

QUARTERLY ACTIVITIES REPORT – for quarter ended 30 June 2023

Image Resources NL
ABN 57 063 977 579

ASX Code:
IMA

Contact Details
Level 2, 7 Ventnor Avenue,
West Perth WA 6005

T: +61 8 9485 2410
E: info@imageres.com.au
W: imageres.com.au

Issued Capital

Shares – Quoted
1,083,410,931
As at 30 June 2023

Board Members

Robert Besley
(Non-Executive Chair)
Patrick Mutz
(Managing Director)
Aaron Chong Veoy Soo
(Non-Executive Director)
Peter Thomas
(Non-Executive Director)
Ran Xu
(Non-Executive Director)
Winston Lee
(Non-Executive Director)

HIGHLIGHTS

- HMC production increased 6% QoQ due to higher tonnes processed and improved recoveries, despite lower average HM grade. Final production of HMC from Boonanarring will occur in July.
- HMC production is marginally above previous guidance, and, with additional production forecast for Q3, guidance for CY2023 has been increased to 95-105Kt.
- Average HMC realised pricing increased 17% QoQ due to higher zircon grade in HMC shipped, supported by strong underlying commodity prices.
- C1 and AISC cash costs per tonne HMC produced decreased 6% and 5% respectively QoQ due to increased HMC production.
- C1 and AISC costs per tonne HMC sold increased 4% and 5% respectively QoQ mainly due to lower tonnes shipped.
- Cash on hand at the end of the Quarter increased A\$6.9m to A\$62.5m.

Table 1: Quarterly Summary

	Q1 2023	Q2 2023	QoQ % change	CY2023 YTD	CY2023 Revised Guidance	CY2023 Prev. Guidance
Production						
HMC Production (kt)	45.7	48.6	6%	94.3	95-105	80-90
HMC Sales (kt)	46.7	44.9	-4%	91.7	125-135	110-120
HMC Realised Price (A\$/t HMC)	807	942	17%	873	N/A	N/A
Project Operating Costs (A\$m)	22.9	22.9	-15%	45.8	50-55	45-55
Unit Costs (HMC produced)						
C1 Cash Costs (A\$/t HMC)¹	451	424	-6%	437	N/A	N/A
AISC (A\$/t HMC)²	527	500	-5%	513	N/A	N/A
Unit Costs (HMC sold)						
C1 Cash Costs (A\$/t HMC)¹	441	459	4%	450	400-430	460-500
AISC (A\$/t HMC)²	515	541	5%	528	480-510	530-570

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

- Net mine operating cash inflow for Q2 2023 was A\$20.7m (Q1 2023: A\$15m). Improved net cash inflows in CY2023 reflect lower mining costs, as overburden volumes decline with the completion of mining at Boonanarring, combined with increasing average zircon grades in the ore.
- As foreshadowed in the previous quarter, average HMC unit prices increased significantly QoQ due to higher average zircon grades in HMC sold.
- Expenditures for the quarter include A\$22.9m (62.5%) on mining/production at Boonanarring (including logistics); A\$5.2m (14.2%) on mine development (mainly Atlas related); A\$4.0m (10.8%) on income tax instalments; A\$2.0m (5.5%) on exploration, A\$1.7m (4.6%) on corporate/other costs and A\$0.9m (2.4%) on net interest costs/FX movements.
- The pre-feasibility study for the Bidamina project was completed and the positive results announced to the ASX on 27 June 2023.
- The Boonanarring solar farm constructed by Sunrise Energy Group generated 22% of total electricity requirements for the quarter, 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 provide a summary of the second quarter of its financial reporting year (CY2023), for operations at its 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project, located 80km north of Perth in the North Perth Basin in WA. Heavy mineral concentrate (“HMC”) production was 6% higher QoQ due to a combination of more ore tonnes processed and higher recoveries QoQ. These factors were partially offset by lower average heavy mineral (“HM”) ore grade. HMC tonnes sold were marginally lower (down 4% QoQ), while the average realised price per tonne of HMC sold was 17% higher QoQ, mainly due to higher zircon content.

Total project operating (cash) costs remained stable at \$22.9M for the quarter. C1 and AISC cash costs per tonne of HMC produced decreased a further 5% and 6% respectively QoQ (due to increased HMC production), while C1 and AISC cash costs per tonne of HMC sold increased 4% and 5% respectively (due to reduced sales volumes QoQ).

In addition to mining, processing and rehabilitation operations at Boonanarring, the Company focused on project development and approvals for Atlas, finalising the preliminary feasibility study (“PFS”) for Bidaminna, and advancing the longer-term growth and sustainability strategy, including progressing a PFS on a mineral separation plant (“MSP”), commencing test-work for synthetic rutile (“SR”) production using hydrogen, and pre-development activities associated with the 2022 strategic acquisitions of the Eneabba Tenements and McCalls Project.

Final production of HMC from the Boonanarring mine will be completed in July 2023 and final HMC sales likely before the end of Q3 2023.

Growth and Sustainability Strategy

In Q4 2022, the Board adopted a new, long-term growth and sustainability strategy. This new strategy reiterates the Company’s original ‘transition to production’ plan outlined in its 2017 Bankable Feasibility Study (“BFS”) for mining of all Ore Reserves at Boonanarring and then self-funding the relocation of mining and processing facilities to the Company’s 100%-owned Atlas project. The new strategy also incorporates the potential development of a standalone dredge mining operation at Bidaminna, as well as studies aimed at demonstrating the viability of transitioning from a single mining/processing operation, with a single product (HMC only) and a single market jurisdiction (currently China) (“Chapter 1”), to multiple mining/processing operations operating simultaneously, with multiple products and expanded geographical market (“Chapter 2”).

In addition to the planned self-funded development of Atlas, and potential development of Bidaminna as a standalone dredge mining project, the new growth and sustainability strategy encompasses studies for the following:

- Development of an initial dry mining and processing operation at 100%-owned Yandanooka project (or alternatively Durack and later others) in the Eneabba Tenements area, with potential for 10+ year mine-life;
- Development of hydraulic mining and processing operations at 100%-owned McCalls project with potential 50+ year mine-life;
- Construction of an MSP to capture the value-adding advantages of multiple products (including by-products such as monazite) and expanding the Company’s market reach geographically, as well as capitalising on the opportunity for effective post-mining use of the land and installed infrastructure at Boonanarring; and,
- Potential for the construction of a synthetic rutile (“SR”) production facility in the vicinity of the MSP, for the value-adding and market-expanding upgrading of ilmenite from Bidaminna, Yandanooka/Durack and McCalls to potentially ‘green’ SR by using solar produced green hydrogen as the iron reductant in a fluidised bed reactor.

Managing Director and CEO Patrick Mutz commented *“We are pleased to report another successful and profitable quarter of operational results for the Boonanarring project. Mining has been slowly winding down across the last six months and will be ending in the September Quarter. Our focus is rapidly shifting to relocating our mining and processing operations to Atlas as soon as environmental, construction and operating permits are in hand. Unfortunately, State and Federal regulatory agencies have been unable to meet their approval process guidelines for permitting milestones due in part to worker shortages and high demand, and therefore timing for receipt of final permits for Atlas is uncertain. In addition, the new Aboriginal Cultural Heritage Act, which came into effective on 1 July 2023, has created new challenges that could also impinge on permitting timelines. Our project development team continues to work diligently to minimise permitting delays.”*

We were also pleased to publish the long-awaited PFS on Bidamina which was announced in June 2023. Results were sufficiently positive to justify moving directly into optimisation studies to facilitate a Definitive Feasibility Study. Optimisation steps will include utilising smaller diameter CT-1 spirals by Mineral Technologies in the wet concentration plant (WCP), investigating advantages of a stationary vs floating WCP and evaluating the potential for used equipment to minimise capital costs. Additional drilling will also be conducted to increase HMC production and revenue.

Our development team is also progressing a PFS on our Yandanooka deposit as a potential standalone dry mining operation that could benefit from some of the existing WCP equipment at Boonanarring. The team is also progressing a PFS on the viability of an MSP to be located at Boonanarring to take advantage of past Boonanarring infrastructure capital expenditure.

One of the most exciting areas of work on growth initiatives involves the commencement of research on the production of SR using a fluidized bed reactor (FBR) and hydrogen as the iron reductant. Initial bench-scale testing is advancing well with results demonstrating that the ilmenite from Bidamina can be readily and rapidly converted to SR with low impurities. Additional tests are scheduled, and planning is underway for assembling a continuous operation, pilot-scale FBR at Boonanarring to de-risk the technology and provide operational data for a PFS as well as generate larger volumes of SR for marketing purposes.

Image's growth and sustainability journey is well underway and we have an exciting pipeline of opportunities which should lead to exciting news flows across the next 12-months."

Innovation

During the June Quarter 2023, Image commissioned Roundhill Engineering located in Glen Innes, NSW to conduct bench-scale testing to convert Bidamina project ilmenite into SR using a FBR with hydrogen as the iron reductant. FBR technology has been successfully used globally on a commercial scale globally for decades. Similarly, the process of using FBR technology with hydrogen to produce SR is not new, however, it has not been commercialised. As such, the demonstration of this technology, including potentially novel post-FBR iron removal with hydrochloric acid, is considered innovative.

