

3 March 2020

IMAGE RESOURCES UPDATED INVESTOR PRESENTATION

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to provide the attached updated investor presentation focused on CY2019 Annual Report results.

This document is authorised for release to the market by:

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IMAGE
RESOURCES

***Australia's newest mineral sands miner
Emerging mid-tier prospect***

Boonanarring Mineral Sands Project

**CY2019 Performance Presentation
March 2020**

**Patrick Mutz
Managing Director
Image Resources NL
ASX: IMA**

Disclaimer and Forward Looking Statements

This presentation/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 presentation/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 presentation/document.

Statements in this presentation/documents 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 presentation implies an acknowledgement that you have read and understood the above disclaimer and qualifications regarding forward-looking statements.

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.

Company Focus

- **Focused exclusively on mineral sands**
- **Currently exclusively in North Perth Basin in Western Australia**
 - 1,000 km²; 7 dry mining projects/prospects and 3 dredge mining prospects
- **Transitioned from exploration to active mining company through development of initial project in 2018 as low cost, rapid build**
 - A\$52 million, 6-month construction completed on-time and on-budget
- **Completed inaugural full year of production (CY2019) on first development project**
 - 100%-owned, high-grade, zircon-rich Boonanarring Project



CY2019 Inaugural Full Year Performance



CY2019 key production highlights:

- **2nd month of operation (Jan 2019) ramped up to exceed name-plate production of HMC**
- **Heavy mineral ore grade substantially higher than forecast**
 - 76% positive variance in Q1; 21% variance EOY
 - Re-assessed eastern strand with close-spaced drilling
 - Updated Ore Reserves published in Dec 2019
- **Produced 270kt HMC and sold 238kt**
 - EOY HMC inventory at 57kt; value >A\$30m
- **Met guidance, which was raised twice during the year**



CY2019 Inaugural Full Year Performance

CY2019 key financial highlights:

- Profitability achieved in March quarter
- Positive cashflow achieved in June quarter
- Total revenue of A\$146m
- Project EBITDA of A\$73m
- Net Profit after Tax of A\$21m
- EOY cash A\$50m and debt balance A\$56m
 - 1st Quarterly debt repayment in November
 - Final debt payment scheduled for May 2021
 - Actively investigating early debt retirement



CY2019 Inaugural Full Year Performance



CY2019 Ore Reserves and mine life:

- **Updated Ore Reserve published December 2019**
 - **24% higher heavy mineral (HM) ore grade**
 - **50% higher in-situ zircon grade in ore**
 - **Loss of 6.5m tonnes ore due largely to iron-rich laterite which assayed as HM**
 - **Remaining mine life of Ore Reserves down to 3 years at Boonanarring plus 3 years at Atlas**
- **Accelerated exploration program commenced July 2019 to identify new Mineral Resources and Ore Reserves (now formalised under Project 'MORE')**
- **New area of mineralisation called 50mRL Strandline up to 40km in strike length announced in December 2019**
- **Focus areas are Boonanarring southern extension (1st priority), northern extension and western extension (50mRL Strandline)**

Diverse and Experienced Board and Management

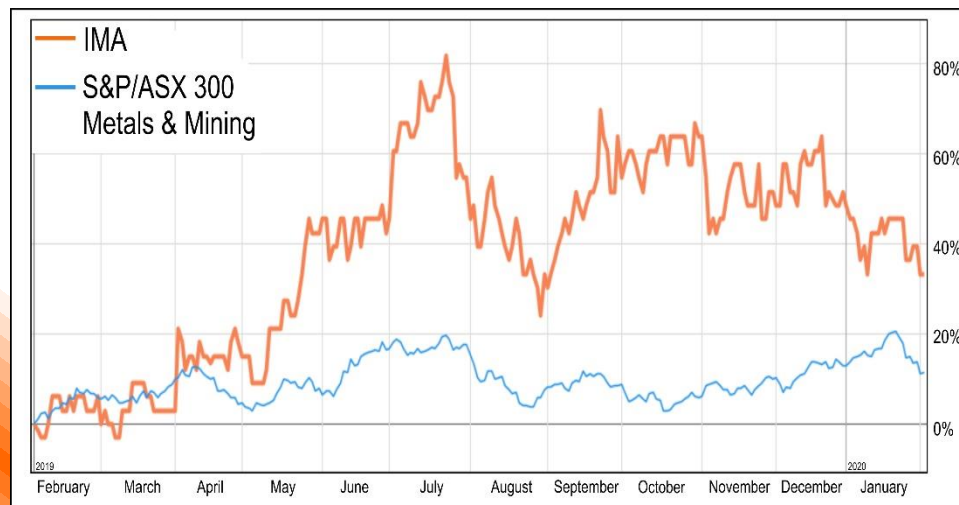
ASX Code:	IMA
Share Price:	A\$0.24*
12-Month Price Range:	A\$0.16-0.30
Shares on Issue:	981m
Market Cap:	A\$235m*
Cash on hand:	A\$50m**
Debt:	A\$56m**
Enterprise Value:	A\$241m
Top 20 Shareholders:	70%

