25% QoQ).

HMC production at Boonanarring was up 18% QoQ to 45.7Kt due to higher average HM grade of ore processed from Block C, being partially offset by lower ore tonnes processed.

Table 2: Mining & Production Statistics

		Q1 2022	Q4 2022	Q1 2023	QoQ % change	YTD 2023
Mining						
Ore	kt	1,027	906	672	-26%	672
Waste	kt	4,957	4,494	1,142	-75%	1,142
Processing						
Ore Processed	kt	868	879	705	-20%	705
HM Grade (in Ore)	HM%	5.6%	5.3%	7.6%	44%	7.6%
ZrO ₂ Grade (in HM)	ZrO ₂ %	17.0%	10.9%	13.7%	25%	13.7%
TiO ₂ Grade (in HM)	TiO ₂ %	35.1%	35.6%	31.2%	-12%	31.2%
Recovery	HM%	84.3%	77.7%	78.5%	1%	78.5%
	ZrO ₂ %	97.9%	97.5%	97.6%	0%	97.6%
	TiO ₂ %	90.2%	90.1%	90.0%	0%	90.0%
HMC Produced	kt	44.0	38.8	45.7	18%	45.7
HM Grade (in HMC)	HM%	93.4%	93.2%	92.2%	-1%	92.2%
ZrO ₂ Grade (in HMC)	ZrO ₂ %	18.5%	12.1%	15.7%	30%	15.7%
TiO ₂ Grade (in HMC)	TiO ₂ %	34.9%	37.4%	33.0%	-12%	33.0%

Photo 3: Stacker and HMC Stockpiles at Boonanarring


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

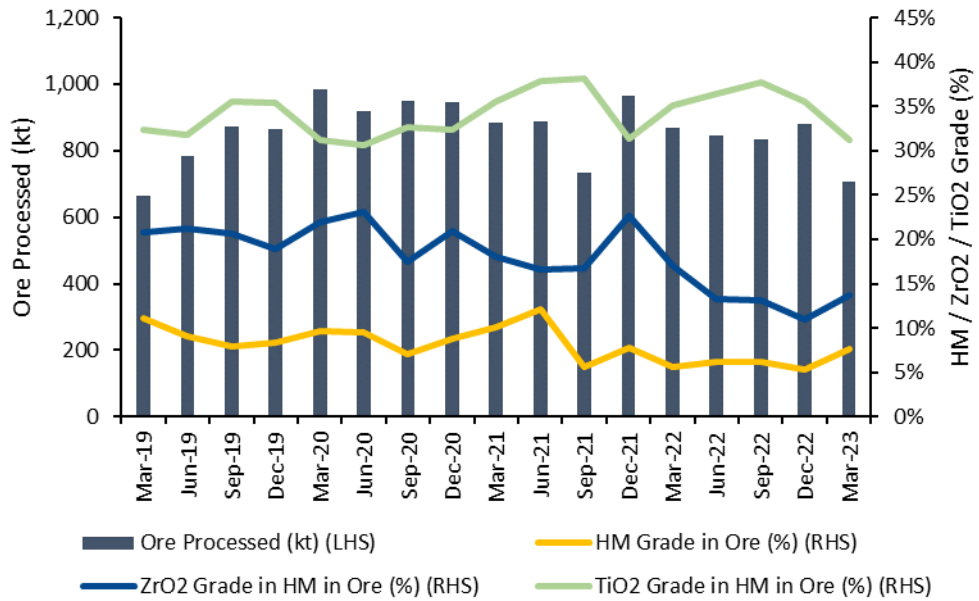
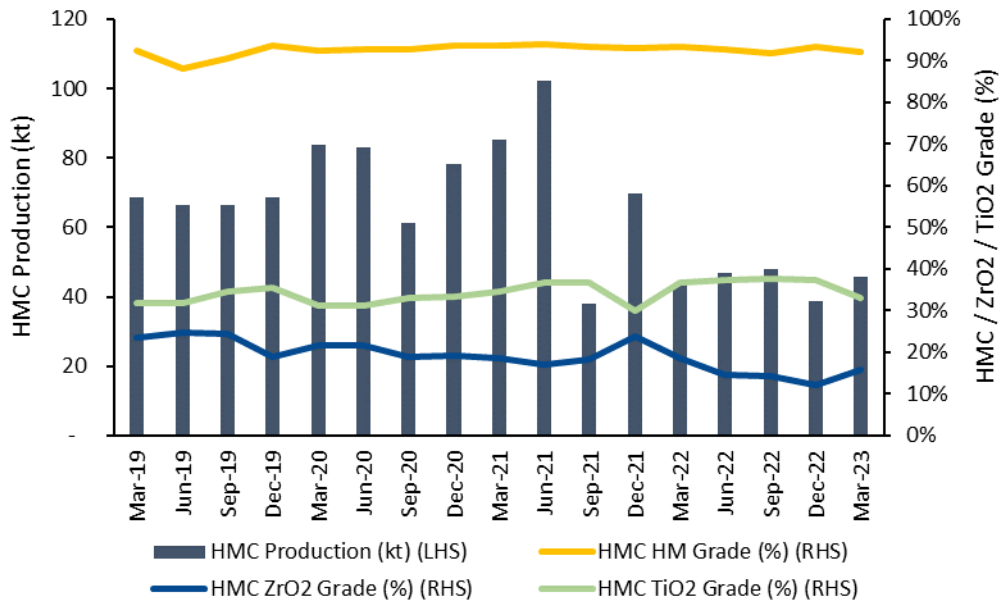


Figure 4: Quarterly HMC production (kt) and contained HM/ZrO₂/TiO₂ grades (%) in HMC



Costs

C1 and AISC cash costs per tonne HMC sold decreased 24% and 21% respectively QoQ due to a combination of higher tonnes sold and lower mining costs (Figure 5 and Table 3). C1 costs decreased from \$578/t to A\$441/t HMC sold and AISC decreased from \$654/t to \$515/t HMC sold mainly due to higher tonnes sold combined with reduced mining costs. Shipments of a nominal 15Kt each are planned for April, May and June 2023.

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

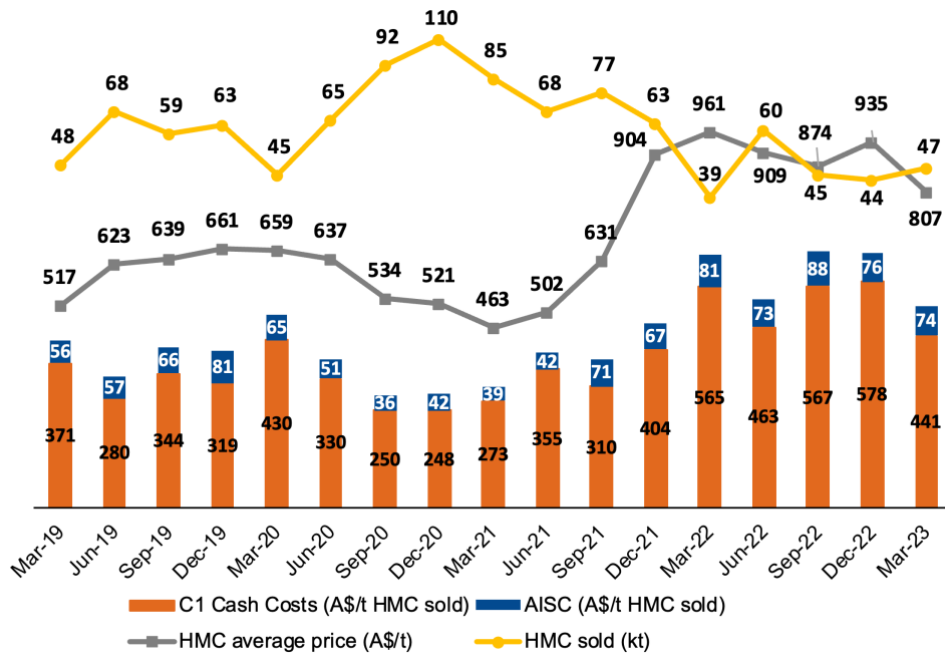
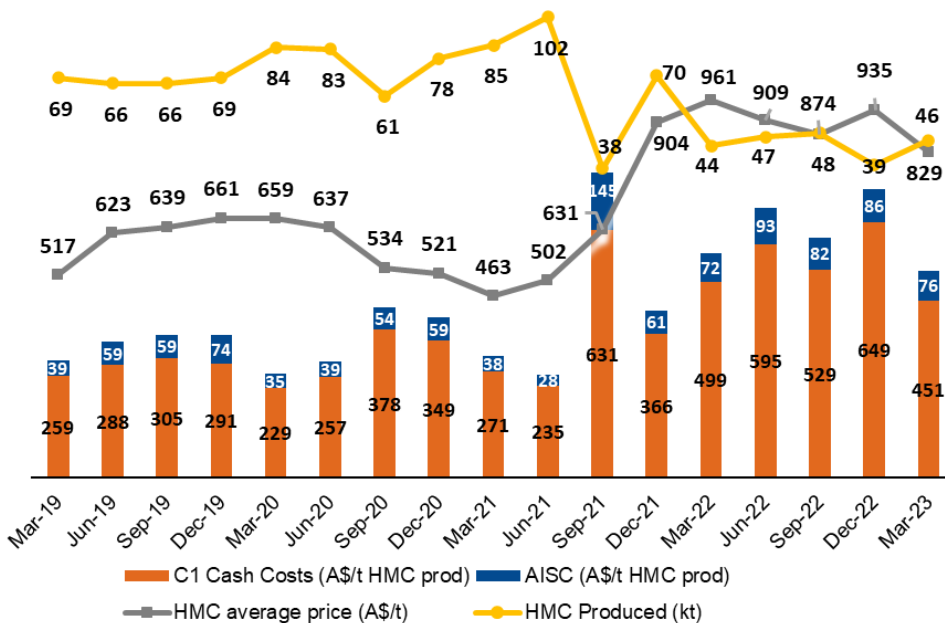


