

Australia's newest mineral sands miner

Boonanarring Mineral Sands Project

100%-owned; high-grade; zircon-rich 80km north of Perth in Western Australia On-track for positive cashflow end 1st QTR 2019



Investor Presentation January 2019

Patrick Mutz
Managing Director
Image Resources NL

ASX: IMA

Forward Looking Statements



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Statements in this investor presentation that constitute forward-looking statements or information include, but are not limited to statements regarding the Boonanarring/Atlas Project: Production, Cashflows, NPV, IRR, construction timelines, life of the mine; funding; and use of proceeds of the Placement.

The forward-looking information and statements also include metal price assumptions, projected capital and operating costs, metal recoveries, mine life and production rates and other assumptions used in the 2017 Bankable Feasibility Study (as hereinafter defined). Readers are cautioned that actual results may vary from those presented. Certain of the factors and assumptions used to develop the forward-looking information, and the risks that could cause the actual results to differ materially, are contained in the Bankable Feasibility Study lodged with the ASX and disclosed on the Company's website at www.imageres.com.au.

Investor Snapshot



Company transitioning to profitable miner and realisation of full valuation

- Company fully funded to positive cashflow
- Project construction and commissioning complete 30 Nov 2018
 - 'on-budget' and 'on-schedule'
- Production commenced 1 Dec 2018
- First bulk shipment HMC product exported 13 Jan 2019
- > First revenue received 22 Jan 2019
- Cashflow positive forecast end 1st QTR 2019



Investor Snapshot



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Investor Snapshot



Company transitioning to profitable miner at a time of supply shortage of zircon

- ➤ Binding off-take agreements in place for 100% of HMC production for life of mine
- Project NPV A\$235 million¹; IRR 125%¹; 13 month payback¹
 - metrics have strengthened with 12% zircon price rise on 1
 October 2018
- ➤ Company market cap. A\$143M²
- ➤ Share price \$0.15²

Rough zircon grains

Notes: 1 – Per updated bankable feasibility study results announced 28 June 2018. Image confirms that all material assumptions from that announcement underpinning the production targets and forecast financial information derived from the production targets continue to apply and have not materially changed.

2 - as at 29 January 2019

Products and Applications



Key products are zircon and titanium dioxide

> Zircon sand is processed into zirconium compounds, intermediate products and zirconium metal for a variety of applications; Qualities



Ceramics (tiles); 55% demand



Foundry Sands (castings); 14%

Refractories (furnace linings); 10%



Chemicals (gem stones, nuclear reactors); 14%

Others; 7%



whitener

opacifier

heat resistant

abrasion resistant

metal bio-compatible

Speciality uses include fibre optics, glass, paints, catalysts, underarm deodorants, adhesives, cosmetics, paper, dental ceramics plus many research applications.

Source: Zirconium Industry Association <u>www.zircon-association.org</u>

Products and Applications



Key products are zircon and titanium dioxide

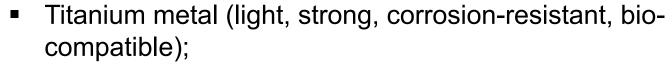
➤ Titanium dioxide (TiO2) from rutile and ilmenite is processed into titanium based products and titanium metal for a variety of applications;



Ultra-white pigments (paint, paper, plastic); ~90% demand



Welding rods (flux coating);





 Used in aircraft, spacecraft, motor vehicles and medical implants;



Speciality uses include sunscreen, adhesives, inks, fabrics, ceramics, cosmetics, toothpaste, catalysts, and pharmaceuticals.

Project Location



LOCATION

- North Perth Basin in Western Australia
- > 80 km north of Perth CBD
- Proven mineral sands address
 - Including majors Iluka and Tronox
- > Infrastructure rich
 - paved roads, power, gas pipeline water, telecommunications etc.
- ➤ Local communities and landowners experienced with, and accepting of, mineral sands mining.



