



**IMAGE**  
RESOURCES

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

## Boonanarring Mineral Sands Project

RIU Resurgence  
Conference  
15-16 September 2020

John McEvoy  
Chief Financial Officer  
Image Resources NL  
ASX: IMA

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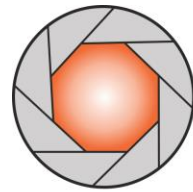
This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other countries' securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Information regarding the calculation of ore reserves and mineral resources in this presentation (if any), and the consents provided by the respective Competent Persons is presented at the end of this presentation. For additional information and details on the content of this presentation, please refer to the ASX releases on the Company's website.

## Introduction

- Established, profitable mining company focused exclusively on mineral sands
- High quality portfolio of 100%-owned projects located in the North Perth Basin in Western Australia
  - 1,000 km<sup>2</sup>; 7 dry mining projects/prospects and 3 dredge mining prospects
- Transitioned from advanced explorer to active mining company in December 2018 through development of the **Boonanarring Mineral Sands Project**
- Strong project delivery based on experienced team
  - A\$52 million, 6-month construction completed on-time/on-budget
  - Name-plate capacity in 2<sup>nd</sup> month of operation (Jan 19) & steady state operations performing well.
- Very positive inaugural year of operations
  - Strong margins & cashflow from 1st year of Ops:
    - CY2019 Revenue of \$146M
    - CY2019 EBITDA of \$73M





# IMAGE

## RESOURCES

Video can be viewed at: [www.imageres.com.au](http://www.imageres.com.au)

## Boonanarring Mineral Sands Project



### Very strong fundamentals

- *Excellent location;*
  - *80km north of Perth in Western Australia*
  - *Major players (Iluka and Tronox) operating nearby*
- *Exceptional deposit;*
  - *Very high ore grade*
  - *Zircon-rich*
  - *Coarse grained minerals*
  - *High metallurgical recoveries*
  - *Market ready products*
- *100%-owned*

**8.9%HM**

**27.5% of HM**

**D50~180 microns**

**98% of zircon**

**90% TiO<sub>2</sub>**



## Boonanarring Project – Simple Business Model



### Mining

Classic dry, open-cut mining utilising standard truck and shovel fleet.

### Processing

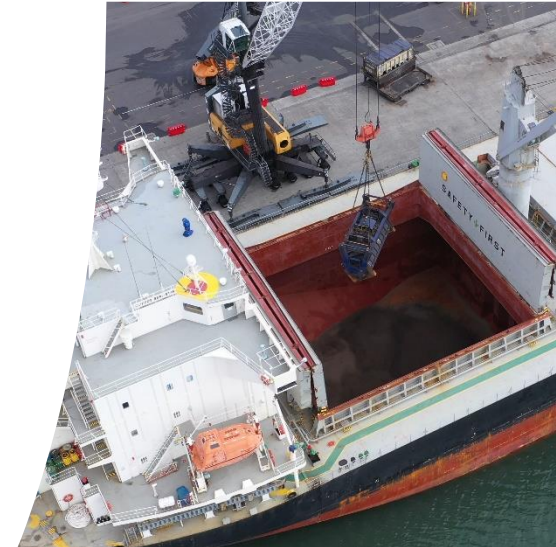
3.7Mtpa conventional wet concentrate plant to produce a high-quality HMC.

### Trucking

HMC trucked to Bunbury port.

### Shipping

Bulk shipments to China under life-of-mine off-take contracts based on market prices.



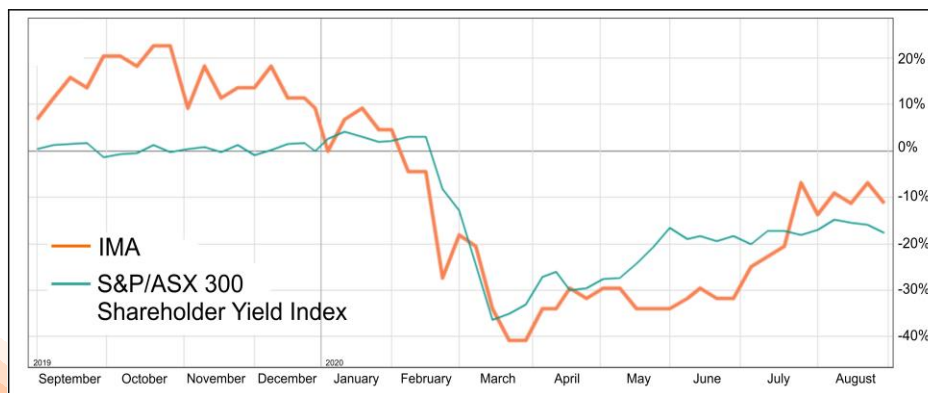
## Corporate Snapshot

### *Diverse and Experienced Board and Management*

ASX Code	<b>IMA</b>
Share Price	A\$0.205*
12-Month Price Range	A\$0.12-0.30
Shares on Issue	980m
<b>Market Cap</b>	<b>A\$200m*</b>
Cash on hand	A\$36m**
Debt***	A\$39m**
<b>Enterprise Value</b>	<b>~A\$203m</b>
Top 20 Shareholders:	70%

### Board of Directors

Bob Besley – Independent Chairman  
 Patrick Mutz – Managing Director  
 Chaodian Chen - Non-Executive Director  
 Aaron Chong Veoy Soo – Non-Executive Dir  
 Peter Thomas – Non-Executive Director  
 Fei (Eddy) Wu – Non-Executive Director  
 Huangcheng Li – Non-Executive Director



### Key Management

Patrick Mutz – MD & CEO  
 John McEvoy – Chief Financial Officer  
 Todd Colton – Chief Operating Officer  
 George Sakalidis – Head of Exploration

