



IMAGE
RESOURCES

Australia's newest mineral sands miner
Rapidly growing mid-tier prospect

Boonanarring Mineral Sands Project

IMARC 2019
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29-31 Oct 2019

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Image Resources NL
ASX: IMA

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Information regarding the calculation of ore reserves and mineral resources in this presentation (if any), and the consents provided by the respective Competent Persons is presented at the end of this presentation. For additional information and details on the content of this presentation, please refer to the ASX releases on the Company's website.

Boonanarring Mineral Sands Project



Very strong asset fundamentals

- *Excellent location;*
 - 80km north of Perth in Western Australia in infrastructure-rich North Perth Basin
 - home to majors Iluka and Tronox
- *Exceptional deposit;*
 - Very high ore grade **7.2%HM**
 - Zircon-rich **22.7% of HM**
 - Coarse grained minerals **D50 ~180 microns**
 - High metallurgical recoveries **98% of zircon**
 - Market ready products **92% TiO₂**
- 100%-owned



Boonanarring Mineral Sands Project



Simple, low-risk business model

- *Straight-forward open-cut dry mining;*
 - *Contract mining by one of the best-known, experienced and well-equipped operators in Australia (Piacentini & Son)*
- *Simple gravity separation circuit to produce heavy mineral concentrate (HMC)*
- *HMC is sold directly in bulk under life-of-mine off-take contracts out of Bunbury, WA*
- *Life-of-Mine off-take agreements*
 - *100% of production; market-based pricing*
- *Each shipment (nominally 20Kt) is secured by letter of credit prior to ship loading*
- *No mineral separation plant*
- *No marketing requirements*

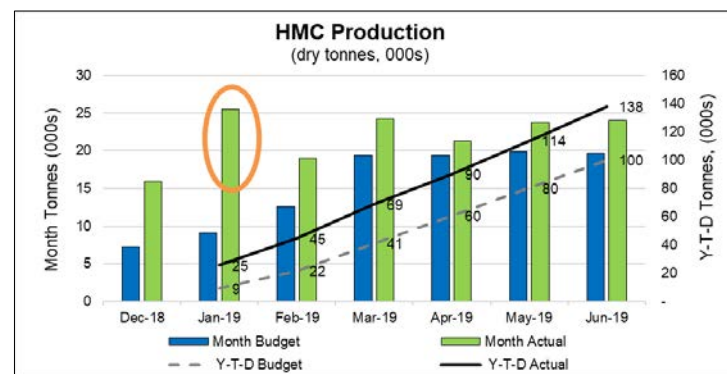
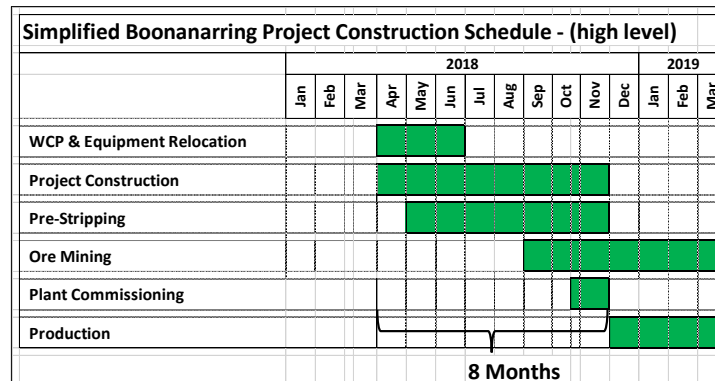


Boonanarring Mineral Sands Project



Stellar project delivery

- *Project constructed on-time & on-budget*
 - *Rapid build; 8 months construction and commissioning*
 - *Very low capital costs; \$52M*
- *Long-term average HMC production achieved in 2nd month of operation (Jan 2019)*
- *Profitable Q1; Cashflow Positive in Q2*
- *Performance Exceeded Expectations 1H 2019*
 - *HMC production 138% of budget*
 - *Operating costs 76% of budget*
 - *Operating margin 125% of budget*
 - *EBITDA 127% of budget (actual \$29.5M)*
 - *Provisional NPAT 157% of budget*

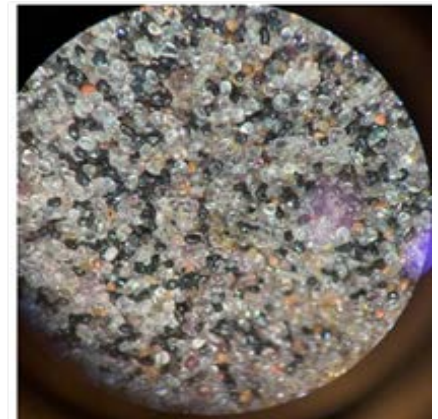
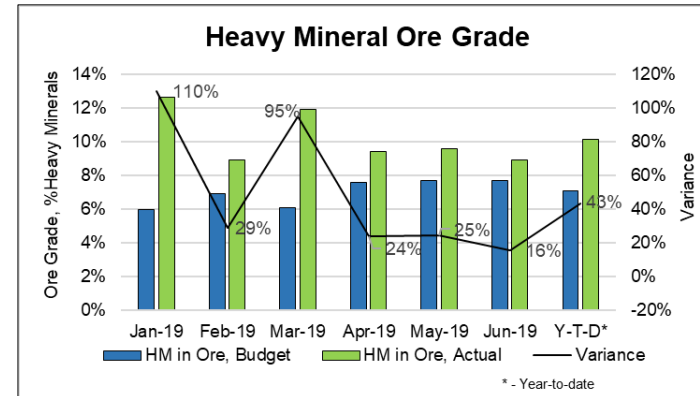


