IMAGE RESOURCES

QUARTERLY ACTIVITIES REPORT – for quarter ended 30 September 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
1,083,328,071

As at 30 September 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

- Final ore processing and HMC production at Boonanarring completed during the quarter. Final HMC sales to occur in Q4.
- Permitting for Atlas project development delayed and uncertainty of timing for approvals resulted in reduction of operational employees at Boonanarring as part of overall cash conservation strategy.
- CY2023 HMC production at 106.8Kt slightly exceeded upper end of previous guidance of 105Kt (which was increased in Q2).
- Average HMC realised pricing increased 11% QoQ due to higher zircon grade in HMC shipped, but with only one shipment of 14.5Kt during the quarter.
- C1 and AISC cash costs per tonne HMC produced increased 42% and 49% respectively QoQ due to low HMC production with completion of ore processing.
- C1 and AISC costs per tonne HMC sold increased 14% and 19% respectively QoQ mainly due to lower tonnes shipped than planned.
- Cash on hand at the end of the Quarter decreased to A$36m with a planned 15Kt shipment for September delayed into Q4. The final shipment of 27Kt of Boonanarring HMC scheduled for Q4 2023 is expected to generate A$23-25m in revenue.

Table 1: Quarterly Summary

	Q1 2023	Q2 2023	Q3 2023	QoQ % change	CY2023 YTD	CY2023 Prev. Guidance	CY2023 Revised Guidance
Production							
HMC Production (kt)	45.7	48.6	12.5	-74%	106.8	95-105	107
HMC Sales (kt)	46.7	44.9	14.5	-68%	106.2	125-135	130-135
HMC Realised Price (A$/t HMC)	807	942	1,066	11%	906	N/A	N/A
Project Operating Costs (A$m)	22.9	22.9	8.2	-64%	54.0	50-55	54-56
Unit Costs (HMC produced)							
C1 Cash Costs (A$/t HMC)[1]	451	424	603	42%	456	N/A	N/A
AISC (A$/t HMC)[2]	527	500	747	49%	541	N/A	N/A
Unit Costs (HMC sold)							
C1 Cash Costs (A$/t HMC)[1]	441	459	522	14%	458	400-430	400-430
AISC (A$/t HMC)[2]	515	541	647	19%	542	480-510	480-510

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 outflow was A$8.5m (Q2 cash inflow: A$20.7m) with reduced cashflows reflecting lower sales volumes, with final shipment of HMC being delayed into Q4, and additional payments related to mine related creditors, including employees, at completion of operations.
- Expenditures for quarter include A$23.0m (56.0%) on mining/production operations at Boonanarring (including logistics); A$0.8m (2.0%) on mine development (mainly Atlas related); A$9.3m (22.6%) on income tax instalments; A$2.1m (5.0%) on exploration, A$2.6m (6.4%) on corporate/other costs offset by an inflow of A$0.4m (-0.9%) on interest/FX movements.
- Additional mine rehabilitation for the quarter increases CY2023 rehabilitation area to 63 hectares including revegetation.

ACTIVITIES REPORT

High Level Summary

Image Resources NL (ASX: IMA) (**"Image"** or **"the Company"**) is pleased to provide a summary of the third quarter of its financial reporting year (CY2023), for operations at its Boonanarring mineral sands project, located 80km north of Perth in the North Perth Basin in WA. Heavy mineral concentrate (**"HMC"**) production was 74% lower QoQ due to lower ore tonnes processed, due to the completion of ore processing at Boonanarring during the quarter. HMC tonnes sold were also lower (down 68% QoQ) due to a planned 15Kt shipment for September being delayed into Q4. The average realised price per tonne of HMC sold was 11% higher QoQ, mainly due to higher zircon content in the HMC.

Total project operating costs fell significantly QoQ (down 64%) to $8.2m with the completion of ore processing and reduction in overall operating activity at Boonanarring from 1 September 2023. C1 and AISC cash costs per tonne of HMC produced increased 42% and 49% respectively (due to reduced HMC production as the Company reached the end of Boonanarring operations). C1 and AISC cash costs per tonne of HMC sold increased 14% and 19% respectively (due to reduced sales volumes). The final shipment of Boonanarring HMC, estimated at 27Kt, is scheduled to be completed in Q4, for estimated gross revenues of A$23-25m, with only loading and shipping costs still to be incurred.