The initial "sighter" bench-scale test conducted by Roundhill Engineering on Bidamina ilmenite was deemed positive based on physical observations of the test materials, and later confirmed to be positive based on assay results. Overall results demonstrated the Bidamina ilmenite was amenable to the FBR and hydrogen technology as it was readily and rapidly converted to SR, with resultant high TiO₂ grade and low impurities. Actual results will be the subject of a separate ASX announcement following receipt of written test results from Roundhill Engineering.

The initial test results provided sufficient confidence to proceed with additional bench-scale testing and to commence the planning for a continuous feed, pilot-scale operation at Image's Boonanarring mine site. Photo 1 is an example of a pilot-scale FBR (courtesy of Roundhill Engineering). Image is also planning to investigate the production of 'green' hydrogen from hydrolysis of water using the exiting solar farm at Boonanarring, as the hydrogen supply for the pilot-scale FBR technology demonstration.

Image has also commenced discussions with Curtin University with respect to potential cooperation with Curtin under the Trailblazer program, which can provide research support covered by Federal funding.

Atlas Development

The key items on the critical path for the development of the Atlas project are environmental approvals, which have been the priority focus for the past 18 months. The Environmental Protection Authority ("EPA") has provided its summary of public comments to Image's Environmental Review Document ("ERD") submitted for public comment in December 2022. Image continues to work with the EPA to close out the ERD for final assessment, including, the drafting of Environmental Management Plans in parallel with the ERD process and conditions set by the EPA, in preparation for submission for final approval.

Other development activities, including engineering, design and construction of long-lead items, power and water supply, civil design and detailed mine planning, are progressing to schedule.

Photo 1: Example of Pilot-Scale Fluidized Bed Reactor
Courtesy Roundhill Engineering, Glen Innes, NSW



Bidaminna Pre-Feasibility Study

An updated Mineral Resources estimate for Bidaminna was announced in Q1 2023 (**ASX: 28th February 2023: Mineral Resources Update Bidaminna Project**) showing a 7% increase in total Mineral resources to 109 million tonnes, a 15% increase in grade to 2.5% total Heavy Minerals (“HM”) and a 23% increase in total contained (in-situ) HM to 2.8m tonnes.

In Q2 2023 the PFS results were announced (**ASX: 27th June 2023: PFS Results - Bidaminna Mineral Sands Project**). Highlights included:

- Pre-tax NPV8: A\$192 million
- Pre-tax IRR: 28%
- Capital: A\$194 million
- EBITDA: A\$379 million
- Forecast mine-life: 10.5 years

Based on the positive PFS results, Image is commencing a Definitive Feasibility Study (“**DFS**”) which will include capital and operating cost optimisation as well as the inclusion of an MSP, which is currently under independent feasibility study. The MSP will likely be located at the existing Boonarraring WCP operation to take advantage of existing infrastructure.

The DFS will likely also include the addition of the significant value-adding step of converting Bidamina ilmenite into **SR**. SR testing has commenced and involves the use of a FBR with hydrogen as the reductant. The Company is also investigating the potential production of green hydrogen using the existing solar farm at Boonanarring.

Additional drilling is planned for CY2023 to determine the HM grade of 40 million tonnes of “dilution” material which is currently assumed to have 0% HM grade due to insufficient drill data,. This could potentially add significantly to the total HM in the Ore Reserve.

Mineral Sands Market

After a slight decline in Image’s benchmark market price for zircon in Q3 2022, the price stabilised at circa US\$2,255 per tonne in Q4 2022 and Q1 2023, before increasing US\$50 per tonne from 1 April 2023. In total, the benchmark price for zircon has risen 28% since the start of CY2022 and a total of 58% since the start of CY2021 (Figure 1).

Image’s benchmark market price for ilmenite hit a peak of \$410 per tonne in Q3 2022 but has subsequently fallen to US\$360 per tonne at end of Q4 2022 and has remained stable at this level through Q2 2023. Overall, the ilmenite price decreased 3% during CY2022, but increased 55% since the start of CY2021 (Figure 2).

Figure 1: Zircon Benchmark Price

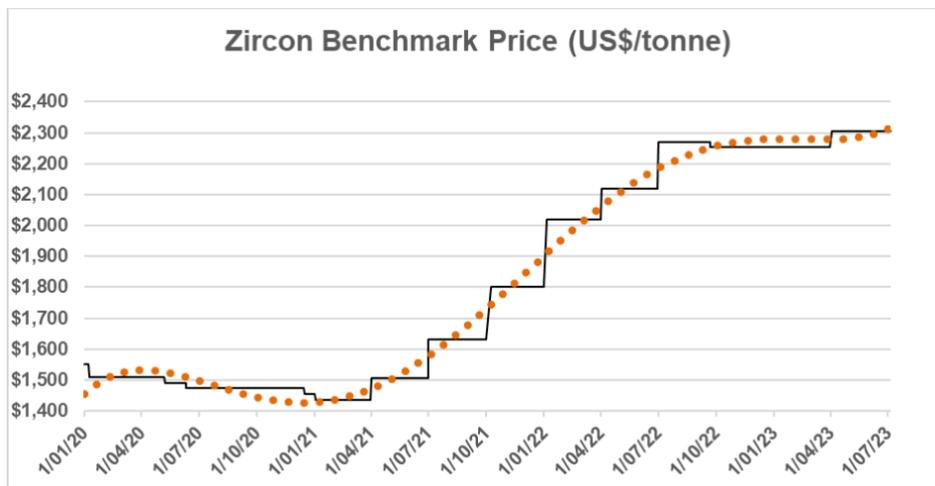
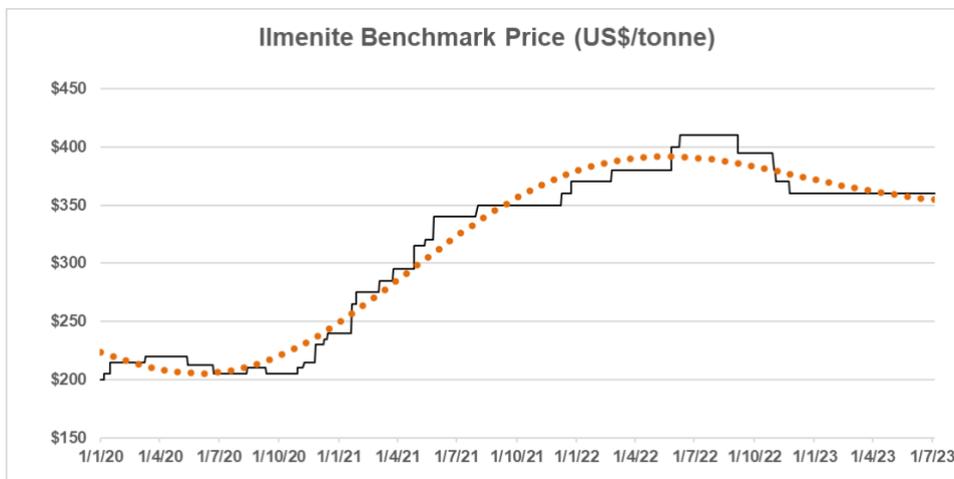


Figure 2: Ilmenite Benchmark Price



The gap between zircon spot-market prices in China and Image’s longer-term benchmark market prices for zircon, has now closed, with spot prices similar to longer-term benchmark pricing. Additional supply from new projects expected to come on stream might contribute to some downward price pressure, although it is noted that new projects rarely ramp-up as quickly as expected, Boonanarring being an exception. Despite these potential pressures on pricing, benchmark market prices for zircon increased a further US\$50 per tonne effective 1 April 2023 providing an indication of ongoing strong demand.

Environmental, Social & Governance (“ESG”) and Sustainability

Environment - Rehabilitation

Image is a significant landholder in the Boonanarring area and recognises its duty and responsibility to rehabilitate mined areas to a standard equivalent to or higher than pre-mining conditions and to work to improve the local environment outside our mining leases where possible and practicable to do so.

During the quarter, contouring and surface preparations were completed on a further 50 hectares of mined and backfilled area at Boonanarring. Subsequent to the end of the quarter, this area was fertilised and re-seeded.

The Company also conducted voluntary cleanup of a local drainage corridor located on Image-owned land outside of the Boonanarring mining lease. This drainage had been used for the disposal of historic farm debris (Photo 2). The historic waste and debris were removed from the drainage corridor and either recycled or properly disposed and the area replanted with trees and shrubs as part of the overall process of restoring the environment and improving the soil and vegetation in the area (Photo 3).

Photo 2: Drainage corridor before cleanup



Photo 3: Drainage corridor after cleanup and shrub planting



Safety

The Company remains vigilant with respect to COVID and influenza symptoms and continues to provide and promote good hygiene, access to face masks for use if required or when desired, and access to rapid antigen tests in the event of flu symptoms, with the objective of minimising potential impacts from COVID and influenza to employees and their families as well as other stakeholders.

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.

There were no lost-time injuries (“**LTIs**”) and two recordable injuries during the quarter. The Company tracks and reports injuries on the basis of total recordable incident frequency rate (“**TRIFR**”), which is the number of recordable incidents per million hours of work. The 12-month rolling average TRIFR as at 30 June 2023 was 12.0 (up from 7.3 at 31 March 2023).

Community

Image continues to proudly contribute to the local communities in which it operates, including through local employment and support for local community events. On 30 June, 46% of Image’s workforce at Boonanarring lived locally to the site or within regional shires.