Boonanarring Mineral Sands Project



Unexpected positives

- Heavy mineral (HM) ore grade 43% higher than forecast in 1H 2019
 - High grade core identified in eastern strand not appropriately delineated by 20m drill spacings
 - Eastern strand redrilled on 5m spacings
 - Upgraded Ore Reserve due Q4 2019
- Zircon content in HM 12% higher than budget in 1H 2019
- Portion of zircon in deposit found to be premium grade; currently all zircon sold as standard grade
- Discovery of zone of ultra-high-grade ore
 - Up to 95%HM and 71% zircon in the HM
 - Considered direct shipping ore (DSO) or HMC
 - 2,700 tonnes mined to date at average 78%HM
- All being evaluated in updated financial model in Q4



Corporate Snapshot



Diverse and Experienced Board and Management

ASX Code:	IMA
Share Price:	A\$0.27*
12-Month Price Range:	A\$0.10-0.30
Shares on Issue:	964m
Market Cap:	A\$262m*
Cash on hand:	A\$35.8m**
Debt:	A\$69m***
Enterprise Value:	A\$295m
Top 20 Shareholders:	70%

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
Huangcheng Li – Non-Executive Director

Key Management

Patrick Mutz – CEO
John McEvoy – Chief Financial Officer
Todd Colton – Chief Operating Officer
George Sakalidis – Exploration Director



* - as at 22 Oct 2019

** - as at 30 Sep 2019 (includes term deposits
and excludes \$12.2M payment for HMC
shipment #9 received in October)

*** - as at 30 Sep 2019

Ore Reserves

✓ HIGH-QUALITY ORE RESERVES

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

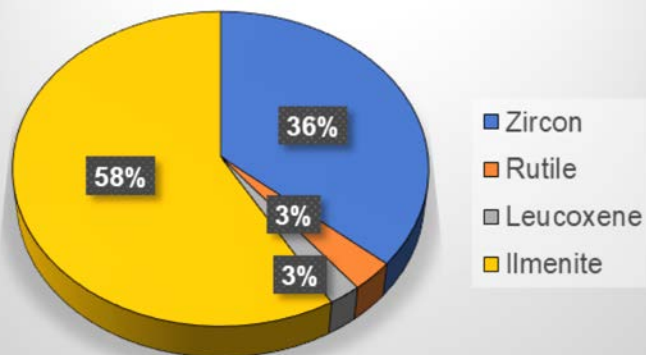
High Grade Ore Reserves - Strand Deposits; in accordance with the JORC Code (2012)											
Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring ¹	Proved	5,008,000	9,344,000	8.6	14.3	803,771	76.081	48.9	1.8	2.2	23.2
Boonanarring 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

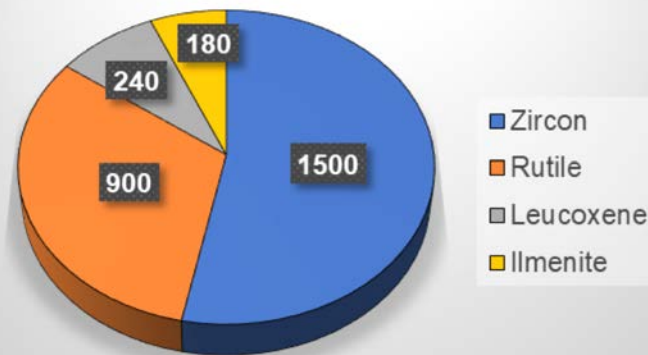
The Ore Reserves statement has been compiled in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code – 2012 Edition). The Ore Reserves have been compiled by Jarrod Pye, Mining Engineer and full-time employee of 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.

Product Assemblage and Revenue Contributions

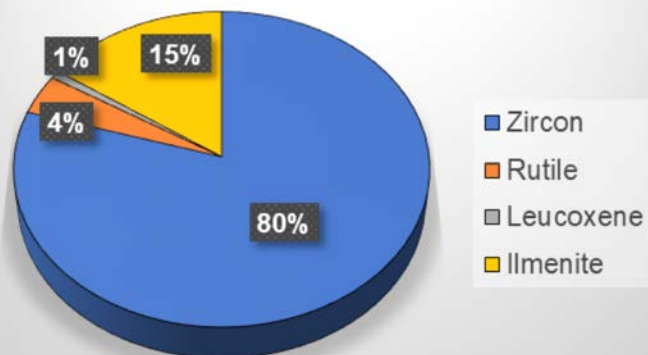
% in VHM



US\$/tonne



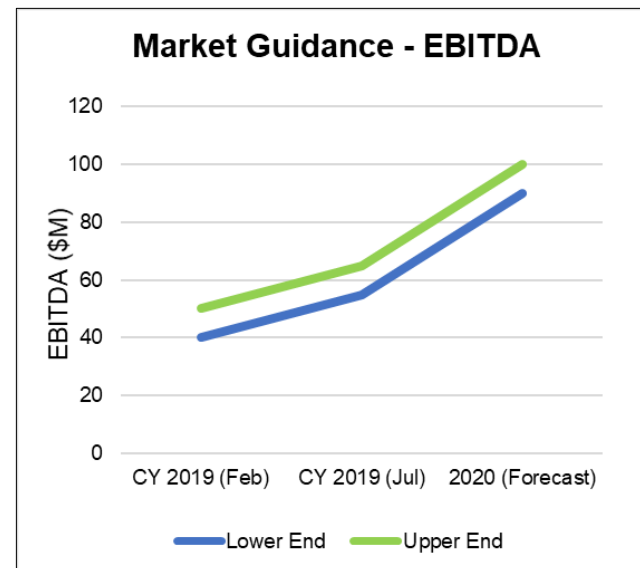
Revenue



Notes: VHM assemblage and commodity prices are estimates based on actual operational results and 2Q 2019 commodity price assumptions.

