

QUARTERLY ACTIVITIES REPORT – for quarter ended 30 June 2021

Image Resources NL
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 IMA

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Issued Capital
 Shares – Quoted
 997,341,478
 As at 30 June 2021

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)
 Peter Thomas
 (Non-Executive Director)

HIGHLIGHTS

- Quarterly record high HMC production of 102kt (up 20% QoQ) lifting 1H 2021 production to 187kt, significantly ahead of CY2021 production guidance of 290-320kt, which is maintained.
- HMC production supported by Quarterly record high ore grade at 12.1% HM.
- HMC sales of 67.8kt (down 20% QoQ) supported 1H 2021 sales of 152kt which is tracking with CY2021 sales guidance of 300-320kt and which is maintained.
- Market prices for ilmenite and rutile at 7-year highs; zircon prices rising sharply since April 2021; and AUD/USD foreign exchange rate softening favourably.
- C1 and AISC cash costs per tonne HMC produced decreased 16% and 17% QoQ respectively, due to quarterly record high HMC production and HM ore grade.
- C1 and AISC costs per tonne HMC sold increased 26% and 24% QoQ respectively, due to lower QoQ sales and with 1H costs running at the upper end of CY2021 guidance ranges which are maintained due to 2H 2021 HMC sales forecast to run ahead of 2H HMC production and in line with CY2021 sales guidance.
- Inaugural dividend of A\$0.02 per share (approximately A\$19.0m) paid 27 April 2021.

Table 1: Quarterly Summary

	Jun Q 2020	Mar Q 2021	Jun Q 2021	QoQ % change	YTD CY2021	CY2021 Guidance
Production						
HMC Production (kt)	82.9	85.2	102.3	20%	187.5	290-320
HMC Sales (kt)	64.6	84.5	67.8	-20%	152.3	300-320
HMC Realised Price (A\$/t HMC)	637	463	502	8%	480	N/A
Project Operating Costs (A\$m)	20.0	23.8	26.0	9%	49.8	90-100
Unit Costs (HMC produced)						
C1 Cash Costs (A\$/t HMC) ¹	257	279	236	-16%	255	N/A
AISC (A\$/t HMC) ²	297	320	265	-17%	289	N/A
Unit Costs (HMC sold)						
C1 Cash Costs (A\$/t HMC) ¹	430	281	355	26%	322	290-320
AISC (A\$/t HMC) ²	495	322	399	24%	364	340-370

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

- HMC average realised price increased 8% QoQ to A\$502/t versus \$463/t for Q4 2020 mainly due to zircon price increases partially offset by a reduction in contained ZrO₂ in HMC. Benchmark zircon prices increased 14% since 31 March 2021 and have continued upward momentum into Q3 2021.
- Net mine operating cash inflow for Q2 2021 was A\$8m, down from A\$21m in Q1 mainly due to receipt of A\$11m from Q4 2020 sales in Q1 2021 and lower sales in Q2 compared to Q1 (refer Table 4).
- Breakdown of total cash expenditure includes A\$26.0m (55.4%) on mining/production at Boonanarring (including logistics); A\$0.9m (1.8%) on exploration; A\$0.2m (0.5%) on Corporate (net of FX/other income); A\$0.3m (0.7%) on Boonanarring project development; A\$0.1m (0.2%) on Boonanarring PP&E; and A\$0.4m (0.9%) on Atlas project development. In addition, dividend payments of A\$19 million were made in the quarter.
- The solar farm constructed at Boonanarring by Sunrise Energy Group generated 19% of total electricity requirements for the quarter (22% P-T-D), at slightly lower unit costs than grid power.

ACTIVITIES REPORT

High Level Summary

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to report record high quarterly HMC production for the June quarter, breaking the previous record set in Q1 2021, from its 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project, located 80km north of Perth in the North Perth Basin in WA. Continued strong HMC production, due to higher than expected HM ore grades, and relatively high HMC stock levels, provides a firm base for the Company to meet its CY2021 production and sales guidance. Higher commodity prices and a recent more favourable FX could support the conversion of additional Mineral Resources to Ore Reserves which in turn could extend mine life at Boonanarring into FY2023 and thus delay the planned move to Atlas.

Strong production performance and cashflow generation put the Company in the privileged position of being able to pay an inaugural dividend on 27 April 2021 of \$0.02 per share. The Company ended Q2 2021 debt free and with \$38.3M of cash on hand, after having paid a total of approximately \$19m in dividends.

Managing Director and CEO Patrick Mutz commented “*The achievement of record high quarterly HMC production in the June quarter establishes a solid base for Image to meet or exceed market guidance for CY2021. As importantly, the recent and forecast rises in market prices for zircon, rutile and ilmenite, and current favourable FX will impact favourably on profitability, and could allow an extension to mining at Boonanarring by allowing additional remaining Mineral Resources to convert to Ore Reserves.*”

Photos: Green Credentials

Solar Farm generating 25% of annual electricity requirements



Post-Mining Rehabilitation – Block C – <30 months from start of mining

Details

Safety

There were zero lost time injuries (LTI) recorded during the quarter and no confirmed or suspected cases of COVID-19 at any of the Company’s sites.

Image is committed to the promotion of a positive health, safety and environmental protection culture, including safety programs and procedures that encourage job safety analysis and planning as well as active incident reporting for the purpose of continual improvement of the health, safety and well-being of all employees, contractors, visitors and members of the community.

Image uses a forward-looking metric of positive performance scoring (PPS) to gauge the effectiveness of the overall Health, Safety and Environment (HSE) program. PPS scoring is based on the total number of workplace audits conducted monthly across all areas of the project and scoring has been consistently positive. In addition, statistics are maintained on the total recordable injury frequency rate (TRIFR) and the 12-month rolling average TRIFR at the end of June 2021 was 2.3 per million hours worked.

The Company remains vigilant with respect to flu symptoms and maintains adherence to the modifications of its daily work practices and procedures to minimise any potential impacts from COVID-19 to its employees and other stakeholders.

Community

Image continues to proudly contribute to the local community, including through local employment. At 30 June, 53% of its workforce lived locally to the Boonanarring operations or within regional shires. The Company has an active and varied community support program, details of which can be found in the Company's presentation materials.

Mining and Processing

Mining operations were conducted within Blocks A, B, C and D during the quarter. Ore processing was a blend from Block A and Block B Eastern and Western Strands. At Block C planning was finalised for the scheduled move of the Feed Preparation Plant in late July (Photo 3) from Block B, back to the south (across Wannamal Road West) to Block C, which was mined in 2019.

HMC production at Boonanarring was up 20% QoQ to quarterly record high of 102.3kt due mainly to quarterly record high average HM ore grade of 12.1% HM (also up 20% QoQ) as a result of very high-grade ore processed from Block A. Record high quarterly production has lifted HMC production for 1H 2021 to 187.5kt which is substantially ahead of market guidance of 290-320kt for CY2021, however as production for 2H 2021 is forecast to moderate from the 1H record levels, HMC production guidance for CY2021 is maintained.

Ore processing for the quarter was 831kt (-6% QoQ) which was down, in part due to very high ore grades. The ZrO₂ grade in the HM in the ore was 16.6% (-8% QoQ) (Table 2), but is forecast to increase for 2H 2021.

Table 2: Mining & Production Statistics

		Jun Quarter 2020	Mar Quarter 2021	Jun Quarter 2021	QoQ	YTD
Mining						
Ore	kt	959	874	831	-6%	1,705
Waste	kt	6,361	4,979	4,694	-5%	9,673
Processing						
Ore Processed	kt	919	882	886	0%	1,768
Grade Processed	HM%	9.5%	10.1%	12.1%	20%	11.1%
	ZrO ₂ %	23.1%	18.1%	16.6%	-8%	17.3%
	TiO ₂ %	30.6%	35.5%	37.9%	7%	36.8%
Recovery	HM%	87.9%	90.1%	91.0%	1%	90.6%
	ZrO ₂ %	99.0%	98.2%	98.5%	0%	98.4%
	TiO ₂ %	91.7%	93.4%	93.0%	0%	93.2%
HMC Produced	kt	82.9	85.2	102.3	20%	187.5
HMC Grade	HM%	92.6%	93.6%	93.9%	0%	93.8%
	ZrO ₂ %	21.7%	18.5%	17.0%	-8%	17.7%
	TiO ₂ %	31.1%	34.5%	36.9%	7%	35.8%

Photo 3: Feed Preparation Plant ('FPP') adjacent to Block B



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

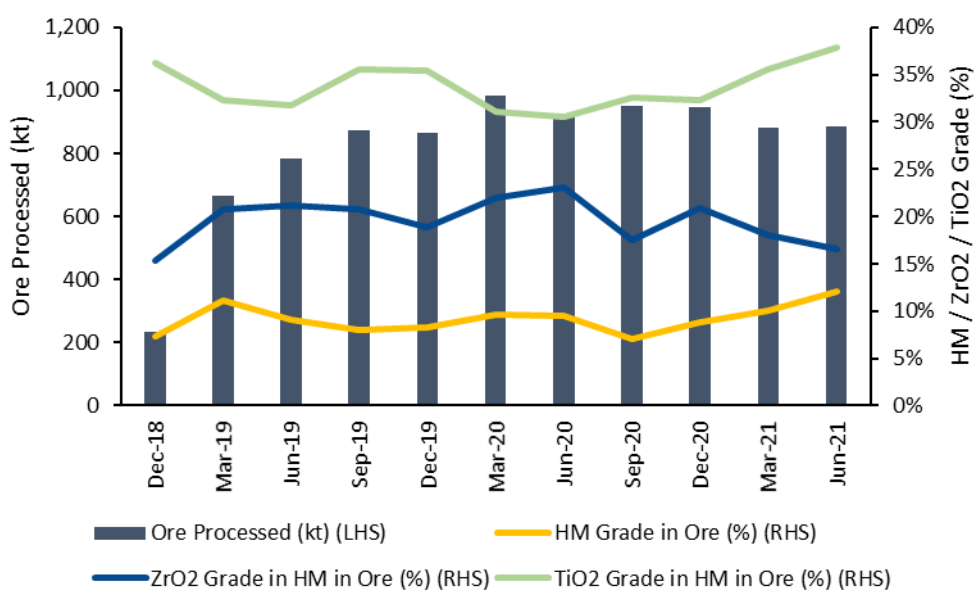


Figure 2: Quarterly HMC production (kt) and contained HM/ZrO₂/TiO₂ within HMC grades (%)