Project Types and Locations



- > 1,000 km² tenements portfolio
- > 100% focus on mineral sands
- Strandline projects (dry mining)

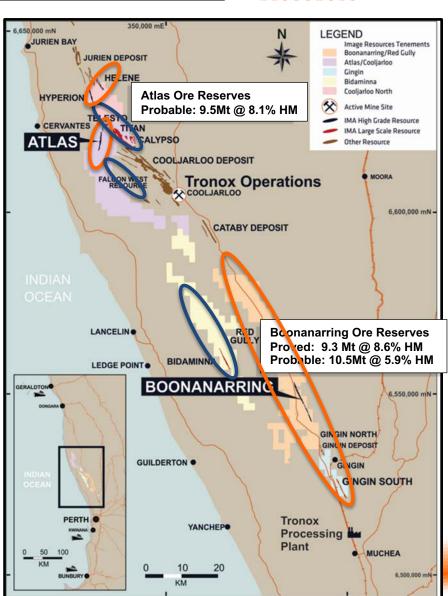


> Dredge mining prospects



Multiple opportunities for a second stand-alone mining project within the current 100%-owned tenement package.

Bidaminna is high on priority list.



Ore Reserves





QUALITY ORE RESERVES

- JORC Code (2012) Compliant
- High HM, VHM and very high zircon at Boonanarring

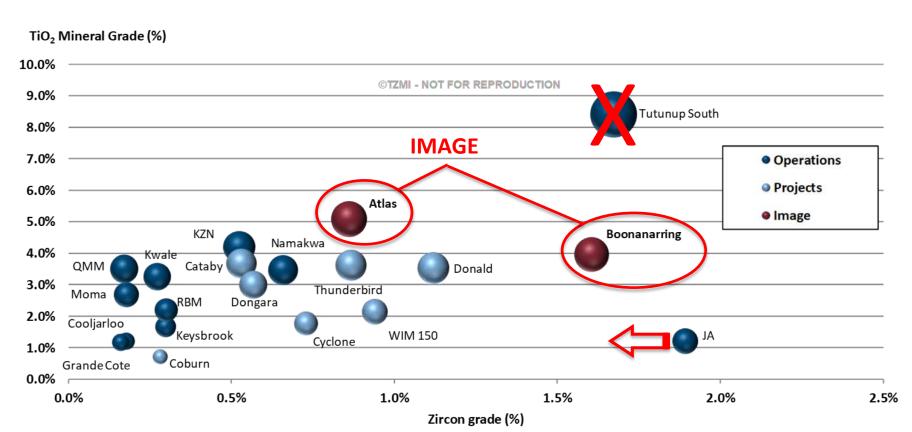
High Grade Ore Reserves - Strand Deposits; in accordance with the JOR						ode (2012)					
Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM	Ilmenite	Leucoxene	Rutile	Zircon
							(%)	(%)	(%)	(%)	(%)
Boonanarring ¹	Proved	5,008,000	9,344,000	8.6	14.3	803,771	76.081	48.9	1.8	2.2	23.2
Boonanarring ¹	Probable	5,565,000	10,514,000	5.9	17.6	622,429	78.653	52.3	1.8	2.7	21.9
Total Boonanarring		10,573,000	19,858,000	7.2	16.1	1,426,200	77.203	50.4	1.8	2.4	22.7
Atlas ¹	Probable	5,000,000	9,477,000	8.1	15.5	767,637	73.3	50.7	4.5	7.5	10.6
Total Atlas		5,000,000	9,477,000	8.1	15.5	767,637	73.3	50.7	4.5	7.5	10.6
Total Ore Reserves		15,573,000	29,335,000	7.5	15.9	2,193,837	75.8	50.5	2.7	4.2	18.4

1. COMPLIANCE STATEMENT - Boonanarring/Atlas Ore Reserves

The Ore Reserves statement has been compiled in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code – 2012 Edition). The Ore Reserves have been compiled by Jarrod Pye, Mining Engineer and full-time employee of Image Resources, under the direction of Andrew Law of Optiro, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Law has sufficient experience in Ore Reserves estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Law consents to the inclusion in the report of the matters compiled by him in the form and context in which it appears.

