

QUARTERLY ACTIVITIES REPORT – for quarter ended 31 March 2020

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 IMA

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Issued Capital

Shares – Quoted
 980,979,899
 As at 31 March 2020

Board Members

Robert Besley
 (Non-Executive Chairman)
 Patrick Mutz
 (Managing Director)
 Chaodian Chen
 (Non-Executive Director)
 Aaron Chong Veoy Soo
 (Non-Executive Director)
 Huangcheng Li
 (Non-Executive Director)
 George Sakalidis
 (Executive Director)
 Peter Thomas
 (Non-Executive Director)
 Eddy Wu
 (Non-Executive Director)

HIGHLIGHTS

- Image Resources recorded its strongest quarter of heavy mineral concentrate (HMC) production to-date at 83.9kt.
- Mining and processing throughput unaffected by travel restrictions and adoption of numerous protection measures to prevent the spread of the Coronavirus (COVID-19).
- HMC sales lower than quarterly plan at 44.8kt, as only two of three planned shipments sailed during the quarter. 3rd shipment of 24.3kt delayed into early April due to berth congestion at the Bunbury port.
- HMC realised price (A\$/t HMC) was relatively flat QoQ despite softening zircon prices which were largely offset by rising TiO₂ prices and weaker AUD/USD exchange rate.
- 2020 guidance for production, costs and sales volume are unchanged.

	Dec Q 2019	Mar Q 2020	QoQ, %	Guidance
Production				
HMC Production (kt)	68.6	83.9	22%	300-330
HMC Sales (kt)	62.6	44.8	-28%	300-330
HMC Realised Price (A\$/t HMC)	661	659	0%	N/A
Unit Costs (HMC produced)				
C1 Cash Costs (A\$/t HMC) ₁	291	229	-21%	N/A
AISC (A\$/t HMC) ₂	365	264	-28%	N/A
Unit Costs (HMC sold)				
C1 Cash Costs (A\$/t HMC) ₁	319	430	35%	290-320
AISC (A\$/t HMC) ₂	401	495	23%	340-370

Notes: 1 – C1 cash costs include mining, processing, general and admin and HMC transport costs
 2 – All-in sustaining cash costs (AISC) include C1 plus royalties, sustaining capital and corporate overheads

- C1 and AISC cash costs per HMC units sold were up QoQ due to the lower sales volumes, however on an HMC units produced basis, C1 and AISC cash costs significantly lower QoQ.
- Cashflow from operations was A\$5.2m and cash balance at 31 March was A\$41.2m despite the sale of only 2 of the 3 planned HMC shipments, and cash outflow for strategic purchase of land related to future production at Boonanarring, as well as second debt repayment in February.
- Outstanding loan notes (debt) at the end of March were A\$53.3m and the final quarterly debt repayment is currently scheduled to be paid in May 2021.
- Finished HMC inventory at end of the quarter increased to just over 96kt DMT.
- Project 'MORE' formally launched in February with the target of adding up to two years of new Ore Reserves to the Boonanarring Project by the end of 2020. During the quarter, 504 holes were drilled for total 15,825m with encouraging preliminary results received from the Northwestern Extension Area and Southern Extension.
- AUD/USD foreign exchange rate remained favourable during the quarter, starting at 0.70 at the beginning of January and softening to 0.62 at the end of March.
- Sunrise Energy Group planned construction of a 2.3MW solar farm, at its cost, at Boonanarring, to supply the project with approximately 25% of energy its requirements, has commenced with site preparation works.

ACTIVITIES REPORT

High Level Summary

Image Resources NL (ASX: IMA) ("**Image**" or "**the Company**") is pleased to report a strong first quarter of production at its 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project, located 80km north of Perth in the North Perth Basin in WA.

Despite the Company having to make significant adjustments to its day to day operating procedures during the quarter, in response to State and Commonwealth guidelines regarding travel restrictions and adoption of numerous protective measures to prevent the spread of COVID-19, mining and HMC production at Boonanarring remained largely unaffected. Production statistics include quarterly record high ore tonnes processed and HMC production.

HMC sales were lower than planned for the quarter due to the 3rd shipment of 3 planned being delayed into April due to berth congestion of incoming and outgoing cargo at the Bunbury port. Importantly, the realised price for HMC sold remained in line with the average price for the December quarter, despite the continuing softening of the zircon price which was again largely offset by rising TiO₂ prices and a more favourable AUD/USD exchange rate.

Record HMC production and lower than forecast HMC sales have served to further increase finished HMC inventory to approximately 96k tonnes which represents more than three months of HMC production.

Cash costs remained in line with guidance, and while unit costs for HMC sold were higher quarter on quarter (due to lower sales), unit costs for HMC produced were lower than the December quarter.

As a result of the strong operational performance during the quarter, annual guidance for production, costs and sales volume remain unchanged.

Cashflow from operations was A\$5.2m and cash balance at 31 March was A\$41.2m despite the sale of only 2 of the planned 3 HMC shipments and cash outflows for the payment of the 2nd of 7 quarterly repayments of debt and for a strategic purchase of land in the Boonanarring Northern Extension Area to secure access for potential future mining. The debt payment and land purchase occurred in February.

The outstanding loan notes (debt) at the end of March was A\$53.3m and the final debt repayment is currently scheduled to be made in May 2021. However, given the strong cash balance, the Company is actively investigating opportunities for early retirement of the debt.

Managing Director and CEO Patrick Mutz said *"during the quarter we responded quickly to implement measures to protect our employees and other stakeholders following the emergence of the COVID-19 pandemic. Fortunately, we have had no confirmed cases of COVID-19 and it is particularly pleasing to see the team rally to do all the things required and necessary to prevent the potential spread of Coronavirus, while they continued to focus their efforts to ensuring a safe workplace, maintaining production and delivering a record setting quarter of production."*

The Company is in a very fortunate position with a strong cash balance, minimum debt, strong operational performance, very supportive off-take partners and proactive employee base, to weather these very challenging economic times brought on by the COVID-19 pandemic. We are also committed to expanding the mine-life at Boonanarring through Project 'MORE' which was formally launched in February with a target of adding up to two years of new Ore Reserves at Boonanarring before the end of CY2020. Early drilling results have been encouraging and we look forward to providing updates on progress throughout the year."



Details

Safety

There was one lost time injury (LTI) recorded during the quarter in the evolving area of mental health awareness and prevention. This is the second mental health related LTI of a total of only three LTI's recorded since the start of construction at Boonanarring in April 2018.

During the quarter, Image activated parts of its Crisis and Emergency Management Plan in response to State and Commonwealth government and WA Regulatory guidance and recommendations aimed at minimising the spread of COVID-19. The health, wellbeing and safety of Image employees, contractors, consultants and their families and contacts within the communities in which they live is the Company's priority. The Company has not experienced any confirmed cases of COVID-19 with any of its employees, consultants or contractors, with mining and processing throughput being unaffected by travel restrictions and the modifications to daily practises and procedures due to the adoption of numerous protection measures to prevent the spread of COVID-19.

Mining and Processing

Boonanarring produced 83.9kt of HMC in the March quarter, this is the highest quarterly HMC production rate since the operation commenced. CY2020 production guidance of 300-330kt HMC is unchanged.

Ore tonnes processed were also at record levels for the quarter, at 985kt, up 14% QoQ, CY2020 guidance of 3,000-3,300kt is unchanged.

Reconciliation of ore mined during the quarter, to the updated mine model used as the basis for the updated Ore Reserve published in December 2019, has resulted in higher actual ore tonnes at lower heavy mineral ore grade, but higher in-situ zircon grade than modelled. The net result is higher overall tonnes of zircon being mined than modelled. The reconciliation process is continuing, with the aim of further refining the mine model to more accurately represent the geological complexities and very high HM and zircon grade variability of the Boonanarring deposit.

Mining in Block B at Boonanarring has identified a moderate amount of indurated material in the overburden, which resulted in lower mine productivities in the shorter term and required adjustment of mining equipment to accommodate the changed conditions. Costs were only marginally affected and overall mining costs were 5% lower QoQ. Limited sections of ore in Block B were also affected by indurated material, requiring mining and processing adjustments with minimal impact on overall HMC production or processing costs. Processing costs were 2% lower QoQ.