\* - as at 28 Aug 2020

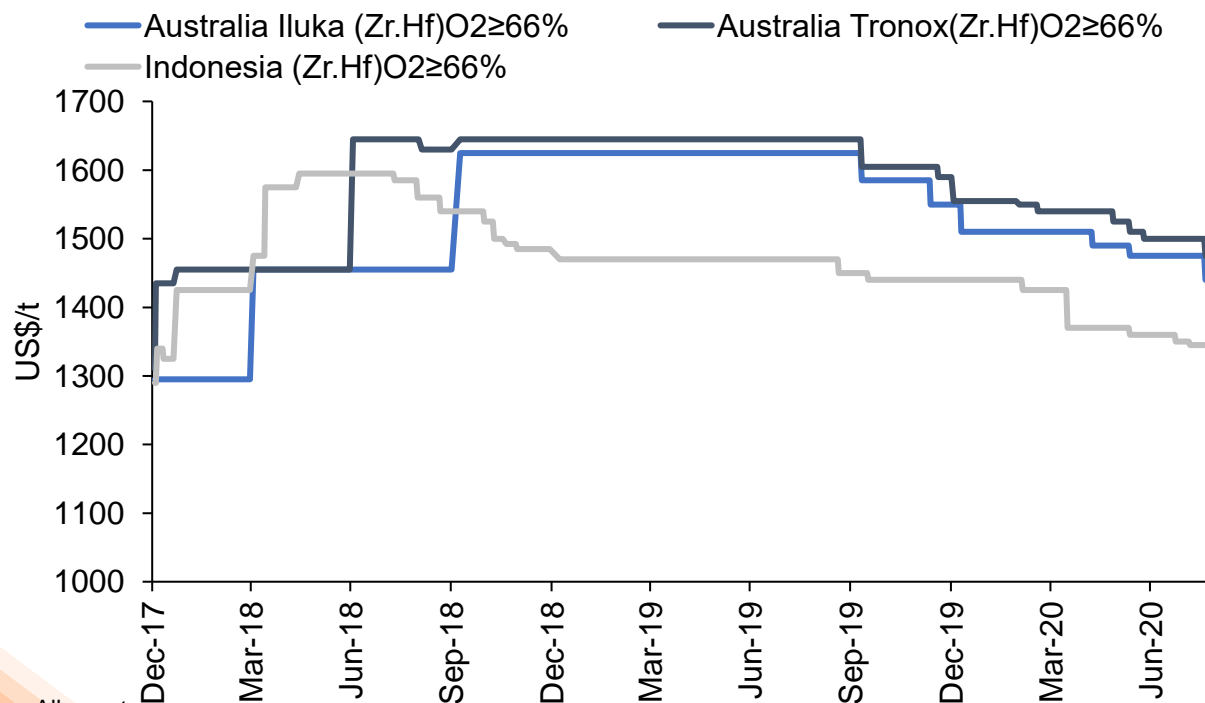
\*\* - as at 30 Jun 2020

\*\*\* - since 30 Jun 2020 debt reduced by ~A\$10M

## Mineral Sand Markets – Zircon

- Chinese zircon demand softened during late 19 & 1H'20 as the COVID-19 pandemic impacted downstream demand and international exports.
- Global supply side disruptions have provided some stability to pricing.
- Chinese domestic zircon stocks now low following a destocking by large Chinese buyers.
- International downstream consumers returning to production after period of lockdown.
- Current zircon prices currently at levels that may jeopardise/delay new project development.
- Prices substantially higher than Image break-even price.