Market Guidance

- *CY 2019 Guidance*
 - *Initial, Feb 2019 EBITDA \$40-50M*
 - *Updated, July 2019 EBITDA \$55-65M*
- *CY 2020 BFS Forecast, EBITDA \$90-100M*
- *Financial model to be updated based on new Ore Reserve estimate in Q4*
 - *Ore grade and zircon content expected to increase significantly and anticipated to translate directly to bottom-line*
 - *Ore Reserves tonnes expected to increase with optimised cut-off grade, updated commodity prices and lower operating costs*



Boonanarring – CY2019 Guidance

2019 Guidance & 2020 Forecast ^{1,2,4}	Units	June 2019 YTD Actual	2019 Guidance	2020 Forecast
HMC ³ Produced	DMT 000s	138	240-260	280-300
HMC ³ Sold	DMT 000s	116	230-250	280-300
Revenue	A\$M	67	130-145	180-200
Revenue/DMT Sold	A\$/DMT HMC	579	568-592	600-650
Project Operating Costs	A\$M	38	75-85	85-95
Project Opex./DMT Sold	A\$/DMT HMC	325	320-350	310-330
Project EBITDA	A\$M	29.5	55-65	90-100

Notes:

1. To be read in conjunction with slide 2 - 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.

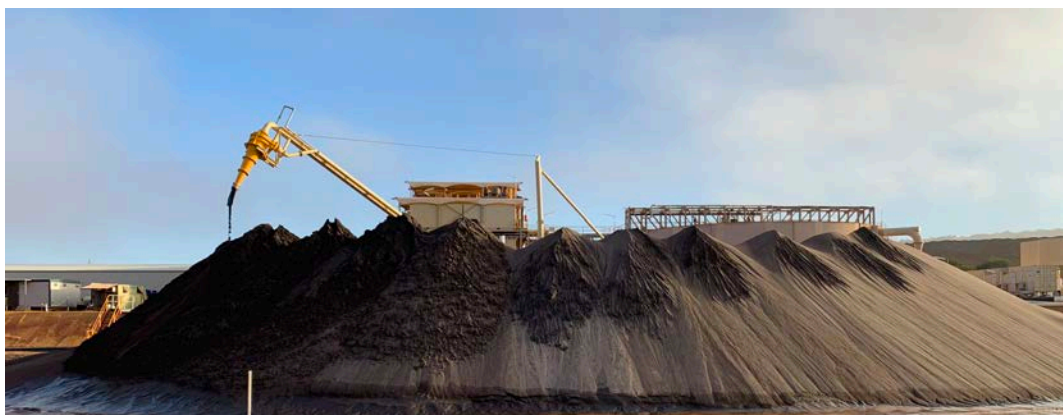
Target Production Rate

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
 - No further processing or separation by Image
 - Trucked to Bunbury for bulk shipments to China

Punches 4 times above its weight*!

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



Boonanarring HMC Production Stats

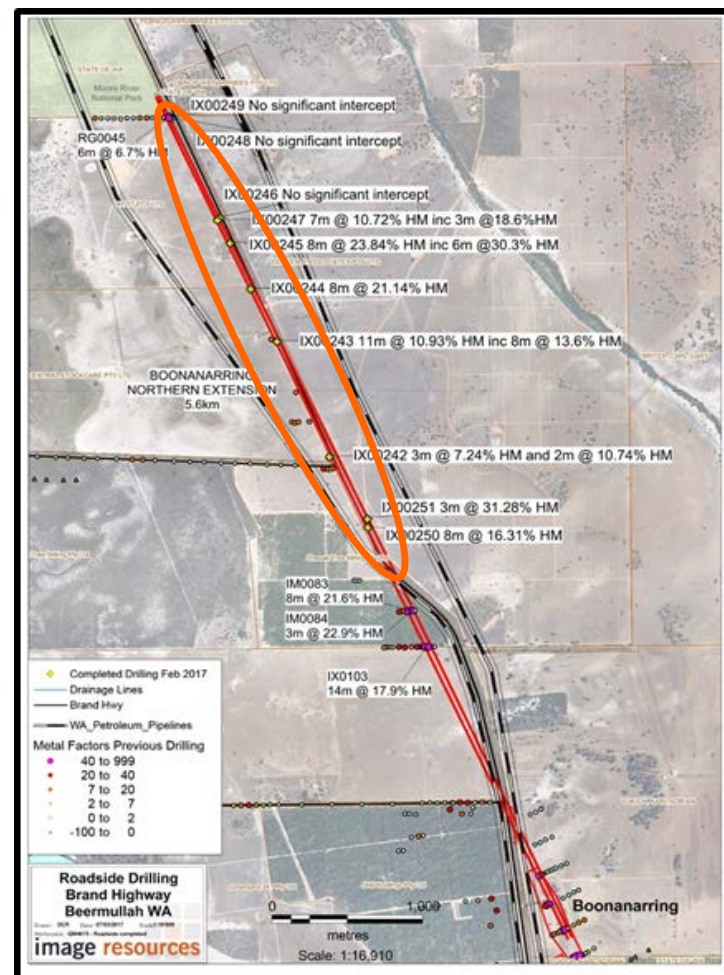
Average annual production at Boonanarring: 5 Year Base Case