Table 1: Mining and Processing

		Dec Quarter 2019	Mar Quarter 2020	QoQ %
Mining				
Ore	kt	822	957	16%
Waste	kt	6,093	5,250	-14%
Processing				
Ore Processed	kt	863	985	14%
Grade Processed	HM%	8.3%	9.7%	16%
	ZrO2%	18%	22%	23%
	TiO2%	36%	31%	-15%
Recovery	HM%	87%	82%	-6%
	ZrO2%	98%	97%	-1%
	TiO2%	93%	87%	-6%
HMC Produced	kt	68.6	83.9	22%
HMC Grade	HM%	94%	92%	-1%
	ZrO2%	19%	22%	13%
	TiO2%	35%	31%	-12%

Figure 1: Quarterly ore processing rate (kt) and contained HM/ZrO₂/TiO₂ ore grades (%)

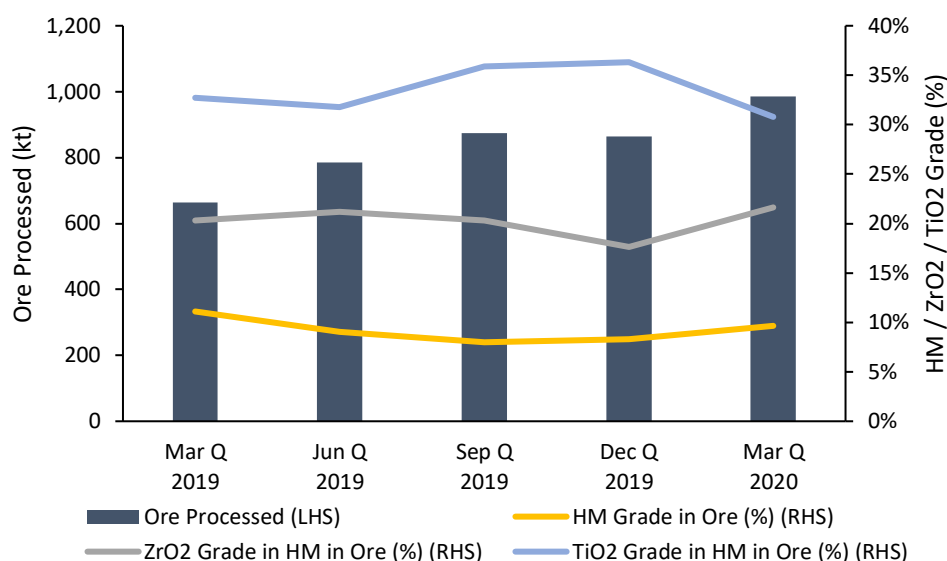
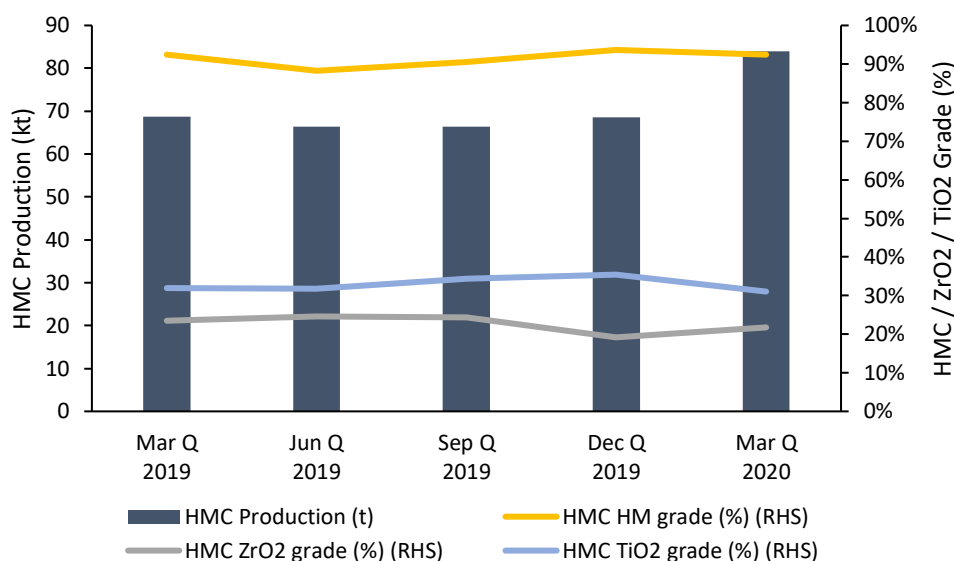


Figure 2: Quarterly HMC production (kt) and contained HM/ZrO₂/TiO₂ within HMC grades (%)



Costs

C1 cash costs of A\$430/t HMC sold and All-in-Sustaining Costs (AISC) of A\$495/t were up 35% and 23% QoQ respectively, as HMC sales were significantly lower than forecast due to only 2 of the 3 planned shipments of HMC for the quarter being completed prior to the end of March. C1 cash costs of A\$229/t HMC produced and AISC of A\$264/t were down 21% and 28% QoQ respectively, as production was substantially higher than in the December quarter. Total costs for the quarter were A\$22.7m and consequently CY2020 guidance of A\$100-110m for total costs is unchanged.

Table 2: Cash Costs

		Dec Quarter 2019	Mar Quarter 2020	QoQ %
Costs (HMC produced)				
Mining	A\$/t HMC	132	125	-5%
Deferred Mining	A\$/t HMC	33	0	-100%
Processing	A\$/t HMC	53	52	-2%
Site Support	A\$/t HMC	10	9	-10%
Logistics	A\$/t HMC	64	42	-34%
C1 Cash Costs	A\$/t HMC	291	229	-21%
Royalties	A\$/t HMC	29	17	-41%
Sustaining Capital	A\$/t HMC	26	6	-77%
Corporate	A\$/t HMC	19	12	-37%
AISC	A\$/t HMC	365	264	-28%
Costs (HMC sold)				
C1 Cash Costs	A\$/t HMC	319	430	35%
AISC	A\$/t HMC	401	495	23%

Sales

The Company continues to be positively supported by its HMC off-take partners and the plan for the quarter was for the sale of three shipments of HMC. Due to the extension of the Chinese New Year from impacts of COVID-19 in China, the HMC shipment planned for February was delayed into March and the shipment scheduled for the end of March was then delayed into April due to shipping berth congestion at the Bunbury port. Therefore, there were only two HMC shipments during the quarter for sales volumes of 44.8kt of HMC. The planned third shipment of 24.3kt HMC sailed in early April. Image anticipates completing six HMC shipments for H1 2020, and CY2020 sales guidance of 300-330kt HMC is unchanged.

Realised pricing of A\$659/t remained steady throughout the March quarter. Zircon prices weakened slightly but this was largely offset by increasing TiO₂ prices and weakness in the AUD/USD exchange rate.

Finished HMC inventory at the end of the quarter increased to over 96kt DMT, representing more than 3 months HMC production.

Table 3: Sales and Stockpiles

		Dec Quarter 2019	Mar Quarter 2020	QoQ %
Sales				
HMC sold	kt	62.5	44.8	-28%
ZrO ₂ in Con	%	23%	22%	-5%
TiO ₂ in Con	%	32%	33%	2%
Average price realised	A\$/t HMC	661	659	0%
HMC Revenue	A\$m	41.3	29.5	-29%
Stockpiles				
HMC for shipping	kt	56.9	96.5	69%

Corporate Summary

Image completed a strategic land purchase in the Boonanarring Northern Extension Area in February, which secured access to a 1.3km section of land for potential future mining of the northern extension of the high-grade, zircon-rich Boonanarring deposit. Negotiations continue with other landowners in the area to secure additional access for drilling, which may later lead to mining.

The Company made its second, of a total of seven, scheduled quarterly principal repayments of debt in February of A\$9.8m. The final quarterly repayment is currently scheduled for May 2021. However, given the strong cash balance, opportunities for early retirement of the debt are actively being investigated. Outstanding loan notes at the end of the quarter were A\$53.3m.

Despite revenue from HMC sales being lower than planned for the quarter, and the outflow of cash for the purchase of land and repayment of debt during the quarter, total cash at the end of March was A\$41.2m.

Exploration

Image Resources has already outlined nine separate mineral sand deposits in the North Perth Basin where it has 1,085 sq. km of tenements (Figure 3). The Boonanarring Deposit and surrounds is the main focus of the Company where there is elevated zircon of 27.5% of the HM as compared to around 10% zircon in most of the other deposits.