### Zircon Price

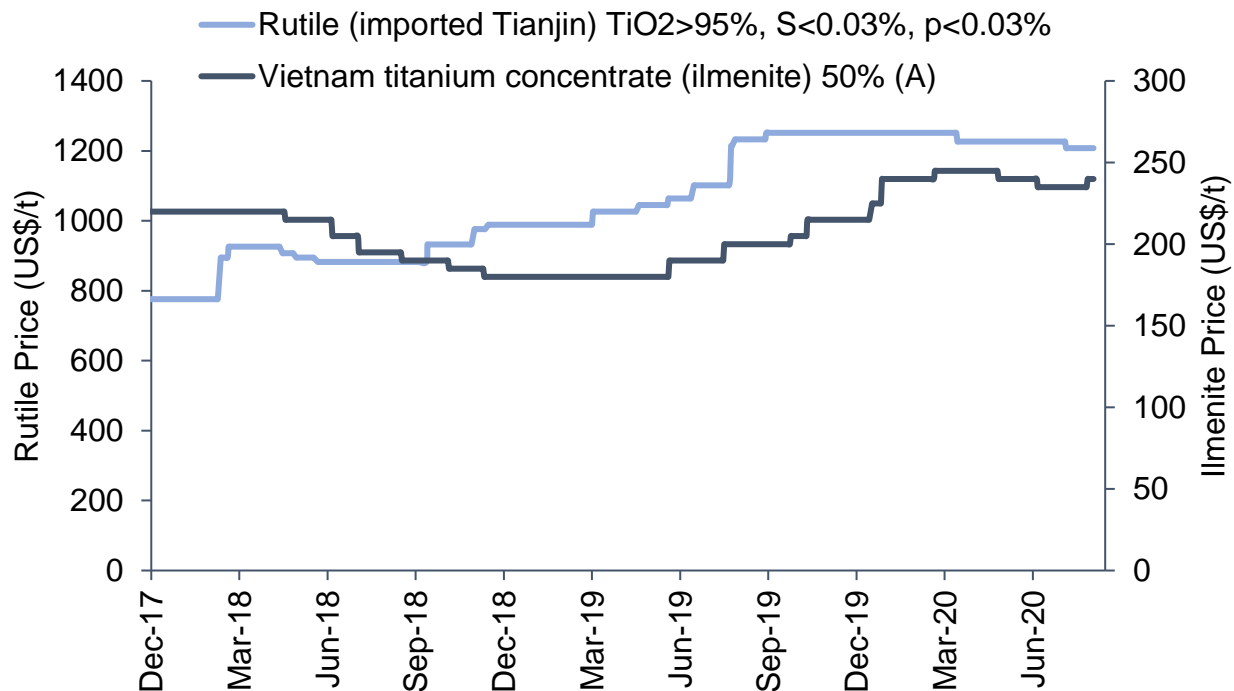




## Mineral Sand Markets – TiO<sub>2</sub>

- TiO<sub>2</sub> markets showing strength and stability.
- Ilmenite markets buoyed by limited global supply exacerbated by Chinese domestic mine suspensions and strong operating rates at sulfate pigment plants and relatively low inventory levels
- Rutile markets remain stable in part due to longer dated nature of industry offtake arrangements.
- USD pricing expected to remain relatively stable through Q3 2020 with some moderation expected by year end.

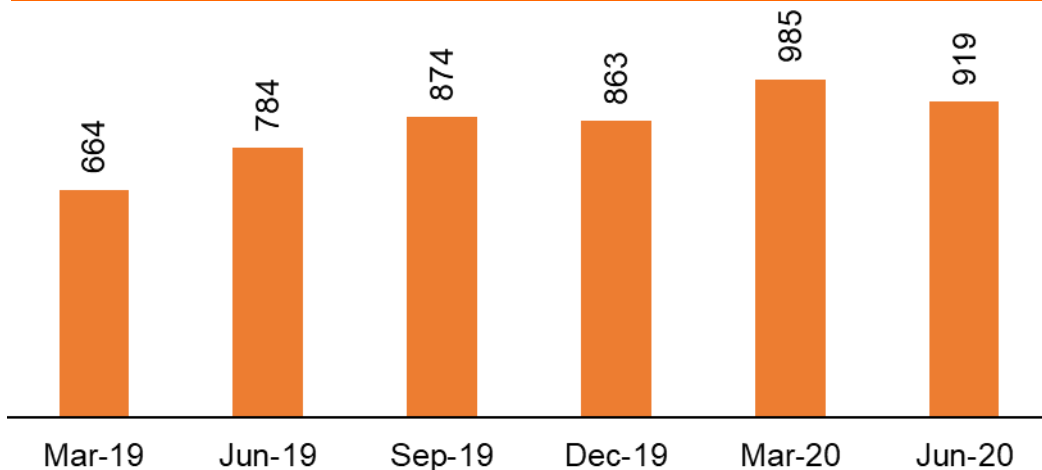
### Rutile / Ilmenite Price



## Operational Performance – Track Record

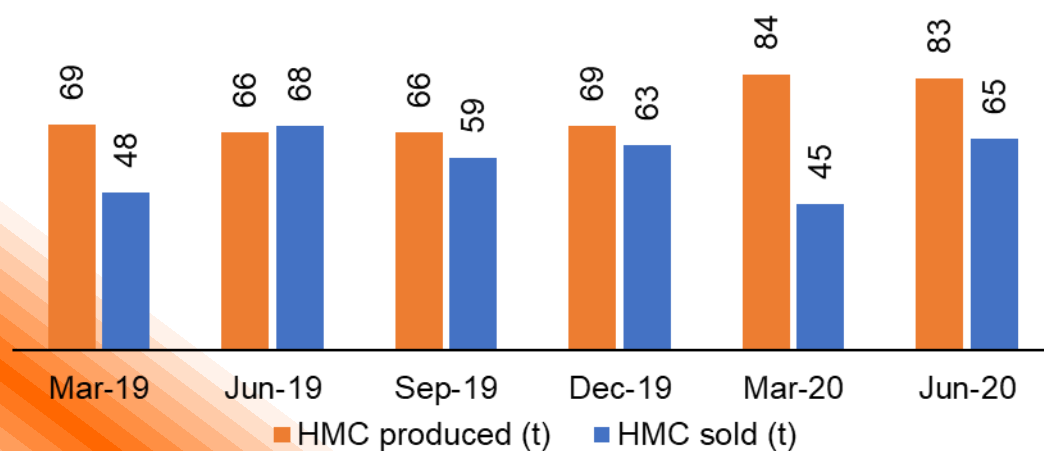
### Excellent track record of operational delivery

#### Wet Concentrate Plant Ore Processed (kt)



- Project commissioned in Dec-18.
- June Quarter 2020 operational performance broadly in line with record setting March Quarter 2020.
- CY2020 guidance unchanged.
- Wet concentrate plant now operating above design following low cost optimisations completed in 2019.