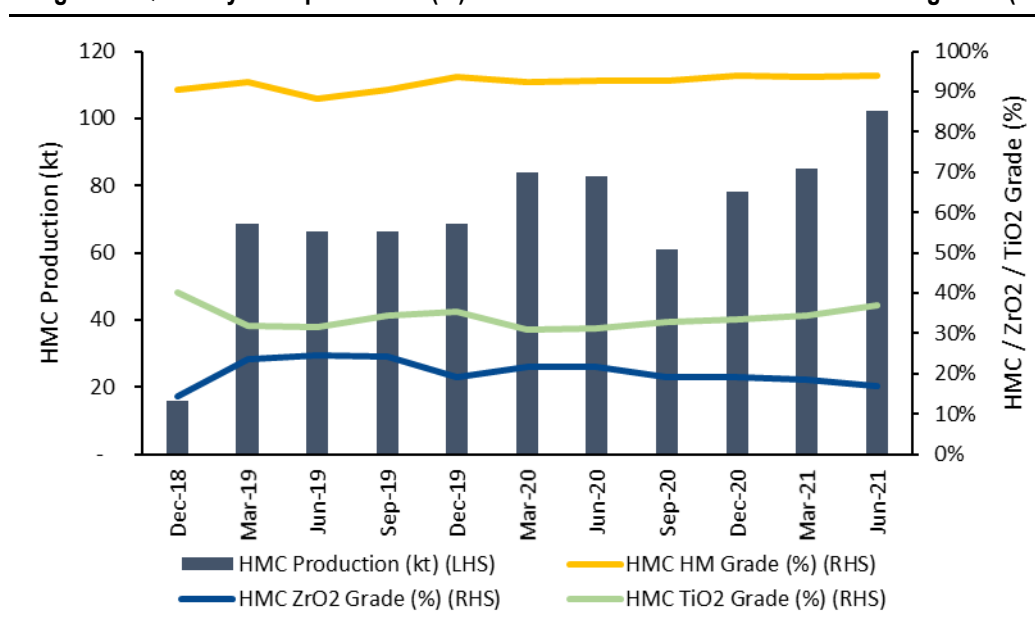
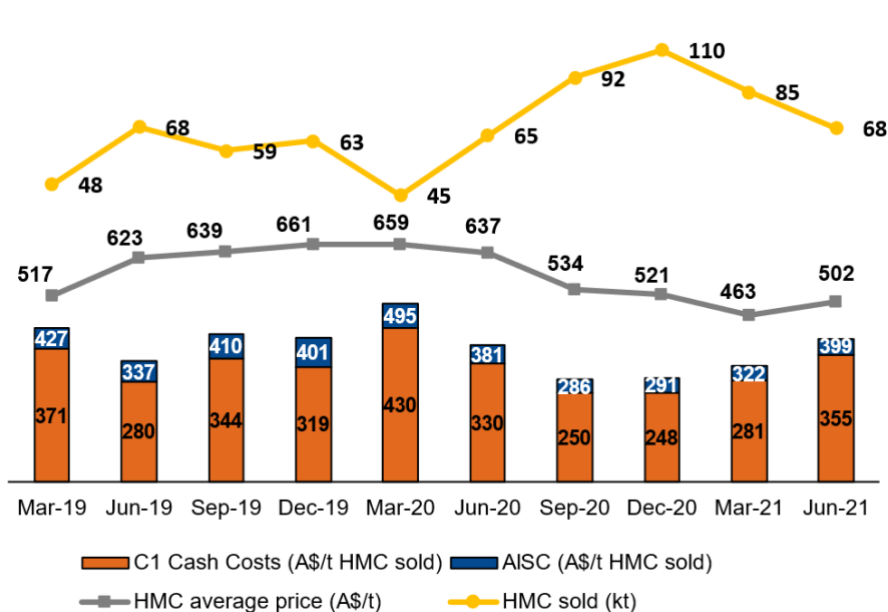


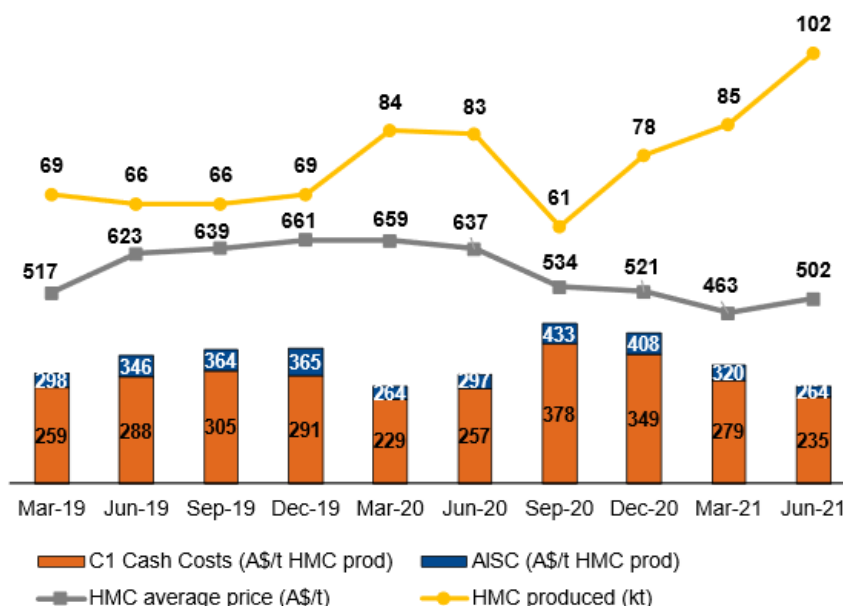
Figure 3: Quarterly HMC Sold (kt) with Revenues & Costs per Tonne Sold



Costs

C1 and AISC cash costs per tonne HMC sold increased QoQ (Figure 3) due mainly to 20% lower sales QoQ. C1 costs increased from A\$281/t to A\$355/t HMC sold (up 26% QoQ) and AISC increased from A\$322/t to A\$399/t HMC sold (up 24% QoQ). As a result of these higher QoQ costs, 1H 2021 C1 and AISC costs (A\$322 and A\$364 per tonne HMC sold respectively) are running at the high end of the CY2021 guidance ranges. However, as forecast HMC sales are forecast to exceed HMC production for 2H 2021 and sales to be in line with guidance, C1 and AISC cash costs market guidance are maintained at A\$290-A\$320 and A\$340-A\$370 (respectively) per tonne HMC sold.

Figure 4: Quarterly HMC Production (kt) with Revenues & Costs per Tonne Produced



C1 and AISC cash costs per tonne HMC produced decreased 16% and 17% respectively QoQ. C1 costs decreased from A\$279/t to A\$235/t HMC produced and AISC decreased from A\$320/t to A\$264/t (Figure 4 and Table 3). Cost decreases per tonne HMC produced were driven by record high HM ore grades (+20% QoQ) which drove record high HMC produced (+20% QoQ) (Table 2).

Total project cash operating costs were A\$26.0m for the quarter (up 9%QoQ) and \$49.8m for the 1H 2021, which is at the upper end of the CY2021 guidance range of A\$90-100m (Table 1). Total project operating costs have been elevated in 1H 2021 due to substantially higher shipping costs than forecast, but YTD costs remain within guidance and CY2021 guidance of A\$90-100m is maintained.

Table 3: Costs per Tonne HMC Produced & Sold

		Jun Quarter 2020	Mar Quarter 2021	Jun Quarter 2021	QoQ	YTD 2021
Costs/tonne HMC produced						
Mining	A\$/t HMC	127	132	114	-14%	122
Pre-Strip	A\$/t HMC	23	5	0	N/A	2
Processing	A\$/t HMC	47	46	38	-18%	42
Site Support	A\$/t HMC	9	9	8	-16%	8
Logistics	A\$/t HMC	52	87	75	-13%	80
C1 Cash Costs	A\$/t HMC	257	279	235	-16%	255
Royalties	A\$/t HMC	23	21	14	-31%	17
Sustaining Capital	A\$/t HMC	5	6	3	-50%	4
Corporate	A\$/t HMC	11	14	12	-17%	13
AISC	A\$/t HMC	297	320	264	-17%	289
Costs/tonne HMC sold						
C1 Cash Costs	A\$/t HMC	330	281	355	26%	314
AISC	A\$/t HMC	381	322	399	24%	356

Figure 5: Quarterly Cashflow Waterfall Chart



Net Operating Cashflow was \$8.0m for Q2 2021 (\$21.2m for Q1 2021). Lower Q2 cashflow was principally due to lower than forecast Q2 sales than forecast, whereas operating cashflow in Q1 was much higher than a typical quarter due to the receipt of A\$11m from a late December 2020 shipment in Q1 2021. In total \$0.3m was spent for the quarter on Boonanarring mine development and property, plant & equipment, and with an additional \$0.5m expenditure for Atlas mine development.

Quarterly exploration activities mainly focussed on Bidaminna, Red Gully and on the gold tenements at Erayinia and King Farmin Prospect with expenditures of \$0.9m (further detail can be found in the section titled 'Exploration' below). Corporate costs (-\$0.8m), foreign exchange movements (+\$0.5m) and other minor income/costs (+\$0.1) amounted to a net \$0.2m of expenditure.

Sales

The Company has had a strong start to 2021 with 152.3kt HMC sold for 1H 2021, putting the Company on track to meet CY2021 guidance of 300-320kt, which is maintained. All funds from HMC shipments made during the quarter were received before quarter end.

Image continues to see strong demand for its HMC from its off-takers and potential new customers. A 30,000t shipment is scheduled to finish loading before end of July and another 30,000t shipment is planned for August. Additional increases in ZrO2 and TiO2 commodity prices are expected to improve average realised prices for Boonanarring HMC in Q3 compared to 1H 2021.

Realised pricing of A\$502/t HMC sold for Q1 2021 was up 8% QoQ mainly due to increased ZrO2 prices which was partially offset by lower average ZrO2 content in the HMC. Finished HMC inventory increased to 84kt during the quarter putting the Company in a strong position to take advantage of increases in prices and a weaker Australian dollar during 2H 2021.