Ore Reserves Comparison





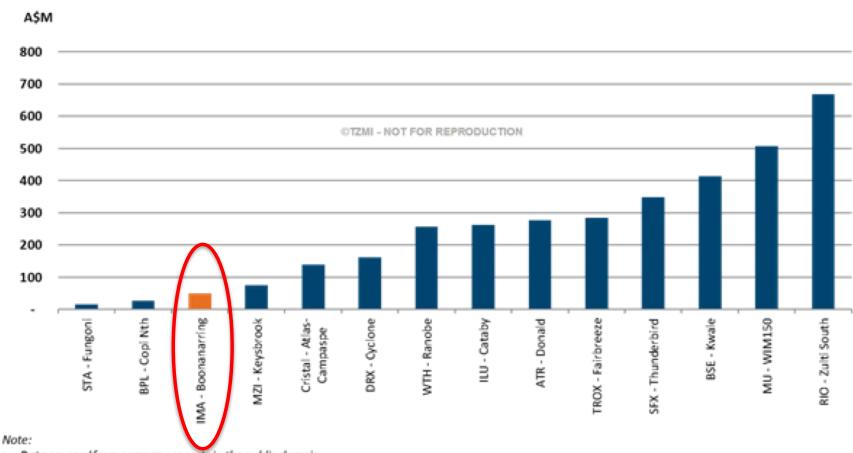
Note:

- TiO₂ mineral grade represents the in-ground grade of titanium minerals (ilmenite, leucoxene and rutile)
- Zircon grade represents the in-ground grade of zircon
- Size of bubble represents the VHM grade (ilmenite, leucoxene, rutile and zircon).
- Data includes Proved and Probable Ore Reserves.
- Hard rock deposits are excluded from the analysis

Source: TZMI; May 2017

Project Capital Comparison



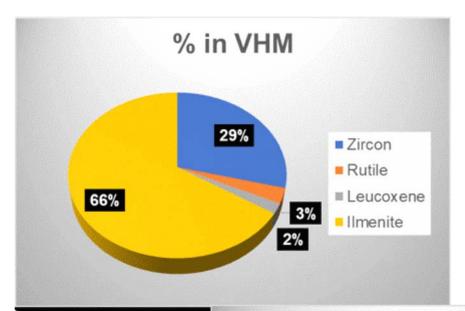


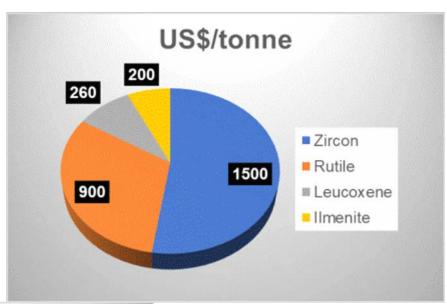
- Data sourced from company reports in the public domain.
- United States dollar capital costs are converted to Australian Dollars using an exchange rate of 0.75 (AUD:USD).
- Cataby has a range of A\$250M to A\$275M, midpoint used in this analysis.
- Ranobe capital cost is based on the 2012 DES estimate.

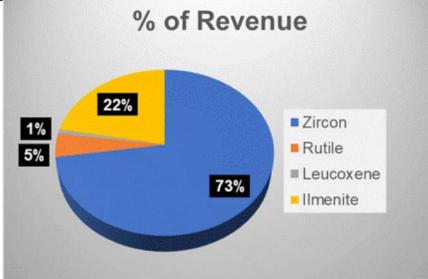
Source: TZMI; May 2017

Products and Prices









Notes: VHM assemblages and commodity prices are estimates based on Boonanarring project heavy mineral concentrate product.

