

ATLAS PROJECT UPDATE

HIGHLIGHTS

- Atlas construction on track for project commissioning in Q1 2025
- Drawdown initiated on US\$20M HMC Prepayment Facility
- Atlas now fully funded to first revenue anticipated in Q2 2025

Image Resources NL (ASX: IMA) (“**Image**” or “**the Company**”) advises construction progress remains on track for commencement of commissioning and first heavy mineral concentrate (“**HMC**”) production in Q1 2025 at the Company’s 100%-owned Atlas mineral sands project (“**Atlas**”) located 170km north of Perth in the Dandaragan Shire.

Following the bush fire that passed through the Atlas project area during the final week of November 2024, construction crews returned to the site to resume all site development activities. Despite the lost time for emergency evacuation of the site, construction progressed rapidly during December (Photo 1) and served to renew confidence in achieving the original goal of early-stage commissioning and first HMC production before the end of March 2025.

The Company also initiated drawdown of funds from the US\$20 million HMC Prepayment Facility arranged with its long-standing HMC offtake partner Shantou Natfort Zirconium and Titanium Co., Ltd, (“**Natfort**”) (announced 24 October 2024). Prepayment Facility funds will be used to cover working capital requirements, including corporate costs and pre-revenue Atlas operating costs.

In late December, US\$5 million of drawdown funds were received. The balance is anticipated to be received in Q1 2025 as construction winds down.

Managing Director and CEO Patrick Mutz commented:

“Despite the loss of nearly a week of construction time due to site evacuation during the November bush fire, we remain optimistic of achieving our goal of first HMC production at Atlas before the end of Q1 2025.”

“In addition, even though construction at Atlas was delayed by more than 12-months due to permitting delays, we have maintained our commitment for capital costs for Atlas to be largely self-funded from cash reserves from Boonanarring. However, to maintain a sufficient cash buffer going forward, we have actioned the drawdown of working capital funds from the US\$20 million HMC Prepayment Facility arranged through our offtake partner Natfort.”

Accessing the working capital facility provides the funding necessary to achieve first revenue at Atlas, which is anticipated to be in early Q2 2025.”



Photo 1 - Atlas Project Construction Progress - 31 December 2024

Risk Minimisation

Subsequent to the execution of the US\$20 million HMC Prepayment Facility arrangement with HMC offtaker Natfort in October 2024, Image and Natfort agreed to allow Natfort to share the provision of the funding under this facility so as to minimise the risk to Image of a single funding provider.

As such, 50% of the US\$20 million funding obligation under the Prepayment Facility (as well as the associated 50% of HMC offtake from the Atlas project) was shifted to Billion Sunny Investment Limited (“**Sunny Investment**”) which is an independent third-party financing entity incorporated in Cayman Islands.

The shared participation in the Prepayment Facility funding was approved on the basis that it was on the same terms and conditions as the Natfort Prepayment Facility.

Repayment of the Prepayment Facility principal amounts will be made by the delivery of approximately 25% of each bulk shipment of HMC at no cost, while 75% of each shipment will be sold at market prices. The term of the Prepayment Facility is 12-months from drawdown.

HMC will be sold/delivered to the HMC buyers in alternating shipments for processing (separation) by their nominated mineral separation plant operators in China.

The US\$10 million funding under the shared Prepayment Facility arrangement with Sunny Investment was received by Image on 7 January 2025.

The outstanding balance of US\$5 million under the Natfort Prepayment Facility is anticipated to be received in Q1 2025.

- ENDS -

This announcement is approved for release by the Board of Directors.

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ABOUT IMAGE RESOURCES

Image Resources NL is a mineral sands focused miner and supplier of critical minerals titanium dioxide, zircon and monazite containing rare earth elements for sale into global markets. The Company has a demonstrated track record of successful project development and operations at its Boonanarring project located 80km north of Perth in the infrastructure rich North Perth Basin.

Boonanarring was a high-grade, high-zircon, low capital cost mine development that was constructed on-time and on-budget in CY2018 and then ramped up to name plate capacity in the second month of operation and went on to operate profitably through Q3 2023. Debt for the project was paid off early in February 2021 and the Company paid dividends to shareholders in April 2021 and April 2022. Image is currently developing the Atlas project and is constructing the mine and infrastructure and in Q4 2024 relocated the processing plant and equipment from Boonanarring to Atlas. The Company anticipates a return to production and positive cashflow in 1H 2025.

Chapter 1 operating strategy for Image involved the transition from advanced explorer to active miner in CY2018, operating one mine at a time, and producing a single product (HMC) sold into a single jurisdiction (China). Chapter 2 strategy (post Atlas) focuses on growth and sustainability and involves the operation of multiple mines in parallel, producing multiple products (separating HMC), and selling into a global market. The Company is also investigating a significant value adding step of upgrading its ilmenite to synthetic rutile using a lower GHG emissions, innovative process which Image has provisionally patented, and aims to demonstration through potential grant funding support.

FORWARD LOOKING STATEMENTS

Statements contained in this release, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, Mineral Resources, Ore Reserves, or potential growth of Image Resources, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.