Figure 6: Quarterly HMC Production (kt) with Average Realised Prices & Costs per Tonne HMC Produced



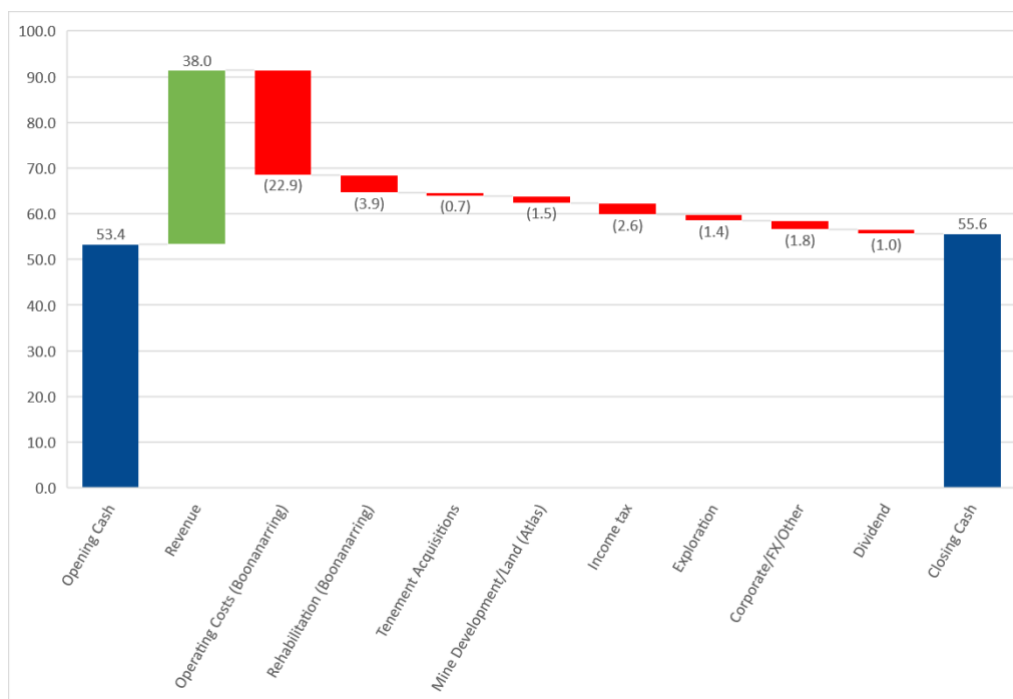
C1 and AISC cash costs per tonne HMC produced (Figure 6 and Table 3) decreased 31% and 28% respectively QoQ due to higher HMC production combined with lower mining costs. C1 costs decreased to A\$451/t HMC produced and AISC decreased to A\$527/t HMC produced. Lower costs per tonne HMC produced were driven by higher average HM Ore grade processed, partly offset by lower tonnes processed, resulting in 18% higher HMC production QoQ (Table 2).

Total project cash operating costs were A\$22.9m for the quarter with CY2023 guidance of A\$45-55m (Table 5) being maintained. Despite ongoing inflationary pressures, costs are trending at the lower end of guidance.

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

		Q1 2022	Q4 2022	Q1 2023	QoQ % change	YTD 2023
Costs/tonne HMC produced						
Mining	A\$/t HMC	299	397	238	-40%	238
Pre-Strip	A\$/t HMC	0	0	0	0	0
Processing	A\$/t HMC	89	103	91	-11%	91
Site Support	A\$/t HMC	17	19	17	-12%	17
Logistics	A\$/t HMC	94	131	105	-20%	105
Total – C1 Cash Costs	A\$/t HMC	499	649	451	-31%	451
Royalties	A\$/t HMC	40	49	38	-21%	38
Sustaining Capital	A\$/t HMC	3	2	1	-65%	1
Corporate	A\$/t HMC	29	35	37	6%	37
Total – AISC	A\$/t HMC	571	735	527	-28%	527
Costs/tonne HMC sold						
C1 Cash Costs	A\$/t HMC	565	578	441	-24%	441
AISC	A\$/t HMC	647	654	515	-21%	515

Figure 7: Quarterly Cashflow Waterfall Chart



Net Operating Cashflow was A\$15.1m for Q1 2023 with three shipments being successfully completed during the quarter, despite substantial port congestion. Three HMC shipments of nominal 15kt each are forecast to be completed in Q2 2023.

Expenditure during the quarter included A\$3.9m on rehabilitation at Boonanarring, \$2.6m on income tax, \$1.5m on exploration and \$1.0m on late-claimed dividends declared in 2022. The Company continues to advance the development at Atlas with A\$1.5m of development expenditure during Q1 which includes progress payments for donga construction for the mining camp at Atlas.

Sales

HMC sales volumes increased 7% to 46.7Kt with 3 shipments successfully completed in the quarter despite substantial port congestion. Three shipments are planned for Q2 2023.

Image continues to see strong demand for its HMC product from its off-takers and strong interest from potential new customers. An increase in zircon benchmark market prices, combined with higher average zircon grades, is expected to significantly increase average realised prices for Boonanarring HMC in Q2 compared to Q1 2023.

Realised pricing of A\$807/t HMC sold for Q1 2023 (Table 4) was down 14% QoQ due to lower zircon content and following quarterly average realised prices of \$935/t in Q4 2022. As a result of lower realised prices, partially offset by higher sales volumes, sales revenue for the March Quarter was down 7% QoQ to \$37.8m. Total finished HMC inventory, at Boonanarring plus at port storage, remained relatively stable at 35kt.

Table 4: HMC Sales and Stockpiles

		Q1 2022	Q4 2022	Q1 2023	QoQ % change	YTD 2023
Sales						
HMC sold	kt	38.8	43.5	46.7	7%	46.7
ZrO2 in HMC	%	22%	15%	14%	-8%	14%
TiO2 in HMC	%	31%	36%	35%	-4%	35%
Average price realised	A\$/t HMC	961	935	807	-14%	807
HMC Revenue	A\$m	37.3	40.7	37.8	-7%	37.8
Stockpiles (end of period)						
HMC for shipping	kt	52	34	35	3%	35

Financial Summary

Revenue for Q1 2023 was A\$37.8m, down 7% from the previous quarter (Table 4). The Company generated A\$15.1m of net project operating cash flow for the quarter.

At 31 March 2023, Image had a net cash position of A\$55.6m.

Performance against Guidance

The Company is pleased to report that Q1 2023 results support maintaining guidance for calendar year 2023. In particular, HMC production is running at the upper end of guidance but is expected to moderate in Q2 as we near the end of the mine-life at Boonanarring. Conversely Cash Costs per tonne sold are running at the lower end of guidance but are expected to increase slightly as monthly production declines.

Sales will be supplemented by the clean-up of remaining HMC stockpiles and stockpile base material, estimated to contain approximately 35Kt HMC at end of March 2023

Table 5: CY2023 Guidance

		Q1 2023 Actuals	CY2023 Guidance
HMC Produced	kt	45.7	80-90
HMC Sold	kt	46.7	110-120
Project Operating Costs ¹	A\$m	22.9	45-55
C1 Cash Costs (HMC Sold)	A\$/t HMC	441	460-500
AISC Cash Costs (HMC Sold)	A\$/t HMC	527	530-570

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

Corporate

On 18 January 2023, the Company announced an expansion of gold mineralisation at the Erayinia-King project.

On 21 March 2023 the Company lodged the Annual Financial Report for the year ended 31 December 2022 and reported a Net Profit After Tax (NPAT) of \$15.2m (2021: \$19.4m) for a total NPAT of approximately \$80m over the first four years of operations.

On 30 March 2023, the Company announced that its annual general meeting will be held on Tuesday, 30 May 2023.

Corporate costs for Q1 included \$302,000 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 BFS published in 2017 and was contemplated to be mined after all available Ore Reserves at Boonanarring are mined and processed. Atlas is currently undergoing detailed project development planning, heritage clearances and environmental permitting.

Atlas is located approximately 160km north of Perth (80km north of Boonanarring) and has Ore Reserves of 5.5Mt at 9.2% HM (see Table 11 and refer ASX announcement 21 December 2022).

Highlights of the updated Ore Reserve estimate announced in December 2022 are as follows:

- 5.5 million tonnes of Ore Reserves at 9.2% total HM
- 4.5 million tonnes (81%) classified as Proved Reserve at 10.6% total HM
- 481 kt (96%) of contained HM is in the Proved category
- 11.9% zircon, 7.9% rutile, 4.9% leucoxene, 53% Ilmenite and 1.1% monazite in total HM
- Construction is scheduled to commence 2H CY2023 followed by the start of mining and processing Q4 2023 (subject to timing of environmental approvals)
- Forecast processing rate of 2.6 million tonnes ore per annum
- Total HMC production of 446kt
- Net pre-tax project cash flow of A\$62M

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 1:1 (Boonanarring 6:1), which translates to significantly lower mining costs at Atlas. The zircon content of the HM in the ore at Atlas is lower at 11.9% in total HM, compared to roughly 24% at Boonanarring. Rutile, on the other hand, is much higher at Atlas at 7.9% compared to approximately 3.5% 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. In Q1 2022, a key piece of land close to the Atlas deposit was purchased. This property provides a suitable location for a camp site and has the added benefit of natural bushlands that are suitable for environmental land offsets if and as required.