Bankable Feasibility Study



Base Assumptions

- Start mining at Boonanarring
- Dry, open-cut mining
- Production rate 500 dry tonnes per hour
 - 3.7M dry tonnes per year
- Conventional gravity separation using spirals
- Product: Heavy Mineral Concentrate (HMC)
 - Production rate: avg. approx. 240K tonnes/annum
 - Truck to Bunbury for bulk shipments to China

*-Equivalent in revenue to 2,000 tonnes per hour at Ore grades of 3% HM in ore and 10% zircon in VHM

Boonanarring – Production Statistics



Average annual production at Boonanarring (5 yrs)

- 240k tonnes HMC; containing;
 - 60kt zircon (70kt/year in 2019-20)
 - 130kt ilmenite
 - 6kt rutile
 - 4kt leucoxene
- 5.5 years mine life with ability to add 3-4 years additional ore reserves

Boonanarring – BFS Production Statistics



Boonanarring Project Production Forecast - updated July 2018

Doctrial and 11	0.0000	арчас					
	2018	2019	2020	2021	2022	2023	Total
Ore processed (Kt)	760 350	3,600	3,800	3,700	3,800	3,500	19,100
Ore grade (%HM)	6%7%	8%	11%	6%	8%	11%	8%
Assemblage (% of HM)							
Zircon	19% 21%	25%	22%	25%	25%	16%	22%
Rutile	3%	3%	2%	3%	3%	6%	3%
Ilmenite	55%	49%	51%	49%	49%	53%	51%
Leucoxene	2%	2%	2%	2%	2%	3%	2%
HMC produced (Kt)	₁₂ 19	222	345	168	227	343	1,317
HMC sold (Kt)	41 0	219	320	190	230	230	1,200
HMC content							
Zircon (Kt)	23	64	87	40	71	42	306
Rutile (Kt)	0.3	5	6	5	5	13	34
Ilmenite (Kt)	1 3	117	176	115	118	125	658
Leucoxene (Kt)	0.2	3	5	3	2	5	19
Trash HM/silica (Kt)	2	30	46	28	33	45	184
Total (Kt)	12 19	219	320	191	229	230	1,202
%VHM in HMC	83%	86%	86%	85%	86%	80%	85%

Note: 2023 information includes start of production at Atlas.

Boonanarring – BFS Project EBITDA



Boonanarring Pro	ject EBIT[OA Sum	mary - ເ	ıpdated	July 20 1	L8	
(AU\$million)	2018	2019	2020	2021	2022	2023	Total
Revenue	5 0	127	181	100	139	101	653
Revenue/tonne HMC	45 5 0	580	566	526	604	439	544
Operating Costs							
Mining	18	46	43	42	42	35	226
Processing	1.2	7	7	7	7	8	37
Site Administration	4	4	4	4	5	6	27
Logistics	1	15	21	13	15	17	82
Royalties/Other	0.3 0	6	9	5	7	6	33
Capitalised Op. Costs	(15)(16)	0	0	0	0	0	(15)
Change in Inventory	(3) 0	1	(4)	5	(2)	(13)	(16)
Total Operating Costs	8	79	80	76	74	59	375
Operating Costs/t HMC	591 411	361	250	400	322	257	312
Operating Margin	-23% 0%	61%	126%	32%	88%	71%	74%
Project EBITDA	(1) 0	48	101	24	65	42	278

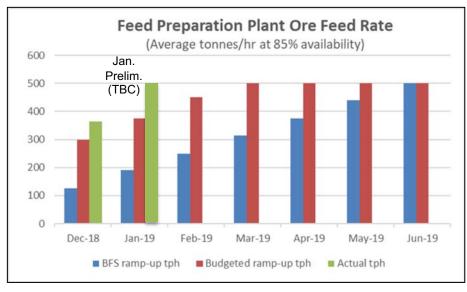
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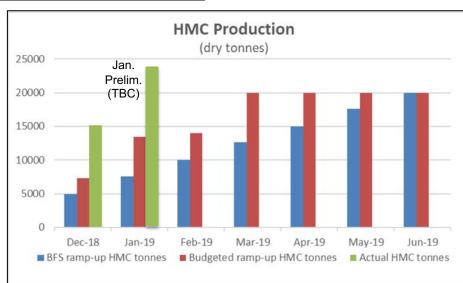
Boonanarring – Ramp-up Production