The Company also has an active and varied community support program, details of which can be found in the Company’s presentation materials. Notable programs occurring or ongoing during this reporting period include the following:

- Leasing of Image’s unused land to the Gingin Recreation Group with profits collected by the group donated back to a variety of local Shire community programs.
- Providing materials to local landowners to assist in demonstration testing to assess carbon sequestration enhancement in local soils;
- Major sponsor of Happiness Co Foundation in support of mental health within the Image workforce and in local communities and regional areas;
- Support of various Gingin and Cervantes community groups and local area programmes, including Traditional Owner initiatives, through in-kind contributions and Social Investment funding; and
- Conditional support for investigations of construction of a green hydrogen production and dispensing facility at Boonanarring as a post-mining activity for beneficial use of the land and established infrastructure.

Modern Slavery

Image is continuing to execute initiatives under the Modern Slavery Act (“**Act**”). In Q1 2023, Modern Slavery training was rolled out to mine site personnel and new employees. The Board of Directors, all Corporate employees and more than half of operations personnel have received Modern Slavery training as at 30 June 2023. In addition, select Tier-1 suppliers were audited, using self-assessment questionnaires to gauge the supplier’s compliance with the Act. In Q2 2023, Image’s annual Modern Slavery Statement for CY2022 was lodged and can be viewed at <https://modernslaveryregister.gov.au/statements/13312/>.

ESG & Sustainability Reporting

During Q1 2023, ESG related data for Image’s four years of mining operations (CY2019-CY2022) were collated into a purpose-built database, under the SASB Metals and Mining Sustainability Accounting Standard, as recommended by Image’s ESG consultant BDO Advisory. This data has been analysed and is being included in Image’s inaugural CY2022 Sustainability Report scheduled to be released in Q3 2023. While the adoption of a formal ESG reporting standard only

occurred in 2H 2022, the Company has been collecting ESG related data since 2019 and has been informally operating in a manner consistent with many of the principals of UN's Sustainable Development Goals.

Operations

Mining and Processing

Mining operations were conducted mainly within Block C during the quarter, with material being returned to Block D as part of the rehabilitation process. Ore processed was mainly from Block C and remnant stockpiles, with contaminated HMC also being reprocessed prior to sale (but not counted as ore throughput or new HMC production).

Ore processing for the quarter was 761kt (up 8% QoQ) at an ore grade of 6.6% HM (down 13% QoQ) but at higher ZrO₂ grades (up 26% QoQ). HMC production at Boonanarring was up a further 6% QoQ to 48.6Kt due to higher tonnes processed and higher recoveries partially offset by lower ore grades.

Table 2: Mining & Production Statistics

		Q1 2023	Q2 2023	QoQ % change	CY2023 YTD
Mining					
Ore	kt	672	576	-14%	1,248
Waste	kt	1,142	12	-99%	1,154
Processing					
Ore Processed	kt	705	761	8%	1,466
HM Grade (in Ore)	HM%	7.6%	6.6%	-13%	7.1%
ZrO ₂ Grade (in HM)	ZrO ₂ %	13.7%	17.2%	26%	15.4%
TiO ₂ Grade (in HM)	TiO ₂ %	31.2%	37.1%	19%	34.3%
Recovery	HM%	78.5%	87.5%	12%	83.9%
	ZrO ₂ %	97.6%	98.4%	1%	98.1%
	TiO ₂ %	90.0%	92.2%	2%	91.1%
HMC Produced	kt	45.7	48.6	6%	94.3
HM Grade (in HMC)	HM%	92.2%	91.9%	0%	92.0%
ZrO ₂ Grade (in HMC)	ZrO ₂ %	15.7%	17.6%	12%	16.7%
ZrO ₂ Grade (in HMC)	TiO ₂ %	33.0%	35.3%	7%	34.2%

Figure 3: Quarterly ore processed (kt) and contained HM/ZrO₂/TiO₂ grades (%)

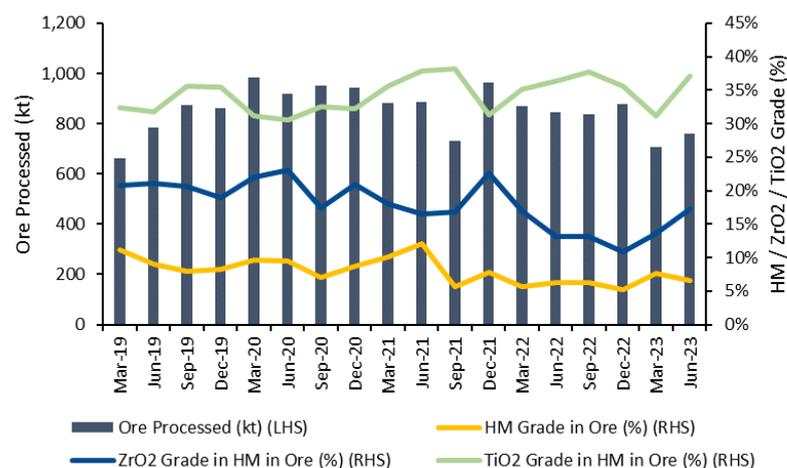


Photo 4: Boonanarring HMC Stockpiles on 30 June 2023



Figure 4: Quarterly HMC production (kt) and contained HM/ZrO₂/TiO₂ grades (%) in HMC

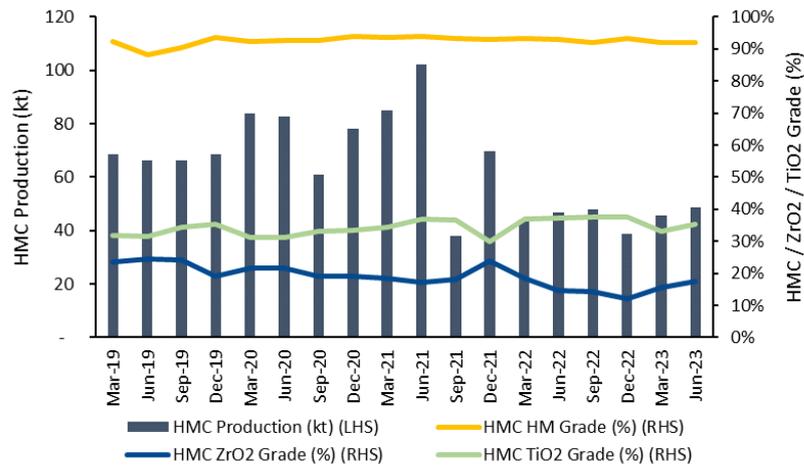
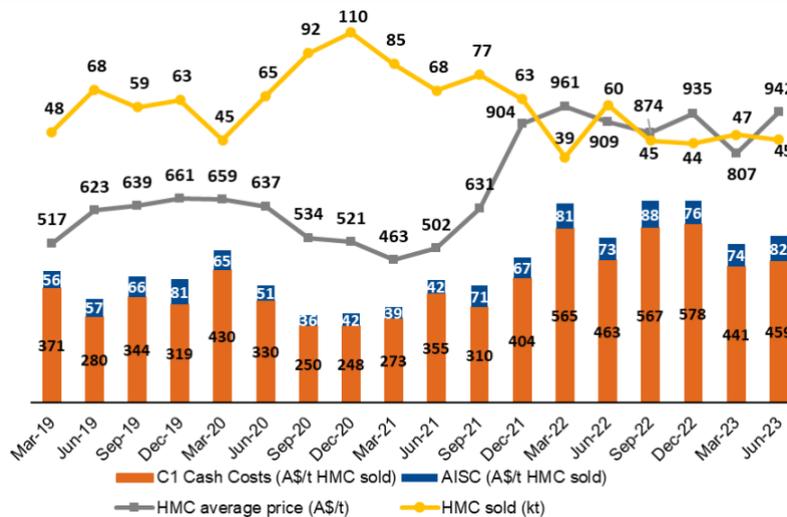


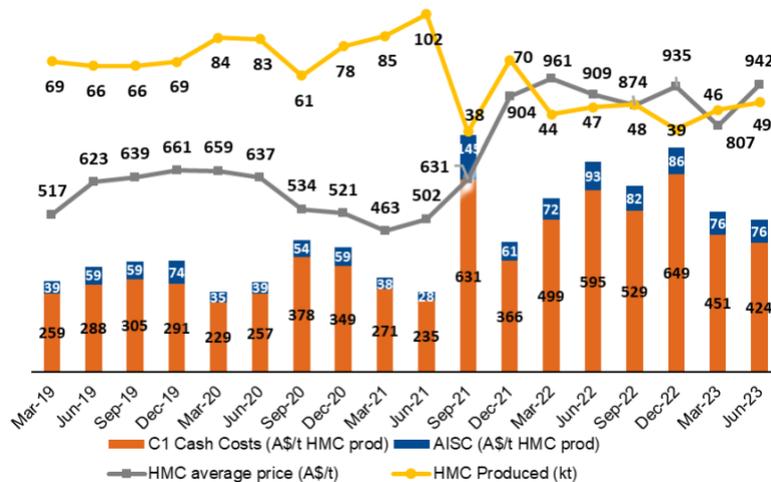
Figure 5: Quarterly HMC Production (kt) with Average Realised Prices & Costs per Tonne HMC Sold



Costs

C1 and AISC cash costs per tonne HMC sold increased 5% and 4% respectively QoQ due to slightly lower tonnes sold (Figure 5 and Table 3). C1 costs increased from \$441/t to A\$459/t HMC sold and AISC increased from \$515/t to \$541/t HMC sold mainly due to lower HMC tonnes sold whilst total costs remained steady. An HMC sale of a nominal 15Kt is scheduled for July and tentatively, there will be another nominal 15Kt sale in August and a final smaller shipment in September to closeout final HMC sales from Boonanarring.