- Avg. 240k tonnes HMC per annum containing:
 - 60kt zircon (70kt/year in CY2020)
 - 130kt ilmenite
 - 6kt rutile
 - 4kt leucoxene
- 5+ years mine life with potential to add 3-4 years additional reserves
 - Mineralisation already identified to north, south and new strand to west of current Ore Reserves

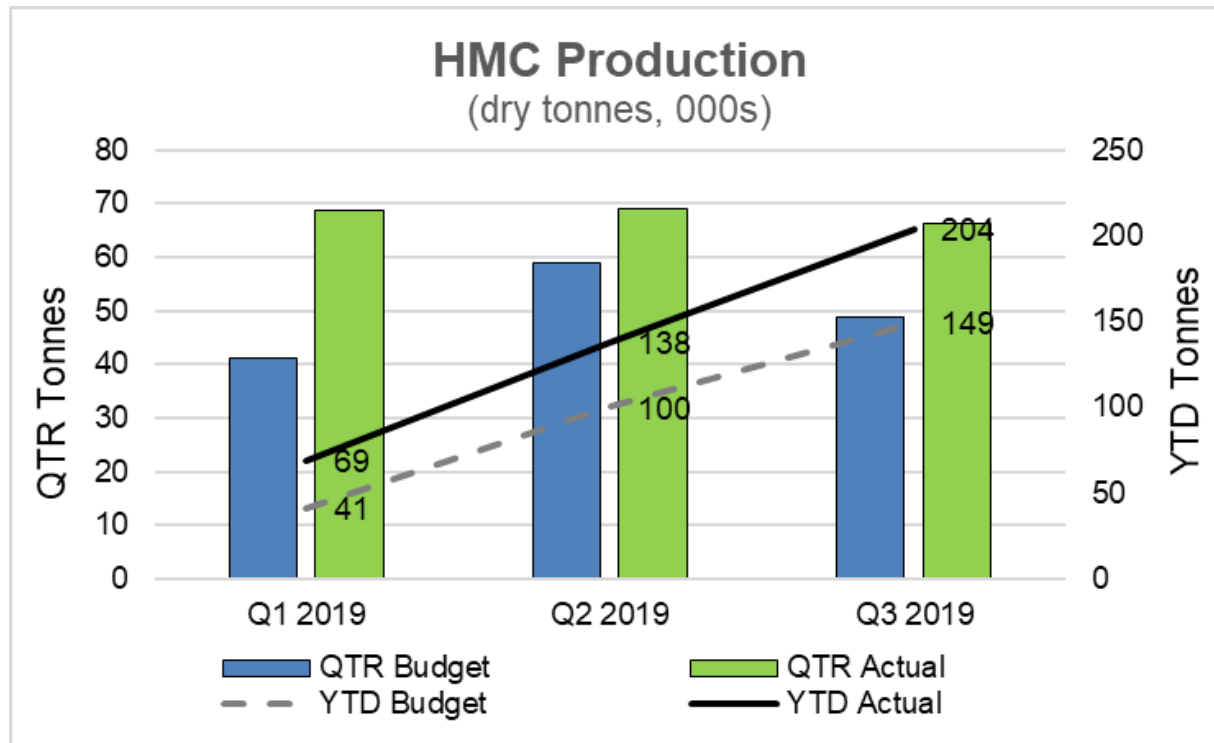


High likelihood of additional Ore Reserves at Boonanarring

- Potential to extend mine life at Boonanarring with confirmed high-grade mineralisation in 5.6km northern extension area (NEA) (ASX announcements 13 March & 26 June 2017);
 - Outstanding high-grade intersections:
 - 8m @ 23.8% heavy minerals (HM) in IX00245
 - 8m @ 21.1% HM in IX00244
 - 8m @ 16.3% HM in IX00250
 - Importantly, HM is zircon-rich:
 - 21.5% zircon in HM in IX00245 & 247
 - 22.1% zircon in HM in IX00243 & 244
 - 16.4% zircon in HM in IX00242, 250, 251
- Access to first section of NEA granted in July 2019 and drilling commenced early September
- Scout drilling also confirmed mineralisation extensions to the south and west