Table 4: Sales and Stockpiles

		Jun Quarter 2020	Mar Quarter 2021	Jun Quarter 2021	QoQ	YTD 2021
Sales						
HMC sold	kt	64.6	84.5	67.8	-20%	152.3
ZrO2 in HMC	%	22%	18%	18%	-4%	18%
TiO2 in HMC	%	31%	34%	36%	4%	35%
Average price realised	A\$/t HMC	637	463	502	8%	480
HMC Revenue	A\$m	41.1	39.1	34.0	-13%	73.1
Stockpiles (end of period)						
HMC for shipping	kt	114	51	84	66%	84

Financial Summary

Revenue for Q2 2021 was A\$34.0m, down 13% from A\$39.1m in the prior quarter (Table 4). The Company generated A\$8.0m of net project operating cash flow for the quarter and A\$29.2m year to date.

At 30 June 2021, Image had a net cash position of A\$38.1m after paying a dividend of A\$19.0 million during the quarter. Debt was fully repaid in February 2021.

Performance against Guidance

The Company is pleased to report that Q2 2021 results support maintaining guidance for calendar year 2021. Whilst HMC produced in 1H 2021 is running ahead of guidance, production in 2H 2021 is expected to moderate from the 1H record levels due to the scheduled July relocation of the feed preparation plant (FPP) from Block B back across Wannamal Road West and back into Block C, combined with forecast lower average HM ore grades in 2H. C1 and AISC costs per tonne HMC sold are within guidance ranges (Table 5), despite shipping costs per tonne being higher than expected during 1H 2021.

Table 5: CY2021 Guidance

		1H 2021 Actuals	CY2021 Guidance
HMC Produced	kt	187.5	290-320
HMC Sold	kt	152.3	300-320
Project Operating Costs ¹	A\$m	49.8	90-100
C1 Cash Costs (HMC Sold)	A\$/t HMC	314	290-320
AISC Cash Costs (HMC Sold)	A\$/t HMC	356	340-370

Notes: 1 – Project operating costs are cash based, are stated before stock adjustments (pre-audit)

Corporate

In April and May the Company completed the payment of an inaugural dividend of \$0.02 per share which included approximately A\$19m in dividends and the issue of 3,562,802 shares at \$0.172 per share under a Dividend Reinvestment Plan (DRP). 12.7% of Image shareholders elected to take part in the DRP. Corporate costs for Q2 included \$222,000 of related party transactions (all director salary related).

In April Image was granted a Mining Lease over the Atlas Project.

On 18 May the Company announced the resignation of Mr Eddy Wu as a non-executive director.

On 27 May the Company conducted its annual general meeting of shareholders (AGM) and confirmed the results of the AGM which included the passing of all proposed resolutions including the issue of share options to Non-Executive Directors.

On 21 June the Company announced a change of address for its corporate office and registered place of business to Level 2, 7 Ventnor Avenue, West Perth, Western Australia, 6005.

Project Development Planning and Studies

Atlas Project, including nearby Hyperion and Helene

The Atlas Project is 100%-owned and was included as part of Image's Bankable Feasibility Study (BFS) published in 2017, and was contemplated to be mined after all Ore Reserves at Boonanarring are mined out. The project is currently undergoing project development planning.

Atlas is located approximately 160km north of Perth (80km north of Boonanarring) and has Ore Reserves of 9.5Mt at 8.1% HM (see Table 9). The plan outlined in the BFS was for the wet concentration plant (WCP) and associated equipment, infrastructure and mining operations to be relocated from Boonanarring when mining and processing at Boonanarring is complete. As the current forecast for completion of mining and processing at Boonanarring is late CY2022, development planning for Atlas commenced in Q4 2020.

The mining and processing plan for Atlas was contemplated in the 2017 BFS to be the same as for Boonanarring using dry mining and producing an HMC for export under existing HMC off-take agreements. However, current development planning includes the evaluation of dredge mining as an option to determine if this typically lower cost dredge mining will be beneficial to overall project economics, including potentially increasing total mineable Ore Reserves using a lower cut-off grade.

Atlas is a high-grade deposit and has coarse-grained minerals which favour high recoveries, very much like at Boonanarring. However, unlike at Boonanarring, the strip ratio at Atlas is estimated at approximately 1.2:1 (Boonanarring 6:1), which translates to significantly lower mining costs at Atlas.

Current work includes the advancement of environmental approvals, updating options for water and electricity supply, assessment of road and other infrastructure options, as well as updating the original feasibility assumptions including capital and operating costs for both dry and dredge mining, and including updated revenue assumptions based on current commodity pricing and FX assumptions. Results are anticipated in Q4 2021.

Project development costs for Atlas are being funded internally and WCP and mining relocation capital costs are anticipated to be funded from cash reserves.

The 100%-owned Hyperion and Helene projects (Mineral Resources of 5.0Mt at 6.3% HM and 13.2Mt at 4.3% HM respectively – Table 11), are located to the immediate north of Atlas, and are potentially within economic pumping distance from the planned location of the Atlas WCP. Both projects are being assessed as part of the overall plan to extend the mine life in the Atlas area.

Bidaminna

The Bidaminna Project is 100%-owned and is currently under feasibility study as a potential stand-alone production centre, to be operated in parallel with operations in the Atlas area. Bidaminna is located 100km north of Perth (25km northwest of Boonanarring). Bidaminna has current Mineral Resources of 102mt at 2.2% HM (see Table 11 and refer ASX announcement 31 March 2021).

The Bidaminna deposit has a high-value titanium mineral assemblage, including an estimated 36% leucoxene (70-95% TiO₂), 4.4% rutile and 48% ilmenite (as percentages within the HM). It is a coarse-grained deposit (amenable to high recoveries), with very low slimes (<4%), minimal oversize (<3%) and very low trash content (93% VHM). The mineralisation is located below the water table and has a strip ratio of approximately 1:1. Initial scoping study results indicates the deposit is amenable to lower-cost dredge mining and IHC Robbins has been commissioned to complete a pre-feasibility study (PFS), with results anticipated late in Q4 2021.

Additional drilling, compositing and mineral assemblage analysis is being undertaken to improve confidence for definition into Indicated and Measured categories of Mineral Resources. Further metallurgical testwork and final product quality assessments will be undertaken in support of an Ore Reserve estimate.

Exploration

The Company's exploration portfolio is primarily focused on mineral sands, with the exception of two, adjacent exploration licences and an associated Farmin arrangement with a focus on gold (see Table 8 – Tenement Schedule). All tenements are located in Western Australia and all mineral sands related tenements are located in the North Perth Basin across a combined area of 1,134 square kilometres.

The North Perth Basin tenements consist of 12 named project areas, each with identified Mineral Resources as presented in Table 12.

Drilling Programs

The drilling activity planned for 2021 includes 584 holes for 24,874m (Table 6). No mineral sand exploration drilling has been completed in the June Quarter 2021 as all the planned drilling has now been reviewed in the context of adding Ore Reserves and maintaining minimum expenditure commitments on the remainder. Drilling is mainly being planned at Bidamina, Hyperion, Atlit, Erayinia (gold) and King Prospect Farmin (gold).

A number of new tenements E70/5763, E70/5776, E70/5777 were recently granted covering potential extensions and parallel strand systems north and northwest of the Bidamina Mineral Resources area (Figure 6).

An RC drill program has been completed at the Erayinia and King Prospect with the more positive gold intersections being 10m at 8.40g/t Au from 40m (including 3m at 25.17g/t from 47m) in EYRC58 and 18m at 1.85g/t from 82m (including 2m at 4.11g/t from 88m and 7m at 2.29g/t from 93m) in EYRC54 (ASX release 26 July 2021).

A small 1 block E52/3917 gold tenement was granted just north of the adjoining M52/1067, which contains two small gold resources called Harrods and Harrods South and on which Image holds a 1% royalty. These resources are only 20km south of the Fortnum mine owned by Westgold Resources Ltd.

Table 6: Drilling Programs Planned in 2H 2021

Project	Proposed Drilling	
	Holes	Metres
Atlas	30	450
Bidamina (E70/2844, E70/3298) Stage 1 & 2	208	11856
Hyperion (R70/51)	94	1692
Helene (R70/51)	27	729
Regans Ford E70/4946, E70/4949	20	720
Erayinia Gold	65	4875
Woolka (E70/4244)	20	800
Atlit East (E70/3100)	40	1200
Atlit West (E70/3720)	35	1035
Bootine	12	242
Gingin (E70/3032)	25	575
Gingin South (E70/3032, M70/0448)	20	700
Total:	584	24874

Bidaminna Area

The two main tenements over the current Bidaminna Mineral Resources area (MRA) are E70/3298 and E70/4919. Two other previously held tenements to the north of the MRA (E70/2844 and E70/4794) are located over potential northern extensions of the MRA.

An upgraded Mineral Resources estimate (MRE) for Bidaminna was announced to the ASX on 31 March 2021 and was reported as Indicated (17%) and Inferred (83%) Resources at a cut-off grade of 0.5% HM. The MRE summary outlined the following favourable characteristics:

102 million tonnes at 2.2% total heavy minerals ("HM"), and with the HM consisting of:

- 36% leucoxene (70-95% TiO₂)
- 5% zircon (premium grade)
- 4% rutile (95% TiO₂)
- 48% ilmenite (50-70% TiO₂) and
- 93% valuable heavy minerals (VHM).

The deposit also has very low slimes (3.3%), low oversize (2.2%) and is coarse-grained and therefore amenable to high mineral recoveries.

An initial drill program is planned (POW approved) for 50 holes and 3,249m. A larger, follow-on program of 158 holes for 9,006m has been approved by DMIRS and a heritage clearance is now being sought prior to the commencement of drilling. This infill drilling is aimed at upgrading the Bidaminna Mineral Resource to a higher percentage in the Indicated category.

Following the publication of an upgraded Mineral Resources estimate using a lower cut-off grade applicable for dredge mining, and confirmation from preliminary scoping study work indicating the deposit is amenable to dredge mining, four new tenement areas to the south and the north-northwest, were applied for and granted (E70/4779, E70/5763, E70/5776 and E70/5777). See Figure 6. An application for these tenements to be added to the Bidaminna reporting group has been submitted for approval.

As shown on Figure 6, there are a series of 6km long aeromagnetic targets (shown in red) within Bidaminna West E70/5776 parallel to the Bidaminna resource. The magnetic amplitudes are similar to the amplitudes over the Bidaminna MRA. Ground magnetic surveys are planned over these targets to verify mineral sand signatures to justify future exploration drilling. With recent landowner permission, a 30km ground magnetic survey will be conducted after ground conditions stabilise following recent, heavier than normal winter rainfall.