Figure 6: Quarterly HMC Production (kt) with Average Realised Prices & Costs per Tonne HMC Produced



C1 and AISC cash costs per tonne HMC produced (Figure 6 and Table 3) decreased 5% and 6% respectively QoQ due to higher HMC production. C1 costs decreased to A\$424/t HMC produced and AISC decreased to A\$500/t HMC produced. Cost decreases per tonne HMC produced were driven by lower average HM Ore grade processed being offset by increased tonnes processed and recoveries, resulting in 6% higher HMC production QoQ (Table 2).

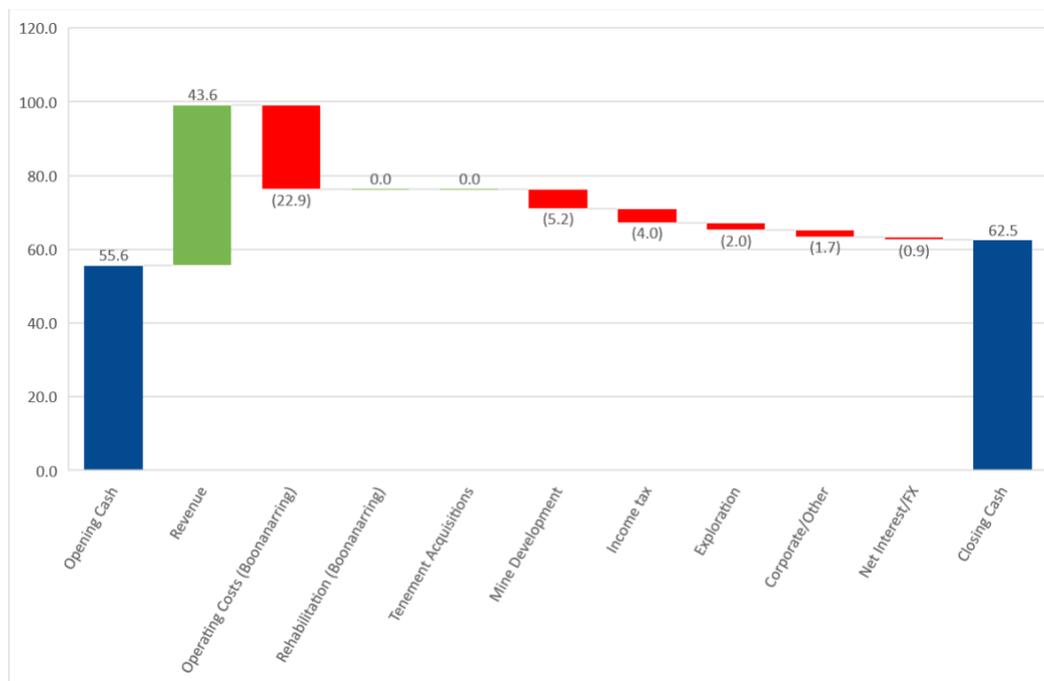
Total project cash operating costs were A\$22.9m for the quarter with CY2023 guidance amended to \$50-55m (previous guidance A\$45-55m) (Table 5) due to ongoing costs associated with an extension to mining and processing activity at Boonanarring (with a corresponding increase in forecast HMC production).

Table 3: C1 and AISC Costs per Tonne HMC Produced & Sold

		Q1 2023	Q2 2023	QoQ % change	CY2023 YTD
Costs/tonne HMC produced					
Mining	A\$/t HMC	238	242	2%	240
Pre-Strip	A\$/t HMC	0	0	0%	0
Processing	A\$/t HMC	91	77	-16%	84
Site Support	A\$/t HMC	17	17	-2%	17
Logistics	A\$/t HMC	105	89	-15%	96
Total – C1 Cash Costs	A\$/t HMC	451	424	-6%	437
Royalties	A\$/t HMC	38	42	10%	40
Sustaining Capital	A\$/t HMC	1	1	22%	1
Corporate	A\$/t HMC	37	33	-11%	35
Total – AISC	A\$/t HMC	527	500	-5%	513
Costs/tonne HMC sold					
C1 Cash Costs	A\$/t HMC	441	459	4%	450
AISC	A\$/t HMC	515	541	5%	528

Net Operating Cashflow was A\$20.7m for Q1 2023 with three shipments being successfully completed during the quarter. Three shipments are expected to complete in Q3 2023 (but with the last shipment potentially being for a smaller quantity of HMC). Expenditure during the quarter included A\$5.2m on development activities (mainly Atlas), \$4.0m on income tax and \$2.0m on exploration.

Figure 7: Quarterly Cashflow Waterfall Chart



Sales

HMC sales volumes decreased 4% to 44.9kt with 3 shipments successfully completed in the quarter. Three shipments are being planned for in Q3 2023.

Realised pricing of A\$942/t HMC sold for Q1 2023 (Table 4) was up 17% QoQ. As a result of higher realised prices, partially offset by lower sales volumes, sales revenue for the June Quarter was up 15% QoQ to \$43.3m. Total finished HMC inventory, at Boonanarring plus at port storage, remained relatively stable at 34kt.

Table 4: HMC Sales and Stockpiles

		Q1 2023	Q2 2023	QoQ % change	CY2023 YTD
Sales					
HMC sold	kt	46.7	44.9	4%	91.7
ZrO2 in HMC	%	14%	17%	21%	15%
TiO2 in HMC	%	35%	34%	-3%	34%
Average price realised	A\$/t HMC	807	942	17%	873
HMC Revenue	A\$m	37.8	43.3	15%	81.1
Stockpiles (end of period)					
HMC for shipping	kt	35	34	-3%	34

Financial Summary

Revenue for Q2 2023 was A\$43.3m, up 15% from the previous quarter (Table 4). The Company generated A\$20.7m of net project operating cash flow for the quarter.

At 30 June 2023, Image had a net cash position of A\$62.5m.

Performance against Guidance

The Company is pleased to report that Q2 2023 results support either improving or maintaining guidance for calendar year 2023 with the changes reflecting increased production and an extended mine life at Boonanarring.

Q3 sales will mainly comprise clean-up of remaining HMC stockpiles, estimated at 34Kt at end of June 2023, supplemented with a small amount of remnant ROM ore still to be processed in Q3.

Table 5: CY2022 Guidance

		CY2023 YTD	CY2023 Revised Guidance	CY2023 Prev. Guidance
HMC Produced	Kt	94.3	100	80-90
HMC Sold	Kt	91.7	130	110-120
Project Operating Costs ¹	A\$m	45.8	50-55	45-55
C1 Cash Costs (HMC Sold)	A\$/t HMC	441	410	460-500
AISC Cash Costs (HMC Sold)	A\$/t HMC	527	490	530-570

Notes: 1 – Project operating costs represent cash costs of production at Boonanarring (pre stock adjustments and pre-audit)

Corporate

On 14 April 2023, the Company released the Annual Report for CY2022 and reported annual revenue of \$172 million, project EBITDA of A\$69 million and net profit after tax of A\$15 million. On the same day the Company released and updated the Corporate Governance Statement.

On 1 May 2023, the Company issued a Notice for the Annual General Meeting (“AGM”), and on 30 May 2023 the Company announced that all resolutions put to the AGM had been passed. Mr Chaodian Chen, a non-executive director (“NED”) since 2016, was retiring by rotation and did not offer himself for re-election and therefore retired as a NED effective 30 May 2023.

On 27 June 2023, the Company announced the results of the Bidamina Project Pre-Feasibility Study (**ASX: 27 June 2023: Pre-Feasibility Study Results - Bidamina Mineral Sands Project**).

Corporate costs for Q2 included \$253,000 of related party transactions (all director salary or fee related).

DEVELOPMENT AND EXPLORATION

Atlas Project, including nearby Hyperion and Helene

The Atlas Project is 100%-owned was included as part of Image’s BFS published in 2017 and was contemplated to be mined after all available Ore Reserves at Boonanarring are mined out. Atlas is currently undergoing detailed project development planning, heritage clearances and environmental permitting.

Atlas is located approximately 160km north of Perth (80km north of Boonanarring) and has Ore Reserves of 5.5Mt at 9.2% HM (see Table 11 and refer ASX announcement 21 December 2022).

Key highlights of the updated Ore Reserve estimate, announced in December 2022, are as follows:

- 5.5 million tonnes of Ore Reserves at 9.2% total HM
- 11.9% zircon, 7.9% rutile, 4.9% leucoxene, 53% Ilmenite and 1.1% monazite in total HM
- Forecast processing rate of 2.6 million tonnes ore per annum

- Total HMC production of 446kt
- Net pre-tax project cash flow of A\$62M

Atlas is a high-grade deposit and has coarse-grained minerals which favour high recoveries, very much like Boonanarring. However, unlike Boonanarring, the strip ratio is much lower at Atlas, estimated at approximately 1:1 (Boonanarring 6:1), which translates to significantly lower mining costs. The zircon content of the HM in the ore at Atlas is lower at 11.9% in total HM, compared to roughly 24% at Boonanarring. Rutile, on the other hand, is much higher at Atlas at 7.9% compared to approximately 3.5% at Boonanarring.