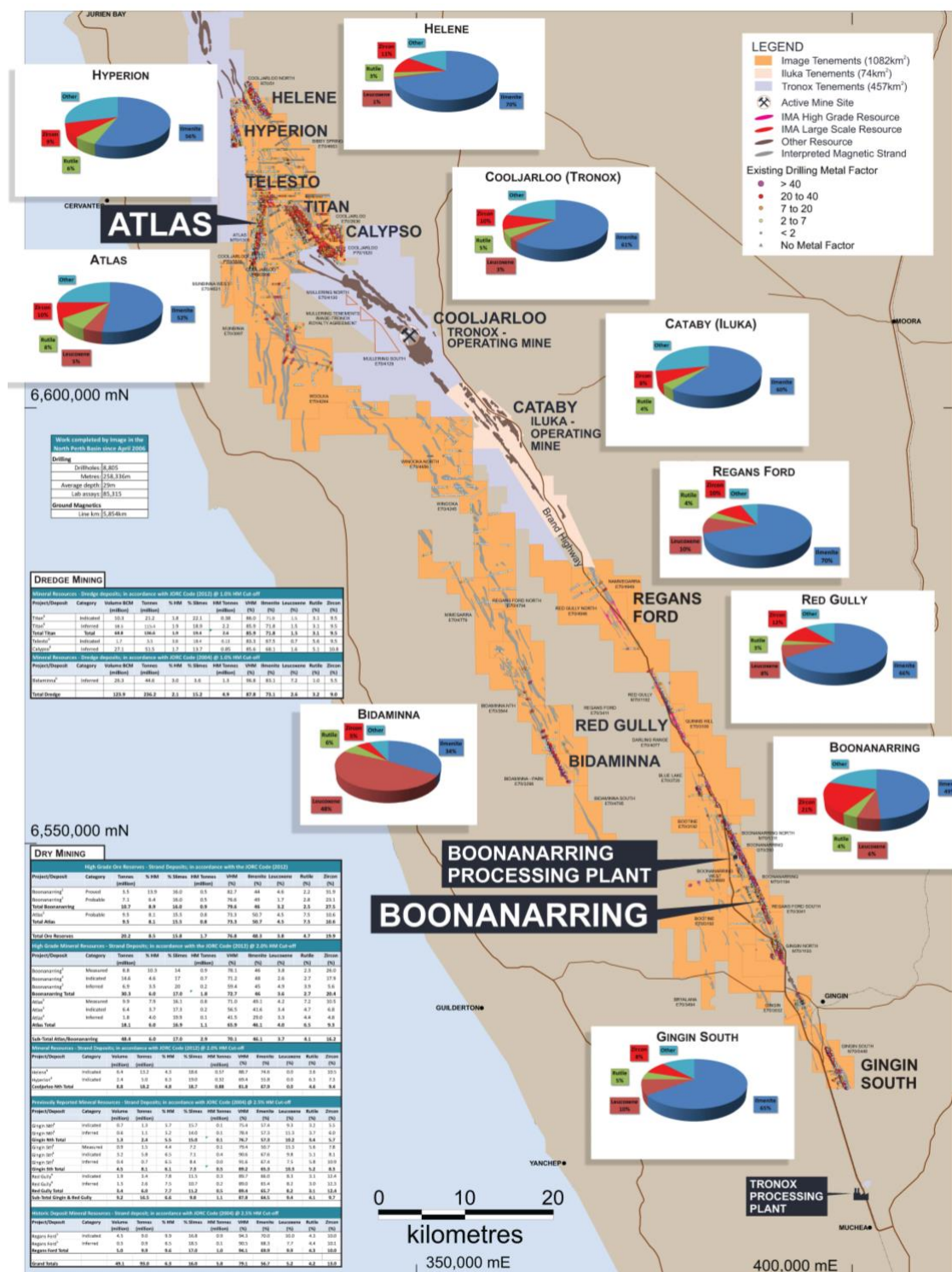


Figure 3: North Perth Basin showing operating Mines and Projects with their respective mineral assemblages.

Drilling Programs

Under the banner of Project 'MORE' to identify new Mineral Resources and Ore Reserves within a 10km radius of the current Boonanarring wet concentration plant, a number of drilling programs were completed in the March Quarter for a total of 504 holes and 15,825m. Additional drilling is planned for the June and September quarters with 916 holes for 30,036m planned. (Figure 3 and Table 4). The main areas drilled this Quarter include the Northern Extension Area of Boonanarring, the Southern Extension and the Blue Lake 50mRL area.

Table 4: North Perth Basin Projects Drilling Programs Completed in 2020 March Quarter and Planned for Q2 2020

	Project	# Holes Complete	Metres Complete	# Holes Remaining	Metres Remaining	Holes Total	Metres Total
E70/3720 & E70/3100	Central Stockcare			89	2,322	89	2,322
E70/3720 & E70/3100	Roadside Drilling			129	5,160	129	5,160
E70/3720 & E70/3192	Blue Lake 50mRL	72	2,016	97	2,910	169	5,160
E70/3041 & E70/4689	Boonanarring West	9	248	84	2,724	93	2,972
E70/1131 & M70/1194	Boonanarring Blocks A, B, C & D	169	6,689	117	5,160	286	11,849
E70/3041	Boonanarring South Blocks E & F	254	6,872	56	1,977	310	8,849
E70/3041	Gingin North			76	1,878	76	1,878
E70/3298, 2844, 4794 & 4779	Bidaminna			76	3,794	76	3794
E70/4244	Woolka			47	1,880	47	1,880
E70/2898, 3997 & P70/1516	Atlas			65	631	65	631
E70/3997	Munbinia			80	1,600	80	1,600
	Total:	504	15,825	916	30,036	1420	45,861

Boonanarring Northern Area & Northwestern Extensions

A 108-hole 2,952m program has been completed in the December Quarter at the Boonanarring Northwestern extension (Central Stockcare) targets and due to the promising results, which outlined two strands being 1.2km in length and totalling 250m in width, a further 38-hole infill drilling program totalling 951m is planned to be finished in April.(Figure 4).

The western strand in the Northwestern extension area has some excellent intersections including 4m at 10.9% HM from 11m in IM01000, 3m at 18.3% HM from 13m in IM01145, and the eastern strand has some extremely good intersections including 4m at 23.8% HM from 10m in IM01015, 4m at 27.1% HM from 8m in IM01010.

The northern 500m of the 950m strike length drilled to date has elevated visual zircon values with the background 10% zircon levels being up to 15m thick with some local levels generally averaging around 20% zircon. (Figure 5). The composites are scheduled to be prepared for quantitative Qemscan analyses, which will allow the mineralogy to be defined, prior to a maiden Mineral Resources estimate being completed for these two strands.

Further upside in mineralisation is expected from additional drill testing mainly on the western and northern sides of the two strands where permission to test within the water retention areas is being sought from the Mines Dept. Substantial progress has been made to gain access to drill test mineralised extensions to the north on the adjacent Atlit property. Access to the Atlit property could add a further 1.0km of potential mineralisation based on the extent of the ground magnetic targets outlined (shown in pink).

An extensive roadside drilling program of 129 holes totaling 5,160m will test a strike length of 6km to help outline the full extent of the eastern strand high-grade zone extension of the Boonanarring Northern Extension Area (NEA). Approval of the program of work (PoW) is expected shortly so drilling can commence.

At this stage, access to the ground just east of the Brand Highway has not been finalized. Two stages of drilling contemplated in this area. Stage 1 drilling of 86 holes totaling 3,440m and Stage 2 drilling of 43 holes totaling 1,720m which will complete currently planned drilling in the NEA.