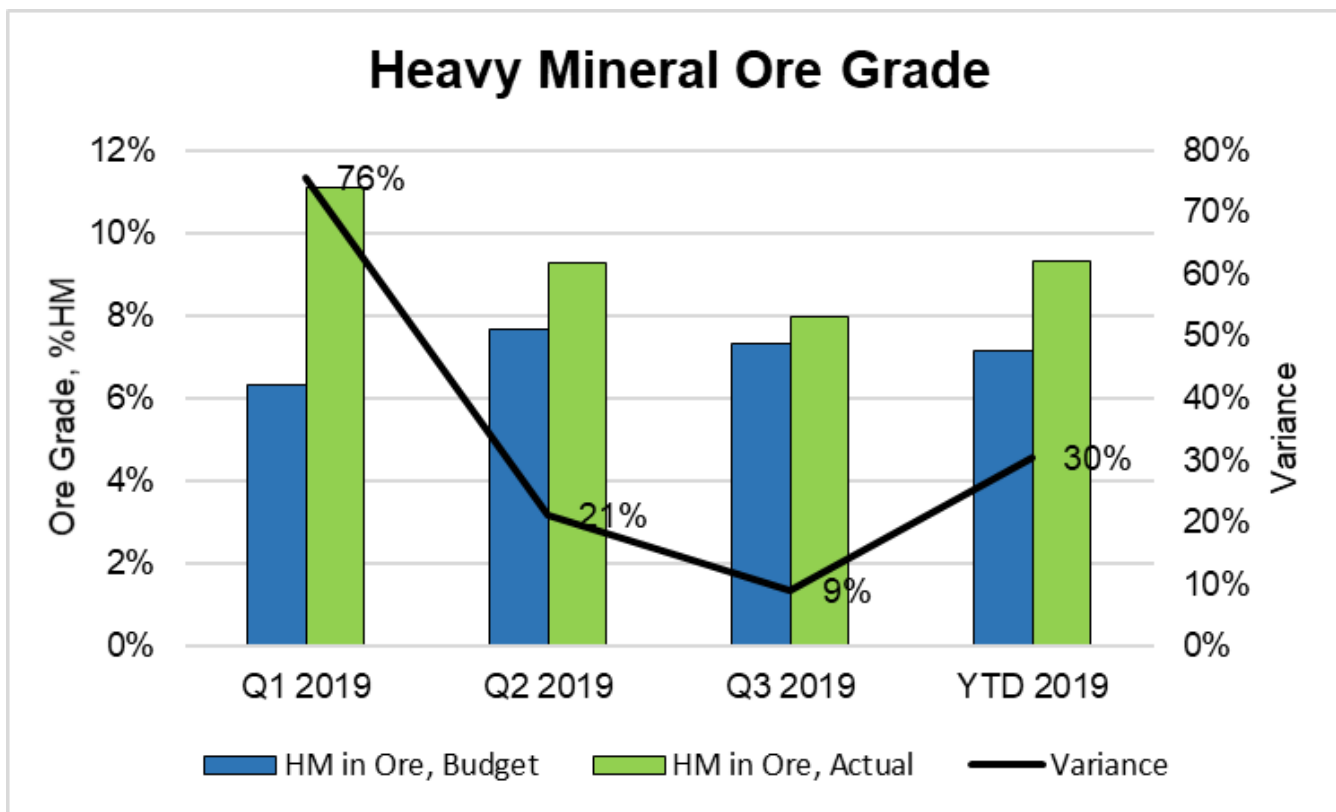


Boonanarring HMC Production



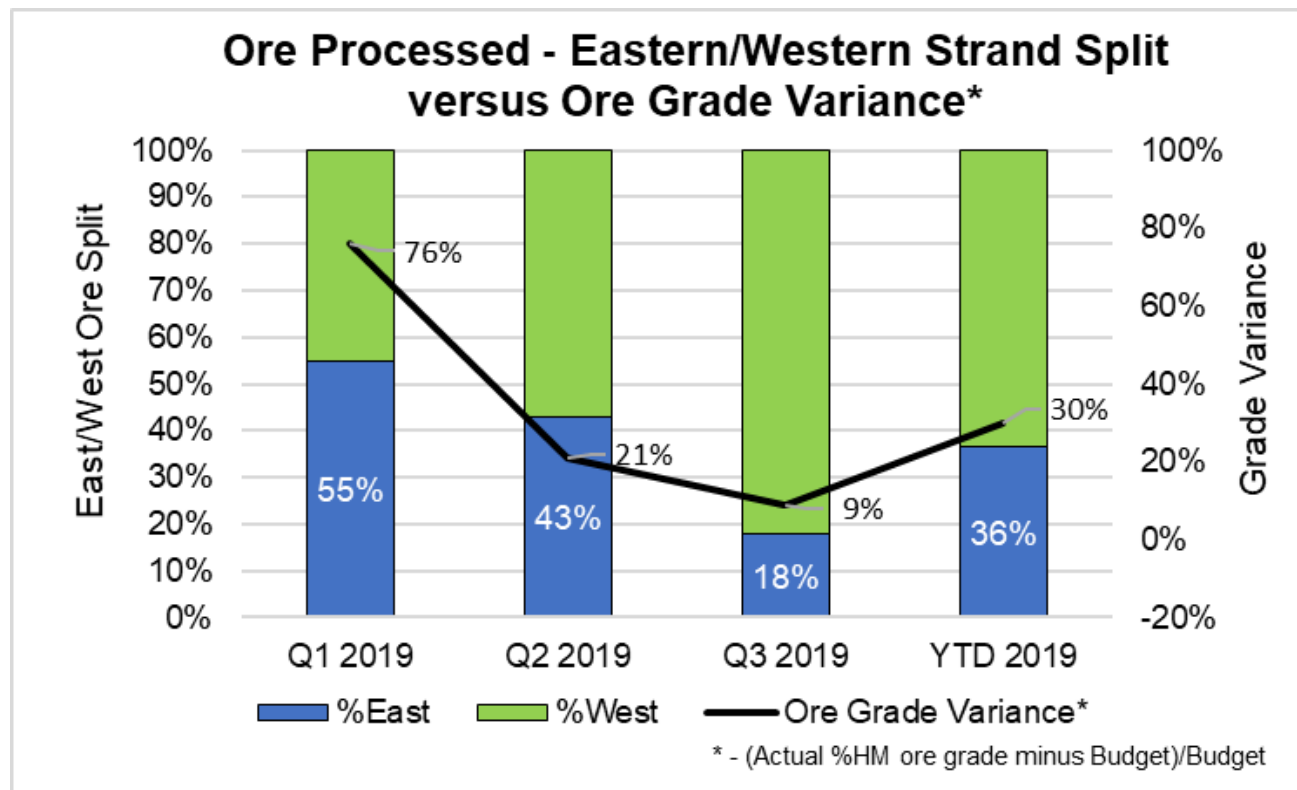
- HMC production exceeded target each Quarter
- YTD basis production is 137% of budget
 - Excess production equivalent to 2.8 months extra production at avg. 20Kt/month