Project development, planning and study costs for Atlas have been funded internally to date and capital costs for the project are anticipated to be funded from cash reserves. In Q1 2022, a key piece of land close to the Atlas deposit was purchased. This property provides a suitable location for a camp site and has the added benefit of natural bushlands that are suitable for environmental offsets.

The Atlas project is currently progressing through the environmental approval process, with the Environmental Review Document (“ERD”) submitted for public comment in December 2022. Following the public review period ending early February 2023, public submissions were summarised and Image lodged responses to the submissions with the Environmental Protection Authority (“EPA”). Environmental Management Plans are being prepared in parallel and will be adjusted as required based on submissions received to the ERD and conditions set out from final approval.

The Company continues to work actively and co-operatively with the local traditional owners, through the Yued Aboriginal Corporation (YAC), Southwest Aboriginal Land and Sea Council (“SWALSC”), along with various service providers to address any outstanding Aboriginal cultural and heritage issues. The Aboriginal Cultural Heritage Act 2021 (Act) and the Aboriginal Cultural Heritage Regulations 2022 (Guidelines) came into effect on 1 July 2023. The Company is currently assessing the potential impact of the new legislation on approvals and land access arrangements for Atlas and the Company’s other development projects.

Bidaminna

The Bidaminna Project is 100%-owned with the results of the PFS being announced on 27 June 2023. The project has potential as a stand-alone dredge mining production centre, to be operated in parallel with potential dry mining operations in the Atlas and/or Eneabba Tenements area. Bidaminna is located 100km north of Perth (25km northwest of Boonanarring).

An updated Ore Reserve estimate was also announced on 27 June 2023 (see Table 10). The Bidaminna deposit contains 123 million tonnes of Ore Reserves at 1.8% total heavy minerals (“**HM**”) and 2.2 million tonnes total contained HM. The deposit has a high-value titanium mineral assemblage, including 72% ilmenite, 12% leucosene (70-95% TiO₂), 4.0% rutile, 5% zircon and 0.3% monazite (as percentages within the HM). It is a coarse-grained deposit (amenable to high recoveries), with very low slimes (4%) and minimal oversize (4%). The mineralisation is located below the water table and has a low strip ratio.

While the Bidaminna PFS is based on producing and selling an HMC product, early work on a PFS for a **MSP** to separate the HMC into final products, indicates overall project economics are further improved with an MSP.

The justification for an MSP are bolstered by Image’s strategy to produce additional HMC from its other potential projects associated with the Eneabba Tenements and McCalls project, as well as the opportunity to market the ilmenite from Bidaminna and McCalls (locally or internationally) as potential feedstock for the production of SR, or for Image to consider producing its own SR using an FBR and hydrogen as the iron reductant.

Additional drilling is planned for CY2023 at Bidaminna to determine the HM grade and assemblage of 40 million tonnes of “dilution” material which is currently assumed to have 0% HM grade. This could potentially add significantly to the total HM in the Ore Reserve (and therefore add significant value to the project).

Work has also commenced on optimisation steps that will feed into a DFS and are aimed at reducing capital and operating costs whilst increasing total HMC production.

EXPLORATION

The Company’s exploration portfolio is primarily focused on mineral sands, with the exception of two exploration licences and two prospecting licences, located southeast of Kalgoorlie, which make up the Erayinia Gold Project. (see Table 6 – 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 1,704 square kilometres.

With the expansion of the Company's minerals sands portfolio through the strategic acquisitions of the Eneabba Tenements and McCalls Project in CY2022, the North Perth Basin tenements now consist of 21 named project areas, each with identified Mineral Resource estimates as presented in Table 8.

Drilling Programs

The only drilling carried out during Q2 2023 was the completion of the Yandanooka resource infill drilling. The program commenced in Q1 2023 and was completed in April 2023. The purpose of the drilling was to upgrade the current Mineral Resource classification and to collect sufficient material from across the deposit for metallurgical test work. The drilling was completed ahead of schedule, under budget and without incident.

All samples collected have been relocated to the sample storage facility at Boonanarring. The bulk metallurgical sample has been compiled and dispatched to Mineral Technology in Queensland for wet separation testwork. All primary assay samples have been despatched to Diamantina Laboratory in Perth WA. Surplus sample material was also collected from several holes to investigate the acid forming potential of both waste and mineralised material.

As at 30/06/2023, 2996 assay results have been received and 3030 samples are in process.

Figure 8 – Yandanooka Infill Drilling 2023



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

Image continued working towards a maiden Mineral Resource estimation (MRE) for the Erayinia King deposit. The inhouse interpretation of the mineralised lodes has been completed and Snowden Optiro has been engaged to carry out an inaugural MRE but is not considered to be material to Image due to its primary focus on mineral sands mining and its current growth and sustainability strategy.

Figure 9: Erayinia, Madoonia Downs and the King Prospect Location Map

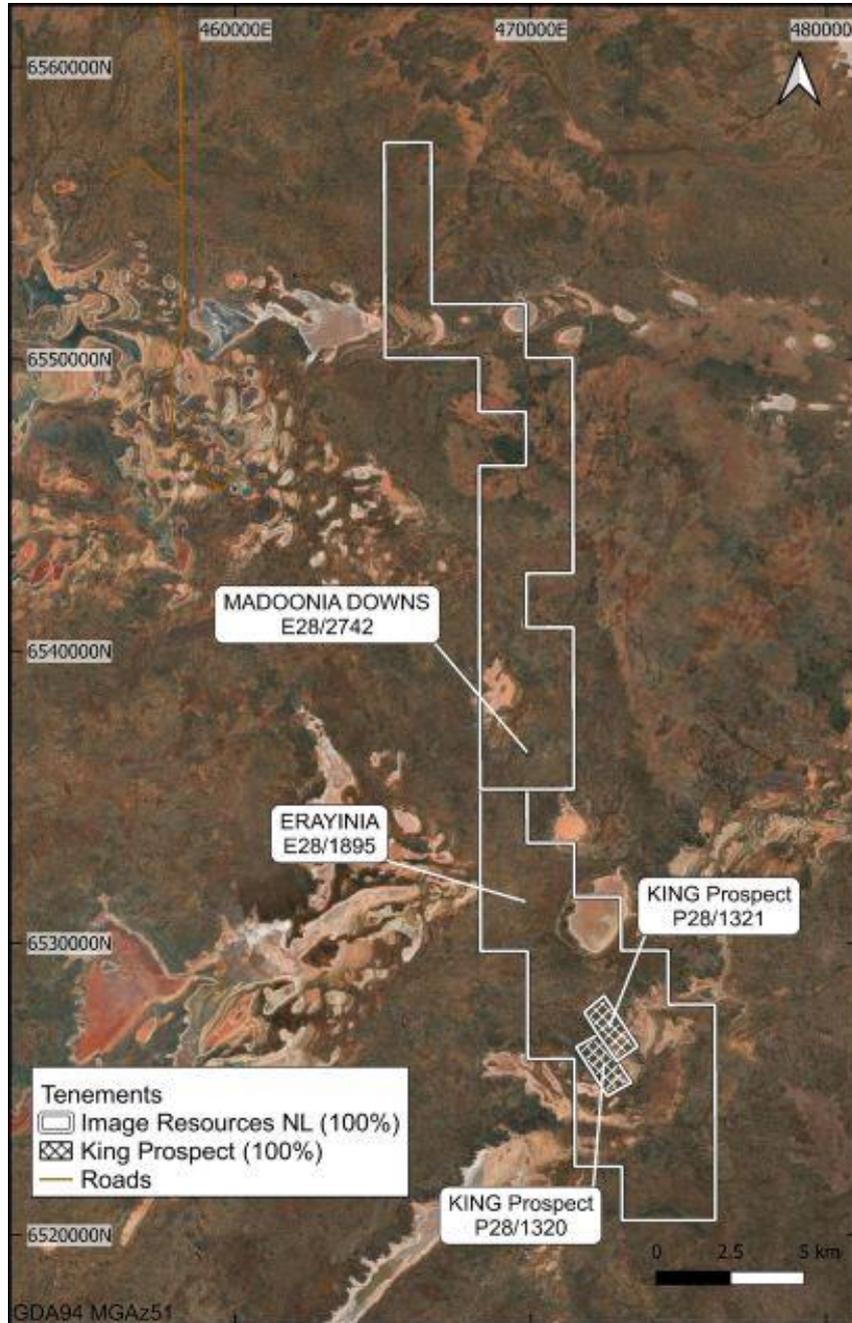


Table 6: Tenement Schedule in accordance with ASX Listing Rule 5.3.3

Tenements held at the end of the Quarter

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%	1% Royalty payable in all minerals
WA	M52/1067	Granted	WILTHORPE	1% Royalty payable in all minerals	1% Royalty payable in all minerals
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	E70/3298	Granted	BIDAMINNA -PARK	100%	100%
WA	E70/3720	Granted	BLUE LAKE	100%	100%
WA	E70/3997	Granted	MUNBINIA	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	E70/4919	Granted	ORANGE SPRINGS	100%	100%
WA	E70/4946	Granted	RED GULLY NORTH	100%	100%
WA	E70/5034	Granted	SADDLE HILL	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	E70/5763	Granted	CARO	100%	100%
WA	E70/5776	Granted	BIDAMINNA WEST	100%	100%
WA	E70/5777	Granted	DURINGEN	100%	100%
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	E70/4795	Application	BIDAMINNA SOUTH	100% pending grant	100% pending grant
WA	E70/5192	Application	WINOOKA SOUTH	100% pending grant	100% pending grant
WA	E70/5661	Application	COONABIDGEE	100% pending grant	100% pending grant
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	Granted	NAMBUNG	100%	100%
WA	P28/1320	Granted	KING	100%	100%
WA	P28/1321	Granted	KING	100%	100%