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

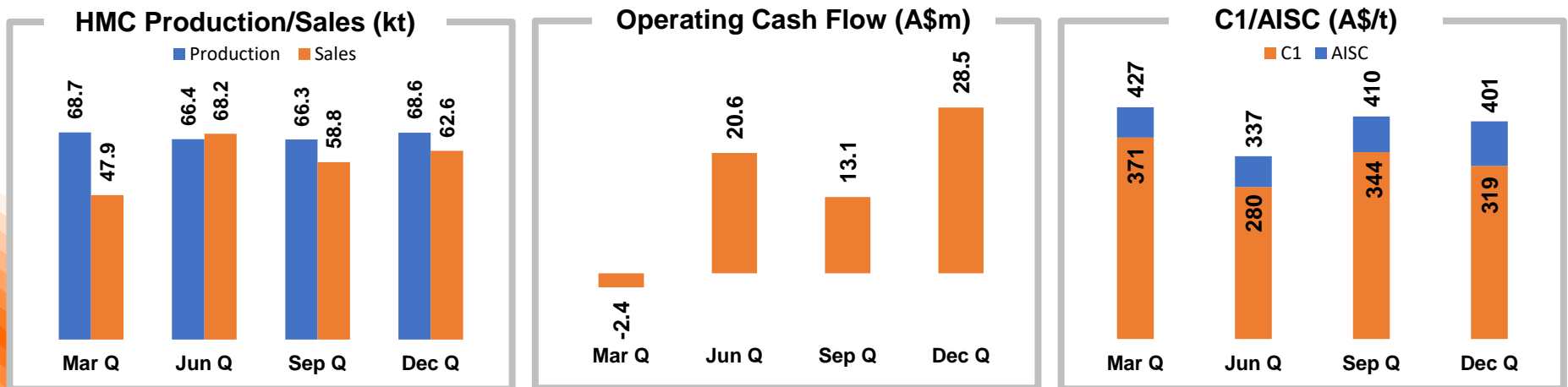


* - as at 23 Jan 2020

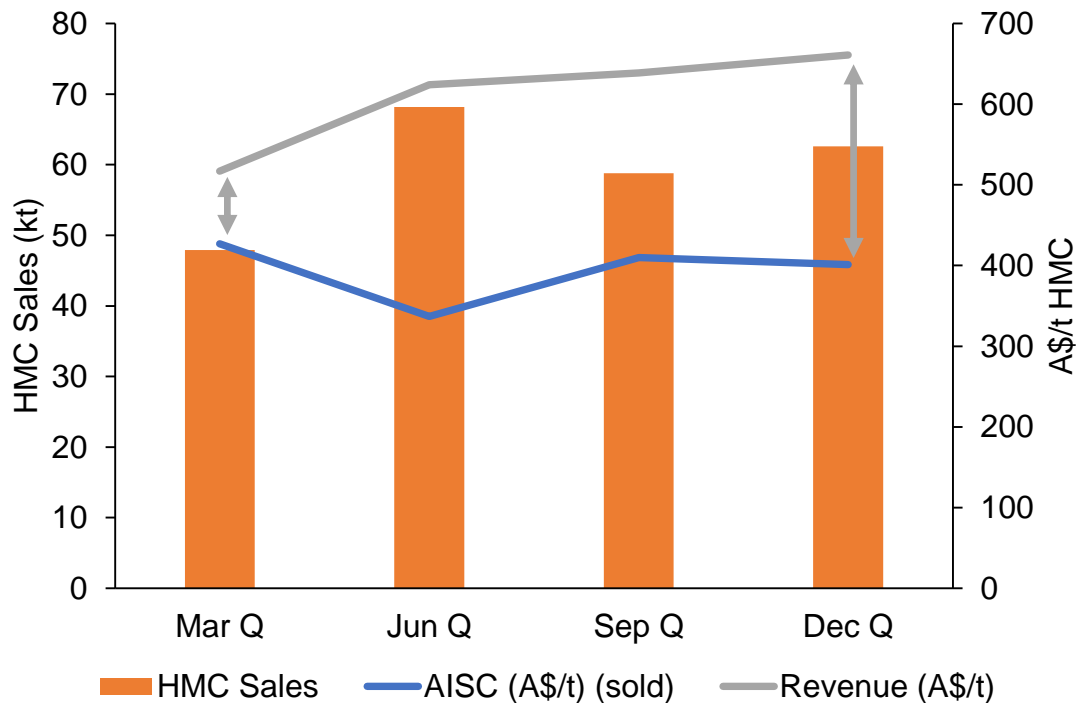
** - as at 31 Dec 2019 (includes term deposits)

TRANSFORMATIONAL INAUGURAL YEAR OF PRODUCTION

- HMC sales of 238kt, production of 270kt
- C1 Cash Cost of A\$327/t, AISC of A\$390/t HMC Sold
- Cash flow positive in second quarter
- Full year operating cash flow of A\$60m
- Closing cash balance of A\$50m
- Closing debt balance of A\$56m



HMC Sales and Margins



- Strong and expanding margins
- Revenue per tonne increased throughout 2019 as zircon content and HMC quality improved.
- Steady All-In Sustaining Costs (AISC) as operation runs at nameplate production rates