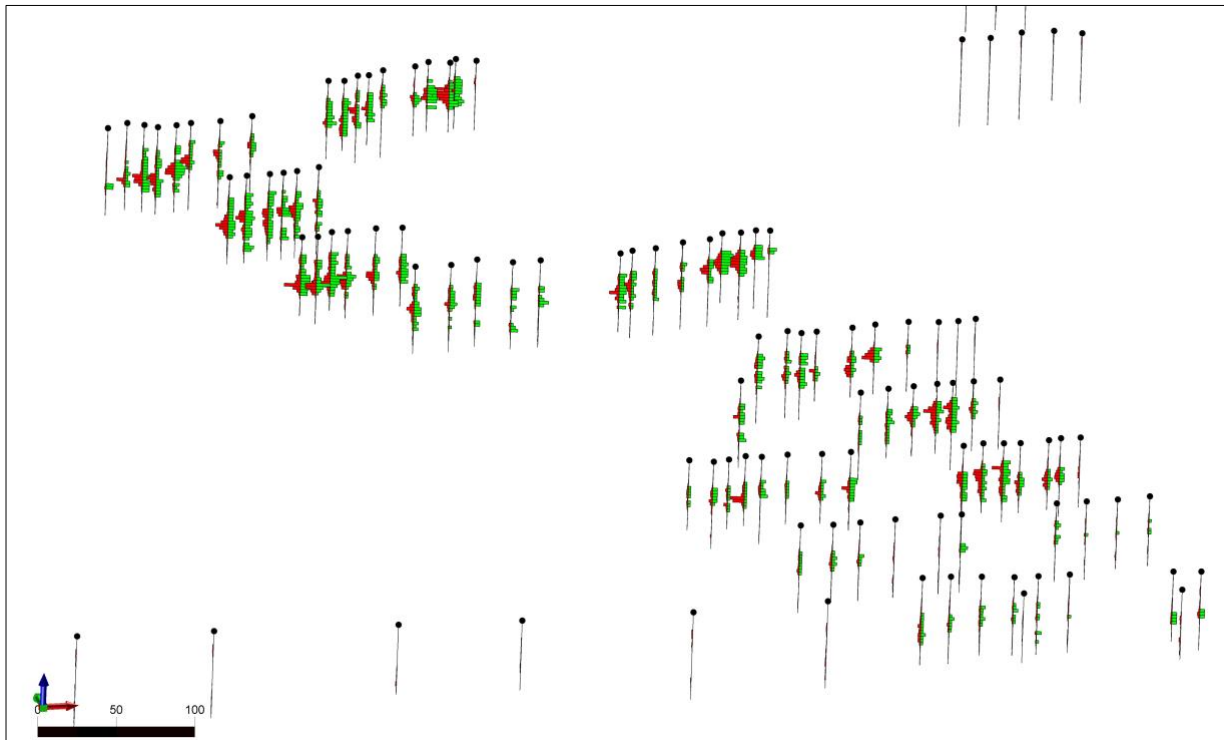
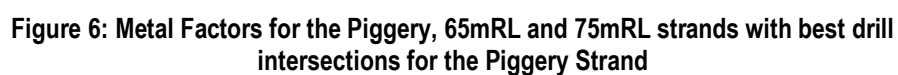


Figure 5: Perspective plot Boonanarring Northwestern strands showing elevated visual zircon estimates in green over thickened 15 to 20M zones and HM in red.

Boonanarring Southern Extension

The continuity south of the Boonanarring Deposit into Block E and F over a 3.5km distance is currently being investigated with extensive drilling programs. The Piggery strand is showing promise with some laboratory intersections including 2m at 16% HM from 17m, 3m at 14% HM from 16m, 2m at 26% from 17m (Figure 6). This area has now had 276 holes totalling 8,762m drilled to date. These high-grade zones are scattered over a 1km distance mainly within Block F. Further infill and extension drilling to the north of this 1km zone has been planned to see whether it extends further.

There are two parallel high-grade strands in the Piggery strand and to fully test this area 76 holes totalling 2,848m are planned. Approximately 55% of the Piggery samples drilled to date have been assayed and preliminary microscope examination of these samples has estimated zircon levels up to 35% of HM, with typical ranges between 10% to 15%, being part of a 200m wide zone (Figure 7). Composite work and Qemscan analysis will now begin to define the zircon assays in detail. In addition, a Mineral Resources estimate will begin shortly.



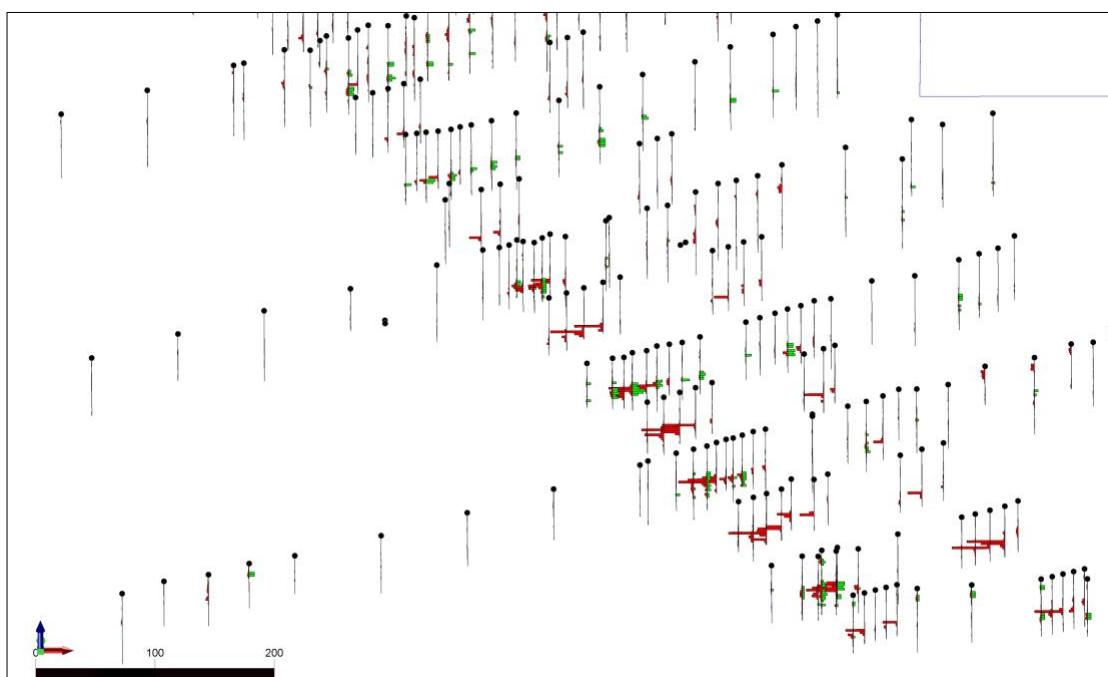


Figure 7: Perspective Plot Boonanarring Southern extension showing visual Zircon zones in green vs HM in red. Note elevated Zircon areas correlate with high HM zones.

Boonanarring Blocks A, B, C & D

Two areas within the Boonanarring Deposit are being reassessed with infill drilling to see whether they will be potentially mined in the future.

Firstly, a one line 23-hole totalling 1,053m program on the Wannamal West Road is testing a 300m zone at the southern end of Block C. The drilling has confirmed that the high-grade mineralisation does join up linking Blocks B and C under Wannamal Road West and some of the very high grades include 3m at 31.3% HM from 40m in IX00614, 12m at 15.7% HM from 32m in IOX00615. Further Resource/Reserve studies and meetings with the relevant road authorities are expected to begin shortly (Figure 8).

Secondly, a 74-hole 3,395m infill program is planned to start in April to try to optimise a 500m section between Blocks C and D which did not optimise previously into Ore Reserves (Figure 9 and 10).

