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IMAGE RESOURCES EXECUTES SECOND HMC OFF-TAKE AGREEMENT

Image Resources NL (ASX: IMA) (“Image” or “the Company”) advises it has executed a second heavy mineral concentrate (HMC) off-take agreement as a positive step to minimise the potential risks associated with a single off-taker. This new agreement, along with the original HMC Off-Take Agreement with Shantou Natfort Zirconium and Titanium Co., Ltd (**“Natfort”**), will cover 100% of HMC production from the Company’s 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project located 80km north of Perth in the infrastructure-rich North Perth Basin in Western Australia and which is on schedule to achieve first production in 4th Quarter 2018.

The new HMC Off-Take Agreement was executed with Hainan Wensheng High-Tech Materials Co., Ltd (**“Wensheng”**). It is based on the same general terms and conditions and market-based pricing model as the previously executed agreement with Natfort announced 30 May 2017 with the release of the Bankable Feasibility Study results. Importantly, under both agreements, the off-taker is to provide an irrevocable letter of credit (**“LC”**) to Image for each shipment, prior to loading the ship, and once the ship sails from the port in Western Australia, the LC is available to Image to convert to cash, with only minimal interest penalty if converted to cash before LC maturity date (typically 90-days).

While the original off-take agreement with Natfort was for 100% of HMC production from Boonanarring for the life of the mine, Natfort and Image have agreed to allow 50% of HMC production to be sold to Wensheng under the second, reciprocal HMC off-take agreement.

The new agreement with Wensheng required modifications to the Natfort agreement for the splitting of HMC production between the parties. In addition, both agreements require each off-taker to purchase up to 100% of Image’s HMC production in the event the other is unable to take delivery of any or all of its allotted 50% of HMC production.

The overall effect of the new Wensheng and modified Natfort HMC off-take agreements is that Image now has even greater certainty of the sale of its HMC production (and therefore lower risk of revenue interruptions) with the commitment of two parties able and willing to purchase its HMC.

About Wensheng

Wensheng was established in 2003 and is a wholly-owned subsidiary of Shenghe Resources (stock code: 600392). Wensheng is among the largest suppliers of zircon sand, titanium concentrate and rutile in China and is headquartered in Haikou City, Hainan Province. It has more than 350 employees and 7 wholly-owned subsidiary factories in Hainan, Fujian, Guangxi and Sichuan Provinces, with combined annual processing capacity of 750,000 tonnes of HMC.

Wensheng's principal products include zircon sand, titanium concentrate, rutile, and kyanite, which are widely applied in ceramics, aerospace, nuclear energy, fireproofing materials, chemistry, metallurgy, casting, artificial gemstone, welding, and electronics.

Across the past decade Wensheng has filed and holds multiple patents in industry leading production technology. Wensheng operates under ISO9001:2008 system for production and management. Its products are well-known for consistent quality and competitiveness and are recognized in the global market.

Wensheng is a member of the Standing Council of Zirconium-Titanium Branch Association of China Non-Ferrous Metals Industry Association (CNFMIA); a director-level member of the Branch Committee of Zirconium-Titanium Resource; vice-president-level member of Hainan Federation of Industrial Economics; and president-level member of the Hainan Science Technology Enterprises Federation.

Boonanarring Project Background Information

The Boonanarring Project is arguably one of the highest heavy mineral (HM) grade, high-zircon, undeveloped projects in Australia. Image completed a bankable feasibility study in May 2017 and finalised funding for the project in May 2018. Project construction started in April 2018 and first production is scheduled to occur in 4th QTR 2018. The Company is fully funded to complete the development of the project, including funds for corporate overhead and exploration expenditures through to positive cashflow, forecast to occur at the end of 1st QTR 2019.

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