

02 July 2019

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## **IMAGE RESOURCES COMPLETES SALES OF 70,000 TONNES HMC INVENTORY IN JUNE QUARTER**

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**Image Resources NL (ASX: IMA) (“Image” or “the Company”)** is pleased to advise it has **finalised the sale and shipping of 70,000 tonnes of heavy mineral concentrate (HMC) inventory during the June QTR** from 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.

On 27 May 2019 Image announced it had secured sales agreements for 70,000 tonnes of HMC inventory across 3 bulk shipments, from its HMC off-take partners Shantou Natfort Zirconium and Titanium Co., Ltd (“Natfort”) and Hainan Wensheng High-Tech Materials Co., Ltd (“Wensheng”). These three shipments were successfully completed in May and June as scheduled:

- HMC shipment No. 4 – purchased by HMC off-taker Natfort for a nominal 20,000 tonnes. Loading commenced 20 May 2019 and the ship sailed on 22 May 2019;
- Shipment No. 5 – purchased by Wensheng for a nominal 30,000 tonnes. Loading commenced 12 June and the ship sailed on 16 June 2019; and
- Shipment No. 6 – purchased by Wensheng for a nominal 20,000 tonnes. Loading commenced 27 June and the ship sailed on 30 June 2019.

A sales agreement has also been signed with Natfort for a further 20,000 tonnes of HMC to be delivered in July 2019.

Cash from letters of credit for payments for HMC sold was also received by Image for three shipments totalling a nominal 70,000 tonnes during the June QTR including for shipment No. 3 which sailed in late March 2019, and for shipments No. 4 and 5 shown above. Cash for the payment for shipment No. 6 will be received in early July due to the late sailing date in June.

In addition to the above HMC sales, the Company continues to evaluate interest and offers from other potential buyers for Boonanarring HMC, even though HMC inventory levels have now been returned to more normal working levels. Consideration of sales to others outside of the current HMC off-take agreements continues to be contingent on Image receiving expanded export authority to include other parties, which is being sought.

Managing Director Patrick Mutz commented, *“Accelerating the sale and shipping of three months of HMC production inventory in only six weeks was a real challenge. However, we accomplished our goal thanks to the efficient cooperation of our trucking contractor (Qube Bulk), our shipping broker and shipping agent (Braemar and WA Mercantile Services) and the diligent planning and organising skills of Image’s operations and sales teams. Credit is also due to our off-taker partners for their efforts to quickly commit to the sales agreements and providing letters of credit on a timely basis to secure each shipment.”*





### **High Grade Core Delineation Drilling**

As previously advised (March 2019 Quarterly Report and 27 May 2019 ASX announcement), close-spaced drilling to delineate a likely high-grade core in the eastern strandline of the Boonanarring deposit commenced on 2 April 2019. Drilling continued through April, May and June, and the drilling programme was extended in June and will continue in July. Laboratory assays have been received for a number of drill lines completed in Block C (current mining block), other assays for Blocks A and B are pending and new samples from additional infill drilling continue to be submitted for analysis. A report on preliminary drilling results is being prepared and will be released in advance of a revised Ore Reserve determination.

### **Ultra-High-Grade Ore**

Additional ultra-high-grade ore (direct shipping ore or DSO) was mined during the final week of June 2019. Quantity and quality will be provided upon receipt of laboratory analysis.

### **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. The Company is currently completing a drilling program designed to upgrade the Boonanarring Ore Reserve in the September QTR.

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