Tenements held at the end of the Quarter

Location	Tenement	Nature of Interest	Project	Equity (%) held at start of Quarter	Equity (%) held at end of Quarter
WA	E70/3762	Granted	DOOKANOOKA	100%	100%
WA	E70/3813	Granted	YANDANOOKA	100%	100%
WA	E70/3814	Granted	ARROWSMITH	100%	100%
WA	E70/3929	Granted	MCCALLS	100%	100%
WA	E70/3967	Granted	MCCALLS NORTH	100%	100%
WA	E70/4190	Granted	ENEABBA EAST	100%	100%
WA	M701419	Granted	TWIN HILLS	100%	100%
WA	E70/4584	Granted	MIDARRA SPRINGS	100%	100%
WA	E70/4719	Granted	TARRA TARRA	100%	100%
WA	E70/4747	Granted	UPCREEK	100%	100%
WA	E70/4922	Granted	CAPITELA	100%	100%
WA	R70/0035	Granted	ENEABBA	100%	100%
WA	M70/0872	Granted	LOGUE AREA	100%	100%
WA	M70/0965	Granted	ENEABBA WEST	100%	100%
WA	M70/1153	Granted	ENEABBA	100%	100%
WA	E70/6275	Application	ENEABBA	100% pending grant	100% pending grant

Mining Tenements acquired during the Quarter

WA	L 70/242	Granted	ATLAS	0%	100%
WA	L 70/243	Granted	ATLAS	0%	100%

Mining Tenements disposed during the Quarter

WA	E70/3192	Expired	BOONTINE		
WA	M70/1421	Surrendered	BOONANARRING SOUTH		

Summary of Tenement Activity Q2 2023

Granted Tenements

- L70/242 Miscellaneous Licence at Atlas granted 9/6/23 for road, powerline, pipeline, bore, drainage channel, meteorological station.
- L70/243 Miscellaneous Licence at Atlas granted 9/6/23 road, powerline, pipeline, bore, bore-field, water management facility, drainage channel, taking water, pumpstation, mine-site accommodation facility, power generation & transmission facility.

Surrendered Tenements

- M70/1421 Boonanarring South (Bosco Mai) amalgamated back into E70/3041 on 31 May 2023
- E70/3192 Bootine expired 20 May 2023 (not renewed).

Tenement Transfers

- E70/3929 McCalls (McCalls resource)
- E70/3967 McCalls North (McCalls resource)
- E70/4922 Capitella (McCalls resource)
- E70/4584 Mindarra Springs (Mindarra Springs resource)
- P28/1320 King 40% transferred to Image Resources NL on 22/12/23 (we were informed on 19/04/23).
- P28/1321 King 40% transferred to Image Resources NL on 22/12/23 (we were informed on 19/04/23).

- 70/3813 Yandanooka (Yandanooka resource)
- E70/3762 Dookanooka (Durack resource)
- M70/0872 Logue Area (West Mine North resource)
- E70/4190 Eneabba East (Thomson resource)
- E70/4747 Upcreek (Thomson resource)
- E70/4719 Tarra Tarra (Corridor resource)
- E70/3814 Arrowsmith (Drummond Crossing resource)

Tenement Applications

- Nil

Tenement Renewals Granted

- E70/2844 Bidamina North extension of term granted on 1/05/23 for 1 year till 31/03/24.
- E70/3298 Bidamina extension of term granted on 1/05/23 for 2 years till 25/03/25
- E70/4244 Woolka extension of term granted on 8/05/23 for 2 years till 11/03/25
- E70/5034 Saddle Hill, held by Image Resources NL, expired on 18/04/2023. Report sent to MMTS 13/4/23. The tenement may be extended for a further 5 years.
- E70/3762 Dookanooka, held by Titon Resources, expires on 4/05/2023. Report sent to MMTS 28/4/23. The tenement may be extended for a further 2 years.
- E70/2898 Cooljarloo Extension of Term was granted on 27/03/23 for 1 year till 13/11/23.
- E70/3720 Blue Lake Extension of Term was granted on 11/04/23 for 2 years till 28/12/24.
- E70/2636 Cooljarloo Extension of Term was granted on 12/04/23 for 1 year till 19/02/24.
- P28/1320 King Extension of Term was granted on 13/04/23 for 4 years till 19/12/26.
- P28/1321 King Extension of Term was granted on 13/04/23 for 4 years till 19/12/26

Figure 10: North Perth Basin Tenements as of Q2, 2023.

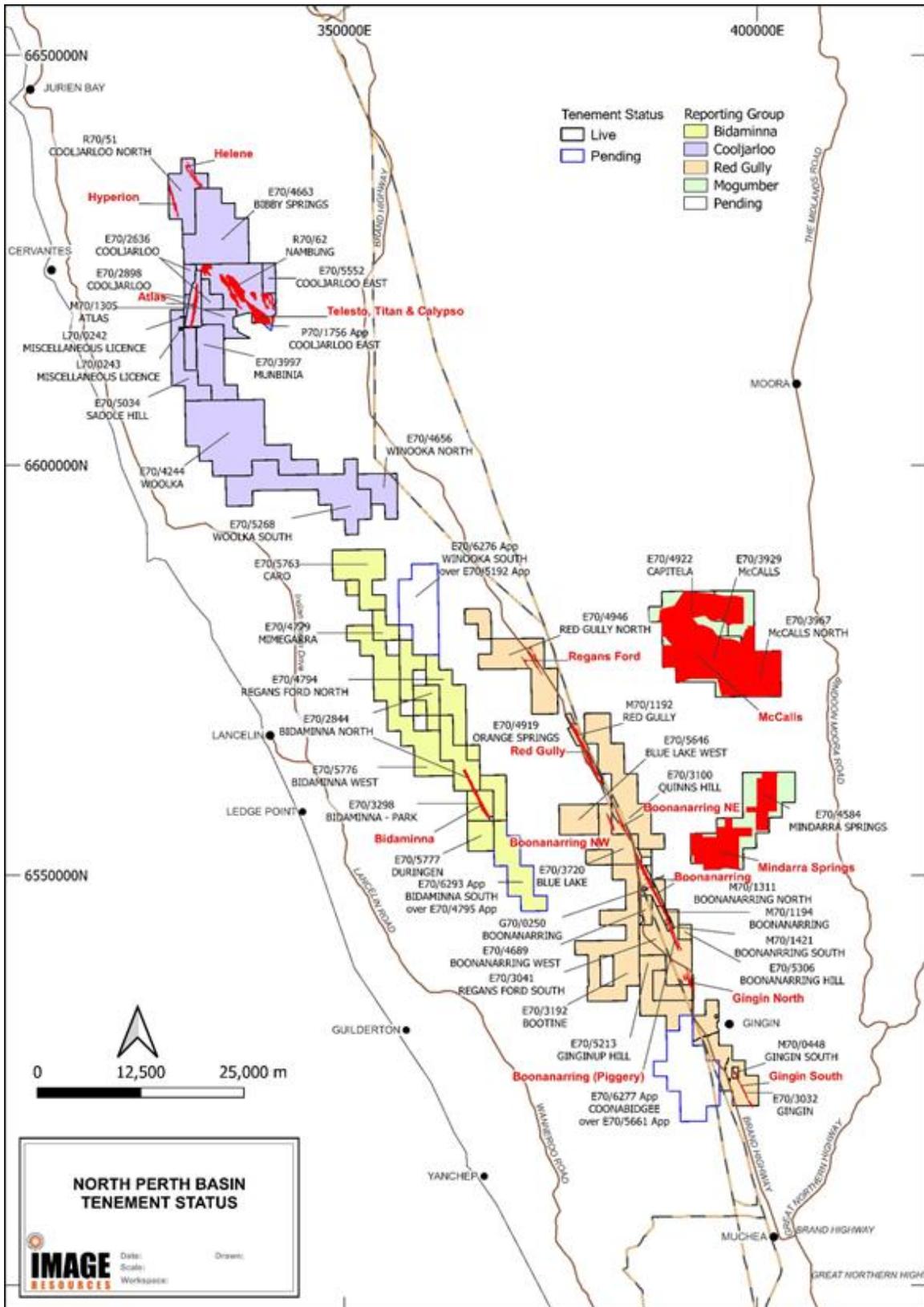
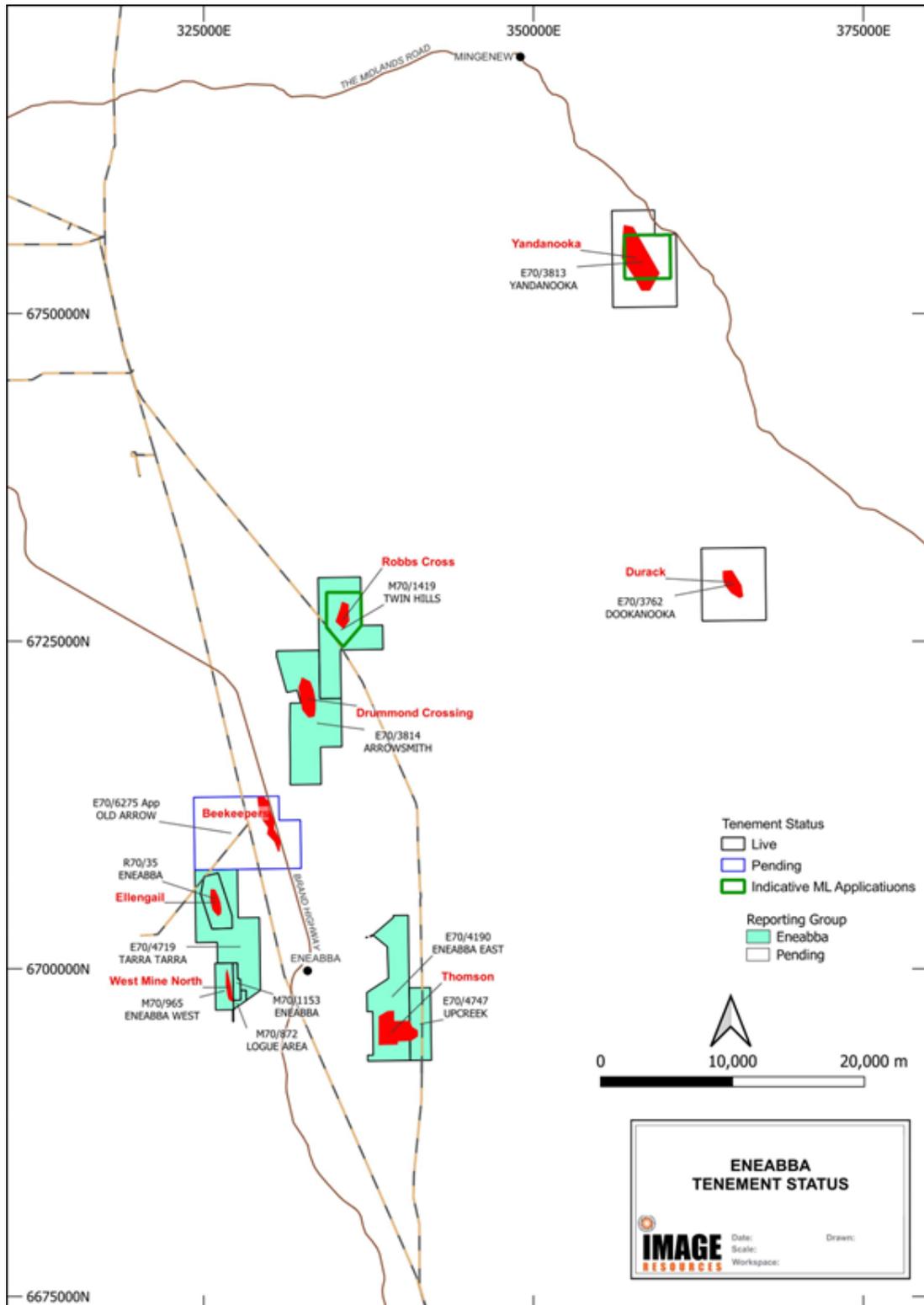