The Company continues to focus primarily on securing approvals to relocate mining and ore processing operations to its 100%-owned Atlas project. Secondary focus is on project development studies to advance the Company's longer-term growth and sustainability strategy associated with the 2022 strategic acquisitions of the Eneabba Tenements and McCalls Project, as described below. Studies include a BFS on Bidaminna, a PFS on Yandanooka, a PFS for a mineral separation plant (**"MSP"**), plus ongoing test-work for synthetic rutile (**"SR"**) production using hydrogen, and access for confirmatory resource drilling at McCalls.

Growth and Sustainability Strategy

The Company's growth and sustainability strategy builds on the Company's original plan of mining all Ore Reserves at Boonanarring (which is now complete) and then self-funding the relocation of mining and ore processing facilities to the Atlas project. The new growth and sustainability strategy expands on the old strategy and incorporates the potential development of a standalone dredge mining operation at Bidaminna and also includes 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 development of Atlas under the original strategy, the new strategy encompasses studies for the following:

- Development of a dredge mining operation at 100%-owned Bidaminna project with potential 10 year mine-life;
- Development of an initial dry mining and processing operations 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 an SR production facility in the vicinity of the MSP, for the value-adding and market-expanding upgrading of ilmenite from Bidaminna, Yandanooka and McCalls to potentially lower carbon dioxide emissions SR by using hydrogen as the iron reductant instead of coal in current commercial processes.

Managing Director and CEO Patrick Mutz commented *"While the completion of mining and processing at Boonanarring has reached its natural end in Q3 2023, more or less in line with the original 2017 BFS schedule, it is disappointing to have to close the books on such a successful project. Even more difficult is the ongoing delays with permitting for our Atlas project. Despite our best efforts, the permitting process which started in 2020 is now approximately 10 months behind schedule and it is uncertain when the process will be finalised.*

Image originally intended to maintain its Boonanarring operating team during the planned relocation of mining and processing operations from Boonanarring to Atlas, located approximately 100km north of Boonanarring. However, due to substantial delays in obtaining final regulatory approvals required to commence construction and mining activities at

Atlas, and the uncertainty as to the extent such delays will continue, it was no longer practicable to maintain the full operating team. As such, the Company took the very difficult decision to make reductions in operational employee numbers at Boonanarring as announced on 22 September. We remain confident that while approvals have been delayed, they will be granted. Consequently, we have retained a number of key employees to facilitate a smooth transition to Atlas once approvals are in hand.

We have adjusted our focus from revenue generation to cash preservation; however, we will continue with project study work currently underway to build a more diverse long-term operating future. We maintain a commitment to achieving our Chapter 2 ambitions of multiple projects operating simultaneously, multiple products and a global market. This includes the focus on SR production as a vital value-add component of the multiple product strategy. We are also strongly focused on identifying the lowest cost and shortest timeline path through the various project options that will lead us to the value-add advantage of SR production.

We remain confident we will make it through the challenges in front of us and will emerge even stronger with greater options thanks to our large and diverse portfolio of development projects."

Innovation

During Q2 2023, Image commissioned Roundhill Engineering located in Glen Innes, NSW to conduct bench-scale testing to convert Bidaminna project ilmenite into SR using a fluidized bed reactor (FBR) with hydrogen as the iron reductant. Test results showed that Bidaminna ilmenite with an initial grade of 60% TiO2 converted to SR with a TiO2 grade greater than 95% (same as natural rutile) with relatively low impurities (**ASX: 9 August 2023: Synthetic Rutile Production Test Results**).

The positive test results open the door to the critical value-adding opportunity of upgrading ilmenite from Bidaminna and likely from Image's Yandanooka and McCalls projects, to SR. Importantly, the potential for multi-decade operating life from these projects could serve to support justification for capital expenditure for SR production in the event future feasibility study results are determined to be positive.

Image has also commenced discussions with Curtin University with respect to potential cooperation with Curtin under the Trailblazer program, which could 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 since Q1 2021. The Environmental Protection Authority **("EPA")** provided its summary of public submissions to Image's Environmental Review Document **("ERD")** submitted for public comment in December 2022. In Q1 2023 Image drafted Environmental Management Plans in parallel with responses to public submissions to the ERD and other comments set out by the EPA, as a submission for final approval. Image continues to work with the EPA and government agencies to close out the ERD for final assessment. Current estimate for Ministerial and Commonwealth approvals for Atlas is Q1 2024.

Other development activities, including engineering, design and construction of long-lead items, power and water supply, civil design and detailed mine planning are nearing completion and will be finalised prior to receiving final approvals.