The Atlas project is currently progressing through the environmental approval process, with the Environmental Review Document ("ERD") submitted in December 2022. Following the public review period ending early February submissions were summarised and Image lodged responses to these submission with the Environmental Protection Authority ("EPA"). The Environmental Management Plans are being prepared in parallel and will be adjusted as required based on submissions received to the ERD and conditions set out from final approval. Restricting the Atlas mining area to the southern section of the ore body has significantly reduced environmental impacts and is assisting with maintaining the overall approval process timeline.

Current estimates for the grant of approvals for Atlas remains at Q3 2023 noting that this timing is dependent on whether the project receives any objections (appeals). First plant throughput at Atlas is planned for Q4 2023 with first shipment of HMC likely to occur in Q1 2024.

The Company continues to work actively and co-operatively with the local traditional owners, through the Southwest Aboriginal Land and Sea Council (“**SWALSC**”), along with various service providers to address any outstanding cultural and heritage issues.

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 trucking or pumping distance from the planned location of the Atlas WCP, or may be accessible as satellite operations using the smaller CT1 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 the subject of a PFS being conducted by IHC Mining (“**IHC**”), as a potential stand-alone dredge mining production centre, to be operated in parallel with operations in the Atlas area. Bidaminna is located 100km north of Perth (25km northwest of Boonanarring).

An updated Mineral Resources estimate was announced on 28 February 2023 (see Table 11). The Bidaminna deposit contains 109mt of Mineral Resources at 2.5% HM and has a high-value titanium mineral assemblage, including 72% ilmenite, 12% leucosene (70-95% TiO₂), 4.0% rutile, plus 4.9% zircon (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 indicate the deposit is amenable to lower-cost dredge mining.

The PFS being conducted by IHC has been impacted by ongoing labour shortages in the consulting and engineering ranks and results have been delayed into Q2 2023. While the basis of the PFS is to produce an HMC product, and preliminary indications are that economic results will be positive, early work on a PFS for an MSP (being conducted in parallel with the Bidaminna PFS) to make final products, indicates overall project economics are further improved.

The justifications for an MSP are bolstered by Image’s strategy to produce additional HMC from its other potential projects associated with the Eneabba Tenements and McCalls project, as well as the opportunity to market the ilmenite from Bidaminna and McCalls (locally or internationally) as potential feedstock for the production of SR, or for Image to consider producing its own SR using hydrogen as the iron reductant.

EXPLORATION

The Company’s exploration portfolio is primarily focused on mineral sands, with the exception of two exploration licences and two prospecting licences, located southeast of Kalgoorlie, which make up the Erayinia/King Gold Project (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 1,704 square kilometres.

With the expansion of the Company’s minerals sands portfolio through the strategic acquisitions of the Eneabba Tenements and McCalls Project in CY2022, the North Perth Basin tenements now consist of 24 named project areas, each with identified Mineral Resources estimates as presented in Tables 9.

Drilling Programs

Drilling activity during Q1 2023 included potential Mineral Resources confirmation/expansion drilling at Atlas West and Hyperion, and Mineral Resources confirmation and bulk sample collection drilling at Yandanooka. Total drilling activity planned for 2023 includes 783 holes for 38,120m.

The Atlas West drilling was designed to infill parts of the current Mineral Resources estimate (“**MRE**”) that are falling inside the pit shell of the current optimistic economic evaluation but lack sufficient data (drilling density) to be classified as Probable Reserves. Results are intended to determine whether the current MRE is underestimating the HM grade in these areas.

The purpose of the Hyperion drilling was to test remaining magnetic targets generated from a detailed ground magnetic survey east of the Hyperion Deposit, to potentially expand the Hyperion MRE. Pan estimates of HM grades, carried out in the field, confirmed mineralisation at several locations but grades and strand thicknesses were less than optimal. Laboratory assays are pending.