CY2019 Performance



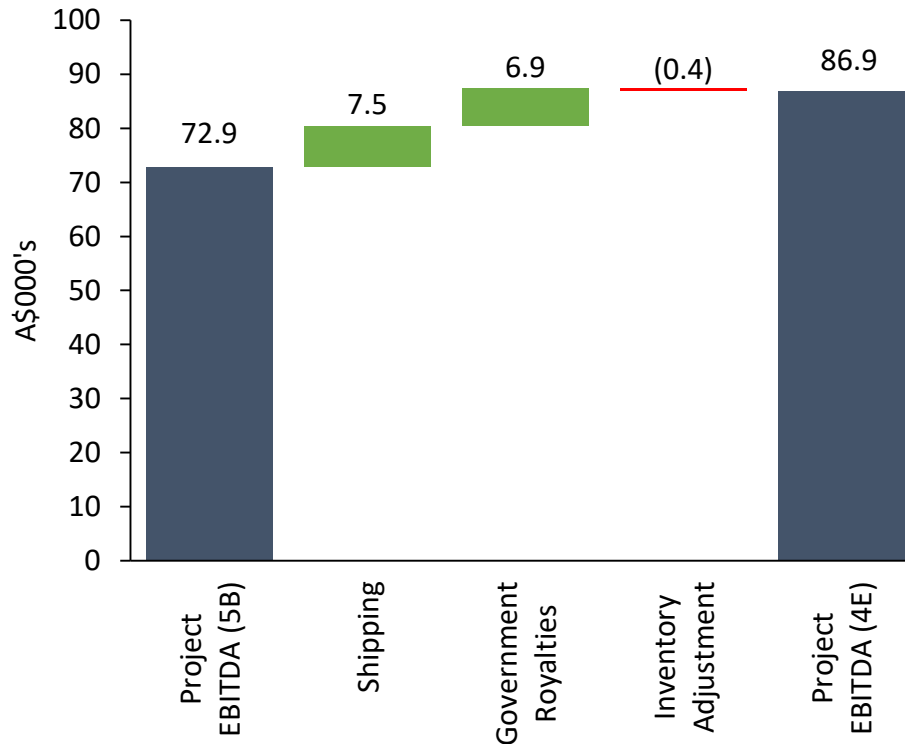
INCOME STATEMENT

A\$m	2019
Revenue	146.2
Mine Operating Costs	(66.4)
Inventory Movements	7.1
Project EBITDA (pre selling/royalties)	86.9
Depreciation and Amortisation	(17.7)
Borrowing Cost Amortisation	(5.3)
Project Gross Profit	64.0
Selling Costs	(7.5)
Royalties	(6.9)
Project Net Profit	49.6
Corporate	(4.6)
Exploration	(3.3)
Other Expenses	(1.0)
FX Differences	(1.4)
Operating Profit	39.2
Financing Costs	(10.0)
Profit Before Tax	29.2
Taxation	(8.4)
Net Profit After Tax	20.8

IMA financial performance summary 2019:

- Project EBITDA pre selling/royalties \$87M
- Post Selling & Royalties \$73M
- Project NP of \$50M
- Other expenses include corporate & exploration (fully written off) \$8M & Other (asset write downs) & FX of \$2.4M
- Profit Before Tax of \$29M
- No Tax payable in 2019 but tax charge of \$8.4M
- NPAT \$21M
- Basic EPS of 2.14c/share (2018: 0.39c)

PROJECT EBITDA RECONCILIATION

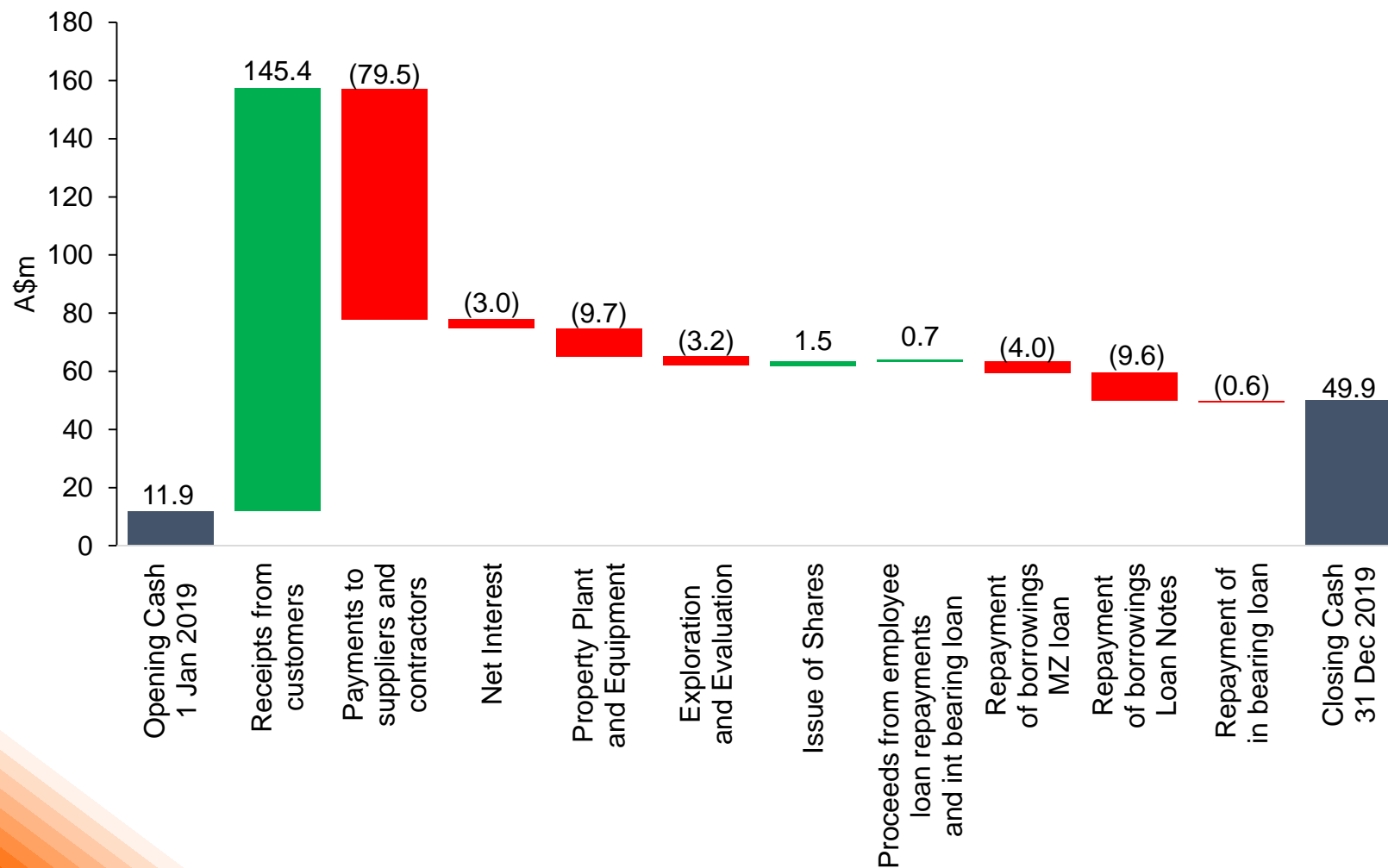


Reconciling items for Project EBITDA per audited financials to Project EBITDA per Quarterly are:

- Addback shipping costs – shown separately in financials: +\$7.5m
- Addback Government royalties: +\$6.9m
- Less: Inventory adjustment: \$(0.4)m
- Project EBITDA per Financials \$86.9m
- Revenue to Cost Ratio (5B) 2:1
- Revenue to Cost Ratio (4E) 2.5:1

CY2019 Performance

CASH UTILISATION



CY2019 Performance



BALANCE SHEET

A\$m	Note	Dec 18	Dec 19
Assets			
Cash	7	11.9	49.9
Receivables		1.5	0.6
Inventories	12	9.2	16.8
Property plant and equipment	10	101.1	95.6
Deferred tax assets	6	12.7	4.4
Other assets	9,11	1.0	3.4
Total Assets		137.4	170.6
Liabilities			
Trade and other payables	13	11.7	16.2
Provisions	14	5.0	16.1
Borrowings	15	64.0	56.5
Total Liabilities		80.6	88.8
Net Assets		56.8	81.8

Balance Sheet Commentary:

- Detailed balance sheet movements shown in financials (refer relevant note).
- Assets: Up \$33.3m
 - Cash up \$38m
 - Inventories up \$7.6m (sales value \$30m+)
 - P,P&E down \$5.5m with sustaining capital, prestrip & capitalised rehab being more than offset by depreciation.
 - Deferred tax reduced by taxable profit in 2019.
- Liabilities: Up \$8.2m
 - General payables up \$4.5m
 - Provisions up \$11.1 – mainly rehabilitation (Blocks B&C open)
 - Borrowings down \$7.5m – repayments partially offset by FX movement
- Net Assets Up \$25m to \$81.8m

FINANCE

- Strong operational performance has delivered a stronger balance sheet
- IMA expected to be net cash March or April 2020
- Currently discussing early payout of loan notes either through lower cost debt or out of cash
- Even stronger cash generation forecast for 2020 based on higher HM grades and higher HMC production & sales volumes
- Early refinance/repay will allow Board freedom to consider dividend payments at end of 2020
- Increased exploration activity targeting increased reserves & mine life at Boonanarring with flow on impact being reduced depreciation/amortisation

CY2020 Guidance and CY2021 Forecast



Item	Units	2020 Guidance	2021 Forecast
HMC Produced	DMT 000s	300-330	300-330
HMC Sold	DMT 000s	300-330	300-330
Project Operating Costs	A\$m	100-110	90-100
C1 Cash Costs per tonne HMC sold	A\$/DMT	290-320	260-290
AISC Cash Costs per tonne HMC sold	A\$/DMT	340-370	315-345

Ore Reserves

✓ HIGH-QUALITY ORE RESERVES (Updated Dec 2019)

- 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	Tonnes (million)	% HM	% Slimes	HM Tonnes (million)	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring ¹	Proved	3.5	13.9	16.0	0.5	82.7	44	4.6	2.2	31.9
Boonanarring ¹	Probable	7.1	6.4	16.0	0.5	76.6	49	1.7	2.8	23.1
Total Boonanarring		10.7	8.9	16.0	0.9	79.6	46	3.2	2.5	27.5
Atlas ²	Probable	9.5	8.1	15.5	0.8	73.3	50.7	4.5	7.5	10.6
Total Atlas		9.5	8.1	15.5	0.8	73.3	50.7	4.5	7.5	10.6
Total Ore Reserves		20.2	8.5	15.8	1.7	76.8	48.3	3.8	4.7	19.9

1. COMPLIANCE STATEMENT - Boonanarring Ore Reserves

The information in this report that relates to the estimation of Ore Reserves for the Boonanarring Project is extracted from the Company's ASX announcement dated 20 December 2019 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

2. COMPLIANCE STATEMENT - Atlas Ore Reserves

The information in this report that relates to the estimation of Ore Reserves for the Atlas Project is extracted from the Company's ASX announcement dated 30 May 2017 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

Target Production Rate

Operating Basis

- Mining at Boonanarring, initially
- 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: 300-330kt HMC per annum
 - Initially, no separation of HMC to individual products by Image
 - HMC trucked to Bunbury for bulk shipments to China

Punches 4 times above its weight*!