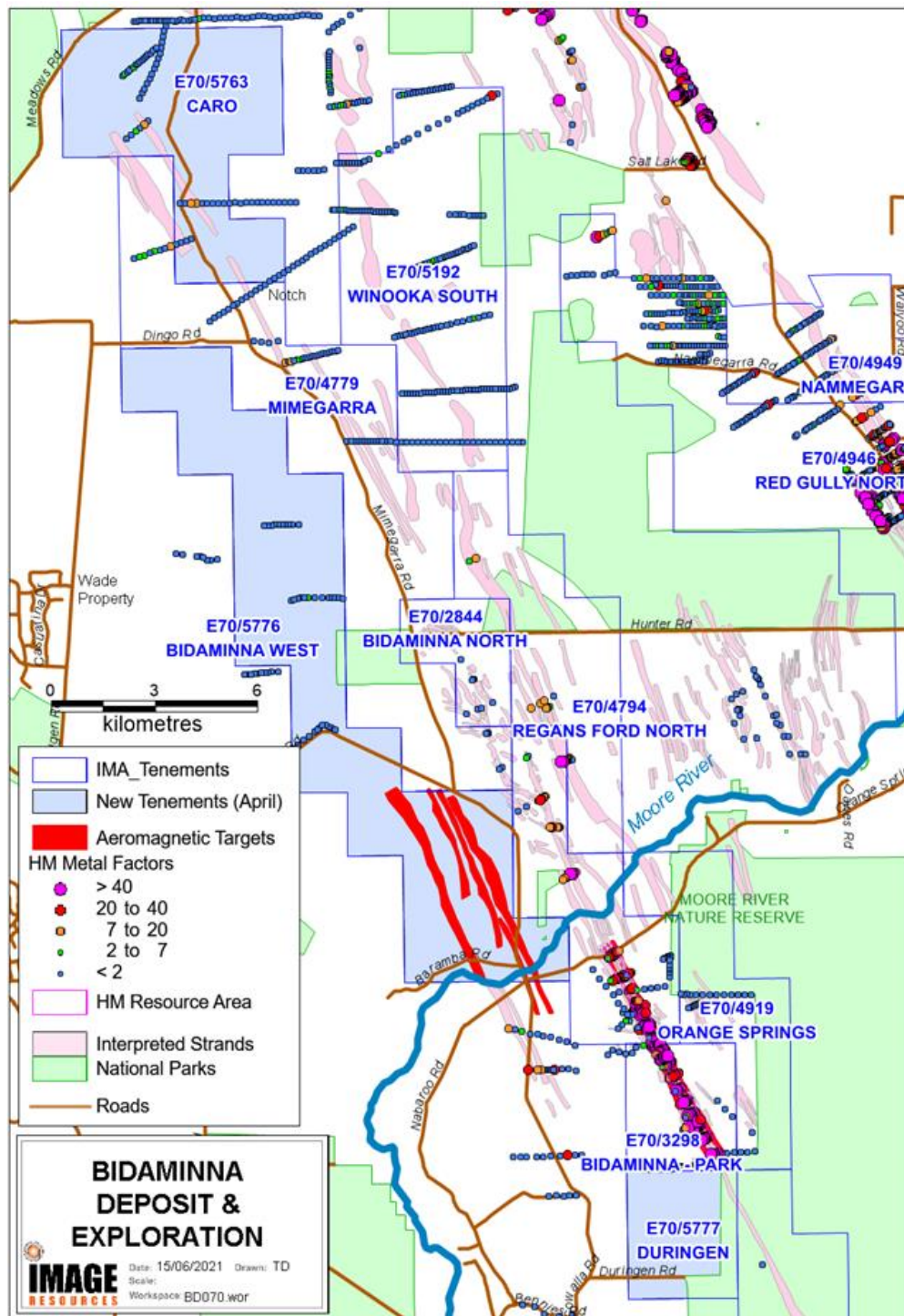


Figure 6 – Three new Bidaminna tenements granted in light blue with aeromagnetic targets in red.

Erayinia E28/1895, Madoonia Downs E28/2742, King Prospect JV P28/1320, P28/1321

The Company received encouraging assay results from initial drilling on both Image's 100%-owned Erayinia Gold tenement and the King Gold Farmin Prospect (ASX release 26 July 2021). The King Prospect is located in the heart of, and completely surrounded by, Erayinia and Image's adjacent 100%-owned Madoonia Downs tenement, and is located 135km SE of Kalgoorlie in Western Australia. Image's exploration expenditures on the King Prospect are part of earn-in rights under a farmin agreement announced to the ASX on 2 March 2021. As at the end of the quarter, Image has not yet earned a beneficial percentage interest in the King Prospect under the King Prospect farmin agreement.

Highlights of gold intercepts:

- 10m at 8.40g/t from 40m including 3m at 25.17g/t from 47m in EYRC58.
- 18m at 1.85g/t from 82m including 2m at 4.11g/t from 88m and 7m at 2.29g/t from 93m in EYRC54.
- 10m at 1.48g/t from 96m including 3m at 3.3g/t from 103m in EYRC37.
- 4m at 1.51g/t from 41m in EYRC39.
- 4m at 1.58g/t from 33m in EYRC47.

The objective of the drilling program was to maximise Image's ownership in the King Prospect while looking to extend the overall area and mass of gold mineralisation, increase drilling density and corroborate historic drilling results in the lead up to a Mineral Resources estimate in Q4 2021 with the goal of progressing to a scoping study in CY2022. Investigating the development potential of Image's 100%-owned Erayinia and Madoonia Downs gold tenements and the King Farmin Prospect is one of the four elements of Image's overall growth strategy.

This reverse circulation (RC) drilling program of 26 holes for 2,765m highlighted a **high-grade area that extends over a 400+m length**, as shown by the intersections highlighted in Figure 7 and cross sections 3 to 6 (Figures 10 to 13). The supergene zone that contains these higher-grade intersections is part of a much more extensive 1.5km x 300m zone.

A number of sections are open down-dip and may potentially continue at depth, e.g., cross section 3 in Figure 10 with hole EYRC58 and cross section 5 in Figure 12 with hole EYRC54. These areas are planned to be followed up in future drilling programs. In addition, the mineralised supergene zone is open to the south and an extensive aircore (AC) drilling program is planned here to ascertain the potential strike-length of this prospective gold zone (Figure 7).

The recently completed RC drilling program includes 26 holes (EYRC28-49,52-55 & 58) for 2,765m and involved 714, 2-4m composites and 642, 1m splits. This initial RC program was aimed at evaluating a promising supergene layer as well as testing for multiple stacked shallow lodes that are indicated down to a depth of 150m or greater.

Within Erayinia and the King Prospect there are many shallow intersections (Figure 7) with a total of 214 intersections (ranging from 1 to 13m) greater than 0.5g/t Au, which includes 121 intersections greater than 1g/t Au, 54 greater than 2g/t Au, 26 greater than 3g/t Au and 18 greater than 4g/t Au.

In addition to results from the recently completed drilling program highlighted above, the previous ASX announcement dated 2 March 2021 titled "Image Resources Gold Farmin; Thick Supergene Zone Identified", regarding the King Prospect, highlighted some of the **thicker gold intersections** identified from historic drilling including:

- 71m at 1.03g/t Au from 36m in RC hole ROE0782.
- 29m at 1.12g/t Au from 64m in RC hole KNRC012
- 43m at 0.72g/t Au from 36m in RC hole ROE0704
- 35m at 0.66g/t Au from 76m in RC hole KNRC015
- 20m at 1.66g/t Au from 39m in RC hole EYRC01
- 13m at 1.77g/t Au from 41m in RC hole KNRC011
- 17m at 2.0g/t Au from 132m in RC hole ROE0899

Refer to the Company's ASX announcement dated 18 September 2018 for more information on exploration results for EYRC01, EYRC02 and EYRC03.

A planned AC drilling programme of 40 holes for 2,505m is scheduled for Q3 2021. The majority of holes are planned in the southern part of the King Prospect (Figure 7). This drilling is designed to potentially enlarge the prospective supergene zone

southwards in areas that have not been previously drilled and potentially into Erayinia and separately to the north within Image's 100%-owned Madoonia Downs tenements (Figure 14).