Bidaminna Pre-Feasibility Study and Pre-Development

An updated Mineral Resources estimate for Bidaminna was announced in Q1 2023 **(ASX: 28 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: 27 June 2023: PFS Results - Bidaminna Mineral Sands Project).** The PFS was based on an inaugural Ore Reserves of 123Mt at 1.8% HM with 4% slimes, 4% oversize, 93% VHM and 85% of the HM as high-quality ilmenite and leucoxene suitable as SR feedstock. Results of the PFS were positive, with select highlights of pre-tax NPV8 of A$192 million, pre-tax IRR8 of 28%, project EBITDA of A$379 million for a 10.5-year project life and 3.8-year capital payback period. Project revenue in the PFS was based on producing and selling HMC.

Based on the Bidaminna PFS results, Image is advancing further studies targeting significant value-add opportunities such as additional drilling for grade determination of dilution materials highlighted in the PFS, before commissioning a lead for the definitive feasibility study **("DFS")** which will include capital and operating cost optimisations, as well as the inclusion of an MSP, which is currently under independent feasibility study. The MSP will likely be located at the existing Boonanarring operation to take advantage of existing infrastructure and owned land.

Additional drilling is planned for Q4 2023 to determine the HM grade 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.

The DFS may also include the addition of the significant value-adding step of converting Bidaminna ilmenite into SR. SR testing has commenced and currently involves the use of a fluidised bed reactor and hydrogen as the reductant. The Company is also investigating the production of green hydrogen.

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). It has been reported within the mineral sands industry that Iluka is dropping its premium zircon reference price by US$180 per tonne effective 1 October 2023 to between US$2,100-US$2,150 per tonne.

Image’s benchmark market price for ilmenite hit a peak of $410 per tonne in Q3 2022 but subsequently fell to US$360 per tonne at end of Q4 2022. The price remained stable at this level during Q1 2023, before declining in Q2 and Q3 2023 (Figure 2).

Figure 1: Zircon Benchmark Price

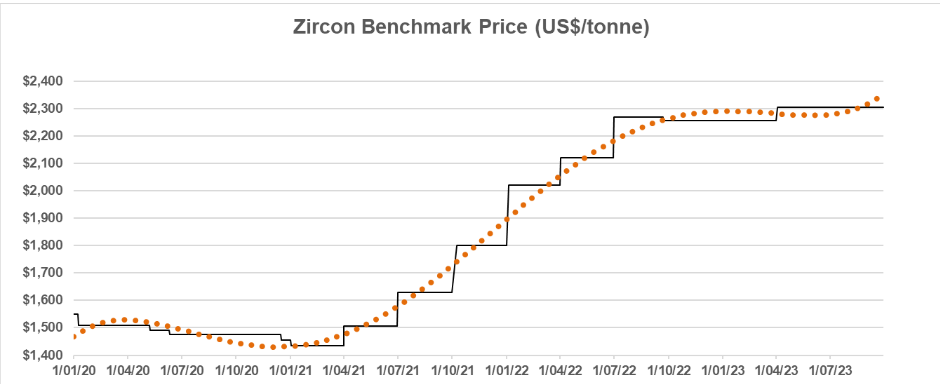
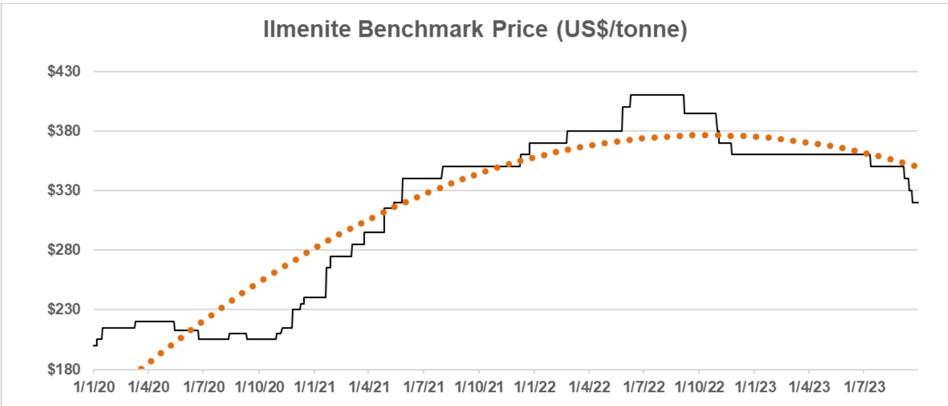


Figure 2: Ilmenite Benchmark Price



Note: Data source for Figures 1 and 2 is paid commodity prices subscription through FerroAlloyNet.com referencing benchmark pricing of comparable quality to Image Resources’ zircon and ilmenite.