Figure 8 – Atlas West infill drilling 2023

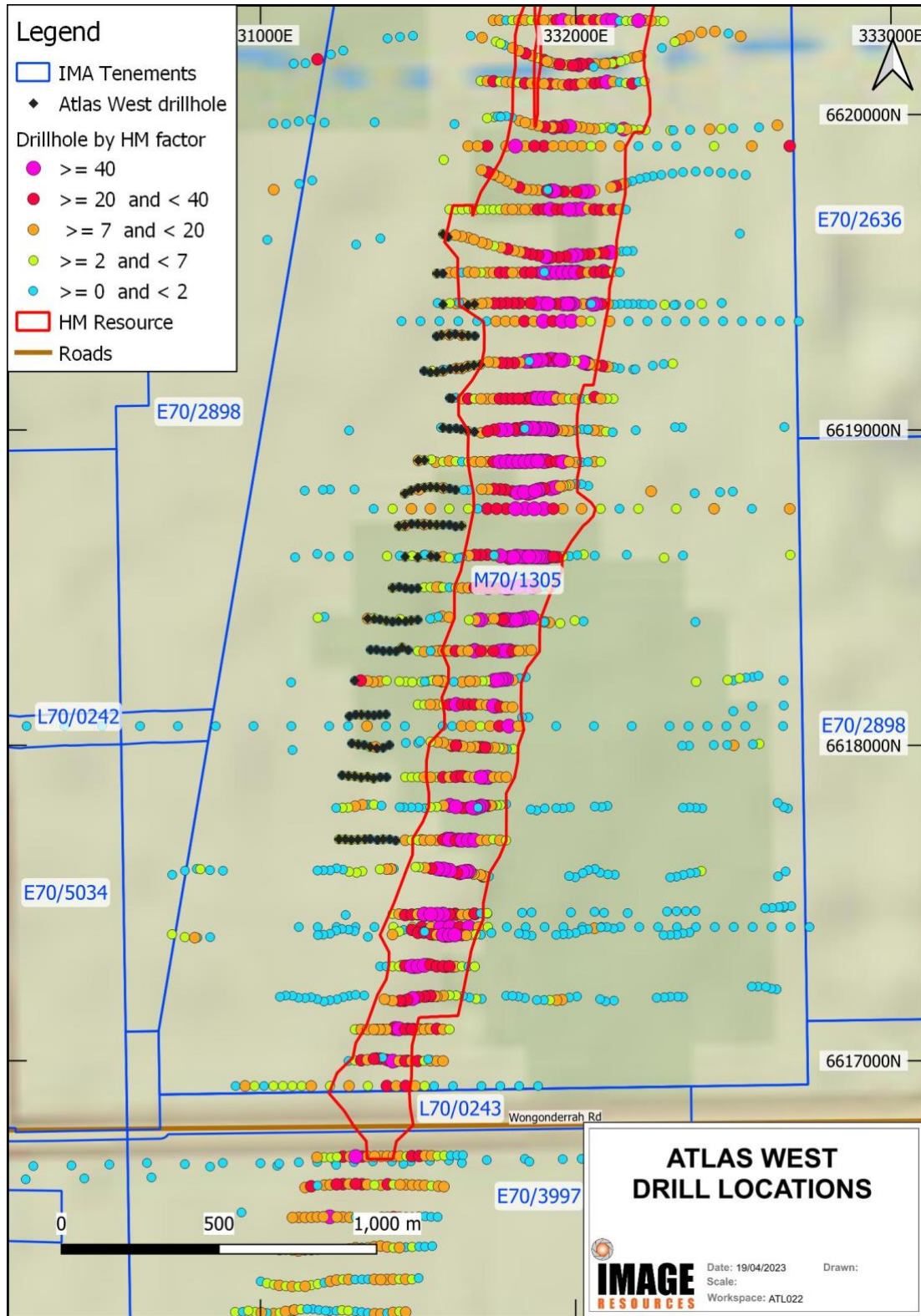
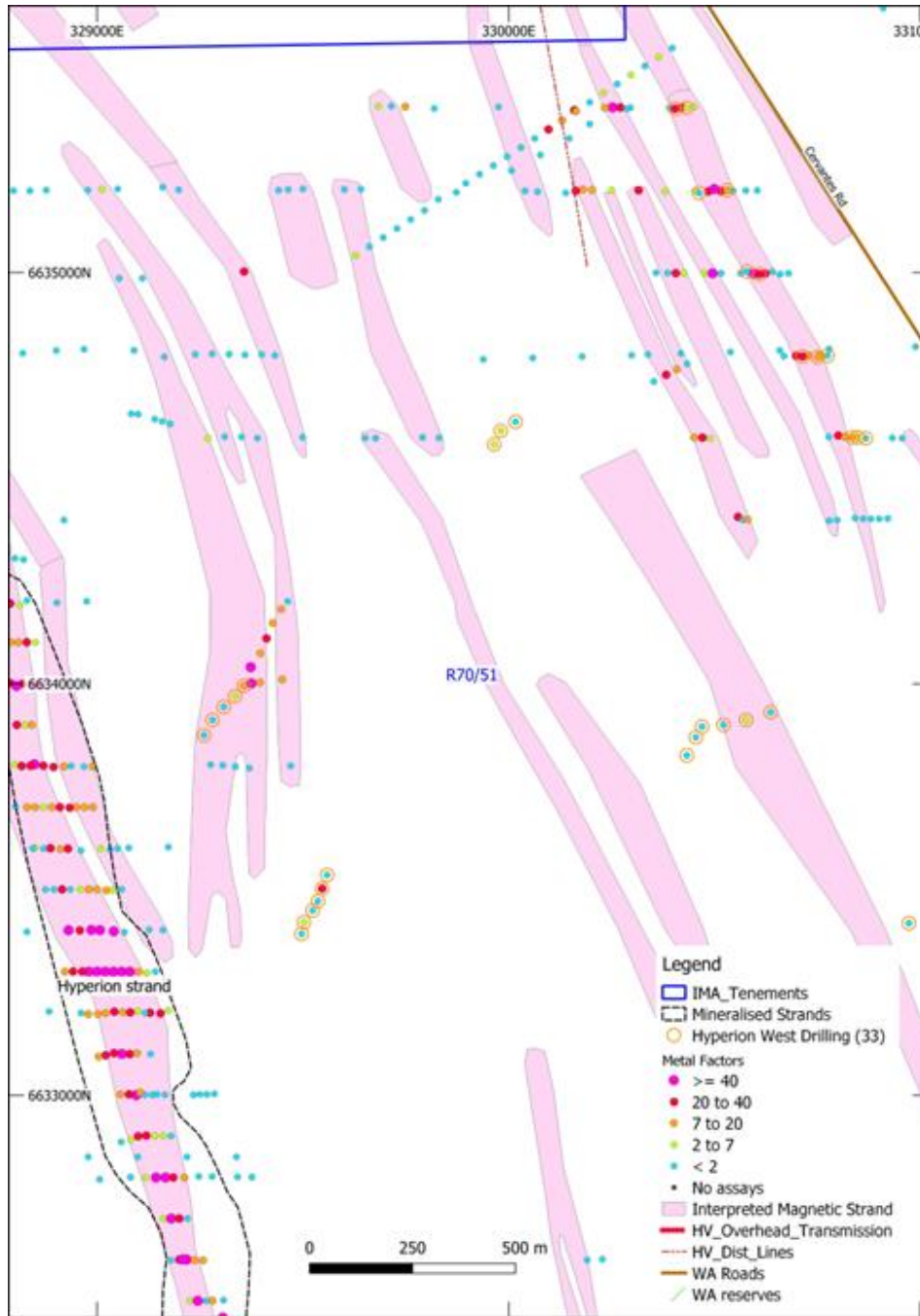
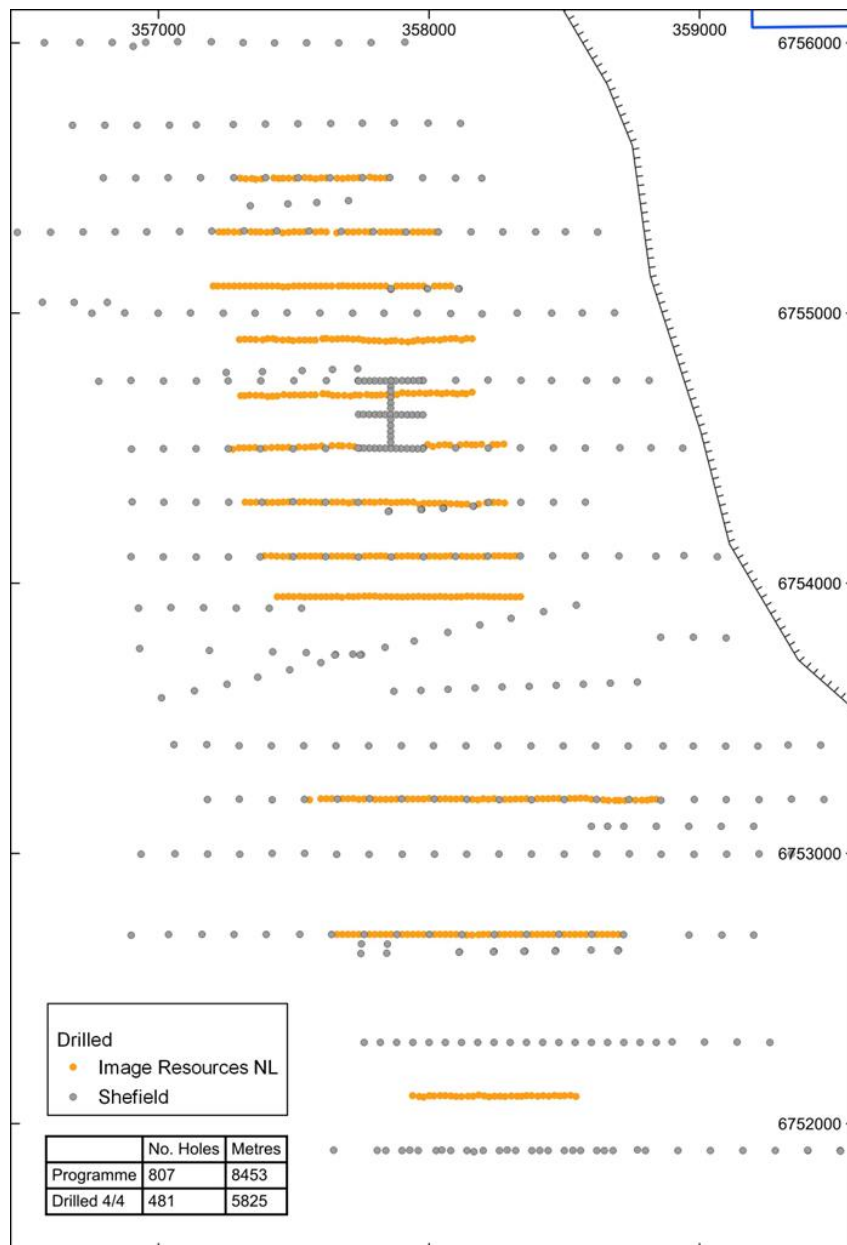


Figure 9 – Hyperion exploration drilling 2023



The Yandanooka project was prioritised as a development project in early CY2023. Several studies and investigations have been commenced with the aim of fast-tracking a PFS. Drilling that was planned solely for the collection of a large metallurgical bulk sample was modified to include a Mineral Resources infill component. As a result, the originally planned 12 large-diameter auger holes were replaced with approximately 500 conventional aircore holes. Reject material from the sample splitter was collected from every meter drilled so that a 6-tonne composite sample can be compiled. The drilling was designed on an infill pattern to facilitate an MRE upgrade, and to move Indicated Mineral Resources to Measured Mineral Resources classification as defined by the 2012 JORC code, for approximately 4 years' worth of potential mine production. As at 31 March 2023, 262 holes for 3909m had been drilled.

Figure 10 – Yandanooka Infill Drilling 2023



Bidamina Project

Following the successful completion of Mineral Resources infill drilling during 2022, the Bidamina MRE was updated in Q1 2023 (refer ASX announcement 28 February 2023 – “Mineral Resources Update - Bidamina Project”). The 2023 MRE contains 109 Mt @ 2.5% total HM. This represents a 7% increase in material tonnes, a 15% increase in HM grade and a 23% increase in total tonnes of contained HM (2.8Mt). The classification of Mineral Resource has been significantly upgraded in the 2023 MRE with the new MRE containing 86 Mt Measured Resource, 13 Mt Indicated Resource and 10 Mt Inferred Resource as defined by the JORC code 2012.

The 2023 MRE is based on data from 594 vertical reverse circulation (RC) drillholes, for a total of 31,233 m. A total of 18,096 samples have been assayed. The mineral assemblage is based on 33 composite samples of heavy mineral sachets taken from 94 drillholes (over a total of 2,090 m). The 33 composite samples are all from 2022 drilling and supersede previous mineral assemblage data. The mineral assemblage composites were analysed by QEMSCAN using the following rules for titanium mineral determination (ilmenite – 45% to 70% TiO₂, leucoxene – 70% to 95% TiO₂ and rutile - > 95% TiO₂)

The MRE for Bidamina has been reported above a 0.5% total HM cut-off grade in Table 6. This cut-off grade was selected by Image based on technical and economic assessment, comparison with similar deposits and for consistency of reporting with Image’s other deposits.

Table 6 - Bidamina 2023 Mineral Resources reported above a cut-off grade of 0.5% total HM