December 2018 Operating Statistics

Item	Unit	Actual	Budget	Variance
FPP/WCP runtime	hrs.	639	558	15%
FPP Ore Feed	t	232,664	167,400	39%
FPP Ore Feed	tph	364	300	21%
Ore HM grade	%	7.3	6.1	19%
Availability	%	85.8	75	14%
HMC produced	t	15,935	7,210	121%
HMC HM grade	%	90.6	85	7%
HM Recovery	%	84.9	71.6	19%

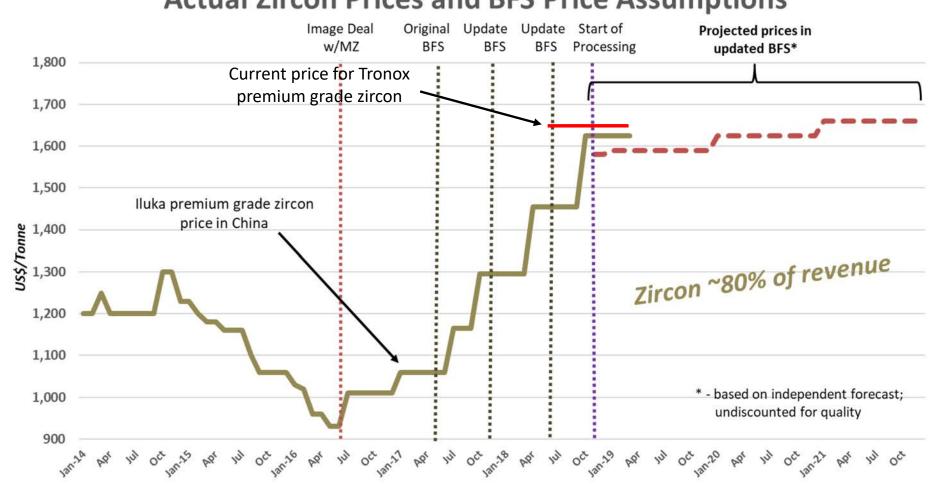




Zircon Prices – Actual and Forecast



Actual Zircon Prices and BFS Price Assumptions



Sources: CNFEOL commodity pricing website by subscription (www.cnfeol.com) and Image Updated BFS announced to ASX 28 June 2018.

BFS Financial Metrics



Key Financial Metrics

		Original BFS ¹	Updated BFS ²	Updated BFS ³
>	Pre-Tax NPV (@ 8%)	A\$135M	A\$197M	A\$235M
	Pre-Tax IRR	64%	104%	125%
	Payback period (months)	22	16	13

- Mine life 8+ years
- Project capital cost A\$52M
 - includes ~\$8M for land
 - 1 ASX Announcement 30 May 2017
 - 2 ASX Announcement 27 November 2017
 - 3 ASX Announcement 28 June 2018

Project Development Schedule



Constructed to schedule/budget with first production in 4th QTR 2018

	2018						2019								
	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
WCP & Equipment Relocation															
Project Construction															
Pre-Stripping															
Ore Mining															
Plant Commissioning	***************************************		••••••	•••••••		***************************************			***************************************						

Upside Potential



Upside potential at and near Boonanarring

- Confirmed potential to extend mine life with high grade mineralisation (ASX announcement 13 March & 26 June 2017);
 - Assuming mineralisation in extension area is identical to known Ore Reserves in all aspects and economics; two years of additional mine life could add AU\$60M to project NPV.
- Potential to process lower grade overlying layer of mineralisation;
- Potential to process ores from several other deposits with high grade mineral resources in the vicinity;
 - Red Gully, Regans Ford, and Gingin (South and North).

