



**December 2024**

## **Letter from the CEO**

Welcome to our final shareholder update for 2024.

As the end of the year approaches, we are powering through construction of our high-grade Atlas Mineral Sands Project 170km north of Perth, with progress on track for start of production in Q1 2025. We are utilising largely the same plant, equipment and contractors as used to build and launch the successful Boonanarring project in 2018.

The development of Atlas has been our primary focus for the year, and I'm pleased with the progress we have made, despite a recent delay in construction due to the recent bushfires in the region, during which we were able to test our emergency management plans and evacuation procedures which effectively prevented any harm to site personnel, as all non-essential personnel were evacuated in advance of the approaching fire front for a total of six days.

The efforts of both DFES personnel and a small site crew consisting of Image and contractors Piacentini & Son and Alpha National personnel who volunteered to stay and defend our site, resulted in only minimal damage to equipment and infrastructure. On behalf of the Board, I thank our site crew and DFES personnel for their successful protective efforts.

We are currently assessing the extent of fire damage to HDPE piping and associated equipment at our pipeline construction area but anticipate losses to be minimal.

We have re-engaged all construction and mining crews post the fire and remain focused on completing Atlas construction safely, efficiently, and as quickly as practicable. I am pleased to report we are already seeing the same high-quality project delivery that we achieved at the Boonanarring Project in 2018 thanks to our dedicated construction and mining contractors, supported by experienced project manager ProjX.

The Atlas mining camp was completed on-time and on-budget and is fully operational supporting construction crews. Relocation of our Boonanarring wet concentration plant and associated equipment to the Atlas site is complete and reassembly and erection at Atlas is well underway.

When operating at full capacity, we anticipate Atlas to produce approximately 200,000 tonnes of high-quality heavy mineral concentrate (HMC) per year, which will be sold under existing offtake arrangements with our long-standing offtake partner Shantou Natfort Zirconium and Titanium Co. Ltd, (Natfort). Natfort provided Image with access to a US\$20 million HMC Offtake Prepayment Facility which will provide Image with working capital required to achieve positive cashflow from Atlas.

While the Atlas Project is our current priority, we have also advanced feasibility work on our Yandanooka Mineral Sands Project north of Atlas and east of Eneabba.



This year, we updated the project's estimated Mineral Resources and published maiden Ore Reserves estimate with the delivery of a positive Pre-Feasibility Study (PFS), indicating robust economics for the project and a capacity to produce an estimated 1.0mt HMC over an initial 8-year mine life.

Based on the positive PFS results, we have commenced the Bankable Feasibility Study (BFS), which we anticipate will be completed in H1 2025.

We have temporarily halted work on the BFS for our Bidamina Project in the Shire of Gingin to focus on the construction and commissioning of Atlas but will recommence once production at Atlas is at name-plate capacity.

We also continue with our ambitions to build a demonstration-scale plant at Boonanarring for the production of synthetic rutile (SR) by upgrading ilmenite using our novel and provisionally patented, low carbon dioxide emissions SR production process. We are seeking grant funding to support the construction and operation of the demo plant which will be designed such that it can be converted to a small-scale commercial SR production plant with minimum additional capital expenditure.

The core of our growth and sustainability strategy ('Chapter 2') is to progress to multiple mines operating simultaneously, separating our HMC into individual products and marketing into an expanded global market. Chapter 2 includes the ambition of multi-decade operations, global marketing and green SR production.

I would like to thank all our shareholders, employees, contractors, and other stakeholders for the ongoing support through what has been a challenging 2024.

As we approach 2025, we do so with the confidence of returning to active operations, revenue generation, positive cashflow and profitability at Atlas, while we finalise the BFS and secure financing for Yandanooka for production in 2H 2026.

Have a safe and happy festive season - I look forward to providing further updates in the New Year.

**Patrick Mutz**  
**Managing Director and CEO**