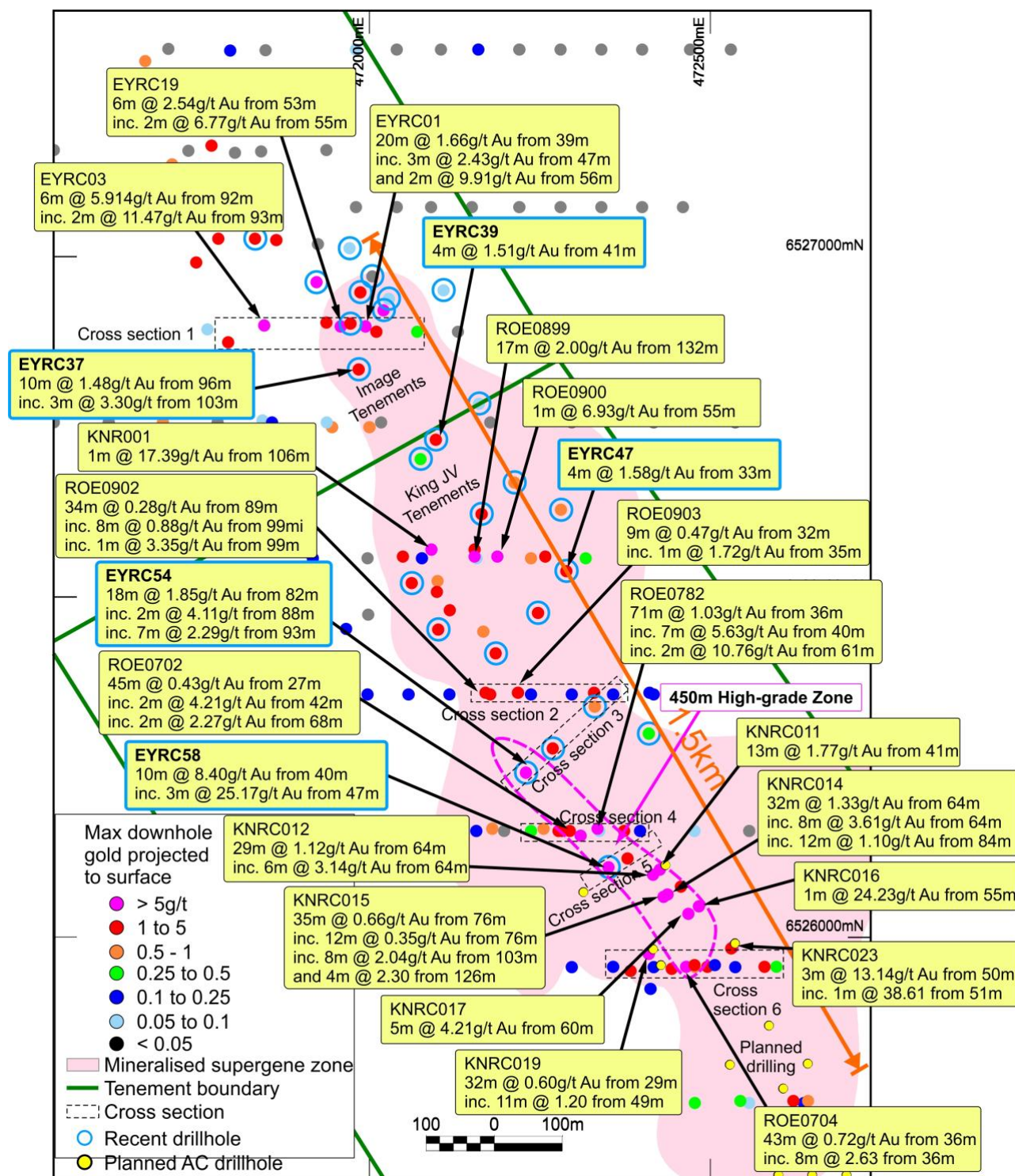


Figure 7: Hole locations, maximum mineralisation intercepts, enlarged supergene zone (pink shade) and recent drilling on Erayinia & King Prospect

Some individual holes are also directed at testing the down-dip extension of high-grade intersections within the multiple westerly dipping lodes. These multiple stacked lodes may continue at depth and could potentially be similar to some of the larger deposits in the Kalgoorlie districts that have bulk tonnage. The King Prospect mineralisation augments the previous RC drilling activities completed by Image at Erayinia and forms a key part of a strongly mineralised zone covering a large 1.5km x 300m area.

Detailed 50m spaced caesium vapor ground magnetic surveys are also planned to help map the detailed structure within the King Prospect.

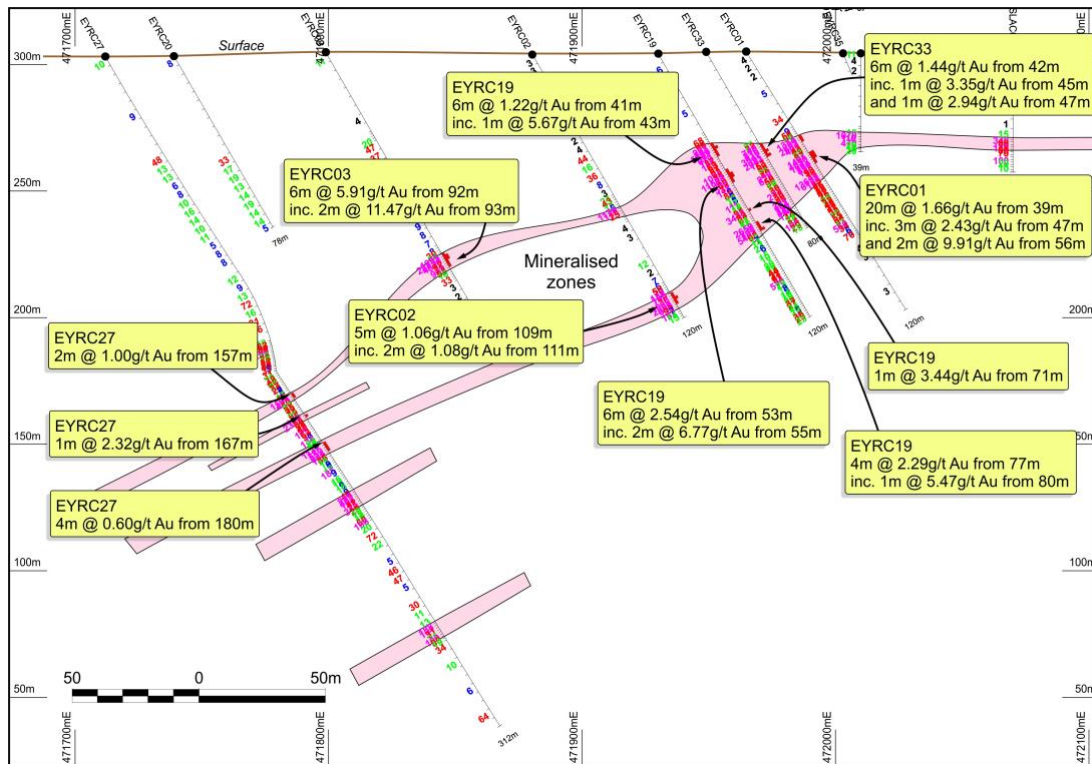


Figure 8: Cross section 1 showing mineralised zones, significant gold intercepts on Image's Erayinia tenement. New drilling of EYRC33 on this section

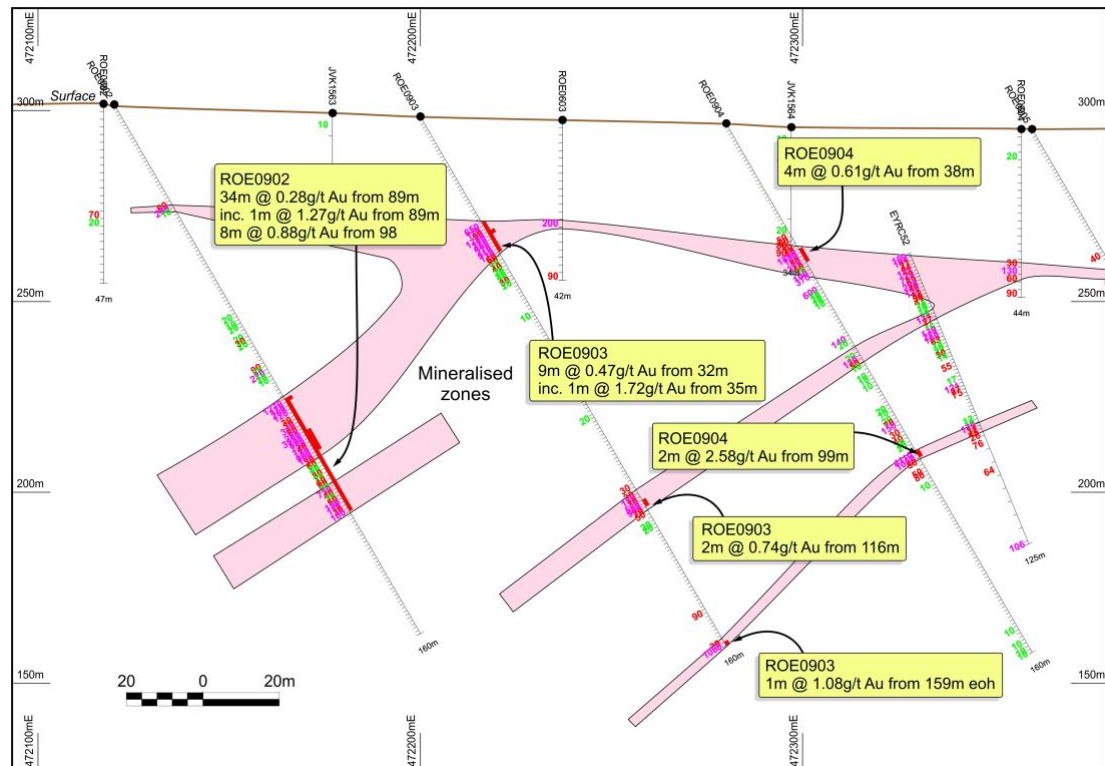


Figure 9: Cross section 2 showing mineralised zones, significant gold intercepts on King Prospect. No new drilling on this section

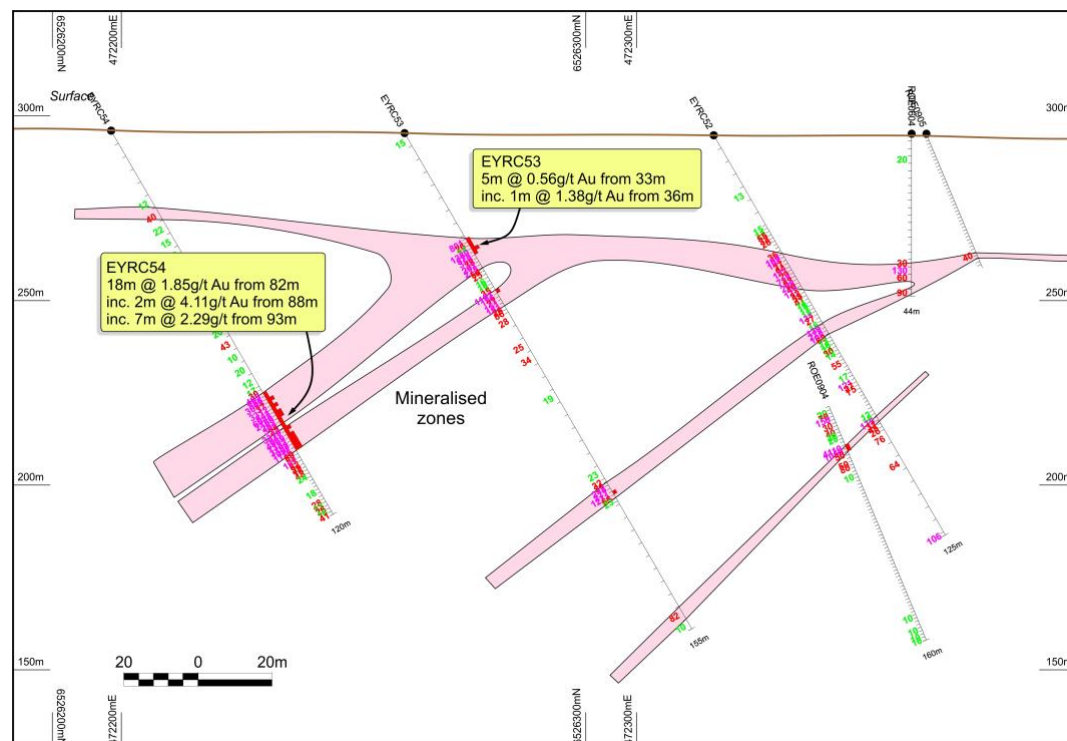


Figure 10: Cross section 3 showing mineralised zones, significant gold intercepts on King Prospect. New drilling of holes EYRC52, 53 AND 54 on this section

