

15 January 2019

IMAGE RESOURCES RECEIVES FIRST REVENUE FROM BOONANARRING PROJECT

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to advise the Company has **completed the loading of the first bulk shipment of nominally 10,000 wet metric tonnes of heavy mineral concentrate (“HMC”)** from its 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project located 80km north of Perth in the infrastructure-rich North Perth Basin in Western Australia.

Payment for this shipment of HMC was secured via a letter of credit (“**LC**”) under a life-of-mine off-take agreement with Shantou Natfort Zirconium and Titanium Co., Ltd (“**Natfort**”). The LC is expected to be available to be cashed by Image within a few days following the departure of the ship from Bunbury Port on 14 January 2019.



First HMC Loading at Bunbury Port, WA

Following on from the successful completion of wet commissioning of the HMC production facilities at Boonanarring at the end of November 2018, and a remarkable month of production during the first month of the production ramp-up period in December 2018, sufficient HMC has been produced to allow for a 10,000-tonne shipment.

The production ramp-up period was aggressively scheduled to achieve the feasibility study ore processing rate design capacity of 500 dry tonnes per hour (DTPH) in six months. Ore processing rates during December have substantially exceeded scheduled rates for the first month of the production ramp-up period. Processing rates reached 80+% of design capacity on multiple days and the average rate for the month was 73% of design, compared to a budgeted rate of only 60% of design. Operating availabilities were as high as 100% on multiple days and the average for the month was 86%, compared to a budgeted availability of only 75%. Ore grades and heavy mineral recovery have been in line with budget and HMC quality improved throughout December such that longer term expected quality levels were achieved by the end of the month.

Early January ore processing rates continue to exceed ramp-up period budgeted rates, with HMC inventory levels beginning to build for a second shipment currently scheduled for mid-February 2019.

Managing Director Patrick Mutz commented, “The Operating group, spearheaded by Todd Colton, COO and David White, Operations Manager, has delivered on another very significant milestone for the Company, being completion of the first bulk shipment of HMC and receipt of first revenue. I want to thank Braemar, WA Mercantile and Qube Ports & Bulk for their valuable contributions to our first shipment, and our offtake partner Natfort, for working with Image on what has been a tight schedule during the end of year holiday period and we look forward to developing a routine nominal monthly shipping schedule to support our aggressive mining and processing schedule.”

The Company remains committed to completing its next key project development milestone of achieving positive project cash flow at the end of 1st QTR 2019.

Forecast production and financial guidance for 2019 will be announced following finalisation and approval of the 2019 budget.

Boonanarring Project Background Information

The Boonanarring Project is arguably one of the highest heavy mineral grade, zircon-rich, mineral sands projects in Australia. Project funding was finalised and construction commenced in April-May 2018. Following a six-month construction period, completed on time and budget, the project was commissioned in October-November 2018 and the planned six-month production ramp-up period commenced on 1 December 2018. With the receipt of first revenue in January 2019, positive cashflow remains on track to be achieved at the end of 1st QTR 2019.

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