Figure 11: Eneabba Tenements of Q2, 2023



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.

Mineral Resources & Ore Reserves Statement

Atlas Ore Reserves were updated on 21 December 2022. As at 30 June 2023 mining has not commenced at Atlas. There is an immaterial amount of remnant ROM ore remaining to be processed at Boonanarring.

Table 7: Ore Reserves - Strand Deposits; in accordance with the JORC Code (2012) – 31 December 2022

Project/Deposit	Ore Reserve Category	Tonnes (million)	In-situ HM	Total HM grade (%)	HM Assemblage (% of total HM)					Slimes (%)	Oversize (%)
					Zircon	Rutile	Leuc.	Ilmenite	Monazite		
Bidamina	Probable	123.0	2.20	1.8	5.0	4.1	12.6	72	0.3	4.0	4.0
	Sub Total	123.0	2.20	1.8	5.0	4.1	12.6	72	0.3	4.0	4.0
Atlas	Proved	4.5	0.48	10.6	12	8.0	4.9	54	1.1	15	4.6
	Probable	0.9	0.02	2.1	8.1	5.2	4.7	29	0.8	15	8.1
	Sub Total	5.5	0.50	9.2	12	7.9	4.9	53	1.1	15	5.2
Total Ore Reserves		128.5	2.70	2.1	6.3	4.8	11.2	68	0.3	4.5	4.1

¹ Bidamina Ore Reserves refer to the 27 June 2023 release "Pre-Feasibility Study Results – Bidamina Mineral Sands Project"

² Atlas Ore Reserves refer to the 21 December 2022 release "Revised Announcement Atlas Project Ore Reserve Update"

**Table 8: Mineral Resources – Dry and Dredge Mining Strand/Dune Deposits;
in accordance with JORC Code 2012 as at 31 December 2022**

Deposit	Mineral Resource Category	Cut-off (total HM%)	Tonnes (million)	In-situ HM Tonnes (millions)	Total HM grade (%)	HM Assemblage (% of total HM)					
						Zircon	Rutile	Leuc.	Ilmenite	Slimes (%)	Oversize (%)
Boonanarring	Measured	2.0	1.3	0.1	8.1	21.5	3.1	4.5	48	15	6.5
	Indicated	2.0	4.0	0.2	4.3	11.0	5.2	12.4	51	17	4.2
	Inferred	2.0	0.7	0.0	3.4	11.1	4.7	6.0	55	14	5.9
	Meas Ind and Inf	2.0	6.1	0.3	5.0	14.7	4.4	9.1	50	17	4.9
Atlas	Measured	2.0	7.1	0.6	9.0	10.7	7.5	5.1	51	15	4.6
	Indicated	2.0	5.0	0.2	3.5	7.0	4.7	5.1	42	16	4.6
	Inferred	2.0	5.2	0.2	3.3	9.1	4.4	4.8	54	14	2.7
	Meas Ind and Inf	2.0	17.3	1.0	5.7	9.8	6.5	5.1	49	15	4.0
Boonanarring North West	Indicated	2.0	3.1	0.2	5.1	9.6	6.8	30	35	11	1.2
	Inferred	2.0	1.2	0.1	5.0	8.3	7.4	36	27	10	0.8
	Ind and Inf	2.0	4.3	0.2	5.1	9.2	6.9	32	33	11	1.1
Boonanarring North Extension	Indicated	2.0	2.5	0.3	11.8	16.4	2.7	12	41	17	7.1
	Inferred	2.0	0.2	0.0	4.7	16.0	2.5	11	39	17	8.4
	Ind and Inf	2.0	2.7	0.3	11.2	16.4	2.7	11	41	17	7.2
Gingin North	Indicated	2.0	6.6	0.3	4.7	7.2	4.5	15	50	16	4.5
	Inferred	2.0	2.0	0.1	4.7	5.5	5.4	23	41	13	5.3
	Ind and Inf	2.0	8.7	0.4	4.7	6.8	4.7	17	48	15	4.7
Helene	Indicated	2.0	12.1	0.6	4.9	7.4	5.1	14	47	18	1.4
	Inferred	2.0	1.0	0.0	4.0	7.5	5.7	16	45	15	1.1
	Ind and Inf	2.0	13.1	0.6	4.8	7.4	5.2	14	47	18	1.4
Hyperion	Indicated	2.0	3.6	0.3	8.3	8.0	6.7	8.1	36	19	2.6
	Inferred	2.0	0.0	0.0	5.9	7.3	5.0	4.9	31	17	4.3
	Ind and Inf	2.0	3.6	0.3	8.3	8.0	6.7	8.1	36	19	2.6
Drummond Crossing	Indicated	1.4	35.5	0.8	2.4	14.1	10.3	3.4	53	14	7.7
	Inferred	1.4	3.3	0.1	2.3	11.2	9.0	2.7	56	12	7.2
	Ind and Inf	1.4	38.8	0.9	2.4	13.9	10.2	3.4	54	14	7.7
Durack	Indicated	1.4	20.7	0.6	2.9	13.7	2.9	3.7	71	14	14.7
	Inferred	1.4	5.6	0.1	2.6	14.2	2.6	7.4	64	16	18.3
	Ind and Inf	1.4	26.3	0.7	2.8	13.8	2.9	4.4	70	14	15.5
Ellengail	Indicated	2.0	6.5	0.3	5.3	10.0	8.0	10.4	66	15	3.2
	Inferred	2.0	5.3	0.2	4.1	9.9	8.2	8.4	62	15	2.5
	Ind and Inf	2.0	11.8	0.6	4.8	9.9	8.1	9.6	64	15	2.9
Robbs Cross	Indicated	1.4	14.0	0.3	1.9	14.7	12.7	5.0	47	6	6.2
	Inferred	1.4	3.8	0.1	2.0	14.5	10.9	4.1	50	6	8.1
	Ind and Inf	1.4	17.8	0.3	1.9	14.7	12.3	4.8	48	6	6.6
Thomson	Inferred	1.4	25.7	0.5	2.0	18.8	13.8	5.4	42	18	6.9
	Inf	1.4	25.7	0.5	2.0	18.8	13.8	5.4	42	18	6.9