#### HMC Production and Sales (kt)

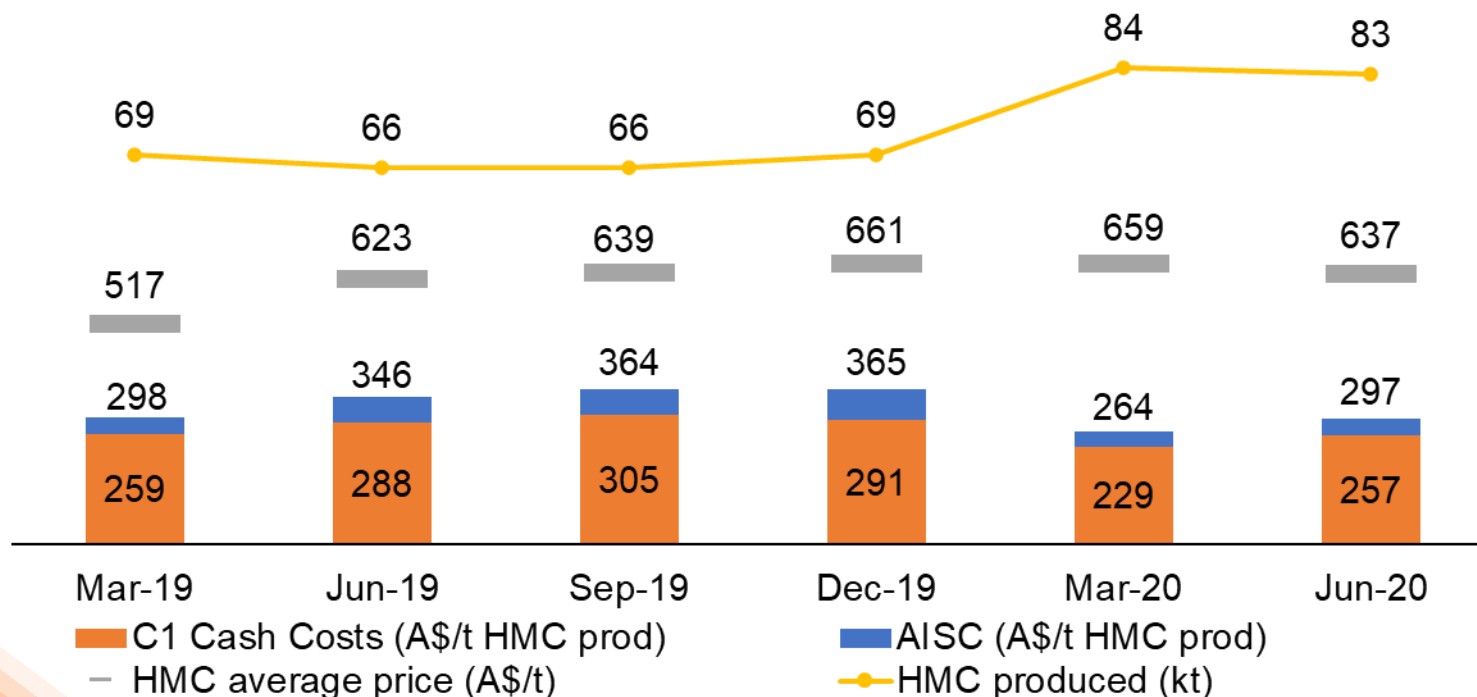


## Operational Performance – Cost Control

### Demonstrating cost discipline

- Improved operating rates and expected ore grade are supporting high HMC production rates which in conjunction with continued cost discipline are reflected in falling unit costs.

Unit Cash Costs (A\$/t HMC Produced), HMC Production (kt HMC), Average Realised Price (A\$/t HMC)



## Ore Reserves – Updated Dec 2019



### HIGH-QUALITY ORE RESERVES

- JORC Code (2012) Compliant
- Very High HM ore grade; exceptionally high zircon grade at Boonanarring
- Atlas to be mined in series following Boonanarring

Ore Reserves - Strand Deposits; in accordance with the JORC Code (2012)											
Project/Deposit	Category	Tonnes (million)	% HM	% Slimes	HM Tonnes (million)	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)	
Boonanarring	Proved	3.5	13.9	16.0	0.5	82.7	44	4.6	2.2	31.9	
Boonanarring	Probable	7.1	6.4	16.0	0.5	76.6	49	1.7	2.8	23.1	
<b>Total Boonanarring</b>		<b>10.7</b>	<b>8.9</b>	<b>16.0</b>	<b>0.9</b>	<b>79.6</b>	<b>46</b>	<b>3.2</b>	<b>2.5</b>	<b>27.5</b>	
Atlas	Probable	9.5	8.1	15.5	0.8	73.3	50.7	4.5	7.5	10.6	
<b>Total Atlas</b>		<b>9.5</b>	<b>8.1</b>	<b>15.5</b>	<b>0.8</b>	<b>73.3</b>	<b>50.7</b>	<b>4.5</b>	<b>7.5</b>	<b>10.6</b>	
<b>Total Ore Reserves</b>		<b>20.2</b>	<b>8.5</b>	<b>15.8</b>	<b>1.7</b>	<b>76.8</b>	<b>48.3</b>	<b>3.8</b>	<b>4.7</b>	<b>19.9</b>	

## Operational Performance – Guidance & Forecasts

Item	Units	2019 Results	2020'1H Results	2020 Guidance	2021 Forecast
HMC Produced	DMT 000s	270	167	300-330	300-330
HMC Sold*	DMT 000s	238	109	300-330	300-330
C1 Cash Costs per tonne HMC sold	A\$/DMT	327	330	290-320	260-290
AISC Cash Costs per tonne HMC sold	A\$/DMT	390	381	340-370	315-345
HMC Sales Receipts*	A\$m	145	65	N/A	N/A
Payments to Suppliers / Other	A\$m	(79)	(48)	N/A	N/A
Net Operating Cashflows	A\$m	63	17	N/A	N/A

\* 1H 2020 sales impacted by COVID & shipping delays but shipping rates now improving – target for 2H 2020 of 190-200Kt (refer 27 July announcement for further details). HMC inventory of 114kt at 30 June 2020.