Boonanarring Ore Grade



- Actual ore grade exceeded target every quarter
- YTD basis ore grade is 130% of forecast based on Ore Reserve
 - Average actual ore grade 9.3%HM vs 7.1% weighted average forecast

Boonanarring Ore Source and Grade Variance



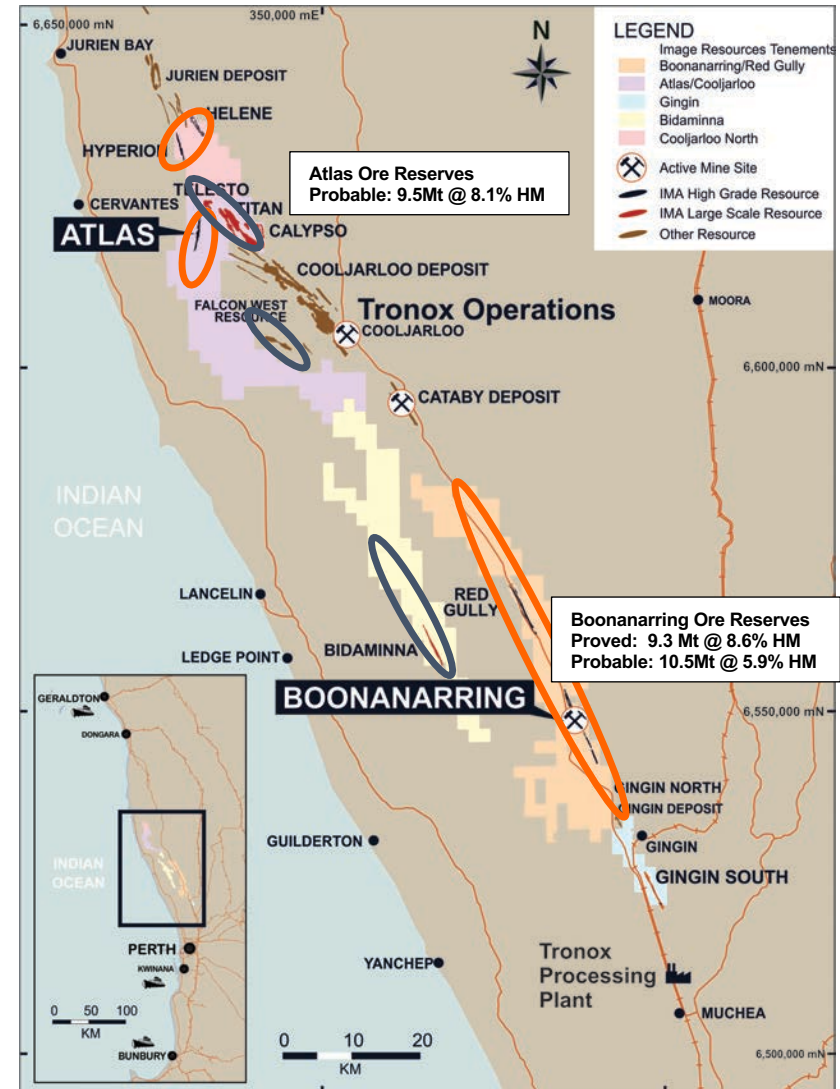
- Percentage of ore mined from Eastern strand has been decreasing as mine progresses to the south as Eastern strand pinches out
- Ore grade variance indicates Eastern strand Ore Reserve has been understated and Western strand Ore Reserve is in line with actuals
- In Q4 2019, mining will change direction to north and higher percentages of Eastern strand ore will be mined