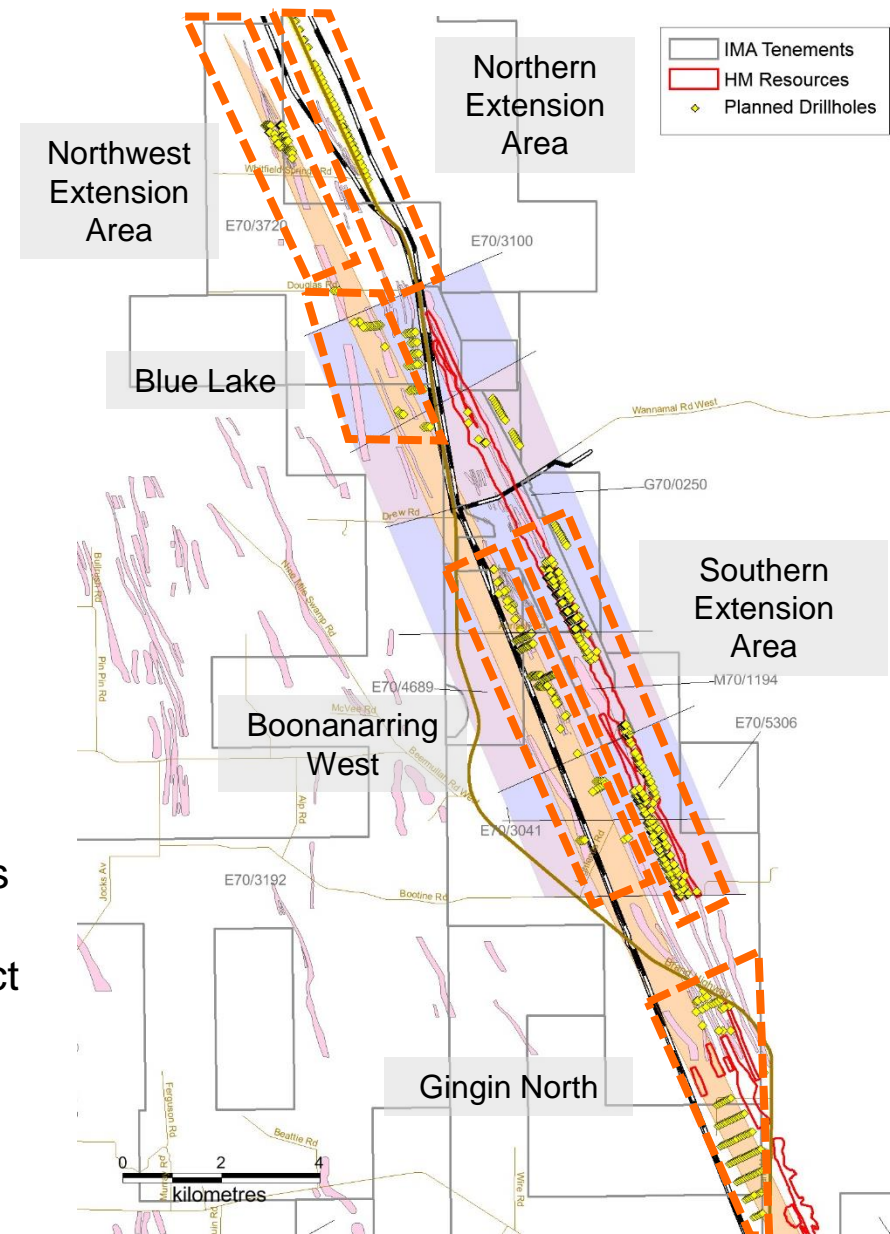
* -Equivalent in revenue to 2,000 tonnes per hour at more typical ore grades of 3% HM in ore and 10% zircon in HM



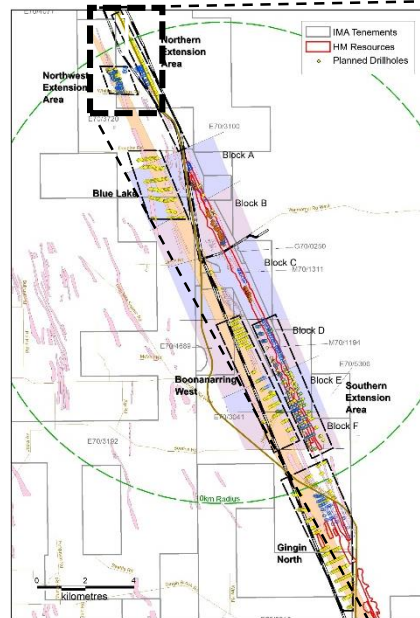
Project 'MORE' – Goal to add new Ore Reserves

MORE Ore Reserves – internal high profile, interdisciplinary program to add new Ore Reserves at Boonanarring as rapidly as practicable

- **Rigorous target identification**
 - Systematic review of target areas within economic pumping distance of WCP
- **Continuous economic analysis**
 - Continuous multidisciplinary review including geology, metallurgy, engineering, and economics
 - Parallel pursuit of access for drilling and mining and regulatory approvals for mining
- **High priority project execution**
 - Subject to project management protocols under direction of senior executive team and supported by Board to ensure project is executed efficiently



Project MORE – Northern and Northwest Extension Area

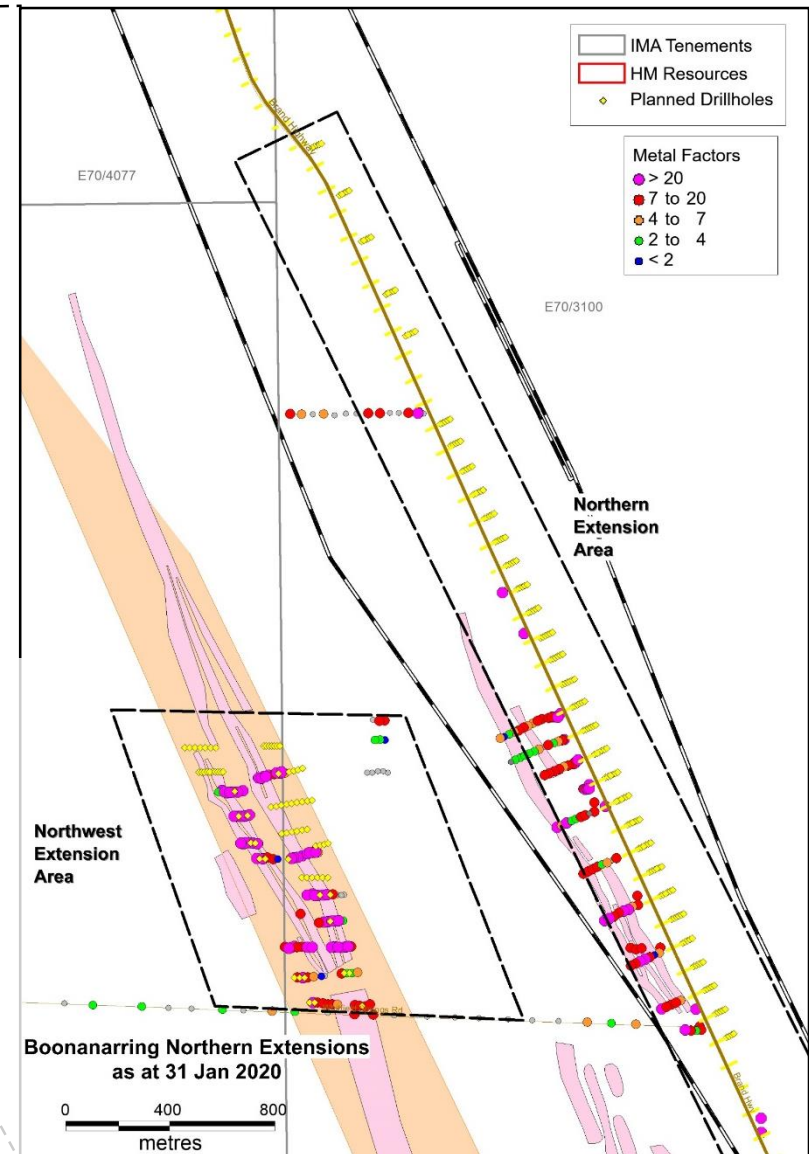


Northwest Extension Area drilling results announced on 30 January 2020.