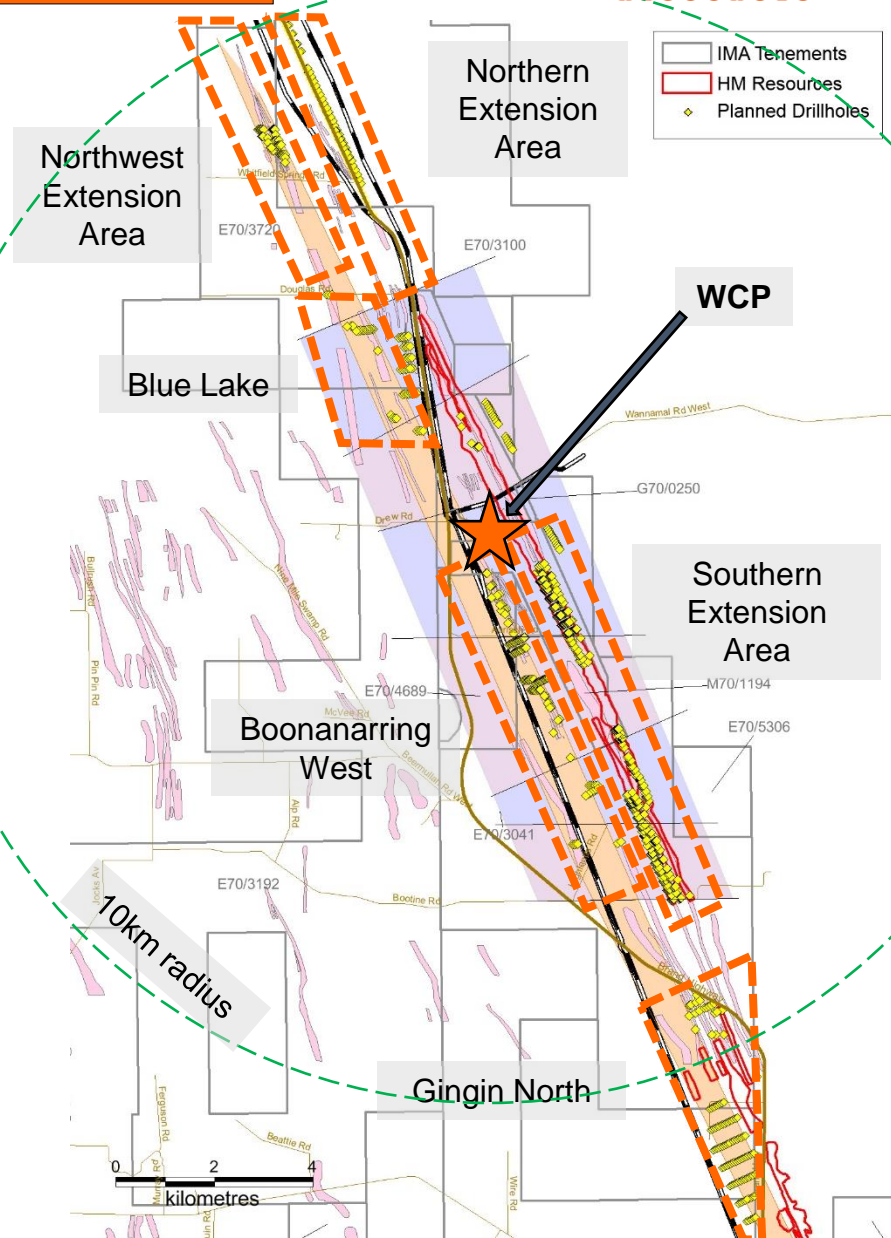
Image has made no change to 2020 guidance following the emergence of COVID-19 at the end of the March Quarter. Following the increasingly volatile economic landscape Image would like to emphasise there are a number of factors outside of its control that may impact downstream demand for its end products and therefore sales guidance. Image is continually reassessing its guidance position and will update the market if required and at a minimum will comment on guidance as part of its quarterly reporting.

### **Exploration Budget expanded with focus on increasing Ore Reserves and mine life**

- Mine-life from Dec 2019 Ore Reserve estimated at 6 years
- Ore Reserves at Boonanarring expandable
  - Drill results indicate potential extension of the deposit to south, north and west
  - Project 'MORE' formalised to focus on adding new Ore Reserves within economic pumping or hauling distance from current processing plant
  - Project 'MORE' goal to add 2 more years of Ore Reserves by end of Dec 2020
- Ore Reserves in Atlas area have potential to double
  - Existing Mineral Resources at 100%-owned Helene and Hyperion deposits deemed to be within economic pumping distance of Atlas

## Multiple Extension Areas at Boonanarring

- Initially focused on areas within 10km of current location of Boonanarring Wet Concentration Plant (WCP)
- **Northern Extension Area (NEA)**
  - Previously reported; 2017
  - High grades, high zircon
  - Infrastructure and access challenges
- **Southern Extension Area**
  - Access available; within current environmental footprint
  - Lower grades than NEA implies lower potential to add mine life
- **New 50mRL Strandline**
  - Announced December 2019
  - Includes Northwest Extension Area, Blue Lake, Boonanarring West and Gingin North and South
  - Potential of up to 40km of parallel beach strandline west of Boonanarring deposit