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.*

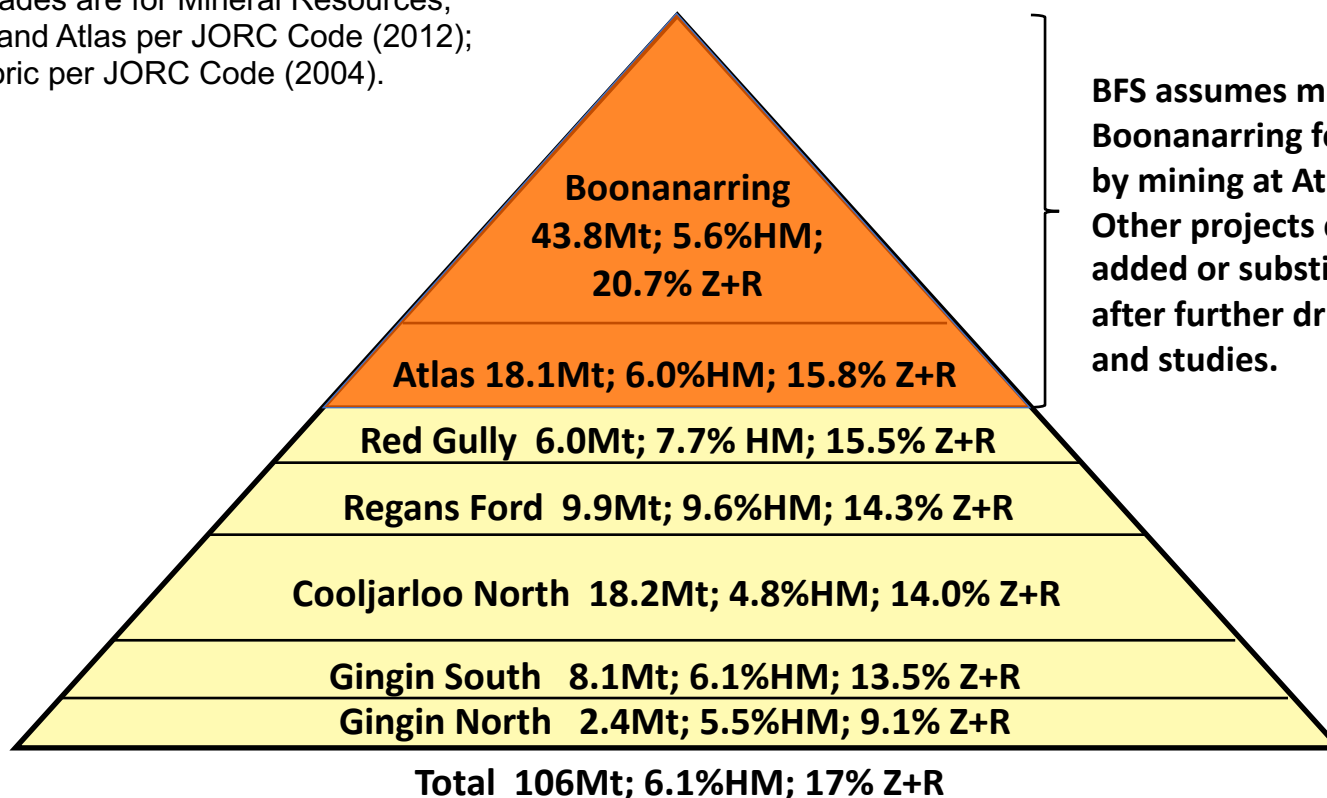


Projects Pyramid – Strand Deposits

Mineral Resources – Accessible by Dry Open-Cut Mining

Projects ranked by combined zircon plus rutile (Z+R) contained in the HM

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



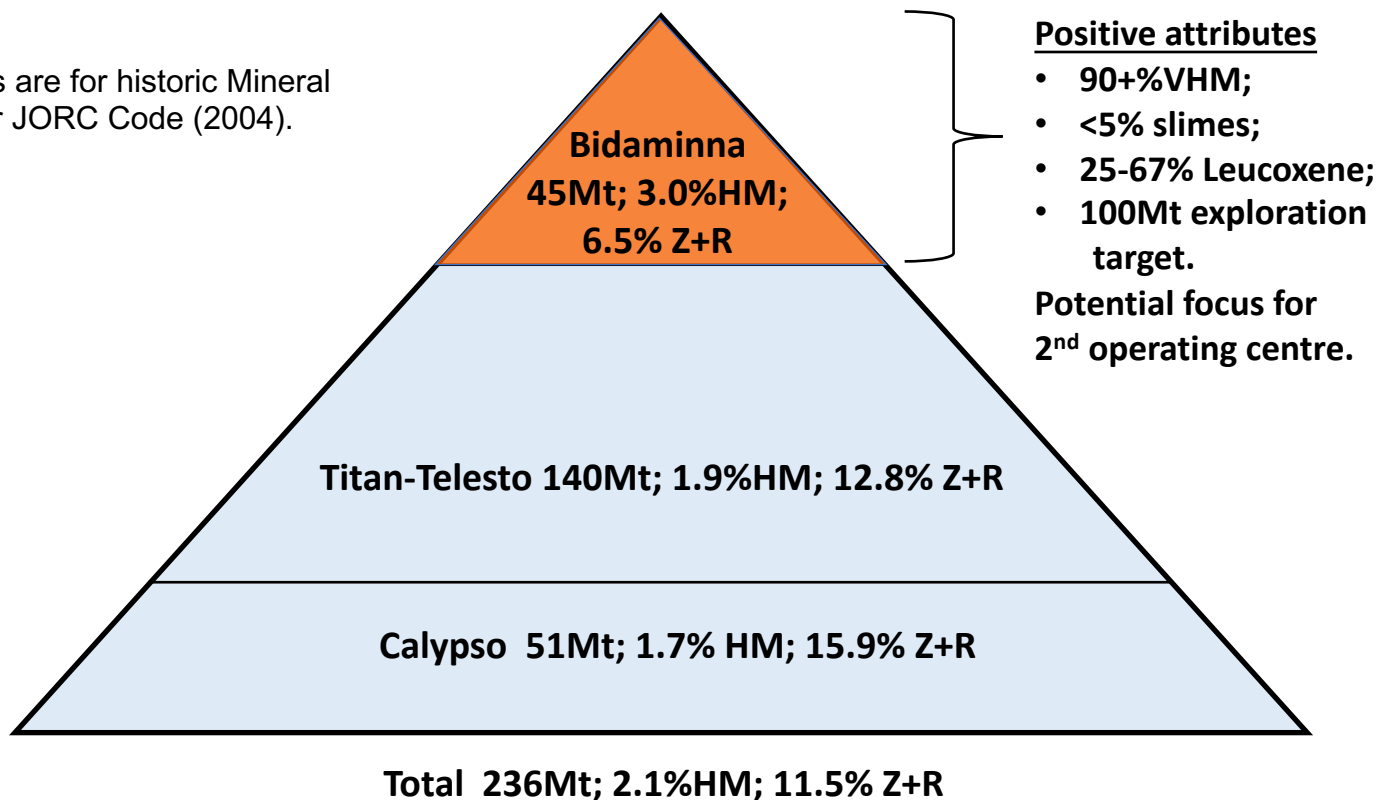
BFS assumes mining at Boonanarring followed by mining at Atlas. Other projects can be added or substituted after further drilling and studies.