- 4m @ 14.5% HM from 15m
- 3m @ 14.3% HM from 17m
- 5m @ 12.2% HM from 13m
- 4m @ 10.9% HM from 11m

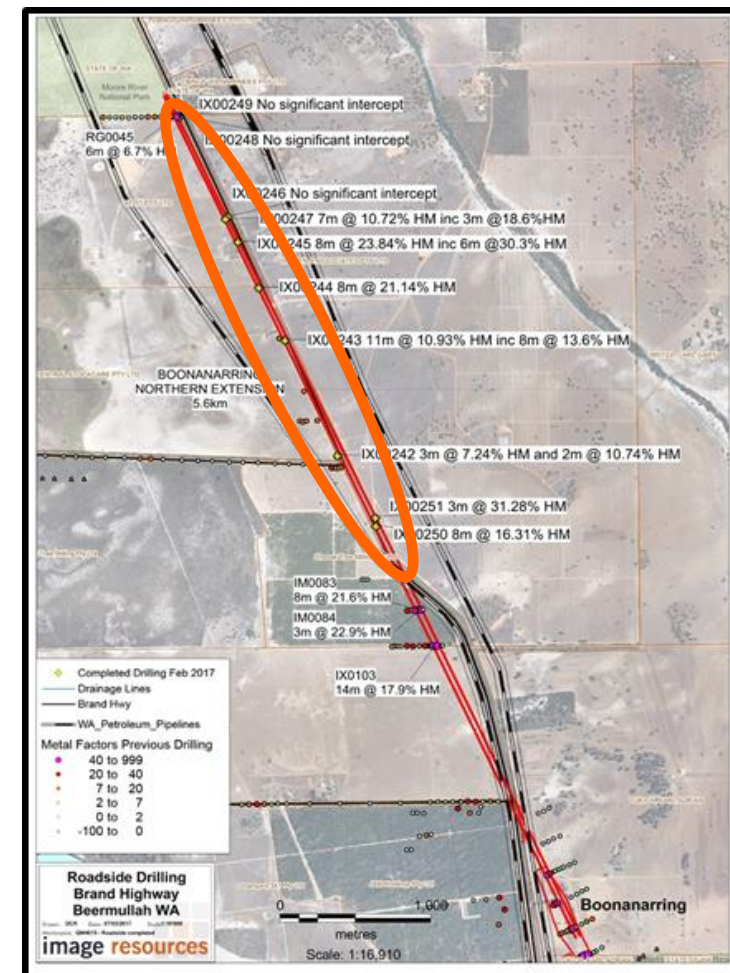
Northern Extension Area drilling results announced on 30 January 2020.