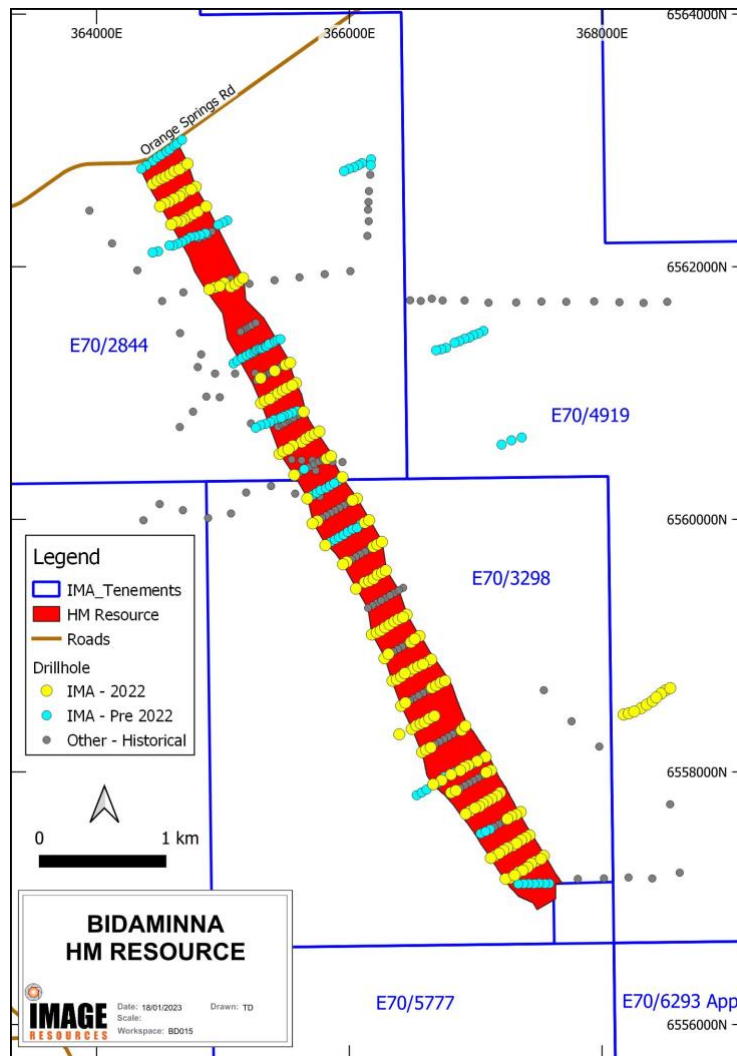
Deposit	Mineral Resource Category	Cut-off (total HM%)	Tonnes (million)	In-situ HM Tonnes (million)	Total HM grade (%)	HM Assemblage (% of total HM)					Slimes (%)	Oversize (%)
						Zircon	Rutile	Leuc.	Ilmenite	Monazite		
Bidamina	Measured	0.5	86	2.4	2.8	4.9	4.0	12	72	0.34	3.9	3.2
	Indicated	0.5	13	0.3	2.1	4.9	4.2	13	71	0.33	4.7	2.3
	Inferred	0.5	10	0.1	0.7	4.6	5.6	17	66	0.19	3.2	1.8
	Total	0.5	109	2.7	2.5	4.9	4.0	12	72	0.33	3.9	3.0

Notes:

- Reported above a cut-off grade of 0.5% total HM.
- Mineral Resource estimate has been classified and reported in accordance with the guidelines of JORC Code (2012).
- Estimates of the mineral assemblage (zircon, ilmenite, rutile, leucoxene and monazite) are presented as percentages of the total HM component of the deposit, as determined by QEMSCAN analysis. The break points used for definition of titania minerals are: ilmenite 45–70% TiO₂; leucoxene 70–95% TiO₂; rutile >95% TiO₂.
- All tonnages and grades have been rounded to reflect the relative uncertainty of the estimate, thus sum of columns may not equal.

The 2023 Bidamina MRE will be used in the ongoing economic evaluation of the PFS for the Bidamina Project.

Figure 11 – Bidaminna Mineral Resources boundary with 2022 drilling



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

The Company’s Erayinia/King gold project is comprised of the Erayinia/King mineralisation (gold mineralisation that straddles the King Prospect (P28/1320 and P28/1321) and the Erayinia Prospect (E28/1895)) and with the Madoonia Downs Prospect further to the north (E28/2742). Erayinia and Madoonia Downs have always been 100%-owned by Image (Figure 12). The King Prospect is now 100%-owned (following a Farmin), but subject to a 2% net smelter royalty which was reserved by the project’s vendors as a condition of the Farmin.

Image’s exploration efforts have been focused on infill and extensional drilling on and around the known Erayinia/King mineralisation. The most recent drilling, completed in Q4 2022, resulted in a number of significant gold intersections mainly within the central part of the northern mineralised zone (refer to ASX Release dated 18 January 2023 – Gold Mineralisation Expands North and Erayinia-King Project). Notable intersections included 21m at 2.1g/t from 84m in EYRC119; 37m at 1.4g/t from 65m in EYRC116; and 20m at 1.1g/t from 63m in EYRC127.

The objective of drilling to-date has been to extend the overall size and grade of gold mineralisation, especially in the northern zone, and to increase drilling density in the lead up to an inaugural MRE in Q2 2023.

There are several intersections open at depth that may be worthy of follow-up drilling using RC hammer to achieve the required depth. This drilling will not be scheduled unless a conceptual economic evaluation confirms the potential for economic viability based on the current intersections.

Work completed in Q1 2023 focused on the re-interpretation of mineralised structures from first principles using the latest drilling. The interpretation is being done in-house. This work correlates well with previous work done by

Snowden Optiro. The new interpretation will add detail of potential high-grade structures below the supergene horizon. The updated interpretation will be used to guide the maiden MRE.

Following the completion of the MRE, Image will carry out a conceptual economic evaluation using high-level assumptions around mining, transport and processing costs. This will guide future infill and extension drilling to ensure all drilling planned is adding to a potentially economic and exploitable deposit.

The next round of exploration activities at Erayinia/King will focus on exploring the wider tenement holding. This will start with evaluation of existing geophysical data sets and surface geochemistry. If gaps exist in the data, Image will investigate the merits of acquiring additional data (most likely ground magnetics and infill surface geochemistry in areas of interest).

Exploration targets generated from the surface geochemistry and geophysics analysis will be drill tested in H2 2023 (pending approvals and drill rig availability).

Other work planned for Q2 2023 includes a site visit to assess existing infrastructure, assess rehabilitation requirements for 2023 and carry out high-level regolith mapping to guide surface geochemistry sampling programs.

Figure 12: Erayinia, Madoonia Downs and the King Prospect Location Map

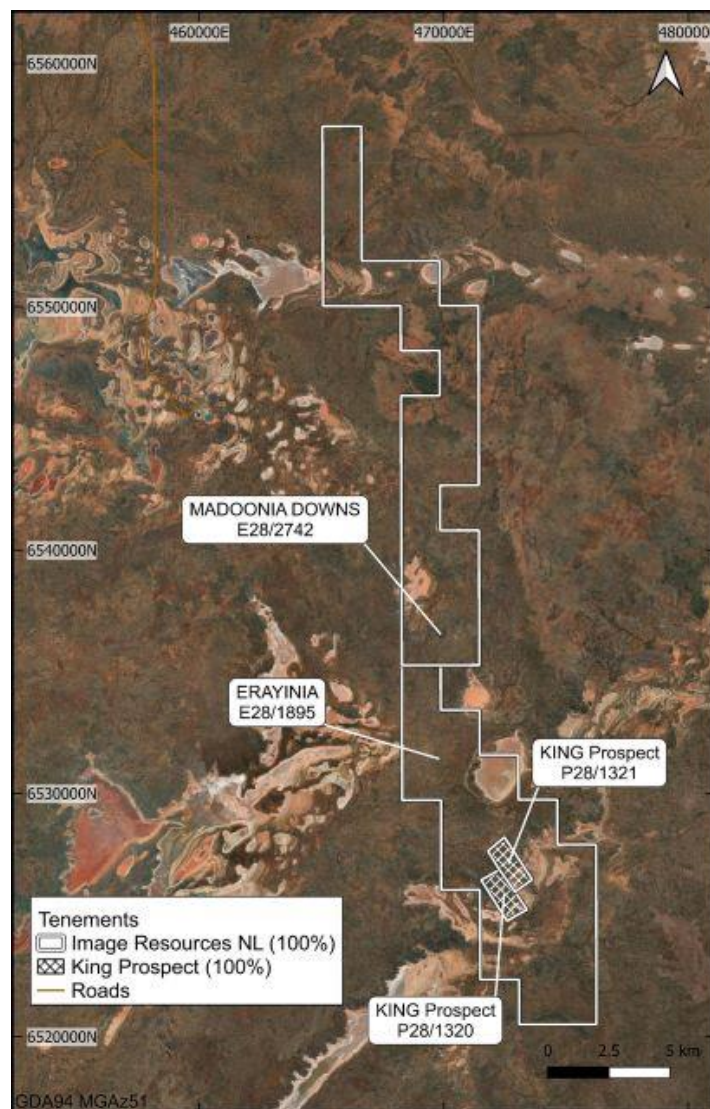


Figure 13 : Erayinia, King and Madoonia Downs tenements and surrounding mined deposits proximal to the operating Randall's Mill