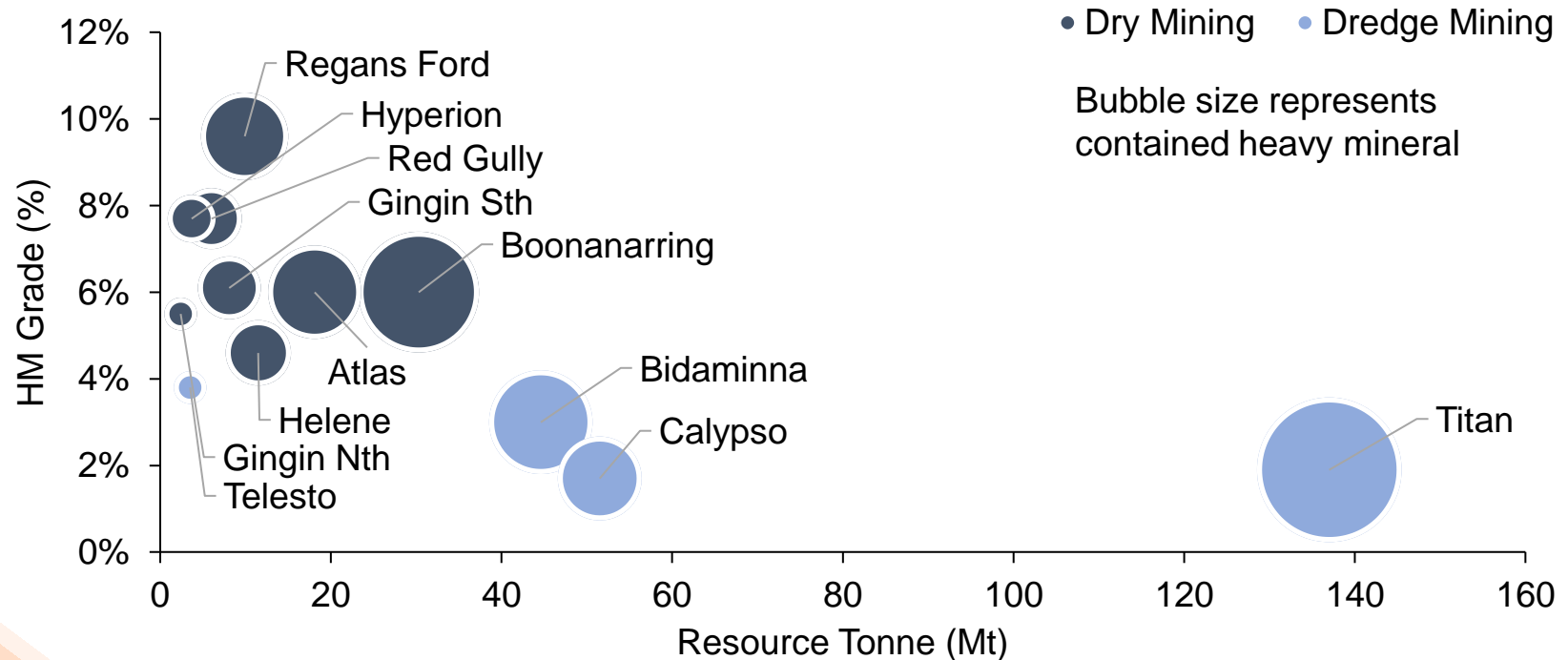


## Growth – Our Portfolio

### Established resources in the North Perth Basin

- Dry Mining Mineral Resources of 93Mt; 6.3% HM and 17% Zircon+Rutile in the HM
- Dredge Mining Mineral Resources of 236Mt; 2.1% HM and 11.5% Zircon+Rutile in the HM

### JORC Mineral Resources



Notes: Boonanarring, Atlas, Helene, Hyperion, Titan-Telesto and Calypso per JORC Code (2012). All others per JORC Code (2004) and have not been updated to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

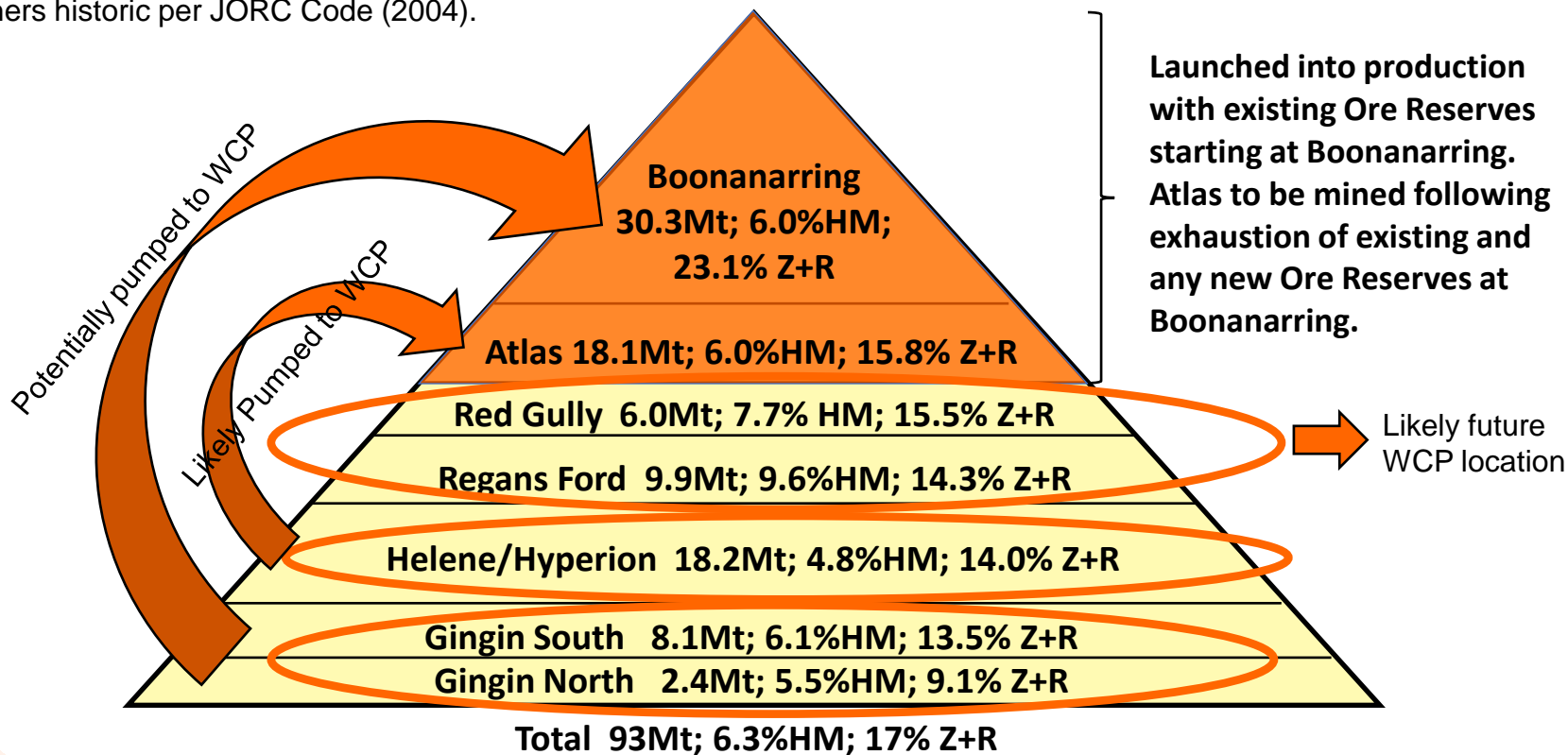


# Projects Pyramid – Strand Deposits – Dry Mining

## Mineral Resources – Accessible by Dry Open-Cut Mining

### Projects ranked by combined zircon plus rutile (Z+R) contained in the HM

Tonnes and grades are for Mineral Resources;  
 Boonanarring, Atlas, Helene & Hyperion per JORC Code (2012);  
 All others historic per JORC Code (2004).