Boonanarring High-Grade Extension



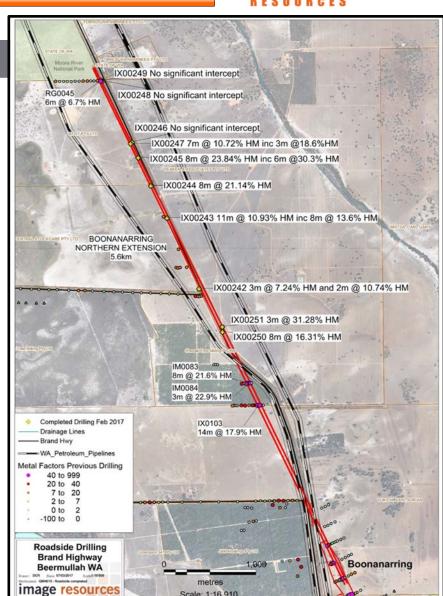
ASX - 13 March & 26 June 2017

New Drilling Results (Feb 2017)

- Confirm 5.6km northern extension of Boonanarring mineralisation
- Outstanding high grade intersections:
 - 8m @ 23.8% HM in IX00245
 - 8m @ 21.1% HM in IX00244 and
 - 8m @ 16.3% HM in IX00250

Importantly with high grade zircon:

- 21.5% Zr in HM in IX00245 & 247
- 22.1% Zr in HM in IX00243 & 244
- 16.4% Zr in HM in IX00242, 250, 251



Projects Pyramid – Strand Deposits



Mineral Resources – Accessible by Dry Open-Cut Mining

Projects ranked by combined Zircon (Zr) plus Rutile (Ru)

Tonnes-grades are for Mineral Resources; Boonanarring and Atlas per JORC Code (2012); All others historic per JORC Code (2004).

Boonanarring 43.8Mt; 5.6%HM; 20.7% Zr+Ru

Atlas 18.1Mt; 6.0%HM; 15.8% Zr+Ru

Red Gully 6.0Mt; 7.7% HM; 15.5% Zr+Ru

Regans Ford 9.9Mt; 9.6%HM; 14.3% Zr+Ru

Cooljarloo North 15.2Mt; 5.3%HM; 14.0% Zr+Ru

Gingin South 8.1Mt; 6.1%HM; 13.5% Zr+Ru Gingin North 2.4Mt; 5.5%HM; 9.1% Zr+Ru

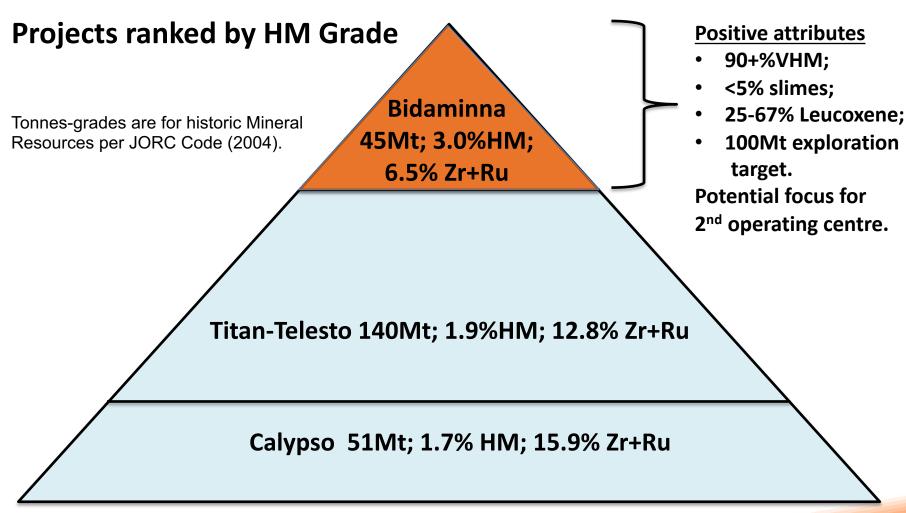
Total 103Mt; 6.2%HM; 17% Zr+Ru

at Boonanarring followed by mining at Atlas. Other projects can be added after further drilling and studies.