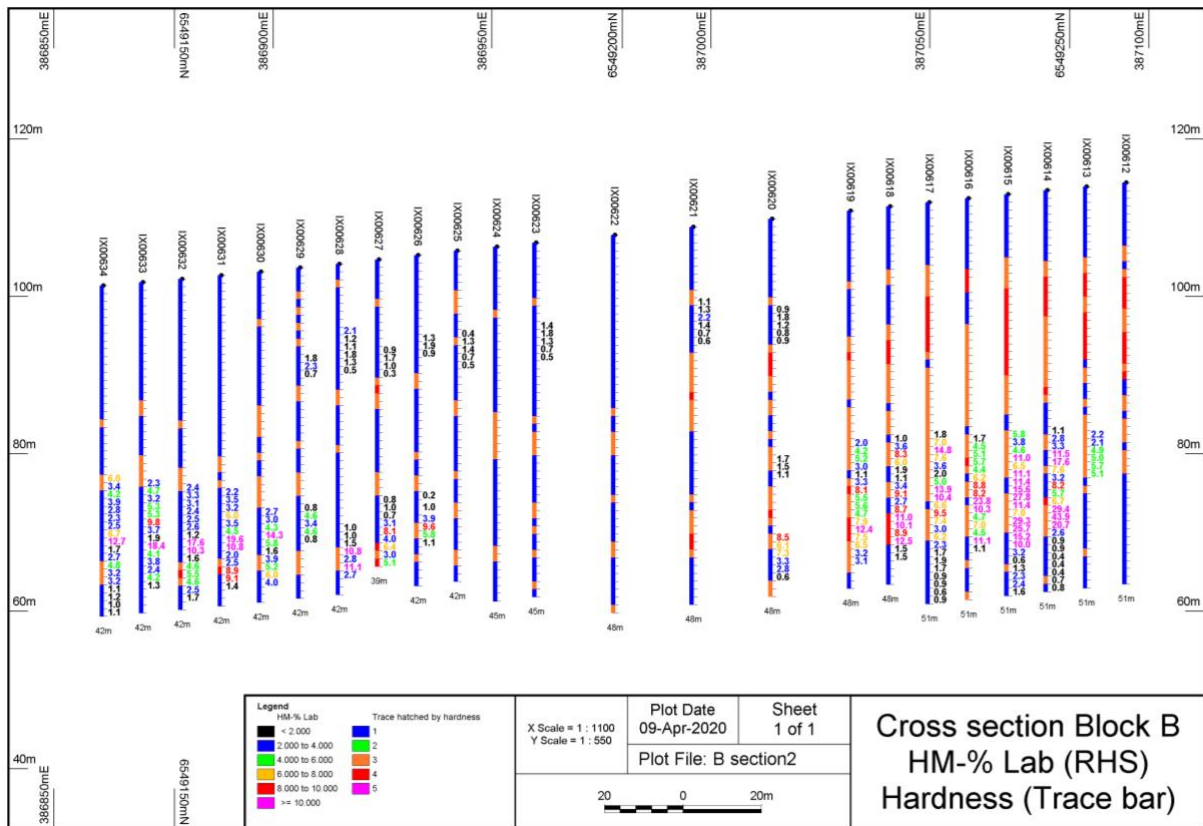


Figure 8: Cross-Section southern end of Block B showing consistent high grade in both the Eastern and Western Boonanarring Strand and both being 40 to 45m wide.

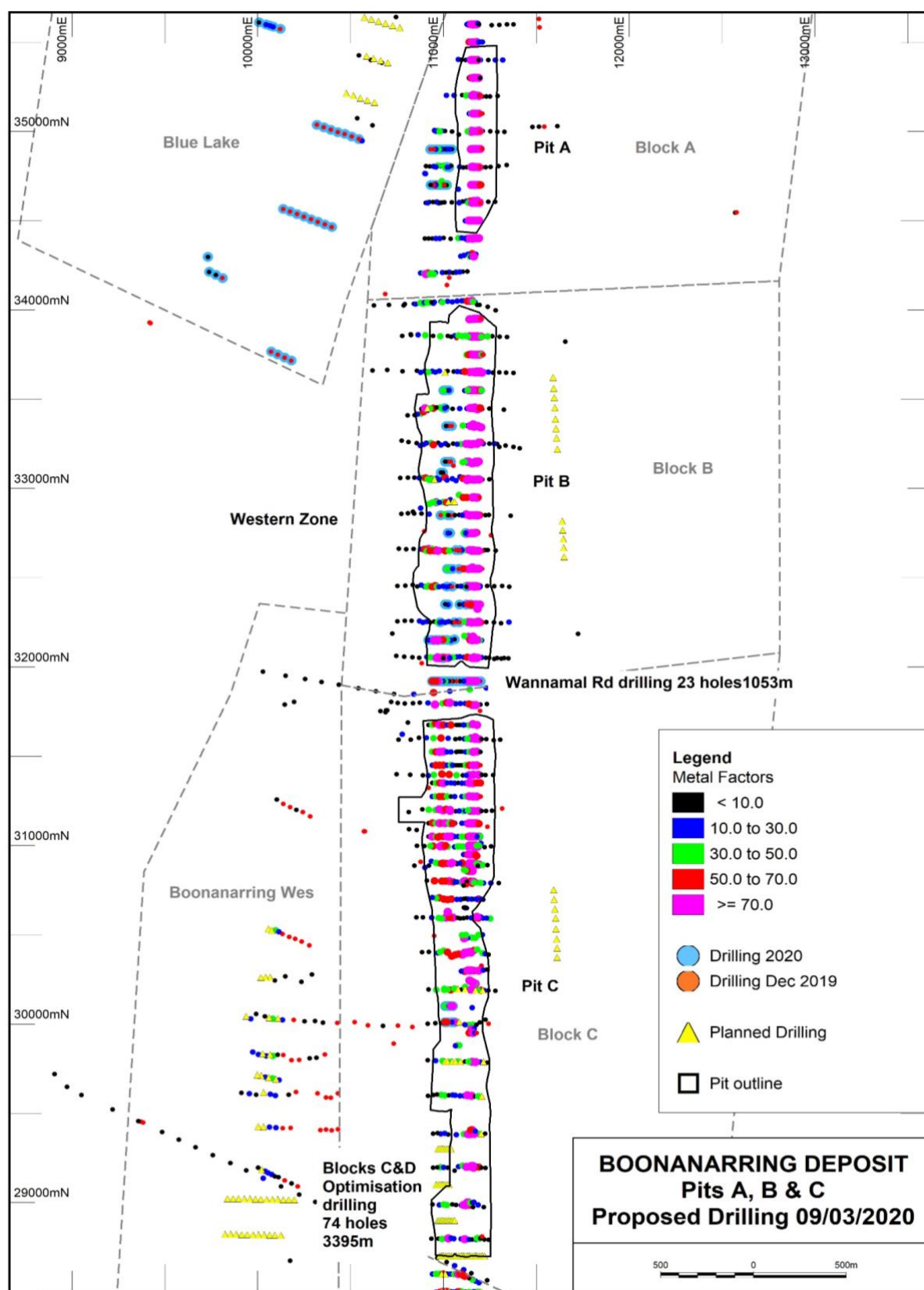


Figure 9: Metal Factors for Blocks A, B, and D, showing holes completed in December 2019 and January 2020 and planned drilling

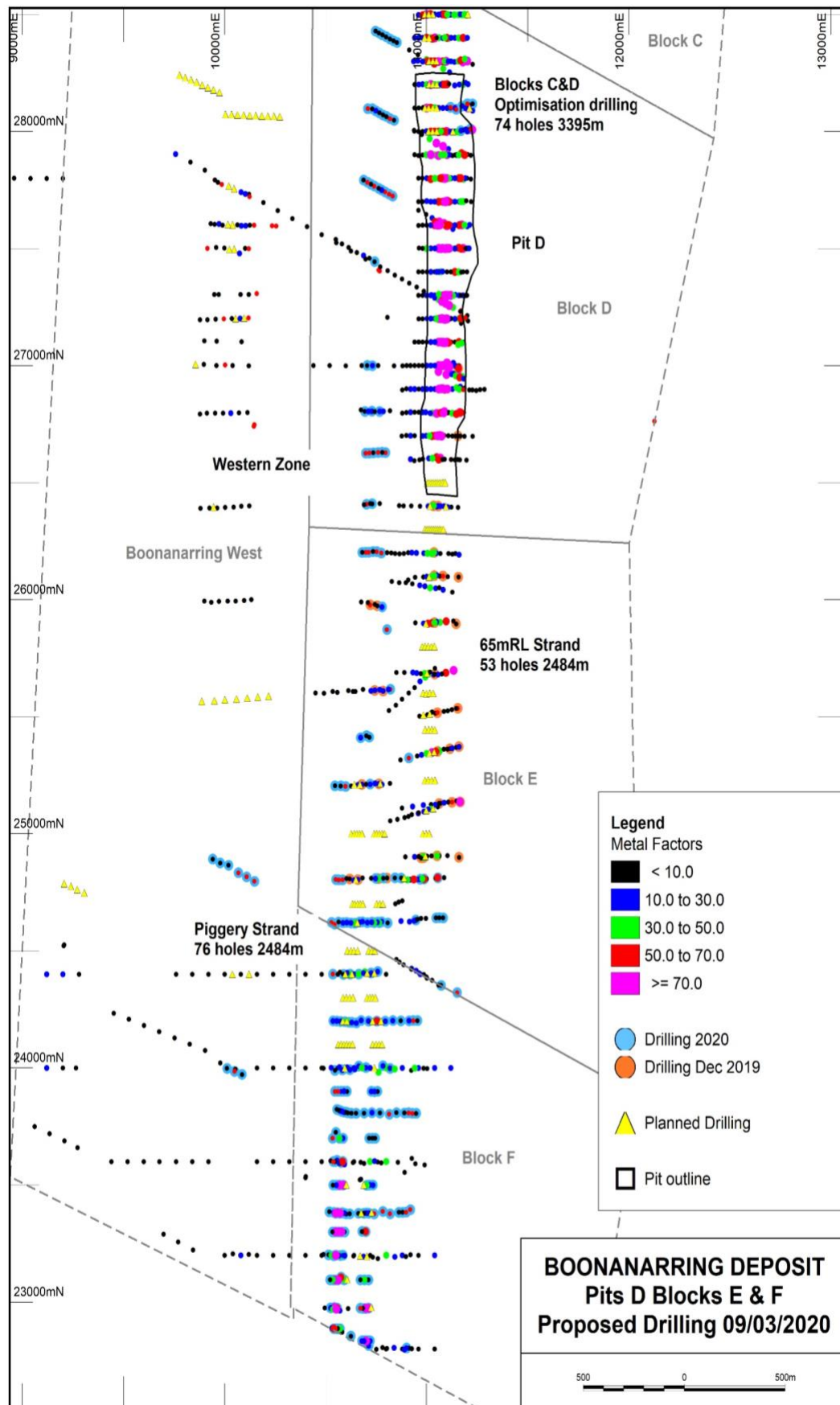


Figure 10: Metal Factors for Blocks D, E, and F, showing holes completed holes and planned drilling

