

11 May 2018

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## IMAGE RESOURCES' BOONANARRING PROJECT FULLY FUNDED

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- ***All conditions precedent to drawdown of AU\$50M<sup>1</sup> loan note facility satisfied***
  - ***Loan funds to be received on or before 25 May 2018***
  - ***Funds to be used for construction and commissioning of Image's high-grade, zircon-rich Boonanarring Mineral Sands project 80 km north of Perth***
  - ***Construction underway as of 14 March 2018***
  - ***Project commissioning and first production scheduled for 4<sup>th</sup> Quarter 2018***
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**Image Resources NL (ASX: IMA)** ("Image" or "the Company") is pleased to advise the Company has received written confirmation it has satisfied all conditions precedent to drawdown of the AU\$50M<sup>1</sup> loan note facility and has submitted a formal request for drawdown of the loan notes ("Drawdown Notice").

The Drawdown Notice was issued by Image on 10 May 2018. Drawdown will be in a single tranche for the full amount of the loan notes (less applicable fees) and is scheduled to occur on or before 25 May 2018.

Receipt of loan note funds will finalise the full estimated capital funding requirements to complete the construction and commissioning of the Company's 100%-owned, high grade, zircon-rich Boonanarring Mineral Sands Project located 80 km north of Perth in the infrastructure-rich North Perth Basin in Western Australia.

Managing Director Patrick Mutz commented, ***"Receiving formal notice that all conditions precedent to drawdown of funds under the LNSA are satisfied is a very significant milestone for Image as it removes the final hurdle with respect to receipt of the balance of capital funds required to complete the construction and commissioning of the Boonanarring project."***

### Background

On 8 March 2018, the Company announced it had entered into a Loan Note Subscription Agreement ("LNSA") with Pala Investments Limited ("Pala") and Castlake IV, L.P. and CL V Investment Solutions LLC which are entities controlled by Castlake L.P. (collectively, "Castlake") as the Loan Note Holders, to raise AU\$50M<sup>1</sup> from the issue of senior secured loan notes. Drawdown of funds under the LNSA was subject to various conditions precedent, which have now been satisfied.

Conditions precedent included the finalisation of key contracts for the construction and operation of the Boonanarring project including project management; structural, mechanical, piping, electrical and instrumentation construction; civil construction; mining; electricity supply; product transport; and port access, all of which have now been executed. In addition, Image has recently secured the remaining land parcels required for access to the balance of current ore reserves at Boonanarring, through the signing of two purchase option agreements.

Construction at Boonanarring commenced on 14 March 2018 with the start of construction of the site entry road. Total construction time is scheduled to be 6-7 months. Commissioning of the

processing plant and first production are scheduled to occur in the 4<sup>th</sup> Quarter 2018. See Figure 1 for an aerial view of the early construction footprint.

### About Boonanarring

The Boonanarring Project is one of the highest heavy-mineral (HM) grade, high-zircon, undeveloped mineral sands projects in Australia. The project is fully permitted, requires project capital costs of only AU\$52M, and has a construction lead time of six months. In addition, the Company already owns the processing equipment required to make an HMC product as well as the land covering the first two years of ore reserves and the area for the construction of the processing plant and related facilities. The balance of land over the ore reserves is secured through land purchase options or leases. Importantly, the Company has also secured a binding off-take agreement for 100% of HMC production for the life of the mine.

**Figure 1. Boonanarring Early Construction**



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*Notes: 1 – US\$ denominated Loan Notes equivalent to AU\$50 million at signing of LNSA on 7 March 2018.*