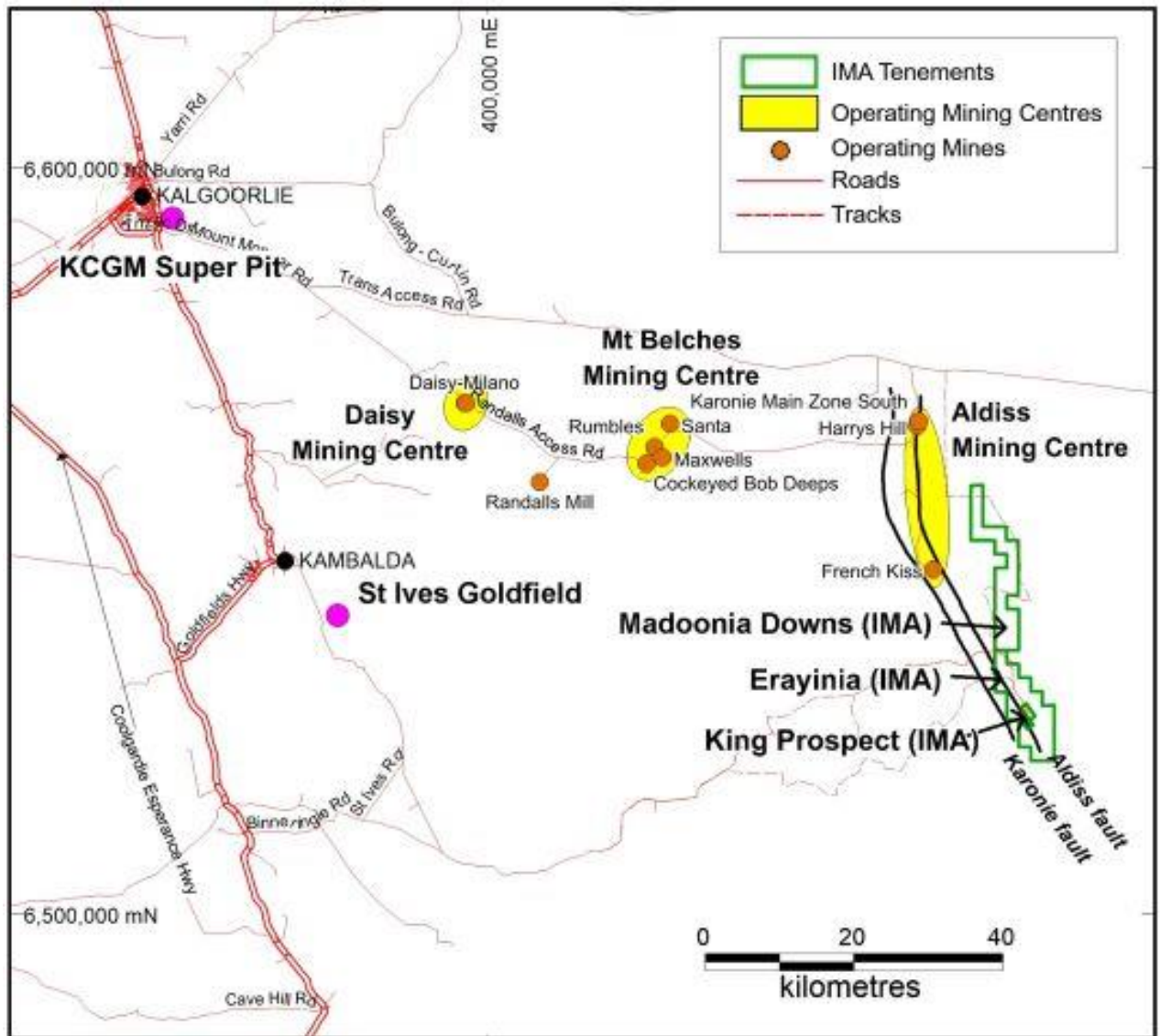


Table 7. Tenement Schedule in accordance with ASX Listing Rule 5.3.3

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	P28/1320	Granted	KING	100% pending transfer	100% pending transfer
WA	P28/1321	Granted	KING	100% pending transfer	100% pending transfer
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	E70/3762	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	E70/3997	Granted	MUNBINIA	100%	100%
WA	E70/4190	Granted	ENEABBA EAST	100% pending transfer	100% pending transfer
WA	E70/4244	Granted	WOOLKA	100%	100%
WA	E70/4584	Granted	MINDARRA SPRINGS	100% pending transfer	100% pending transfer
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	E70/4719	Granted	TARRA TARRA	100% pending transfer	100% pending transfer
WA	E70/4747	Granted	UPCREEK	100% pending transfer	100% pending transfer
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	E70/4922	Granted	CAPITELA	100% pending transfer	100% pending transfer
WA	E70/4946	Granted	RED GULLY NORTH	100%	100%
WA	E70/5034	Granted	SADDLE HILL	100%	100%
WA	E70/5192	Application	WINOOKA SOUTH	100% pending grant	100% pending grant
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	E70/6275	Application	OLD ARROW	100% pending grant	100% pending grant
WA	E70/6276	Application	WINOOKA SOUTH	100% pending grant	100% pending grant
WA	E70/6277	Application	COONABIDGEE	100% pending grant	100% pending grant

WA	E70/6293	Application	BIDAMINNA SOUTH	100% pending grant	100% pending grant
WA	G70/0250	Granted	BOONANARRING	100%	100%
WA	M70/0448	Granted	GINGIN SOUTH	100%	100%
WA	M70/0872	Granted	LOGUE AREA	100% pending transfer	100% pending transfer
WA	M70/0965	Granted	ENEABBA WEST	100% pending transfer	100% pending transfer
WA	M70/1153	Granted	ENEABBA	100% pending transfer	100% pending transfer
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	M70/1419	Granted	TWIN HILLS	100% pending transfer	100% pending transfer
WA	M70/1421	Granted	BOONANARRING SOUTH	100% pending grant	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	R70/0035	Granted	ENEABBA	100% pending transfer	100% pending transfer
WA	R70/0051	Granted	COOLJARLOO NORTH	100%	100%
WA	R70/0062	Granted	NAMBUNG	100%	100%
WA	L242	Application	ATLAS	0%	100% pending grant
WA	L243	Application	ATLAS	0%	100% pending grant
WA	E52/3917	Granted	WILTHORPE	1% Royalty payable in all minerals	1% Royalty payable in all minerals
WA	M52/1067	Granted	WILTHORPE	1% Royalty payable in all minerals	1% Royalty payable in all minerals
WA	R52/1067	Granted	SERPENTINE LAKES	1% Royalty payable in all minerals	1% Royalty payable in all minerals
WA	M70/1413	Granted	MULLERING	1% Royalty payable in all minerals	1% Royalty payable in all minerals

Mining Tenements acquired during the Quarter

WA	M70/1421	Granted	BOONANARRING SOUTH	100% pending grant	100%
WA	M70/1419	Granted	TWIN HILLS	100% pending transfer	100% pending transfer
WA	L242	Application	ATLAS	0%	100% pending grant
WA	L243	Application	ATLAS	0%	100% pending grant

Mining Tenements disposed during the Quarter

WA	E70/4292	Expired	TWIN HILLS	100% pending transfer	0%
WA	E70/3859	Withdrawn	OLD ARROW	100% pending grant	0%

Summary of Tenement Activity Q1 2023

Granted Tenements

- M70/1419 Twin Hills, granted to Sheffield 7/02/2023 over their E70/4292 Twin Hills (pending transfer to Image Resources)
- M70/1421 Boonanarring South, granted 20/02/2023

Surrendered Tenements

- E70/4292 Twin Hills (held by Sheffield pending transfer to Image Resources) expired 7/02/2023
- E70/3859 Old Arrow, 2010 application withdrawn by Sheffield 25/01/2023. Replaced by Image Resources application E70/6275, Old Arrow, over the same area 30/08/2022.

Tenement Applications

- L70/242 Miscellaneous Licence applied for at Atlas 21/03/2023
- L70/243 Miscellaneous Licence applied for at Atlas 21/03/2023

Tenement Renewals Granted

- E70/4190 Eneabba East (held by Sheffield pending transfer to Image Resources) extension of term granted on 9/02/23 for 2 years till 26/06/24
- E70/3813 Yandanooka (held by Sheffield pending transfer to Image Resources) extension of term granted on 1/03/23 for 2 years till 9/11/24. Has Retention Status so no expenditure commitment
- E70/3814 Arrowsmith (held by Sheffield pending transfer to Image Resources) extension of term granted on 1/03/23 for 2 years till 9/11/24. Has Retention Status so no expenditure commitment
- E70/3967 McCalls North (held by Sheffield pending transfer to Image Resources) extension of term granted on 1/03/23 for 2 years till 9/11/24. Has Retention Status so no expenditure commitment

Figure 14: North Perth Basin Tenements as of Q1, 2023.