Boonanarring West 50m RL Strandline (40km length)

The 48-55m RL strand is shown and has good drill intersections over at least 6 separate areas along a 40km length including from the north to the south: Central Stockcare, Blue Lake, Boonanarring West, Gingin North and Gingin South. A new Access agreement has been signed at Blue Lake and a PoW has been approved (Figures 11 & 12).

Ground magnetics has now been completed at Blue Lake and Regans Ford South. This will help focus the drilling on potential higher-grade areas outlined by the ground magnetics. Some initial drilling comprising 72 holes for 2016m has been completed on the Blue Lake area and the 50m RL mineralisation has been outlined and further infill lines and drilling comprising 97 holes for 2,910m is being planned. Laboratory assay results are also awaited.

Some of the better, older and historical intersections are shown on Figure 11 and the drill programs for 2020 are shown in yellow and are designed to identify extensions of these intersections.

Table 5: Drilling planned for the 50mRL Projects

Tenement	Project	DHs	Metres	Date
E70/3041, 4689	Boonarring West	37	2,183	2020
E70/3041	Boonarring West Farrell	50	800	2020
E70/3041	Regans Ford South Trandos	140	2,800	2020
E70/3041	Regans Ford South Dewa	36	1,296	2020
E70/3041	Blue Lake Trandos/Gnangara	153	4,131	2020
	Totals	416	11,210	2020

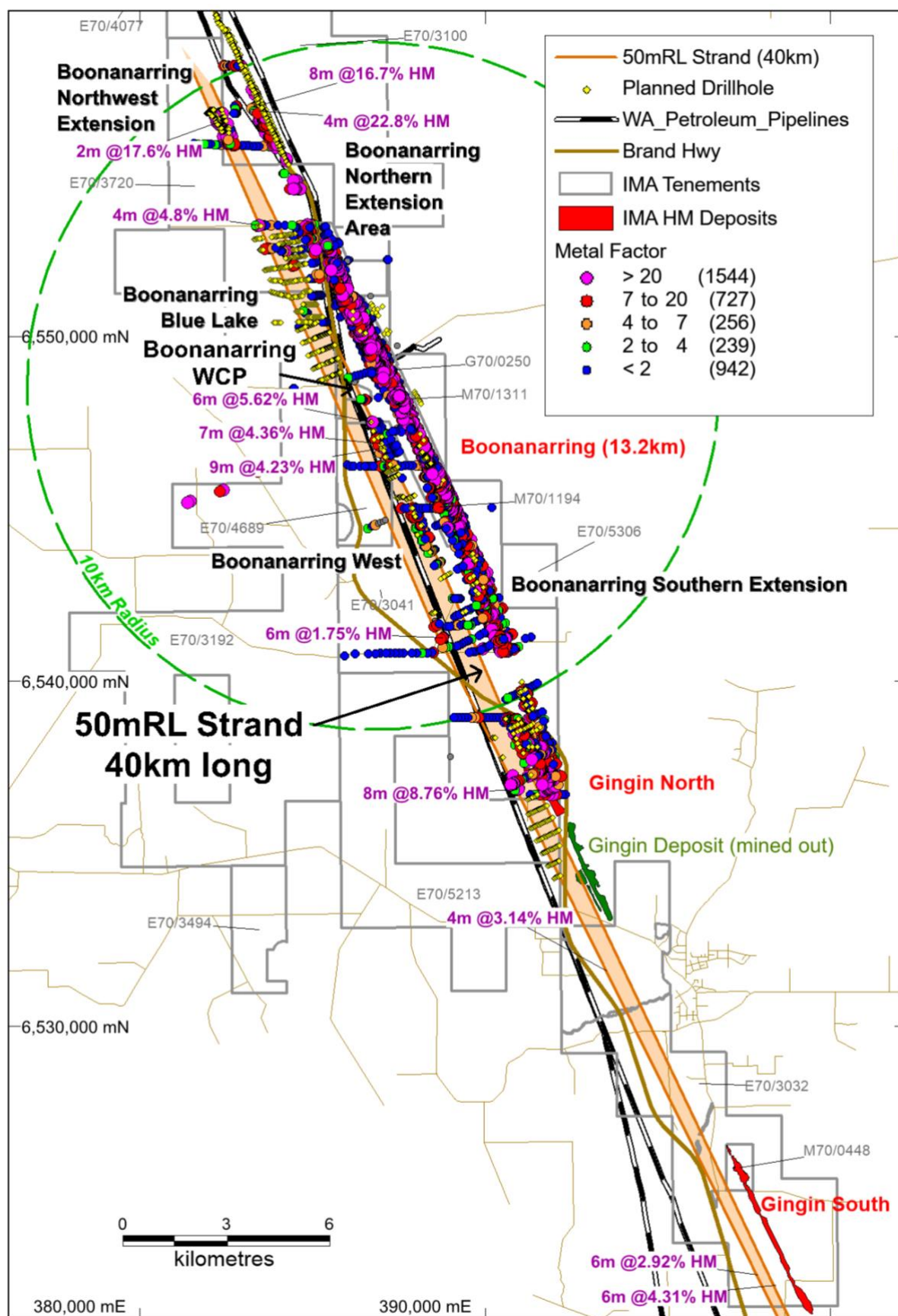


Figure 11: The 40km Strand at the 50m RL Strandline includes Boonanarring Northwest, Blue Lake, Boonanarring West and Gingin North.

The Gingin North area even though it lies just outside the initially proposed 10km pumping distance from the Boonanarring wet concentration plant has been drill tested over the last two years and is emerging as a priority area mainly because of the proliferation of the Boonanarring Piggery overlaying layer and the adjacent 48-55m RL strand (Figure 12). Composite work and Qemscan analysis will begin shortly.

Further upside is expected from an additional 42 holes for 729m mainly on the western side covering the 50m RL and further infill over a location which contains the southern extension of the Piggery strand and is directly north of Gingin North.

