

24 July 2019

IMAGE RESOURCES CY 2019 UPDATED GUIDANCE

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to announce updated **production and profitability guidance** for Calendar Year (“CY”) 2019 related to the operation of its 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.

2019 CY Production and Profitability Guidance^{1,2}

	2019 Q1 Actual	2019 Q2 Actual	YTD Actual ²	Previous Guidance	Updated Guidance
Ore Processed (Kt)	664	787	1,451	3,400-3,700	3,100-3,300
HMC ³ Produced (Kt)	68,736	69,045	137,781	220-240	240-260
HMC ³ Sold (KDMT)	47,947	68,242	116,189	220-240	230-250
Revenue (\$million)	24.8	42.5	67.3	125-142	130-145
Revenue/DMT HMC Sold	517	623	579	568-592	568-592
Project Operating Costs ⁴ (\$million)	15.4	22.4	37.8	85-95	75-85
Project Operating Costs ⁴ /DMT HMC Sold	322	329	325	385-420	320-350
Project EBITDA ⁴	A\$9.3M	A\$20.2M	A\$29.5M	A\$40-50M	A\$55-65M

Notes: 1. To be read in conjunction with Annexure A - Disclaimer and Forward-Looking Statements.

2. Further details regarding YTD actuals can be found in the 30 June 2019 Quarterly Report announced 23 July 2019.

3. Heavy Mineral Concentrate product.

4. Non-IFRS Financial Information:

This document contains non-IFRS unaudited financial measures including Project operating costs and Project EBITDA. Image management considers these to be key financial performance indicators used to measure underlying operational performance. Project operating costs include costs incurred in producing HMC at the Boonanarring Project plus logistics costs but exclude corporate and exploration costs, depreciation/amortisation, financing costs and income tax. Project EBITDA is calculated as revenue from sale of HMC less Project Operating Costs.

Very Positive 1st Half 2019 Performance

Following the successful fast-tracked construction and commissioning of the Boonanarring Project, Image transitioned to an active mining company with the start of production on 1 December 2018 and ramping up to full-scale HMC production in only the second month of operation in January 2019.

During the first 6 months of 2019 the operating performance at Boonanarring significantly exceeded expectations in a number of key areas. The exceptional start to operations resulted in higher HMC production, due primarily to higher than expected heavy mineral (HM) ore grades, coupled with significantly lower operating costs and operating ‘unit’ costs per tonne of HMC sold. This resulted in higher margins per DMT of HMC sold and higher than expected project EBITDA.

Managing Director Patrick Mutz commented, *“The combination of a high-quality deposit married with the right plant and equipment and operated by a very experienced and passionate team, continues to over-deliver on expectations. The very positive production performance during the first two quarters of 2019 has delivered significantly higher margins and project EBITDA. As a result the Company has lifted CY 2019 project EBITDA guidance by \$15 million to a range of \$55 to 65 million. Importantly, at end of June the Company held 38,000 tonnes of low cost, but high-value HMC product, providing additional confidence that the updated guidance is achievable.”*

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. Following a six-month construction period, completed on time and on budget, the project was commissioned in October-November 2018 and the planned six-month production ramp-up period commenced on 1 December 2018. For the first six months of 2019 production and project EBITDA significantly exceeded guidance.

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Annexure A

Disclaimer and Forward-Looking Statements

This document has been prepared by the management of Image Resources NL ("Image", "IMA", or "the Company"). The information presented includes an indicative outlook of the business activities of Image for the calendar year (CY) 2019 and is provided to aid investors and potential investors with assessing the value of the Company. Some of the information provided may be based on past performance, however, this information should not be considered a reliable indicator of future performance. The information presented supersedes all previously presented information of its kind unless otherwise noted. This information is based in part on Image's interpretation of trends in commodity prices, financial markets, economic and macro-economic factors and consequently is subject to variation.

Certain statements in this document, and in subsequent oral statements made by and on behalf of Image, constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws. Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company, the Boonanarring Project or the industry, to be materially different from any forecast results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These statements reflect the Company's current expectations regarding future events, performance and results as of the date of this document.

Statements in this document that constitute forward-looking statements or information include, but are not limited to statements regarding production statistics, revenue, operating costs and EBITDA. Forward-looking information and statements may also include commodity price assumptions, projected capital and operating costs, metal or mineral recoveries, mine life, production rates and other assumptions used in the 2017 Bankable Feasibility Study ("2017BFS"). Readers are cautioned that actual results may vary from those presented. Certain of the factors and assumptions used to develop the forward-looking information, as well as the risks that could cause the actual results to differ materially, are contained in the 2017BFS and subsequent BFS updates, lodged with the ASX and disclosed on the Company's website at www.imageres.com.au.

Accessing the information contained in this document implies an acknowledgement that you have read and understood the above disclaimer and qualifications regarding forward-looking statements.