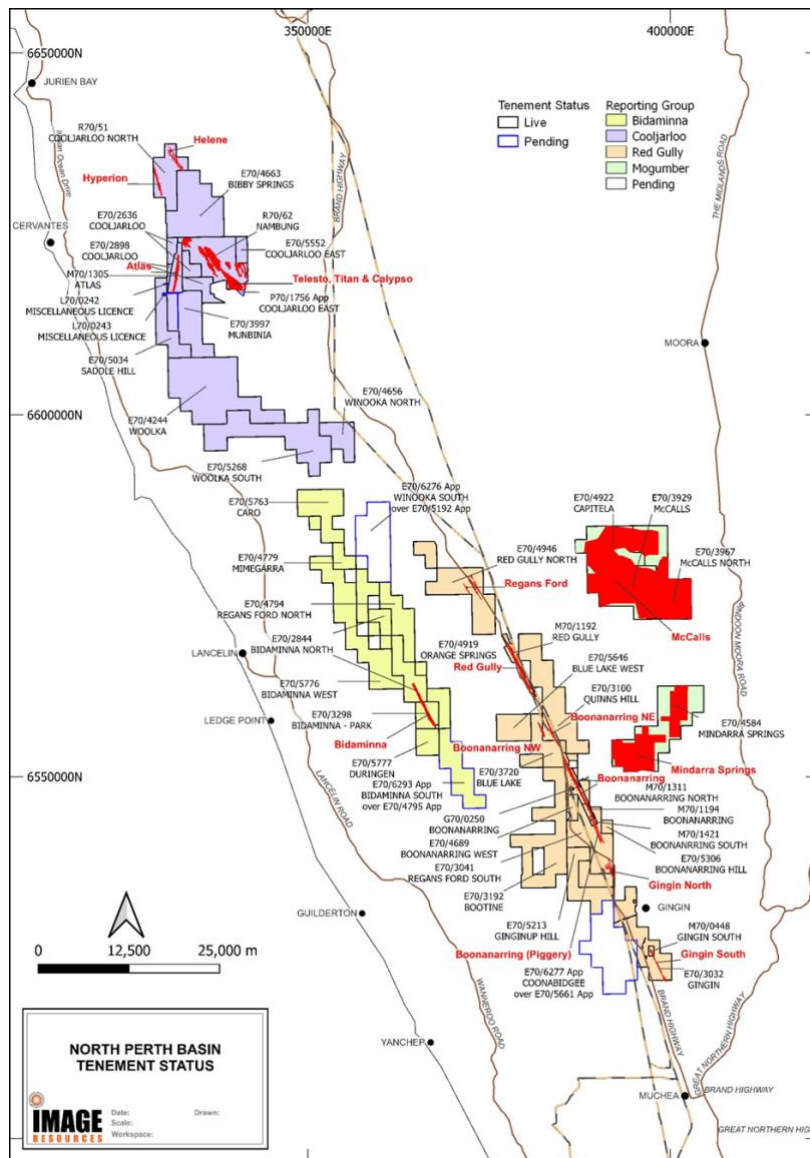
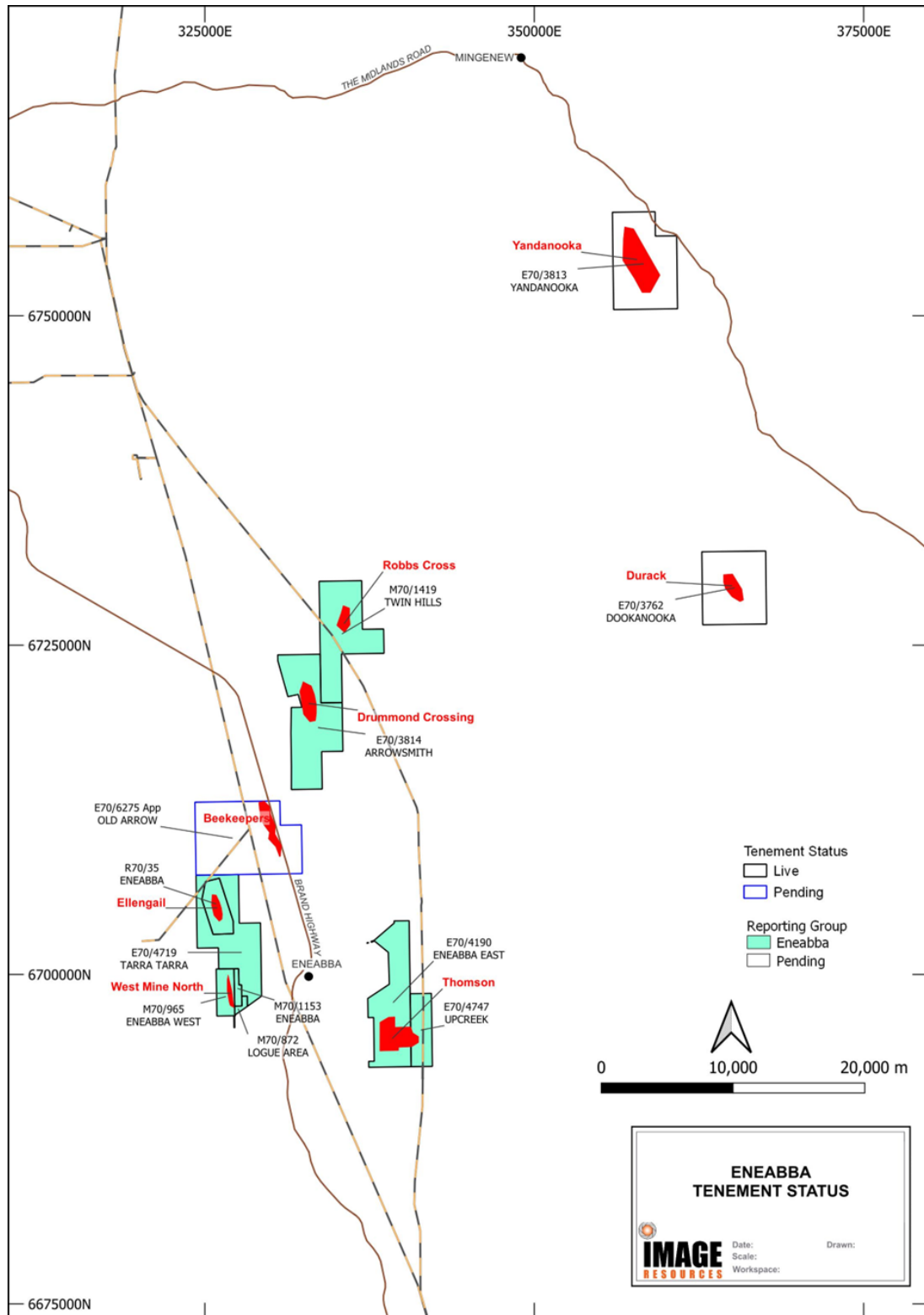


Figure 15 : Eneabba Tenements of Q1, 2023



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.

Mineral Resources & Ore Reserves Statement

The estimated Ore Reserves at Boonanarring include depletion from mining through 31 December 2022 and thereby represent remaining Ore Reserves at Boonanarring as at 31 December 2022. Atlas Ore Reserves were updated on 21 December 2022.

Table 8 – Ore Reserves - Strand Deposits; in accordance with the JORC Code (2012) – 31 December 2022

Project/Deposit	Ore Reserve Category	Tonnes (million)	In-situ HM Tonnes (millions)	Total HM grade (%)	HM Assemblage (% of total HM)						
					Zircon	Rutile	Leuc.	Ilmenite	Monazite	Slimes (%)	Oversize (%)
Boonanarring	Proved	0.8	0.07	8.4	22	3.2	2.7	47		14	4.5
	Probable	0.5	0.02	4.7	21	8.8	8.7	42		16	6.1
	Sub Total	1.2	0.08	7.0	22	4.7	4.2	45		15	4.9
Atlas	Proved	4.5	0.48	10.6	12	8.0	4.9	54	1.1	15	4.6
	Probable	0.9	0.02	2.1	8.1	5.2	4.7	29	0.8	15	8.1
	Sub Total	5.5	0.50	9.2	12	7.9	4.9	53	1.1	15	5.2
Total Ore Reserves		6.7	0.58	8.8	13	7.5	4.8	52		15	5.1

¹ Refer to Boonanarring Ore Reserves release 29 March 2023 "Boonanarring Annual Ore Reserve Update"

² Atlas Ore Reserves refer to the 21 December 2022 release "Revised Announcement Atlas Project Ore Reserve Update"

The estimated Mineral Resources at Boonanarring include depletion from mining through 31 December 2022 and thereby represent remaining Mineral Resources at Boonanarring as at 31 December 2022. Atlas Mineral Resources were updated on 15 December 2022.

**Table 9- Mineral Resources – Dry and Dredge Mining Strand/Dune Deposits;
in accordance with JORC Code 2012 as at 31 December 2022**

Deposit	Mineral Resource Category	Cut-off (total HM%)	Tonnes (million)	In-situ HM Tonnes (millions)	Total HM grade (%)	HM Assemblage (% of total HM)					
						Zircon	Rutile	Leuc.	Ilmenite	Slimes (%)	Oversize (%)
Boonanarring	Measured	2.0	1.3	0.1	8.1	21.5	3.1	4.5	48	15	6.5
	Indicated	2.0	4.0	0.2	4.3	11.0	5.2	12.4	51	17	4.2
	Inferred	2.0	0.7	0.0	3.4	11.1	4.7	6.0	55	14	5.9
	Meas Ind and Inf	2.0	6.1	0.3	5.0	14.7	4.4	9.1	50	17	4.9
Atlas	Measured	2.0	7.1	0.6	9.0	10.7	7.5	5.1	51	15	4.6
	Indicated	2.0	5.0	0.2	3.5	7.0	4.7	5.1	42	16	4.6
	Inferred	2.0	5.2	0.2	3.3	9.1	4.4	4.8	54	14	2.7
	Meas Ind and Inf	2.0	17.3	1.0	5.7	9.8	6.5	5.1	49	15	4.0
Boonanarring North West	Indicated	2.0	3.1	0.2	5.1	9.6	6.8	30	35	11	1.2
	Inferred	2.0	1.2	0.1	5.0	8.3	7.4	36	27	10	0.8
	Ind and Inf	2.0	4.3	0.2	5.1	9.2	6.9	32	33	11	1.1
Boonanarring North Extension	Indicated	2.0	2.5	0.3	11.8	16.4	2.7	12	41	17	7.1
	Inferred	2.0	0.2	0.0	4.7	16.0	2.5	11	39	17	8.4
	Ind and Inf	2.0	2.7	0.3	11.2	16.4	2.7	11	41	17	7.2
Gingin North	Indicated	2.0	6.6	0.3	4.7	7.2	4.5	15	50	16	4.5
	Inferred	2.0	2.0	0.1	4.7	5.5	5.4	23	41	13	5.3
	Ind and Inf	2.0	8.7	0.4	4.7	6.8	4.7	17	48	15	4.7
Helene	Indicated	2.0	12.1	0.6	4.9	7.4	5.1	14	47	18	1.4
	Inferred	2.0	1.0	0.0	4.0	7.5	5.7	16	45	15	1.1
	Ind and Inf	2.0	13.1	0.6	4.8	7.4	5.2	14	47	18	1.4
Hyperion	Indicated	2.0	3.6	0.3	8.3	8.0	6.7	8.1	36	19	2.6
	Inferred	2.0	0.0	0.0	5.9	7.3	5.0	4.9	31	17	4.3
	Ind and Inf	2.0	3.6	0.3	8.3	8.0	6.7	8.1	36	19	2.6
Drummond Crossing	Indicated	1.4	35.5	0.8	2.4	14.1	10.3	3.4	53	14	7.7
	Inferred	1.4	3.3	0.1	2.3	11.2	9.0	2.7	56	12	7.2
	Ind and Inf	1.4	38.8	0.9	2.4	13.9	10.2	3.4	54	14	7.7
Durack	Indicated	1.4	20.7	0.6	2.9	13.7	2.9	3.7	71	14	14.7
	Inferred	1.4	5.6	0.1	2.6	14.2	2.6	7.4	64	16	18.3
	Ind and Inf	1.4	26.3	0.7	2.8	13.8	2.9	4.4	70	14	15.5
Ellengail	Indicated	2.0	6.5	0.3	5.3	10.0	8.0	10.4	66	15	3.2
	Inferred	2.0	5.3	0.2	4.1	9.9	8.2	8.4	62	15	2.5
	Ind and Inf	2.0	11.8	0.6	4.8	9.9	8.1	9.6	64	15	2.9
Robbs Cross	Indicated	1.4	14.0	0.3	1.9	14.7	12.7	5.0	47	6	6.2
	Inferred	1.4	3.8	0.1	2.0	14.5	10.9	4.1	50	6	8.1
	Ind and Inf	1.4	17.8	0.3	1.9	14.7	12.3	4.8	48	6	6.6
Thomson	Inferred	1.4	25.7	0.5	2.0	18.8	13.8	5.4	42	18	6.9
	Inf	1.4	25.7	0.5	2.0	18.8	13.8	5.4	42	18	6.9