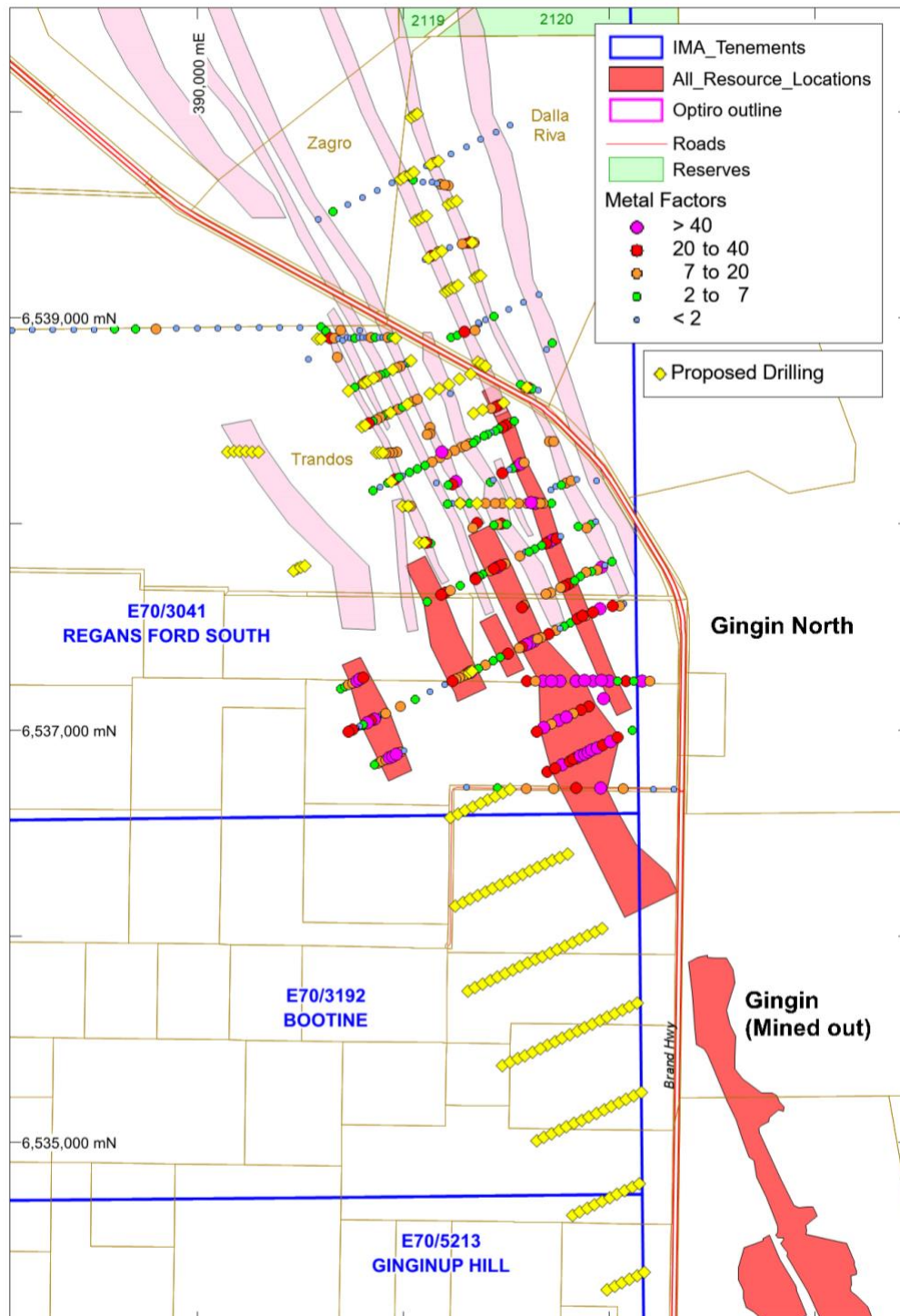


Figure 12: Metal Factors for Gingin North showing holes completed and some planned drilling.

FORWARD LOOKING STATEMENTS

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding prices, exploration or development costs and other operating results, growth prospects and the outlook of Image's operations contain or comprise certain forward-looking statements regarding Image's operations, economic performance and financial condition. Although Image believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties, fluctuations in prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Image undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Table 6: Tenement Schedule

Tenement Schedule in accordance with ASX Listing Rule 5.3.3

Tenements held at the end of the December Quarter 2019

Location	Tenement	Nature of Interest	Project	Equity (%) held at start of Quarter	Equity (%) held at end of Quarter
WA	E28/1895	Granted	ERAYINIA	100%	100%
WA	E70/2636	Granted	COOLJARLOO	100%	100%
WA	E70/2844	Granted	BIDAMINNA NTH	100%	100%
WA	E70/2898	Granted	COOLJARLOO	100%	100%
WA	E70/3032	Granted	GINGIN	100%	100%
WA	E70/3041	Granted	REGANS FORD SOUTH	100%	100%
WA	E70/3100	Granted	QUINNS HILL	100%	100%
WA	E70/3192	Granted	BOOTINE	100%	100%
WA	E70/3298	Granted	BIDAMINNA -PARK	90%	90%
WA	E70/3494	Granted	BRYALANA	100%	100%
WA	E70/3720	Granted	BLUE LAKE	100%	100%
WA	E70/3892	Granted	CHAPMAN HILL	100%	100%
WA	E70/3997	Granted	MUNBINIA	100%	100%
WA	E70/4077	Granted	DARLING RANGE	100%	100%
WA	E70/4244	Granted	WOOLKA	100%	100%
WA	E70/4245	Granted	WINOOKA	100%	100%
WA	M70/0448	Granted	GINGIN SOUTH	100%	100%
WA	M70/1192	Granted	RED GULLY	100%	100%
WA	M70/1194	Granted	BOONANARRING	100%	100%
WA	P70/1516	Granted	COOLJARLOO	100%	100%
WA	M70/1311	Granted	BOONANARRING NORTH	100%	100%
WA	G70/0250	Granted	BOONANARRING	100%	100%
WA	R70/0051	Granted	COOLJARLOO NORTH	100%	100%
WA	M70/1305	Application	ATLAS	100% pending grant	100% pending grant
WA	P70/1520	Application	COOLJARLOO	100% pending grant	100% pending grant
WA	E70/4631	Granted	MUNBINIA WEST	100%	100%
WA	E70/4656	Granted	WINOOKA NORTH	100%	100%
WA	E70/4663	Granted	BIBBY SPRINGS	100%	100%
WA	E70/4689	Granted	BOONANARRING WEST	100%	100%
WA	E70/4779	Granted	MIMEGARRA	100%	100%
WA	E70/4794	Granted	REGANS FORD NORTH	100%	100%
WA	E70/4795	Application	BIDAMINNA SOUTH	100% pending grant	100% pending grant
WA	E70/4919	Granted	ORANGE SPRINGS	100%	100%
WA	E70/4946	Granted	RED GULLY NORTH	100%	100%
WA	E70/4949	Granted	NAMMEGARRA	100%	100%
WA	E28/2742	Granted	MADOONIA DOWNS	100%	100%
WA	E70/5192	Application	WINOOKA SOUTH	100% pending grant	100% pending grant
WA	E70/5193	Granted	CHAPMAN HILL NORTH	100%	100%
WA	E70/5213	Granted	GINGINUP HILL	100% pending grant	100%
WA	E70/5268	Granted	WOOLKA SOUTH	100% pending grant	100%
WA	E70/5306	Application	BOONANARRING HILL	100% pending grant	100% pending grant
WA	R70/0062	Application	NAMBUNG	-	100% pending grant

Mining Tenements acquired during the Quarter

WA	R70/0062	Application	NAMBUNG	-	100% pending grant
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Mining Tenements disposed during the Quarter

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Table 7: Mineral Resources and Ore Reserves Statements as at 1 October 2019

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 Refer to Boonanarring Ore Reserves Release 20 December 2019

<http://www.imageres.com.au/images/joomd/157680627920191220OreReserveUpdateHigherOreGradeandIn-SituZircon.pdf>

2 Atlas Reserves refer to the 30 May 2017 release "Ore Reserves Update for 100% Owned Atlas Project"

<http://www.imageres.com.au/images/joomd/149611340720170530ORERESERVESUPDATEFOR100OWNEDATLASPROJECT.pdf>

High Grade Mineral Resources - Strand Deposits; in accordance with the JORC Code (2012) @ 2.0% HM Cut-off										
Project/Deposit	Category	Tonnes (million)	% HM	% Slimes	HM Tonnes (million)	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring	Measured	8.8	10.3	14	0.9	78.1	46	3.8	2.3	26.0
Boonanarring	Indicated	14.6	4.6	17	0.7	71.2	48	2.6	2.7	17.9
Boonanarring	Inferred	6.9	3.5	20	0.2	59.4	45	4.9	3.9	5.6
Boonanarring Total		30.3	6.0	17.0	1.8	72.7	46	3.6	2.7	20.4
Atlas	Measured	9.9	7.9	16.1	0.8	71.0	49.1	4.2	7.2	10.5
Atlas	Indicated	6.4	3.7	17.3	0.2	56.5	41.6	3.4	4.7	6.8
Atlas	Inferred	1.8	4.0	19.9	0.1	41.5	29.0	3.3	4.4	4.8
Atlas Total		18.1	6.0	16.9	1.1	65.9	46.1	4.0	6.5	9.3
Sub-Total Atlas/Boonanarring		48.4	6.0	17.0	2.9	70.1	46.1	3.7	4.1	16.2