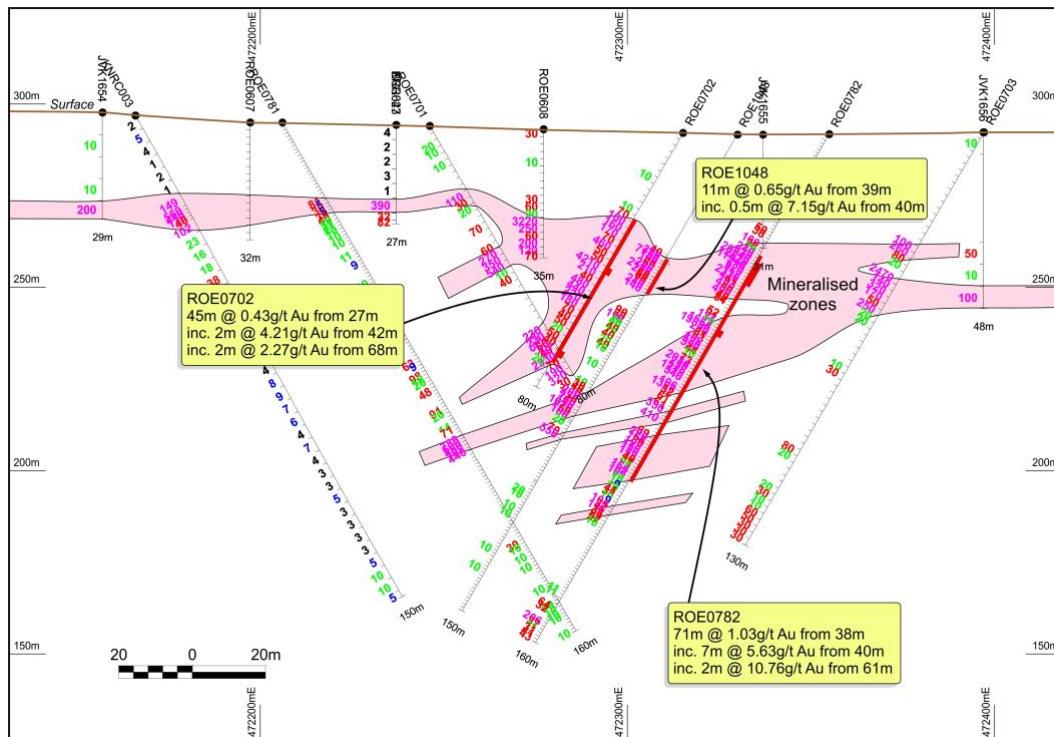


Figure 11: Cross section 4 showing mineralised zones, significant gold intercepts on King Prospect. No new drilling on this section

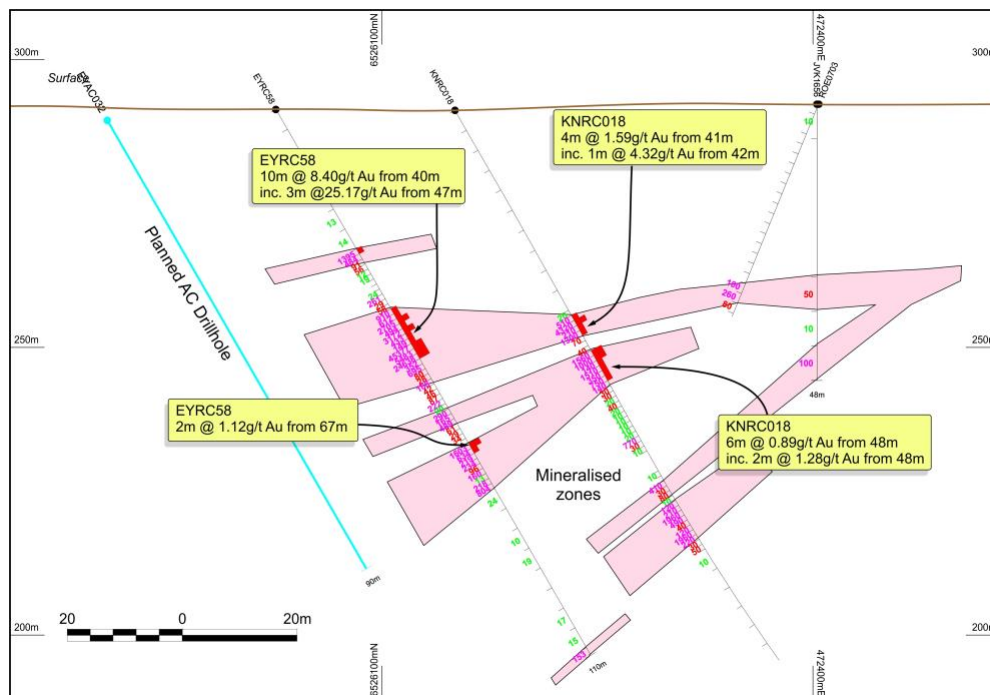


Figure 12: Cross section 5 showing mineralised zones, significant gold intercepts and planned AC drilling on King Prospect. New drilling of EYRC58 on this section

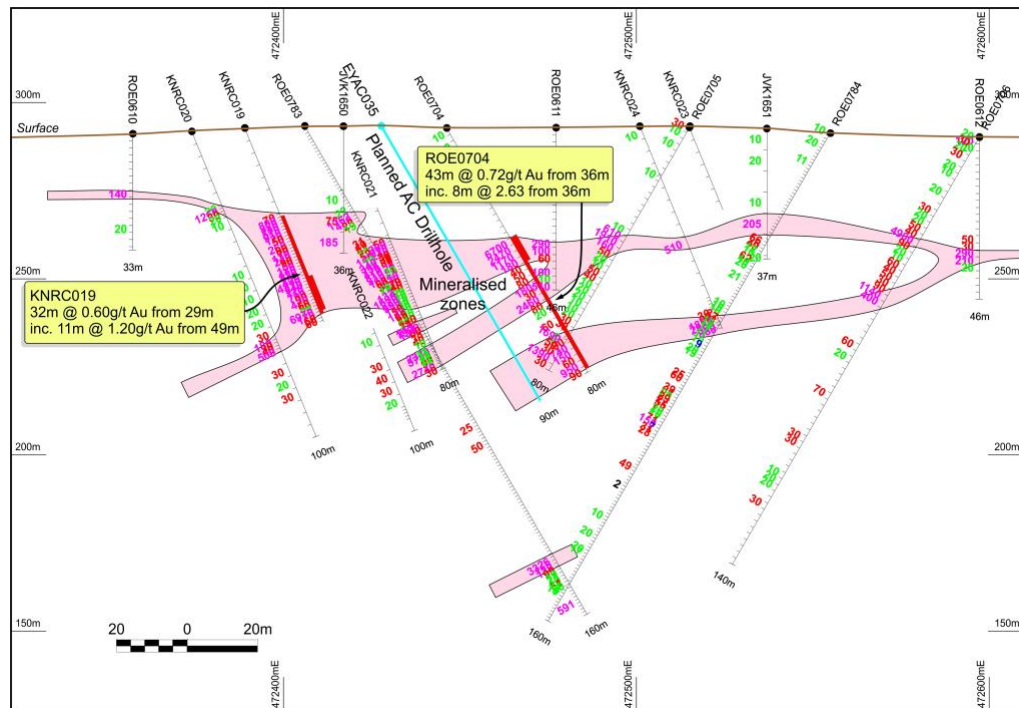


Figure 13: Cross section 6 showing mineralised zones, significant gold intercepts and planned AC drilling on King Prospect

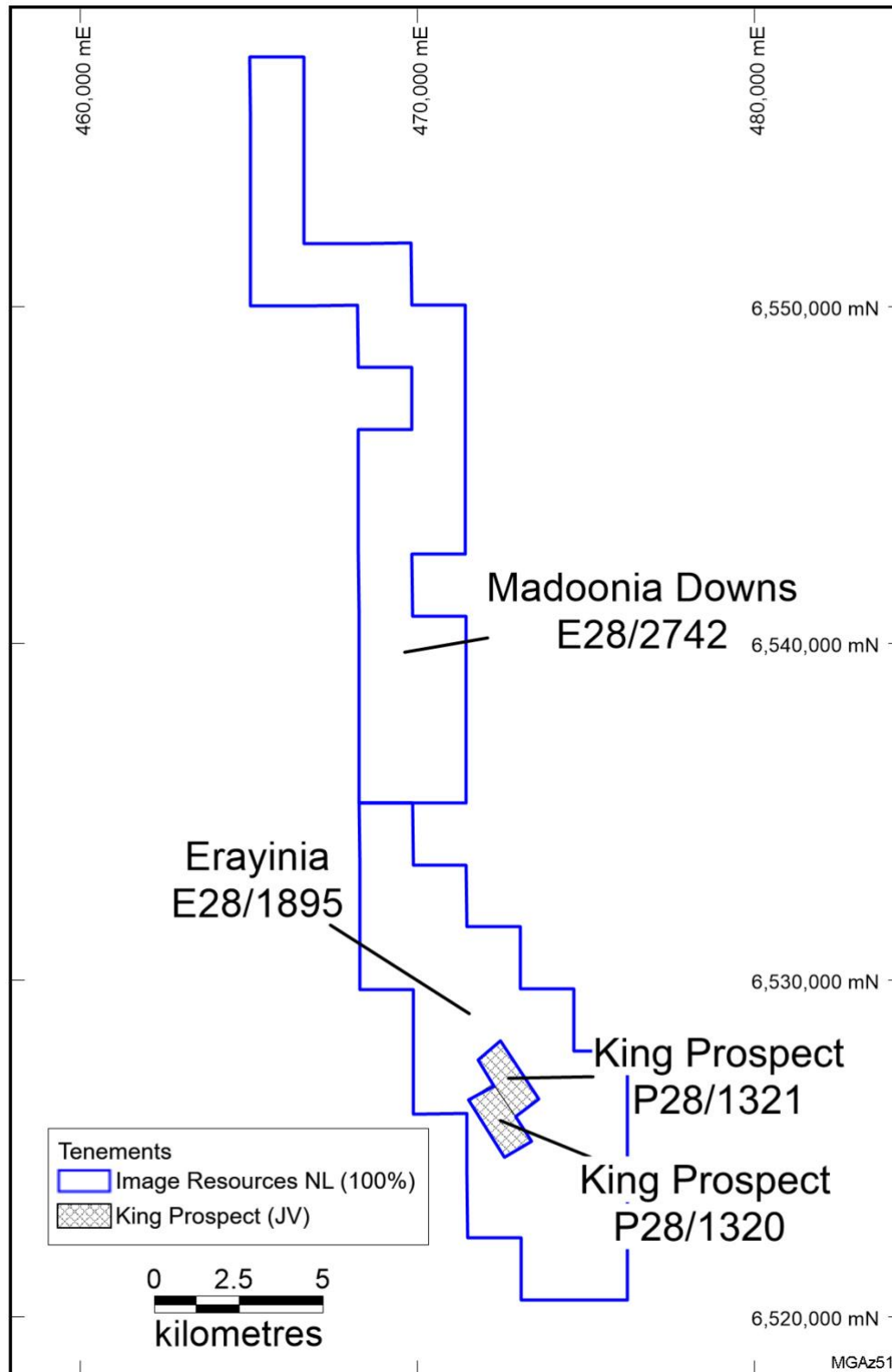


Figure 14: Location map showing Image's Erayinia and Madoonia Downs tenements and the King Prospect Farmin tenements