Dry Mining, JORC 2012 and 2004

	Measured	1.4	2.6	0.1	4.3	10.3	2.1	2.3	72	15	11.3	
Yandanooka	Indicated	1.4	57.7	1.7	3.0	12.3	3.6	3.7	69	15	11.4	
	Inferred	1.4	0.4	0.0	1.5	10.9	3.0	4.4	68	20	21.9	
	Meas Ind and Inf	1.4	60.8	1.8	3.0	12.1	3.5	3.6	70	15	11.5	
Corridor	Inferred	2.0	18.1	0.6	3.1	6.7	5.5	0.4	47	14	4.8	
	Inf	2.0	18.1	0.6	3.1	6.7	5.5	0.4	47	14	4.8	
West Mine North	Indicated	2.0	10.2	0.7	7.3	5.8	6.5	1.8	48	11	2.3	
	Inferred	2.0	1.8	0.0	2.7	9.4	8.6	2.1	50	17	3.0	
	Ind and Inf	2.0	12.0	0.8	6.6	6.0	6.6	1.8	48	12	2.4	
McCalls	Indicated	1.1	1,630	23	1.4	5.2	3.3	2.8	77	21	1.1	
	Inferred	1.1	1,980	24	1.2	5.0	3.8	3.2	81	26	1.1	
	Ind and Inf	1.1	3,610	48	1.3	5.1	3.6	3.0	79	24	1.1	
Mindarra Springs	Inferred	1.1	2,200	36	1.6	4.2	0.9	3.1	80	20	5.1	
	Inf	1.1	2,200	36	1.6	4.2	0.9	3.1	80	20	5.1	
	Total Measured Dry		11.0	0.9	7.7	12.0	6.3	4.7	53	15	6.4	
	Total Indicated Dry		1812	29.8	1.6	6.5	3.8	3.7	72	20	1.8	
	Total Inferred Dry		4255	62.8	1.4	4.7	2.3	3.2	79	23	3.3	
	Sub Total Dry		6077	93.4	1.5	5.4	2.8	3.4	77	22	2.8	
Dredge Mining, JORC 2012	Measured	0.5	86.0	2.4	2.8	4.9	4.0	12.0	72	4	3.2	
	Indicated	0.5	13.0	0.3	2.1	4.9	4.2	13.0	71	5	2.3	
	Bidaminna	Inferred	0.5	10.0	0.1	0.7	4.6	5.6	17.0	66	3	1.8
		Ind and Inf	0.5	109.0	2.7	2.4	4.9	4.0	12.2	72	4	3.0
	Titan	Indicated	1.0	21.2	0.4	1.8	9.5	3.1	1.5	72	22	-
		Inferred	1.0	115.4	2.2	1.9	9.5	3.1	1.5	72	19	-
		Ind and Inf	1.0	136.6	2.6	1.9	9.5	3.1	1.5	72	19	-
	Telesto	Indicated	1.0	3.5	0.1	3.8	9.5	5.6	0.7	67	17	-
		Ind	1.0	3.5	0.1	3.8	9.5	5.6	0.7	67	17	-
	Calypso	Inferred	1.0	51.5	0.9	1.7	10.8	5.1	1.6	68	14	-
		Inf	1.0	51.5	0.9	1.7	10.8	5.1	1.6	68	14	-
		Total Indicated Dredge		37.7	0.8	2.1	7.1	4.0	7.4	71	14	
		Total Inferred Dredge		176.9	3.1	1.5	8.0	4.3	7.0	69	13	
		Sub Total Dredge		214.6	3.9	1.5	7.8	4.3	7.1	69	13	
	Total Combined Resources	Total Measured		11	1	7.7	12.0	6.3	4.7	53.1	14.8	6.4
Total Indicated			1849	31	1.6	6.5	3.9	3.8	73.1	20.2	1.8	
Total Inferred			4431	66	1.5	5.1	2.5	3.6	80.6	22.5	3.1	
Grand Total			6292	97.3	1.5	5.6	2.9	3.7	78.0	21.8	2.7	

Previously reported information

This report includes information that relates to Mineral Resources, Ore Reserves, production targets and forecast financial information derived from production targets 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: 29 March 2023 "Boonanarring Annual Ore Reserve Update"
- Atlas Ore Reserves: 21 December 2022 "Revised Announcement – Atlas Project Ore Reserve Update"

- Atlas Mineral Resources: 15 December 2022 “Mineral Resources Update – Atlas Deposit”
- Bidamina Mineral Resource: 28 February 2023 – “Mineral Resources Update - Bidamina Project”
- 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.
- Drummond Crossing, Durack, Ellengail, Robbs Cross, Thomson, Yandanooka, Corridor: 11 March 2022 “Mineral Resource Update – Eneabba Tenements”
- McCalls and Mindarra Springs: 20 May 2022 “Mineral Resource Update McCalls Mineral Sands Project”
- West Mine North: 29 July 2022 “Mineral Resource Update – West Mine North”

All of the above announcements are available on the Company’s website at www.imageres.com.au. 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.

Information in this report that relates to:

- Exploration Results for EYRC01, EYRC02, EYRC03, EYRC04, EYRC05 and EYRC06 were extracted from the Company’s ASX Release dated 18 September 2018 - 20m Shallow Gold Intersection at IMA Erayinia Prospect;
- Exploration Results for EYRC07 through and including EYRC23 were extracted from the Company’s Quarterly Report dated 23 July 2019 for the quarter Ending 30 June 2019;
- Exploration Results for EYRC24, EYRC25, EYRC26 and EYRC27 were extracted from the Company’s ASX Release dated 2 March 2021 – Image Resources Gold Farmin: Thick Supergene Zone Identified;
- Exploration Results for EYRC28 through EYRC49, EYRC52 through EYRC55 and including EYRC58 were extracted from the Company’s ASX Release dated 26 July 2021 – King Gold Prospect Farmin Drilling Delivers High Grade Intersection of 10m at 8.4g/t from 40m; and
- Exploration Results for EYAC003 through EYAC083 and EYRC59 through EYRC 137 were extracted from the Company’s ASX Release dated 18 January 2023 – Gold Mineralisation Expands North and Erayinia-King Project.

All of the above market announcements are available on the Company’s website at www.imageres.com.au. 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.

Historical Erayinia-King Project 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. 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.

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")

31/03/2023

<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	37,999	37,999
1.2 Payments for		
(a) exploration & evaluation	(1,362)	(1,362)
(b) development	-	-
(c) production	(22,926)	(22,926)
(d) staff costs	(1,072)	(1,072)
(e) administration and corporate costs	(495)	(495)
(f) rehabilitation costs	(3,922)	(3,922)
1.4 Interest received	16	16
1.5 Interest and other costs of finance paid	(378)	(378)
1.6 Income taxes paid	(2,585)	(2,585)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	2	2
1.9 Net cash from / (used in) operating activities	5,277	5,277
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements	(707)	(707)
(c) property, plant and equipment	(1,793)	(1,793)
(d) exploration & evaluation		
(e) investments		

**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
(f) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) investments		
(e) financial derivatives		
2.4 Dividends received (see note 3)		
2.5 Other – Purchase of hedges	-	-
2.6 Net cash from / (used in) investing activities	(2,500)	(2,500)
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		
3.8 Dividends paid	(980)	(980)
3.9 Other – Employee share plan loan repayment	-	-
3.10 Net cash from / (used in) financing activities	(980)	(980)
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	53,455	53,455
4.2 Net cash from operating activities (item 1.9 above)	5,277	5,277
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2,500)	(2,500)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(980)	(980)

**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
4.5	Effect of movement in exchange rates on cash held	306	306
4.6	Cash and cash equivalents at end of period	55,558	55,558

5.	<u>Reconciliation of cash and cash equivalents</u> <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	55,542	53,439
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)	55,558	53,455

6.	<u>Payments to related parties of the entity and their associates</u>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – Directors Fees	302
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.	<u>Financing facilities</u> <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.		

8.	<u>Estimated cash available for future operating activities</u>	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	5,277
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)	5,277
8.4	Cash and cash equivalents at quarter end (item 4.6)	55,558
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	55,558
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	

MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY QUARTERLY CASH FLOW REPORT

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

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.

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: 28 April 2023

Authorised by: "By the Board"

(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.