Projects Pyramid – Dredge Prospects

Mineral Resources – Accessible by Dredge Mining

Projects ranked by HM Grade and include combined zircon plus rutile (Z+R) contained in the HM

Tonnes-grades are for historic Mineral Resources per JORC Code (2004).



Upside Potential

Potential Ore Reserves at other Image Projects

- Potential to add to historic Mineral Resources and convert to Ore Reserves at other 100%-owned projects;
 - Red Gully;
 - Regans Ford;
 - Gingin North;
 - Gingin South; and
 - Atlas; plus
 - Bidaminna (dredge prospect)




Potential Royalty from Tronox

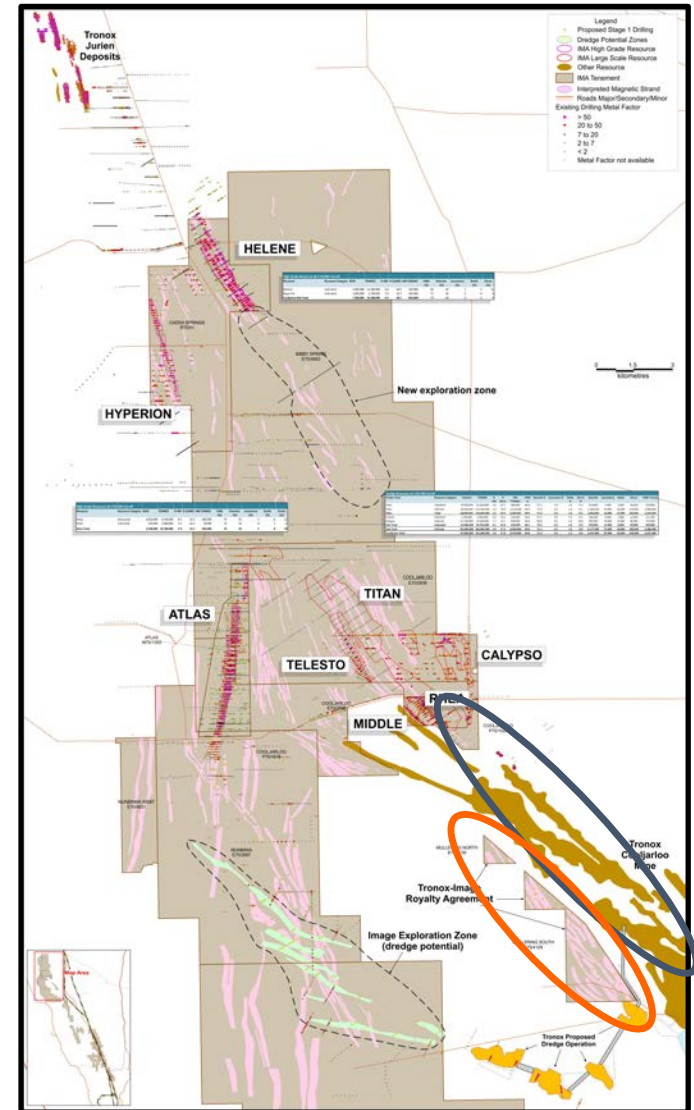
Royalty agreement in place as of 2014

- Small cash payment in 2014
- Sliding-scale royalty on production

<u>Avg. HM Grade</u>	<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.

 Tronox historic mining area
 Image-Tronox royalty area



Solar Farm at Boonanarring

Formal agreements with **Sunrise Energy Group Pty Ltd** to provide 2.3 MW_{AC} solar farm to be:

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



Additional information regarding Heads of Agreement announced to ASX on 23 April 2018.

For further information



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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;**

- Ceramics (tiles); 55% demand
- Foundry Sands (castings); 14%
- Refractories (furnace linings); 10%
- Chemicals (gem stones, nuclear reactors); 14%
- Others; 7%

Qualities
whitener
opacifier
heat resistant
abrasion resistant
metal bio-compatible



Zirconium
Sponge
metal

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

Source: Zirconium Industry Association www.zircon-association.org

Products and Applications

Key products are zircon and titanium dioxide



➤ **Titanium dioxide (TiO_2) 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);
- Titanium metal (light, strong, corrosion-resistant, bio-compatible);
 - Used in aircraft, spacecraft, motor vehicles and medical implants;



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