Location within Gold Mining District

Erayinia, Madoonia Downs and the King Prospect are located within an active gold mining district. Silver Lake Resources, who own the Randall's Mill, have been processing ore from a number of satellite deposits in the nearby area including:

- Aldiss Mining Centre (includes the nearby Harrys Hill and French Kiss Deposits);
- Mt Belches; and
- Daisy Mining Centre.

Randall's Mill is reported operating at 1.2Mt per annum and Silver Lake Resources is reported to have reserves of 120,000 ounces in the area. Randall's Mill may be available for toll-treating ore from the King Prospect, which is 85km away, and the haul road starts at French Kiss, only 20km away from the King Prospect (Figure 15).

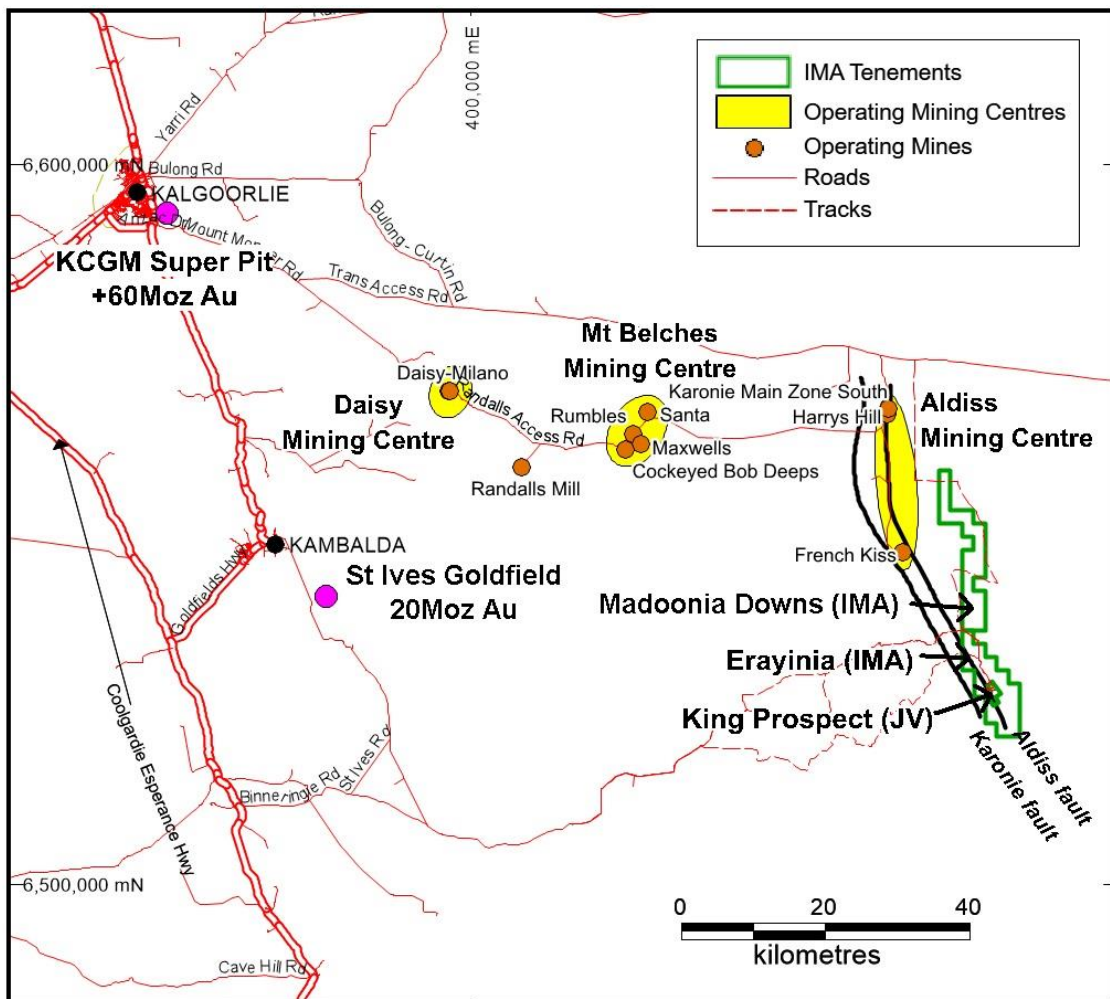


Figure 15: Image and King Prospect tenements and surrounding mined deposits proximal to the operating Randall's Mill

King Prospect Farmin Agreement Background Information

On 2 March 2021, Image announced it had entered into a Farmin agreement with the owners of the King Gold Prospect ("King Prospect"), located in the heart of, and completely surrounded by, Image's 100%-owned Erayinia gold tenement in Western Australia. This Farmin represents a low risk, low-cost opportunity for Image to evaluate the King Prospect in stepwise fashion, and if deemed prospective, to earn up to 80% interest with limited expenditure.

Understanding the structural and geological model of historic mineralisation in the King Prospect, which has been shown to contain a thick supergene zone that extends into Image's Erayinia tenement, could provide insight into the potential for a much larger mineralised system within Erayinia and King.

Key Terms of Farmin of King Prospect

1. Image has the right, but not the obligation, to spend \$330k within 24 months to earn 40% interest in the King Prospect.
2. Upon Image earning a 40% interest, a joint venture will be deemed to have been formed with Image as the JV manager.
3. Image will then have the right, but not the obligation, to purchase a further 40% interest (to get to 80%) with a cash payment of \$240,000 to the owners within 180 days of the initial 40% interest earn-in date.
4. If Image obtains an 80% interest, the owners then have the right to contribute 20% to future project expenditures to maintain their 20% ownership position, or the owners can elect not to contribute to any expenditures and instead to convert to a 2% net smelter royalty.
5. If the owners convert to a 2% royalty, they also have the right to elect that their royalty be purchased by Image at fair market value as determined by an independent organization agreed by the Image and the owners.

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 8 – Tenement Schedule in accordance with ASX Listing Rule 5.3.3

Tenements held as at 30 June 2021					
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	E28/2742	Granted	MADOONIA DOWNS	100%	100%
WA	E52/3917	Granted	WILTHORPE	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	100%	100%
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	E70/4656	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	E70/5034	Granted	SADDLE HILL	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%	100%
WA	E70/5268	Granted	WOOLKA SOUTH	100%	100%
WA	E70/5306	Granted	BOONANARRING HILL	100%	100%
WA	E70/5552	Granted	COOLJARLOO EAST	100%	100%
WA	E70/5646	Granted	BLUE LAKE WEST	100%	100%
WA	E70/5661	Application	COONABIDGEE	100% pending grant	100% pending grant
WA	E70/5763	Application	CARO	100% pending grant	100% pending grant
WA	E70/5776	Application	BIDAMINNA WEST	100% pending grant	100% pending grant
WA	E70/5777	Application	DURINGEN	100% pending grant	100% pending grant
WA	G70/0250	Granted	BOONANARRING	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	M70/1305	Granted	ATLAS	100%	100%
WA	M70/1311	Granted	BOONANARRING NORTH	100%	100%
WA	P70/1520	Application	COOLJARLOO	100% pending grant	100% pending grant
WA	P70/1756	Application	COOLJARLOO EAST	100% pending grant	100% pending grant
WA	R70/0051	Granted	COOLJARLOO NORTH	100%	100%
WA	R70/0062	Application	NAMBUNG	100% pending grant	100% pending grant
Mining Tenements acquired during the Quarter					
WA	M70/1305	Granted	ATLAS	100%	100%
WA	E70/5646	Granted	BLUE LAKE WEST	100%	100%
WA	E52/3917	Granted	WILTHORPE	100%	100%
Mining Tenements disposed during the Quarter					
WA	E70/4631	Surrendered	MUNBINIA WEST	100%	100%
WA	P70/1516	Expired	COOLJARLOO EAST	100%	100%

Table 9 – Ore Reserves Summary – JORC Code 2012 – as at 31 December 2020

Ore Reserves - Strand Deposits; in accordance with the JORC Code (2012) ¹										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring ²	Proved	3.9	8.1	13	0.32	81	52	3.0	2.9	23
Boonanarring ²	Probable	2.2	7.3	18	0.16	81	44	4.8	4.6	28
Total Boonanarring		6.1	7.8	15	0.48	80	49	3.6	3.5	24
Atlas ³	Probable	9.5	8.1	15.5	0.8	73	51	4.5	7.5	11
Total Atlas		9.5	8.1	15.5	0.8	73	51	4.5	7.5	11
Total Ore Reserves		15.6	8.0	15.2	1.2	76	50	4.2	6.0	16

1 - All tonages and grades have been rounded to reflect the relative uncertainty of the estimate, thus sums of columns may not equal.

2 - Boonanarring Reserves refer to the 10 March 2021 ASX release "Boonanarring Annual Ore Reserve Update"

<http://www.imageres.com.au/images/joomd/161534167120210310BoonanarringAnnualOreReserve.pdf>

3 - 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>

MINERAL RESOURCES – MATERIAL MINING PROJECTS

The estimated Mineral Resources at Boonanarring have been updated to include depletion from mining through 31 December 2020 and thereby represent remaining Mineral Resources as at 31 December 2020.