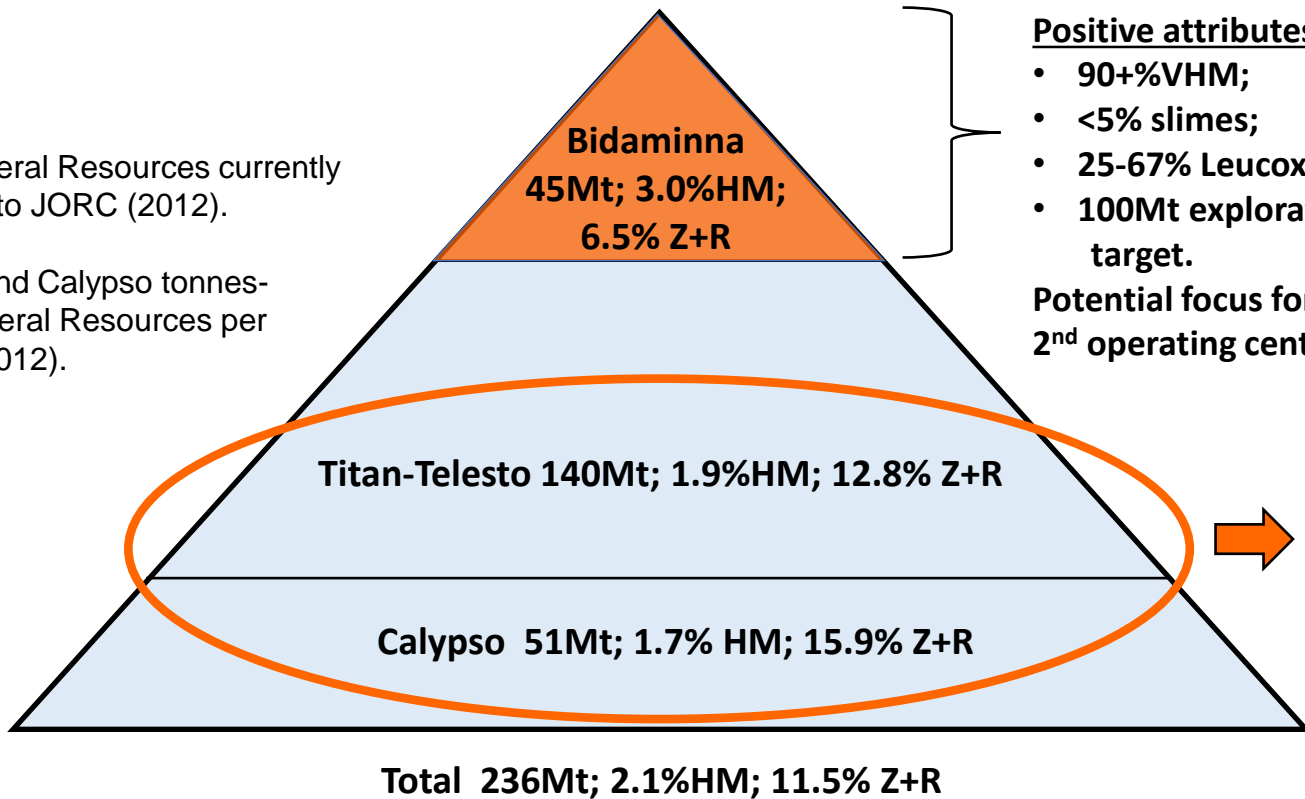
# Projects Pyramid – Dredge Mining Prospects

## Mineral Resources – Accessible by Dredge Mining

Projects ranked by HM Grade and include combined zircon plus rutile (Z+R) contained in the HM

Bidaminna Mineral Resources currently being updated to JORC (2012).

Titan-Telesto and Calypso tonnes-grades are Mineral Resources per JORC Code (2012).



### Positive attributes

- 90+%VHM;
- <5% slimes;
- 25-67% Leucoxene;
- 100Mt exploration target.

Potential focus for 2<sup>nd</sup> operating centre.

➔ Closely associated; May connected

## Solar Farm at Boonanarring

**Sunrise Energy Group Pty Ltd**  
constructing 2.3 MW<sub>AC</sub> solar  
farm

- Construction and operation by Sunrise Energy;
- Located on Image owned land adjacent to Boonanarring processing plant
- Plan to provide 25% of electricity requirements for mining/processing operations.



*Additional information regarding Heads of Agreement announced to ASX on 23 April 2018.*

# Community Engagement Program



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

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

At 30 Jun 20 48% of its workforce lived locally to the operation or within regional shires.



CERVANTES ART FESTIVAL 2019



W.A.C.H.A



Lions Cancer Institute Inc.