Mineral Resources - Strand Deposits; in accordance with JORC Code (2012) @ 2.0% HM Cut-off											
Project/Deposit	Category	Volume (million)	Tonnes (million)	% HM	% Slimes	HM Tonnes (million)	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Helene	Indicated	6.4	13.2	4.3	18.6	0.57	88.7	74.6	0.0	3.6	10.5
Hyperion	Indicated	2.4	5.0	6.3	19.0	0.32	69.4	55.8	0.0	6.3	7.3
Cooljarloo Nth Total		8.8	18.2	4.8	18.7	0.88	81.8	67.9	0.0	4.6	9.4



Previously Reported Mineral Resources - Strand Deposits; in accordance with JORC Code (2004) @ 2.5% HM Cut-off

Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM	Ilmenite	Leucoxene	Rutile	Zircon
		(million)	(million)			(million)	(%)	(%)	(%)	(%)	(%)
Gingin Nth	Indicated	0.7	1.3	5.7	15.7	0.1	75.4	57.4	9.3	3.2	5.5
Gingin Nth	Inferred	0.6	1.1	5.2	14.0	0.1	78.4	57.3	11.3	3.7	6.0
Gingin Nth Total		1.3	2.4	5.5	15.0	0.1	76.7	57.3	10.2	3.4	5.7
Gingin Sth	Measured	0.9	1.5	4.4	7.2	0.1	79.4	50.7	15.3	5.6	7.8
Gingin Sth	Indicated	3.2	5.8	6.5	7.1	0.4	90.6	67.6	9.8	5.1	8.1
Gingin Sth	Inferred	0.4	0.7	6.5	8.4	0.0	91.6	67.4	7.5	5.8	10.9
Gingin Sth Total		4.5	8.1	6.1	7.3	0.5	89.2	65.3	10.3	5.2	8.3
Red Gully	Indicated	1.9	3.4	7.8	11.5	0.3	89.7	66.0	8.3	3.1	12.4
Red Gully	Inferred	1.5	2.6	7.5	10.7	0.2	89.0	65.4	8.2	3.0	12.3
Red Gully Total		3.4	6.0	7.7	11.2	0.5	89.4	65.7	8.2	3.1	12.4
Sub-Total Gingin & Red Gully		9.2	16.5	6.6	9.8	1.1	87.8	64.5	9.4	4.1	9.7

Historic Deposit Mineral Resources - Strand deposit; in accordance with JORC Code (2004) @ 2.5% HM Cut-off

Project/Deposit	Category	Volume	Tonnes	% HM	% Slimes	HM Tonnes	VHM	Ilmenite	Leucoxene	Rutile	Zircon
		(million)	(million)			(million)	(%)	(%)	(%)	(%)	(%)
Regans Ford	Indicated	4.5	9.0	9.9	16.8	0.9	94.3	70.0	10.0	4.3	10.0
Regans Ford	Inferred	0.5	0.9	6.5	18.5	0.1	90.5	68.3	7.7	4.4	10.1
Regans Ford Total		5.0	9.9	9.6	17.0	1.0	94.1	69.9	9.9	4.3	10.0
Grand Totals		49.1	93.0	6.3	16.0	5.8	79.1	56.7	5.2	4.2	13.0

Mineral Resources - Dredge deposits; in accordance with JORC Code (2012) @ 1.0% HM Cut-off

Project/Deposit	Category	Volume BCM	Tonnes	% HM	% Slimes	HM Tonnes	VHM	Ilmenite	Leucoxene	Rutile	Zircon
		(million)	(million)			(million)	(%)	(%)	(%)	(%)	(%)
Titan	Indicated	10.3	21.2	1.8	22.1	0.38	86.0	71.9	1.5	3.1	9.5
Titan	Inferred	58.5	115.4	1.9	18.9	2.2	85.9	71.8	1.5	3.1	9.5
Total Titan	Total	68.8	136.6	1.9	19.4	2.6	85.9	71.8	1.5	3.1	9.5
Telesto	Indicated	1.7	3.5	3.8	18.4	0.13	83.3	67.5	0.7	5.6	9.5
Calypso	Inferred	27.1	51.5	1.7	13.7	0.85	85.6	68.1	1.6	5.1	10.8

Mineral Resources - Dredge deposits; in accordance with JORC Code (2004) @ 1.0% HM Cut-off

Project/Deposit	Category	Volume BCM	Tonnes	% HM	% Slimes	HM Tonnes	VHM	Ilmenite	Leucoxene	Rutile	Zircon
		(million)	(million)			(million)	(%)	(%)	(%)	(%)	(%)
Bidaminna	Inferred	26.3	44.6	3.0	3.6	1.3	96.8	83.1	7.2	1.0	5.5
Total Dredge		123.9	236.2	2.1	15.2	4.9	87.8	73.1	2.6	3.2	9.0

COMPETENT PERSON'S STATEMENTS – EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES

Information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by George Sakalidis BSc (Hons) who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results were prepared, Mr Sakalidis was a director and executive employee of Image Resources NL. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. George Sakalidis has provided his prior written consent to the inclusion of this information in the form and context in which it is presented in this report. Mr Sakalidis is a shareholder in the Company as disclosed in Appendix 3Y notices released to ASX. He is also eligible to participate in a Company-wide executive performance incentive scheme.

This report includes information that relates to Ore Reserves and Mineral Resources which were prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows:

- Boonanarring Mineral Resources and Ore Reserves: 20 December 2019
- Atlas Ore Reserves: 30 May 2017
- Atlas Mineral Resources: 8 May 2017
- Helene Mineral Resources: 31 Oct 2019
- Hyperion Mineral Resources: 31 Oct 2019
- Titan Mineral Resources: 31 Oct 2019
- Telesto South Mineral Resources: 31 Oct 2019
- Calypso Mineral Resources: 31 Oct 2019

The Company confirms that, other than mining depletion, it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements 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.

This report includes information that relates to Ore Reserves and Mineral Resources for non-material mining projects of the Company which were prepared and first disclosed under JORC Code 2004. The information was extracted from the Company's previous ASX announcements as follows:

- Gingin North Mineral Resources: 31 Mar 2011
- Gingin South Mineral Resources: 21 Jul 2011
- Red Gully Mineral Resources: 9 Mar 2011
- Bidaminna Mineral Resources: 23 Jun 2008

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements 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. *This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

IMAGE RESOURCES NL

ABN

Quarter ended ("current quarter")

57 063 977 579	31/03/2020
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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	31,176	31,176
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(1,086)	(1,086)
(b) development		-
(c) production	(21,473)	(21,473)
(d) staff costs	(510)	(510)
(e) administration and corporate costs	(679)	(679)
1.3 Dividends received (see note 3)		-
1.4 Interest received	34	34
1.5 Interest and other costs of finance paid	(2,257)	(2,257)
1.6 Income taxes paid		-
1.7 Government grants and tax incentives		-
1.8 Other (provide details if material)		-
1.9 Net cash from / (used in) operating activities	5,205	5,205

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(6,360)	(6,360)
(d) exploration & evaluation (if capitalised)		
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(6,360)	(6,360)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(9,761)	(9,761)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(9,761)	(9,761)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	49,935	49,935
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5,205	5,205
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6,360)	(6,360)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9,761)	(9,761)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	2,201	2,201
4.6	Cash and cash equivalents at end of period	41,220	41,220

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	41,205	49,920
5.2 Call deposits	15	15
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	41,220	49,935

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

247

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity and oil and gas exploration entity quarterly report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	53,334	53,334
7.2 Credit standby arrangements	55	55
7.3 Other (please specify)	-	-
7.4 Total financing facilities	53,389	53,389
7.5 Unused financing facilities available at quarter end	Nil	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

Loan held is as follows:

A senior secured debt facility of US\$38,850,000 + capitalised interest of US\$7,257,672 less repayments to date of US\$13,173,620. (US\$32,934,051 at 31 Mar 2020) Interest rate is 14% for the first fifteen months following draw down on 25 May 2018 and 13% thereafter for the balance of the loan. Interest is paid quarterly in arrears. Further details can be found in the announcement lodged with the ASX on 8 March 2018.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	5,205
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	5,205
8.4 Cash and cash equivalents at quarter end (Item 4.6)	41,220
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	41,220
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	N/A
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Not applicable	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2020

Authorised by: Dennis Wilkins – Company Secretary
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. By the Board.
5. By signing this Appendix 5B, the Managing Director and CFO declare that the Appendix 5B for the relevant quarter:
 - presents a true and fair view, in all material respects, of the cashflows of the Company for the relevant quarter and is in accordance with relevant accounting standards;
 - the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
 - the Company's financial records have been properly maintained and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.