Yandanooka	Measured	1.4	2.6	0.1	4.3	10.3	2.1	2.3	72	15	11.3
	Indicated	1.4	57.7	1.7	3.0	12.3	3.6	3.7	69	15	11.4
	Inferred	1.4	0.4	0.0	1.5	10.9	3.0	4.4	68	20	21.9
	Meas Ind and Inf	1.4	60.8	1.8	3.0	12.1	3.5	3.6	70	15	11.5
Corridor	Inferred	2.0	18.1	0.6	3.1	6.7	5.5	0.4	47	14	4.8
	Inf	2.0	18.1	0.6	3.1	6.7	5.5	0.4	47	14	4.8
West Mine North	Indicated	2.0	10.2	0.7	7.3	5.8	6.5	1.8	48	11	2.3
	Inferred	2.0	1.8	0.0	2.7	9.4	8.6	2.1	50	17	3.0
	Ind and Inf	2.0	12.0	0.8	6.6	6.0	6.6	1.8	48	12	2.4
McCalls	Indicated	1.1	1,630	23	1.4	5.2	3.3	2.8	77	21	1.1
	Inferred	1.1	1,980	24	1.2	5.0	3.8	3.2	81	26	1.1
	Ind and Inf	1.1	3,610	48	1.3	5.1	3.6	3.0	79	24	1.1
Mindarra Springs	Inferred	1.1	2,200	36	1.6	4.2	0.9	3.1	80	20	5.1
	Inf	1.1	2,200	36	1.6	4.2	0.9	3.1	80	20	5.1
Dredge Mining, JORC 2012	Total Measured Dry		11.0	0.9	7.7	12.0	6.3	4.7	53	15	6.4
	Total Indicated Dry		1812	29.8	1.6	6.5	3.8	3.7	72	20	1.8
	Total Inferred Dry		4255	62.8	1.4	4.7	2.3	3.2	79	23	3.3
	Sub Total Dry		6077	93.4	1.5	5.4	2.8	3.4	77	22	2.8
Bidaminna	Measured	0.5	86.0	2.4	2.8	4.9	4.0	12.0	72	4	3.2
	Indicated	0.5	13.0	0.3	2.1	4.9	4.2	13.0	71	5	2.3
	Inferred	0.5	10.0	0.1	0.7	4.6	5.6	17.0	66	3	1.8
	Ind and Inf	0.5	109.0	2.7	2.5	4.9	4.0	12.2	72	4	3.0
Titan	Indicated	1.0	21.2	0.4	1.8	9.5	3.1	1.5	72	22	-
	Inferred	1.0	115.4	2.2	1.9	9.5	3.1	1.5	72	19	-
	Ind and Inf	1.0	136.6	2.6	1.9	9.5	3.1	1.5	72	19	-
Telesto	Indicated	1.0	3.5	0.1	3.8	9.5	5.6	0.7	67	17	-
	Ind	1.0	3.5	0.1	3.8	9.5	5.6	0.7	67	17	-
Calypso	Inferred	1.0	51.5	0.9	1.7	10.8	5.1	1.6	68	14	-
	Inf	1.0	51.5	0.9	1.7	10.8	5.1	1.6	68	14	-
Dredge Mining, JORC 2012	Total Indicated Dredge		37.7	0.8	2.1	7.1	4.0	7.4	71	14	
	Total Inferred Dredge		176.9	3.1	1.5	8.0	4.3	7.0	69	13	
	Sub Total Dredge		214.6	3.9	1.5	7.8	4.3	7.1	69	13	
Total Combined Resources	Total Measured		11	1	7.7	12.0	6.3	4.7	53.1	14.8	6.4
	Total Indicated		1849	31	1.6	6.5	3.9	3.8	73.1	20.2	1.8
	Total Inferred		4431	66	1.5	5.1	2.5	3.6	80.6	22.5	3.1
	Grand Total		6292	97.3	1.5	5.6	2.9	3.7	78.0	21.8	2.7

Previously reported information

This report includes information that relates to Mineral Resources, Ore Reserves, production targets and forecast financial information derived from production targets 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: 29 March 2023 "Boonanarring Annual Ore Reserve Update"
- Bidamina Ore Reserve: 27 June 2023 "Pre-Feasibility Study Results – Bidamina Mineral Sands Project"
- Atlas Ore Reserves: 21 December 2022 "Revised Announcement – Atlas Project Ore Reserve Update"
- Atlas Mineral Resources: 15 December 2022 "Mineral Resources Update – Atlas Deposit"
- Bidamina Mineral Resource: 28 February 2023 – "Mineral Resources Update - Bidamina Project"
- Gingin North Mineral Resource: 31 March 2021 – "Project MORE Update Boonanarring Atlas Projects"
- Boonanarring North Extension Mineral Resource: 31 March 2021 – "Project MORE Update Boonanarring Atlas Projects"
- Boonanarring North West Mineral Resource: 31 March 2021 – "Project MORE Update Boonanarring Atlas Projects"
- Helene Mineral Resources: 31 March 2021 – "Project MORE Update Boonanarring Atlas Projects"
- Hyperion Mineral Resources: 31 March 2021 – "Project MORE Update Boonanarring Atlas Projects"
- Titan Mineral Resources: 31 October 2019
- Telesto South Mineral Resources: 31 October 2019
- Calypso Mineral Resources: 31 October 2019.
- Drummond Crossing, Durack, Ellengail, Robbs Cross, Thomson, Yandanooka, Corridor: 11 March 2022 "Mineral Resource Update – Eneabba Tenements"
- McCalls and Mindarra Springs: 20 May 2022 "Mineral Resource Update McCalls Mineral Sands Project"
- West Mine North: 29 July 2022 "Mineral Resource Update – West Mine North"

All of the above announcements are available on the Company's website at www.imageres.com.au. 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.

Information in this report that relates to:

- Exploration Results for EYRC01, EYRC02, EYRC03, EYRC04, EYRC05 and EYRC06 were extracted from the Company's ASX Release dated 18 September 2018 - 20m Shallow Gold Intersection at IMA Erayinia Prospect;
- Exploration Results for EYRC07 through and including EYRC23 were extracted from the Company's Quarterly Report dated 23 July 2019 for the Quarter Ending 30 June 2019;
- Exploration Results for EYRC24, EYRC25, EYRC26 and EYRC27 were extracted from the Company's ASX Release dated 2 March 2021 – Image Resources Gold Farmin: Thick Supergene Zone Identified;
- Exploration Results for EYRC28 through EYRC49, EYRC52 through EYRC55 and including EYRC58 were extracted from the Company's ASX Release dated 26 July 2021 – King Gold Prospect Farmin Drilling Delivers High Grade Intersection of 10m at 8.4g/t from 40m; and
- Exploration Results for EYAC003 through EYAC083 and EYRC59 through EYRC 137 were extracted from the Company's ASX Release dated 18 January 2023 – Gold Mineralisation Expands North and Erayinia-King Project.

The above market announcements are available on the Company's website at www.imageres.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcements.

Historical Erayinia-King Project Exploration Results were prepared and reported under JORC Code 2004 and the reporting of those results may not conform to the requirements in the JORC Code 2012. It is possible that, following further evaluation and/or exploration work, the confidence in the prior reported Exploration Results may be reduced. Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the Exploration Results.

APPENDIX 5B

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

Name of entity

IMAGE RESOURCES NL

ABN

57 063 977 579

Quarter ended ("current quarter")

30/06/2023

<u>Consolidated statement of cash flows</u>	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	43,593	81,592
1.2 Payments for		
(a) exploration & evaluation	(2,007)	(3,394)
(b) development	-	-
(c) production	(22,901)	(45,827)
(d) staff costs	(819)	(1,891)
(e) administration and corporate costs	(946)	(1,441)
(f) rehabilitation costs	-	(3,922)
1.4 Interest received	241	257
1.5 Interest and other costs of finance paid	(721)	(1,099)
1.6 Income taxes paid	(3,966)	(6,551)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	20	22
1.9 Net cash from / (used in) operating activities	12,494	17,746
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(682)
(c) property, plant and equipment	(5,159)	(6,952)
(d) exploration & evaluation	-	-
(e) investments	-	-

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

<u>Consolidated statement of cash flows</u>	Current quarter \$A'000	Year to date (6 months) \$A'000
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) financial derivatives	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – Purchase of hedges	-	-
2.6 Net cash from / (used in) investing activities	(5,159)	(7,634)

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	-	-
3.6 Repayment of borrowings	-	-
3.8 Dividends paid	-	(980)
3.9 Other – Employee share plan loan repayment	-	-
3.10 Net cash from / (used in) financing activities	-	(980)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	55,558	53,455
4.2 Net cash from operating activities (item 1.9 above)	12,494	17,746
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(5,159)	(7,634)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	(980)

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

<u>Consolidated statement of cash flows</u>		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(416)	(110)
4.6	Cash and cash equivalents at end of period	62,477	62,477

5.	<u>Reconciliation of cash and cash equivalents</u> <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	62,461	55,542
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)	62,477	55,558

6.	<u>Payments to related parties of the entity and their associates</u>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – Directors Fees	253
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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 OR OIL AND GAS EXPLORATION ENTITY QUARTERLY CASH FLOW REPORT

7. <u>Financing facilities</u> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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	140
7.3 Other (please specify)	-	-
7.4 Total financing facilities	140	140
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.		

8. <u>Estimated cash available for future operating activities</u>	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	12,494
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)	12,494
8.4 Cash and cash equivalents at quarter end (item 4.6)	62,477
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	62,477
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: 31 July 2023

Authorised by: **By the Board**

(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.