

28 June 2018

HIGHER ZIRCON PRICES FURTHER ENHANCE ECONOMICS OF BOONANARRING PROJECT

UPDATED BFS PROJECT ECONOMICS:

- **Project Pre-Tax NPV_{0.08}:** **AU\$235M**
- **Project Pre-Tax IRR:** **125%**
- **Payback period:** **13 months**

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to announce further enhanced project economics based on an update of the Bankable Feasibility Study (BFS) for its 100%-owned, high-grade Boonanarring and Atlas mineral sands deposits located in the infrastructure-rich North Perth Basin, with the zircon-rich Boonanarring project located approximately 80km north of Perth, Western Australia.

The BFS was updated to reflect significantly higher zircon price forecasts recently published by TZ Mineral International Pty Ltd (**TZMI**) (Figure 1) as well as updating other mineral sands prices and the USD:AUD foreign exchange rate to a flat rate of USD0.75.

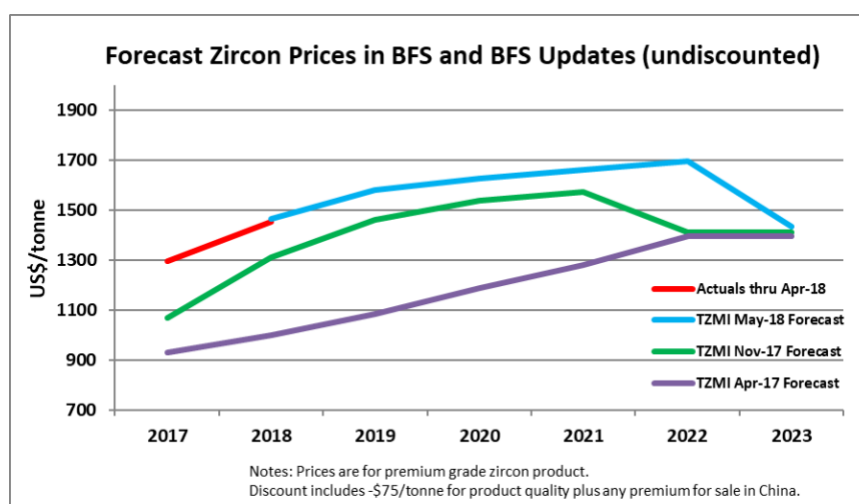
Enhanced project economics include:

- Project Pre-Tax NPV_{0.08} of AU\$235M; up from A\$197M in Nov 2017;
- Project Pre-Tax IRR of 125%; up from 104%; and
- Payback period of 13 months; down from 16 months.

The original BFS results were announced to the ASX on 30 May 2017 (“Original BFS”) and updated results were reported in November 2017. Other material assumptions underpinning the Original BFS and the November 2017 update are unchanged and include:

- Capital cost estimate of A\$52M;
- Binding Off-Take Agreement for 100% of products/revenue in place;
- Ownership of existing plant and equipment currently being relocated and reinstalled at Boonanarring; and
- Potential to extend Boonanarring mine life with high grade mineralisation confirmed with early-stage drill results.

Figure 1: Forecast BFS Zircon Prices



Construction Update

The project is fully funded and in addition to project capital, includes funds to meet corporate overhead and minimum exploration expenditure commitments through to positive cashflow scheduled for Q1 2019.

The vast majority of the company-owned plant and equipment in South Australia has been dismantled and relocated to Boonanarring and reassembly of the equipment has commenced (see Photo 1). Site infrastructure (entry road, temporary offices, laydown areas and mine access roads) have been installed, and pre-strip of the overburden for the mine is well-advanced (see Photo 2).

On an overall project basis, construction commenced mid-March 2018 and after 3 months of the 6-7 month construction schedule, the project remains on schedule and on budget. Project commissioning and first production are scheduled for Q4 2018.

For further information, please contact:

Patrick Mutz

Managing Director

+61 8 9485 2410

info@imageres.com.au

www.imageres.com.au

Photo 1: WCP Reassembly at Boonanarring (26 June 2018)



Photo 2: Overburden Removal at Boonanarring (27 June 2018)