Projects Pyramid – Dredge Prospects



Mineral Resources – Accessible by Dredge Mining



Total 236Mt; 2.1%HM; 11.5% Zr+Ru



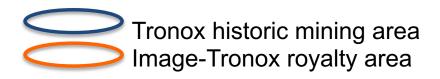


Royalty agreement in place as of 2014

- Small cash payment (already received)
- Sliding-scale royalty on production

Avg. HM Grade	<u>Royalty</u>
2.5%	1.25%
3.0%	2.50%
3.5%	3.75%
4.0%	5.00%

- Indefinite production schedule
- ➤ Potential for future arrangements with Tronox or others based on large area of potential dredge mining mineralisation within Image's tenements in the vicinity of Tronox's historic dredge operations.



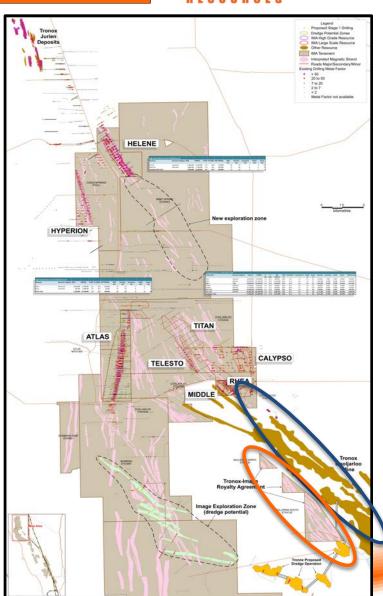


Image Corporate Snapshot



Diverse and experienced Board and Management

ASX Code:

Share Price:

12-Month Price Range:

Shares on Issue:

Market Cap:

Cash on hand:

Debt:

Enterprise Value:

Top 20 Shareholders:

IMA

A\$0.15*

A\$0.07- 0.17

957m

A\$143m*

A\$11.9m**

A\$64.0m**

A\$195m

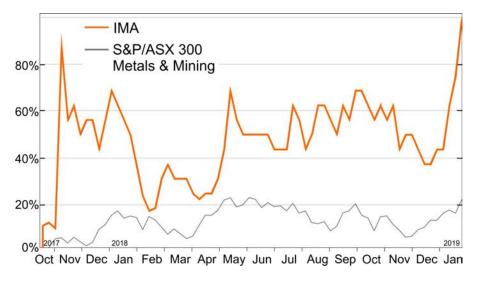
73%

Board of Directors

Bob Besley – Independent Chairman
Patrick Mutz – Managing Director
Chaodian Chen - Non-Executive Director
Aaron Chong Veoy Soo – Non-Executive Dir
George Sakalidis – Executive Director
Peter Thomas – Non-Executive Director
Fei (Eddy) Wu – Non-Executive Director
Huang Cheng Li – Non-Executive Director

Key Management

Patrick Mutz – CEO George Sakalidis – Exploration Director John McEvoy – Chief Financial Officer Todd Colton – General Manager – Dev.



^{* -} as at 29 January 2019

^{** -} as at 31 December 2018 (includes term deposits)

Use of Solar Energy



Heads of Agreement with **Sunrise Energy Group Pty Ltd** to provide 3-4
MW_{AC} solar farm to be:

- Constructed and operated by Sunrise Energy;
- Located on Image owned land adjacent to Boonanarring mine site; and
- Providing 25% of total electricity requirements for mine and processing operations.



For further information



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