- 8m @ 16.7% HM from 24m
- 4m @ 22.8% HM from 28m



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

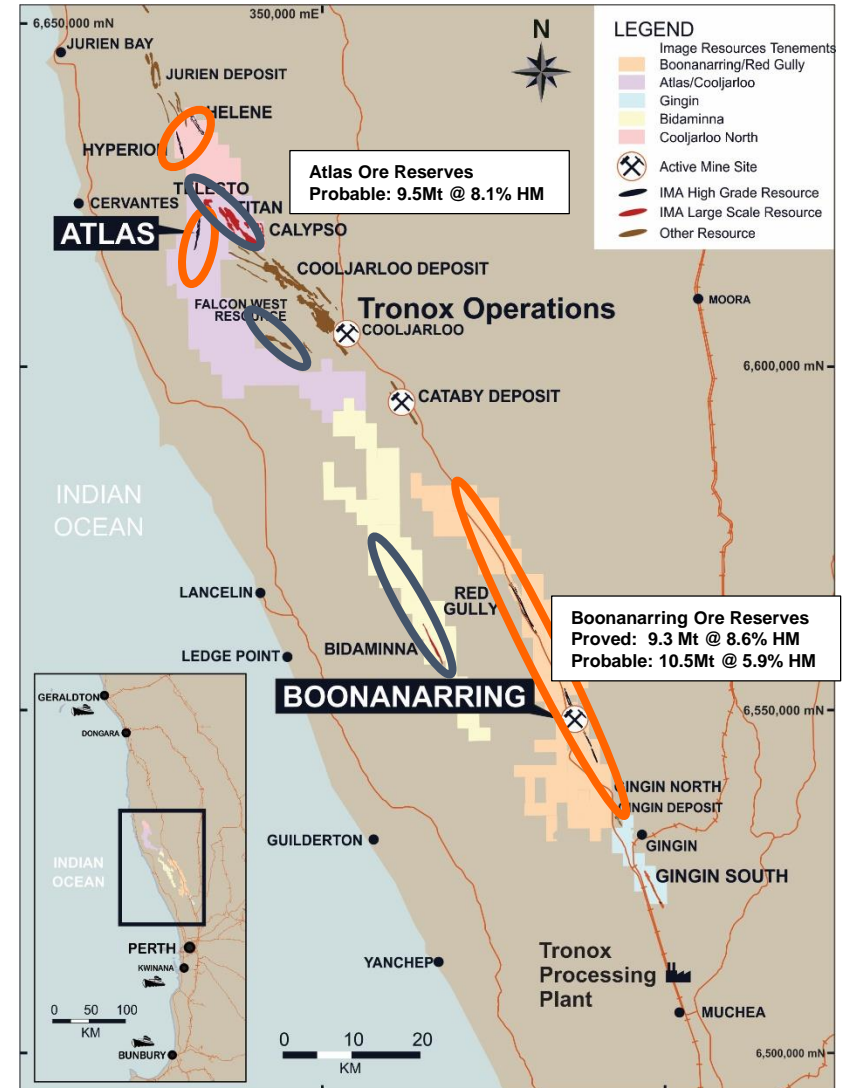


Project Types and Locations

- 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.*

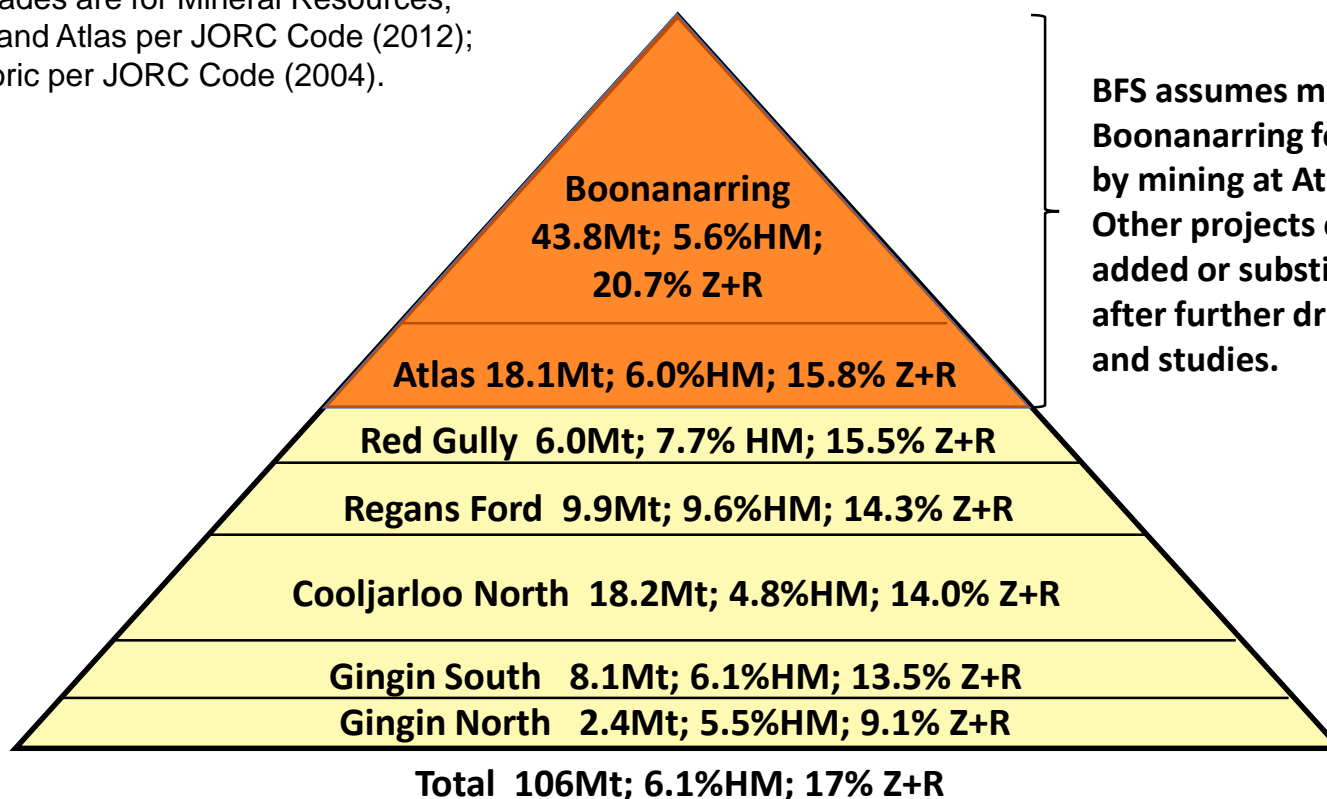


Projects Pyramid – Strand Deposits

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).



