

13 May 2019

IMAGE RESOURCES MINES ULTRA HIGH GRADE, ZIRCON-RICH ORE AT BOONANARRING

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to advise it has **identified and mined a zone of ultra-high-grade (UHG) ore** at its 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.

Ore mining operations in the eastern strand of the Boonanarring deposit have exposed and mined a **4-6m wide by 1-3m thick zone of UHG ore extending approximately 60m along strike** in the current mining section, and continuing into the adjoining 60m mining section that has yet to be fully cleared of overburden.

A single grab sample taken from the top of the in-situ ore prior to mining (not representative of total ore mined from this zone), returned results of **95% heavy minerals (HM) and 70% zircon in the HM (Photo 1) indicating this ore may be ‘natural’ heavy mineral concentrate (HMC)**. This ore could prove to be more valuable per tonne than the Company’s high-quality HMC produced through the wet concentration plant which typically contains 90-92%HM and 30% zircon. Therefore, this UHG ore was stockpiled separately and may be handled as “direct shipping ore” (DSO).

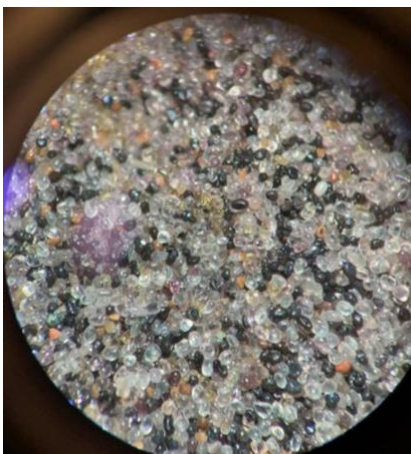


Photo 1: dominant zircon grains

Managing Director Patrick Mutz commented, “*Image has already been reaping the benefits of an ore deposit with excellent metallurgical characteristics, which allowed the operations team to meet or exceed the vast majority of its operating targets including ramping up to full-scale production in only the second month of operation. We then learned of the potential existence of a high-grade Core in the eastern strand of ore and we are currently conducting additional drilling to delineate this Core, which could lead to a substantial uplift in the Ore Reserve. Now we learn of the existence of potential direct shipping ore. The next step is to determine the extent of this type of ultra-high-grade ore along strike, and its connection to the potential high-grade Core currently being delineated.*

Thus far, approximately 500 tonnes of UHG have been mined and stockpiled (**Photo 2**). As this highly mineralised zone extends into the next mining section, additional material of similar nature will likely be mined and added to this stockpile in the coming weeks.

The zone containing the UHG is located on the floor of the mine in the eastern strand against the base of the escarpment to the east (**Photo 3**). The location and richness of this ore zone suggests it was likely subject to high energy wave action against the base of the escarpment which winnowed away the lighter sand fractions, including silica, and concentrated the heavy mineral fractions, most notably zircon.

Photo 2 – Ultra High-Grade Ore to Stockpile



Photo 3 – Location of UHG Ore in Eastern Strand (post-mining)



Additional analysis of representative samples of the stockpiled ore will be conducted on this material to determine overall average as-mined grades as well as zircon and titanium quality to determine if the material will be sold separately as HMC, blended with other HMC or processed to remove residual contaminants.

The significance of the identification of this UHG ore zone is beyond the added value of the natural HMC (although it could become significant if it is found to be extensive along strike), but rather, the significance is as an example of how high the potential grades could be in the likely more continuous high-grade Core within the eastern ore strand.

Fourth Shipment of HMC

The early successes of higher than expected HMC production allowed Image to complete planned monthly shipments in January, February and the end of March. However, the unplanned extra production also taxed the capacity of the HMC off-takers in the shorter term, which when combined with limited ship availability, did not provide an opportunity for a shipment in April. Shipment No. 4 was also delayed somewhat in May due to limited ship availability and is scheduled to sail on 20 May 2019. Additional shipments are in the planning stage with the goal of increasing shipment size from the nominal 20,000 to 28,000 tonnes.

Boonanarring Project Background Information

The Boonanarring Project is arguably one of the highest heavy mineral grade, zircon-rich, mineral sands projects in Australia. Project funding was finalised and construction commenced in April-May 2018. Construction was completed on-time and on-budget in six months followed by successful commissioning of the processing plant in October-November 2018. Production commenced 1 December 2018 and HMC production ramped-up to full-scale in only the second month of operation (January 2019). First revenue was received in January 2019 and overall performance for Q1 exceeded the budget in all major categories resulting in higher revenue and significantly lower costs than budgeted. Q1 results demonstrated profitability and plotted a firm path to positive cashflow and the goal of sustainable profitability.

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