Table 10 – Mineral Resources Summary – Material Mining Projects – JORC Code 2012 – as at 31 December 2020

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)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring	Measured	7.4	7.3	13	0.5	77	51	4.0	3.1	19
Boonanarring	Indicated	7.1	5.4	17	0.4	79	48	8.3	4.7	18
Boonanarring	Inferred	1.4	3.5	18	0.05	77	53	5.0	4.1	16
Boonanarring Total		15.9	6.1	15	1.0	78	50	5.7	3.8	19
Atlas	Measured	9.9	7.9	16	0.8	71	49	4.2	7.2	10
Atlas	Indicated	6.4	3.7	17	0.2	57	42	3.4	4.7	6.8
Atlas	Inferred	1.8	4.0	20	0.1	41	29	3.3	4.4	4.8
Atlas Total		18.1	6.0	17	1.1	66	46	4.0	6.4	9.3
Sub-Total Atlas/Boonanarring		34.0	6.1	16	2.1	72	48	4.8	5.2	14

GOVERNANCE CONTROLS

Mineral Resources and Ore Reserves are compiled by qualified Image Resources personnel and / or independent consultants following industry standard methodology and techniques. The underlying data, methodology, techniques and assumptions on which estimates are prepared are subject to internal peer review by senior Company personnel, as is JORC compliance. Where deemed necessary or appropriate, estimates are reviewed by independent consultants. Competent Persons named by the Company are members of the Australasian Institute of Mining and Metallurgy and / or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code 2012.

MINERAL RESOURCES – NON-MATERIAL PROJECTS

The Mineral Resources for the Company's non-material mining projects as at 31 March 2021 are shown in the tables below. Inaugural Mineral Resources have been reported for Boonanarring Northwest and Boonanarring North Extension and Mineral Resources updates have been reported for Gingin North, Helene and Hyperion projects during the March Quarter 2021. There are no Ore Reserves reported in relation to these non-material projects.

Table 11 – Mineral Resources Summary – Non-Material Projects – JORC Code 2012 – as at 31 March 2021

Mineral Resources - Strand Deposits; in accordance with JORC Code (2012) @ 2.0% HM Cut-off										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Boonanarring Northwest	Indicated	3.1	5.1	11	0.2	82	35	30	6.8	9.6
Boonanarring Northwest	Inferred	1.2	5.0	10	0.1	79	27	36	7.4	8.3
Boonanarring North Extension	Indicated	2.5	11.8	17	0.3	72	41	12	2.7	16
Boonanarring North Extension	Inferred	0.2	4.7	17	0.0	68	39	11	2.5	16
Gingin North	Indicated	6.6	4.7	16	0.3	77	50	15	4.5	7.2
Gingin North	Inferred	2.0	4.7	13	0.1	76	41	23	5.4	5.5
Boonanarring Satellite Total		15.6	5.9	14	0.9	76	43	19	4.6	11
Helene	Indicated	12.1	4.9	18	0.6	74	47	14	5.1	7.4
Helene	Inferred	1.0	4.0	15	0.04	74	45	16	5.7	7.5
Hyperion	Indicated	3.6	8.3	19	0.3	58	36	8.1	6.7	8.0
Hyperion	Inferred	0.03	5.9	17	0.002	48	31	4.9	5.0	7.3
Cooljarloo Nth Total		16.7	5.5	18	0.92	69	43	12	5.7	7.6

Previously Reported Mineral Resources - Strand Deposits; in accordance with JORC Code (2004) @ 2.5% HM Cut-off										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Gingin Sth	Measured	1.5	4.4	7.2	0.1	79	51	15	5.6	7.8
Gingin Sth	Indicated	5.8	6.5	7.1	0.4	91	68	9.8	5.1	8.1
Gingin Sth	Inferred	0.7	6.5	8.4	0.0	92	67	7.5	5.8	11
Gingin Sth Total		8.1	6.1	7.3	0.5	89	65	10	5.2	8.3
Red Gully	Indicated	3.4	7.8	12	0.3	90	66	8.3	3.1	12
Red Gully	Inferred	2.6	7.5	11	0.2	89	65	8.2	3.0	12
Red Gully Total		6.0	7.7	11	0.5	89	66	8.2	3.1	12
Sub-Total Gingin & Red Gully		14.1	6.8	8.9	1.0	89	65	9.3	4.2	10

Historic Deposit Mineral Resources - Strand deposit; in accordance with JORC Code (2004) @ 2.5% HM Cut-off										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Regans Ford	Indicated	9.0	9.9	17	0.9	94	70	10	4.3	10
Regans Ford	Inferred	0.9	6.5	19	0.1	91	68	7.7	4.4	10
Regans Ford Total		9.9	9.6	17	1.0	94	70	9.9	4.3	10
Grand Totals - Strand Deposits		90	6.4	13	5.8	78	53	10	4.9	11

Mineral Resources - Dredge deposits; in accordance with JORC Code (2012) @ 1.0% HM Cut-off										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Titan	Indicated	21	1.8	22	0.4	86	72	1.5	3.1	9.5
Titan	Inferred	115	1.9	19	2.2	86	72	1.5	3.1	9.5
Total Titan	Total	137	1.9	19	2.6	86	72	1.5	3.1	9.5
Telesto	Indicated	4	3.8	18	0.1	83	67	0.7	5.6	9.5
Calypso	Inferred	51	1.7	14	0.9	86	68	1.6	5.1	10.8

Mineral Resources - Dredge deposits; in accordance with JORC Code (2012) @ 0.5% HM Cut-off										
Project/Deposit	Category	Tonnes (million)	HM (%)	Slimes (%)	HM Tonnes (million)	as percent of 'HM (%)'				
						VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Bidaminna	Indicated	17	3.2	3.6	0.6	93	53	30	5.1	5.0
Bidaminna	Inferred	84	2.0	3.3	1.7	94	47	38	4.2	5.1
Total Bidaminna		102	2.2	3.4	2.2	94	48	36	4.4	5.1
Grand Total Dredge		293	2.0	12.8	5.8	89	62	15	4.0	8.0

COMPETENT PERSON STATEMENT AND PREVIOUSLY REPORTED INFORMATION

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:** Release "Boonanarring Annual Ore Reserve Update" dated 10 March 2021
- **Atlas Ore Reserves:** 30 May 2017 – "Ore Reserves Update for 100% Owned Atlas Project"
- **Atlas Mineral Resources:** 8 May 2017 – "68% Increase in Mineral Resources for Atlas Project"
- **Boonanarring North Extension Mineral Resources:** 31 March 2021 – "Project MORE Update Boonanarring and Atlas Projects"
- **Boonanarring Northwest Mineral Resources:** 31 March 2021 – "Project MORE Update Boonanarring and Atlas Projects"
- **Gingin North Mineral Resources:** 31 March 2021 – "Project MORE Update Boonanarring and Atlas Projects"
- **Helene Mineral Resources:** 31 March 2021 – "Project MORE Update Boonanarring and Atlas Projects"
- **Hyperion Mineral Resources:** 31 March 2021 – "Project MORE Update Boonanarring and Atlas Projects"
- **Bidaminna Mineral Resources:** 31 March 2021 – "102 Million Tonnes Inaugural Dredge Mining Mineral Resources Estimate for Bidaminna Mineral Sands Project"
- **Titan Mineral Resources:** 31 Oct 2019
- **Telesto Mineral Resources:** 31 Oct 2019
- **Calypso Mineral Resources:** 31 Oct 2019

These reports are available to view on the Company's website under "ASX Releases". 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 report includes information that relates to 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 South Mineral Resources:** 21 Jul 2011
- **Red Gully Mineral Resources:** 9 Mar 2011

These reports are available to view on the Company's website under "ASX Releases". 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.

The information in this report that relates to tonnes, grade and mineral assemblage for **Regans Ford deposit** (not part of the Company's material mining projects) is based on historic information published by Iluka Resources Limited indicating the Mineral Resources were compiled in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. *This information was prepared and 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.*

The information in this report that relates to exploration results is extracted from the Company's ASX announcements noted in the text of the announcement which are 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 announcements and that the form and context in which the competent person's findings are presented have not been materially altered.

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

30/06/2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	33,984	84,674
1.2	Payments for		
	(a) exploration & evaluation	(859)	(1,818)
	(b) development		
	(c) production	(26,042)	(55,523)
	(d) staff costs	(485)	(983)
	(e) administration and corporate costs	(428)	(1,071)
1.3	Dividends received (see note 3)		
1.4	Interest received	4	5
1.5	Interest and other costs of finance paid	(105)	(961)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)	56	58
1.9	Net cash from / (used in) operating activities	6,125	24,381

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(813)	(1,952)
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets		
	• Security deposits	(85)	(85)

**MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY QUARTERLY CASH
FLOW REPORT**

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(898)	(2,037)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	414	414
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	(4)	(4)
3.6	Repayment of borrowings		(17,169)
3.8	Dividends paid	(19,025)	(19,025)
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(18,615)	(35,784)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	51,047	50,761
4.2	Net cash from / (used in) operating activities (item 1.9 above)	6,125	24,381
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(898)	(2,037)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(18,615)	(35,784)

**MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY QUARTERLY CASH
FLOW REPORT**

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	483	821
4.6	Cash and cash equivalents at end of period	38,142	38,142

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	38,126	51,031
5.2	Call deposits	16	16
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)	38,142	51,047

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – Directors Fees	222
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

**MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY QUARTERLY CASH
FLOW REPORT**

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements	140	55
7.3	Other (please specify)	-	-
7.4	Total financing facilities	140	55
7.5	Unused financing facilities available at quarter end		Nil
7.6	<p>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.</p> <p>Loan held is as follows: A senior secured debt facility with a balance of US\$13,173,620 at 31 December 2020 was repaid on 10 February 2021. Further details can be found in the announcement lodged with the ASX on 16 February 2021.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	6,125
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	6,125
8.4	Cash and cash equivalents at quarter end (item 4.6)	38,142
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	38,142
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	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	
8.8.2	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	

**MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY QUARTERLY CASH
FLOW REPORT**

8.8.3 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

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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: 28 July 2021

Authorised by: John McEvoy – CFO / 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. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
6. By the Company lodging 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.