GINGIN GOLF CLUB (Inc)



## Forward Looking Plans

### Summary

- Continue with profitable operations at Boonanarring; CY2020-2021 expected to be stronger than calendar year 2019
- Increase Ore Reserves under Project 'MORE' at Boonanarring
- Ensure Atlas development / construction ready as next dry mining operation post Boonanarring
- Continue to look to diversify geographical HMC sales base and evaluate value-add options for separation of HMC in Australia
- Advance studies for potential second operating centre
- Consider timing for retirement of debt given strong cash build
- Advance consideration of inaugural dividend payment
- Evaluate opportunities outside of current portfolio

For further information



**IMAGE**  
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**Patrick Mutz**  
*Managing Director*  
**Image Resources NL**

[info@imageres.com.au](mailto:info@imageres.com.au)  
Office: +61 8 9485 2410

Ground Floor, 23 Ventnor Avenue  
West Perth, WA 6005  
PO Box 469, West Perth, WA 6872

[www.imageres.com.au](http://www.imageres.com.au)



# Mineral Resources



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

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

Mineral Resources - Strand Deposits; in accordance with JORC Code (2004) @ 2.5% HM Cut-off											
Project/Deposit	Category	Volume (million)	Tonnes (million)	% HM	% Slimes	HM Tonnes (million)	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Gingin Nth	Indicated	0.7	1.3	5.7	15.71	0.08	75.4	57.4	9.3	3.2	5.5
Gingin Nth	Inferred	0.6	1.1	5.2	14.0	0.06	78.4	57.3	11.3	3.7	6.0
<b>Gingin Nth Total</b>		<b>1.3</b>	<b>2.4</b>	<b>5.5</b>	<b>15.0</b>	<b>0.13</b>	<b>76.7</b>	<b>57.3</b>	<b>10.2</b>	<b>3.4</b>	<b>5.7</b>
Gingin Sth	Measured	0.9	1.5	4.4	7.22	0.07	79.4	50.7	15.3	5.6	7.8
Gingin Sth	Indicated	3.2	5.8	6.5	7.1	0.38	90.6	67.6	9.8	5.1	8.1
Gingin Sth	Inferred	0.4	0.7	6.5	8.4	0.05	91.6	67.4	7.5	5.8	10.9
<b>Gingin Sth Total</b>		<b>4.5</b>	<b>8.1</b>	<b>6.1</b>	<b>7.3</b>	<b>0.49</b>	<b>89.2</b>	<b>65.3</b>	<b>10.3</b>	<b>5.2</b>	<b>8.3</b>
Red Gully	Indicated	1.9	3.4	7.8	11.5	0.3	89.7	66.0	8.3	3.1	12.4
Red Gully	Inferred	1.5	2.6	7.5	10.7	0.2	89.0	65.4	8.2	3.0	12.3
<b>Red Gully Total</b>		<b>3.4</b>	<b>6.0</b>	<b>7.7</b>	<b>11.2</b>	<b>0.5</b>	<b>89.4</b>	<b>65.7</b>	<b>8.2</b>	<b>3.1</b>	<b>12.4</b>
<b>Sub-Total Gingin &amp; Red Gully</b>		<b>9.2</b>	<b>16.5</b>	<b>6.6</b>	<b>9.8</b>	<b>1.08</b>	<b>87.8</b>	<b>64.5</b>	<b>9.4</b>	<b>4.1</b>	<b>9.7</b>

Mineral Resources - Strand deposit; in accordance with JORC Code (2004) @ 2.5% HM Cut-off											
Project/Deposit	Category	Volume (million)	Tonnes (million)	% HM	% Slimes	HM Tonnes (million)	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Regans Ford	Indicated	4.5	9.0	9.9	16.8	0.89	94.3	70.0	10.0	4.3	10.0
Regans Ford	Inferred	0.5	0.9	6.5	18.5	0.06	90.5	68.3	7.7	4.4	10.1
<b>Sub-Total Regans Ford Total</b>		<b>5.0</b>	<b>9.9</b>	<b>9.6</b>	<b>17.0</b>	<b>0.95</b>	<b>94.1</b>	<b>69.9</b>	<b>9.9</b>	<b>4.3</b>	<b>10.0</b>
<b>Grand Totals</b>		<b>22.9</b>	<b>93.0</b>	<b>6.3</b>		<b>5.8</b>	<b>79.1</b>	<b>56.7</b>	<b>5.2</b>	<b>4.2</b>	<b>13.0</b>

Mineral Resources - Dredge deposits; in accordance with JORC Code (2012) @ 1.0% HM Cut-off											
Project/Deposit	Category	Volume (million)	Tonnes (million)	% HM	% Slimes	HM Tonnes (million)	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Titan	Indicated	10.3	21.2	1.8	22.07	0.38	86.0	71.9	1.5	3.1	9.5
Titan	Inferred	58.5	115.4	1.9	18.9	2.21	85.9	71.8	1.5	3.1	9.5
<b>Total Titan</b>	<b>Total</b>	<b>68.8</b>	<b>136.6</b>	<b>1.9</b>	<b>19.4</b>	<b>2.58</b>	<b>85.9</b>	<b>71.8</b>	<b>1.5</b>	<b>3.1</b>	<b>9.5</b>
Telesto	Indicated	1.7	3.5	3.8	18.41633	0.13	83.3	67.5	0.7	5.6	9.5
Calypso	Inferred	27.1	51.5	1.7	13.7	0.85	85.6	68.1	1.6	5.1	10.8

Mineral Resources - Dredge deposits; in accordance with JORC Code (2004) @ 1.0% HM Cut-off											
Project/Deposit	Category	Volume (million)	Tonnes (million)	% HM	% Slimes	HM Tonnes (million)	VHM (%)	Ilmenite (%)	Leucoxene (%)	Rutile (%)	Zircon (%)
Bidamina	Inferred	26.3	44.6	3.0	3.6	1.34	96.8	83.1	7.2	1.0	5.5
<b>Total Dredge</b>		<b>123.9</b>	<b>236.2</b>	<b>2.1</b>	<b>15.2</b>	<b>4.91</b>	<b>87.8</b>	<b>73.1</b>	<b>2.6</b>	<b>3.2</b>	<b>9.0</b>

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

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

The Company confirms that, other than mining depletion, it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

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

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

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement. *This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*