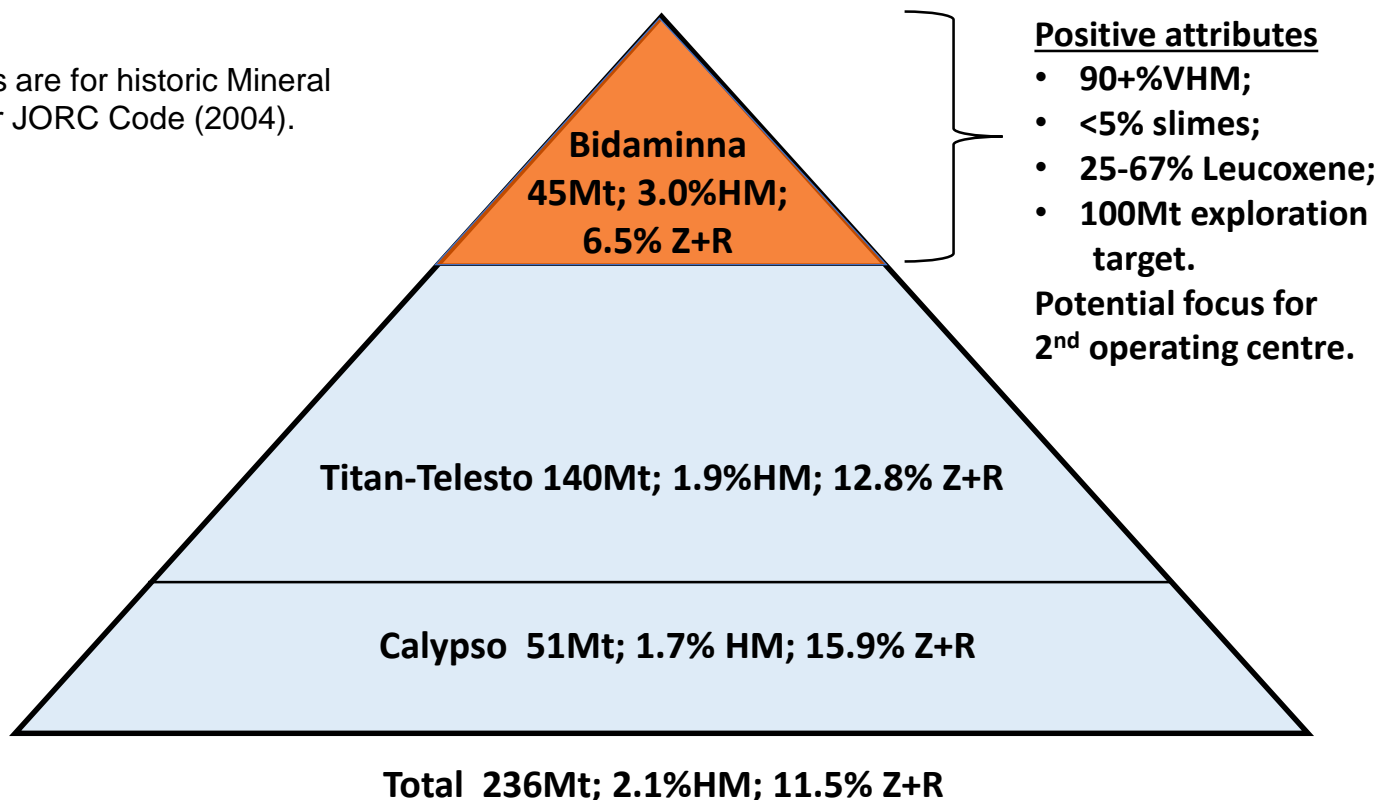
BFS assumes mining at Boonanarring followed by mining at Atlas. Other projects can be added or substituted after further drilling and studies.

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).




Potential Royalty from Tronox

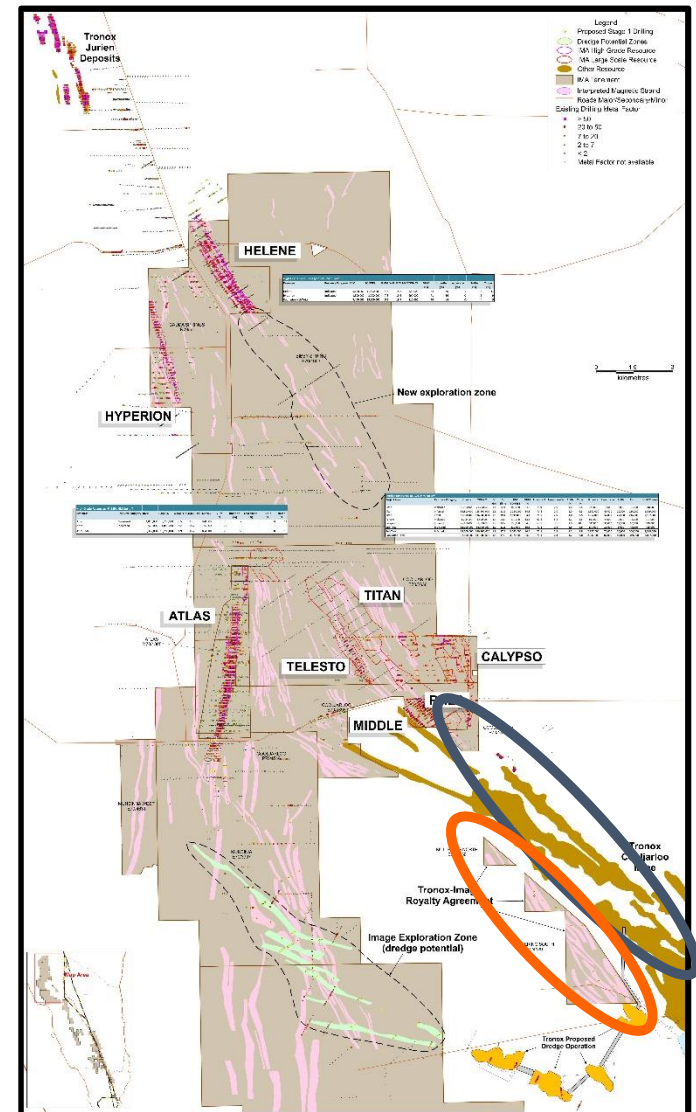
Royalty agreement in place as of 2014

- 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.

Community Engagement Program



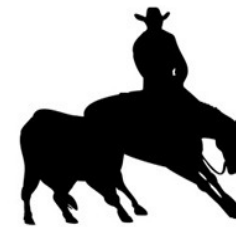
Image is proud of its active and varied community support and engagement program including through local employment.

Image proudly contributes to the local community including through local employment.

At 31 December 59% of its workforce lived locally to the operation or within regional shires.



CERVANTES ART FESTIVAL 2019



W.A.C.H.A

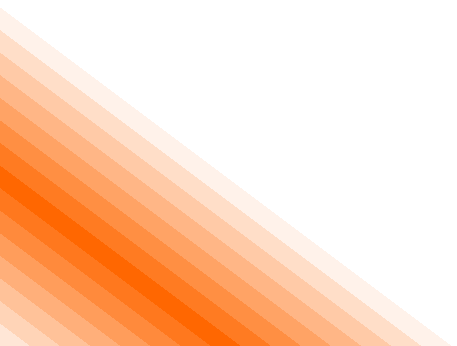


Lions Cancer Institute Inc.



GINGIN GOLF CLUB (Inc)





For further information



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RESOURCES

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