Zircon spot-market prices in China are now well below Image’s benchmark price for zircon indicating a weak market for zircon in China. A combination of a weak construction sector and additional supply from new projects has contributed to downward price pressure. The ilmenite benchmark price, after holding up relatively well, also saw some downward price pressure in Q2 and Q3 2023.

Environmental, Social & Governance ("ESG")

Environment - Rehabilitation

In addition to the removal and recycle or disposal of waste from land adjacent to the Boonanarring mine, reseeding and replanting of trees and shrubs has been conducted as part of the overall process of restoring the environment and improving the soil and vegetation at and around the Boonanarring operation (Photo 1). Image is a significant landholder in the area and recognises its duty and responsibility to rehabilitate mined areas to a high standard and continue to work at improving the local environment outside of the mining lease where possible and practicable to do so.

Photo 1: Replanting by Image near Boonanarring

During the quarter, rehabilitation of approximately 15ha in Boonanarring Block D was finalised, with the seed mix selected to compliment the adjoining 48ha of Block D rehabilitation undertaken in July 2023 and to maximise late seeding growth. The 15ha brings the total 2023 rehabilitation amount to approximately 63ha, and a total of 85ha for the Boonanarring project to-date,

Photo 2: Block D Rehabilitation and Revegetation

Safety

There were no lost-time injuries **("LTI")** recorded during the quarter.

The Company remains vigilant with respect to COVID and influenza symptoms and maintains adherence to the modifications of its daily work practices and procedures to minimise potential impacts from COVID-19 to its employees and other stakeholders.

Image is committed to the promotion of a positive health and well-being, 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.

The Company also tracks and reports its total recordable incident frequency rate **("TRIFR")**, which is now reported as the number of recordable incidents per 200k hours of work, to more closely align with actual work hours per year. The 12-month rolling average TRIFR on 30 September 2023 was 3.7, up from 2.4 at 30 June 2023, primarily due to a reduction in total work hours for Q3 2023 compared to Q2 2023 as a result of the cessation of mining and ore processing and employee redundancy actions implemented in September 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. The Company 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 ("**GRG**") (Photo 3) with profits collected by the group donated back to a variety of local Shire community programs.

Photo 3: 400ha of Conola on Image land leased to GRG

- 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 through in-kind contributions and Social Investment funding;

- Conditional support for investigations into the viability of a green hydrogen production and dispensing facility to be located at Boonanarring as a post-mining activity for beneficial use of the land and established infrastructure, and including the use of green hydrogen in a potential SR production facility; and,
- Investigation of additional uses for Image landholdings for the potential generation of other renewable energy generation sources, such as the use of wind turbines or small-scale pumped hydro.

Modern Slavery Statement

Image continues to implement initiatives under the Modern Slavery Act (**"Act")**. Modern Slavery training was rolled out to the Board of Directors as well as Corporate, operational and exploration employees. 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 second annual Modern Slavery Statement – CY2022 was released and can be viewed at https://modernslaveryregister.gov.au/statements/13312/.

The CY2022 Statement provided a high-level analysis of the Company's supply chain, noting that 96% of the Image's Tier-1 supply chain companies are located in Australia, with the balance of Tier-1 suppliers operating in low-risk countries. The Statement also introduces Image's new Four Pillar Modern Slavery Approach which is focussed on Governance, Education and Awareness, Data Driven Analysis & Action and Remedial Action.

New initiatives under the Act implemented thus far in CY2023 include the acquisition of a software package from iPro which is designed to automate the self-assessment questionnaire process and the decision to roll out the questionnaire to as many Tier-1 suppliers as possible. The automated system then also rolls out questionnaires to Tier-2 suppliers and can also drill down to Tier-3 suppliers.

ESG & Sustainability Reporting

During the quarter, Image finalised its Inaugural Sustainability Report. Importantly, this report includes operational data and information for four full years of operation (CY2019 through CY2022) at the Company's Boonanarring mineral sands project. The report was published subsequent to the end of the quarter on 2 October 2023.

Operations

Mining and Processing

No overburden or ore was excavated from the mine during the quarter, however, overburden and tailings were returned to Block D as part of the mine rehabilitation process (Photo 3). Ore processed during the quarter was from remnant ore stockpiles only, with limited quantities of contaminated HMC also being reprocessed.

Ore processing for the quarter was 236kt (down 69% QoQ) at an ore grade of 5.5% HM (down 17% QoQ) at marginally higher ZrO2 grades (up 3% QoQ). HMC production was down 74% QoQ to 12.5Kt mainly due to low ore tonnes processed, as processing of final Boonanarring ore was completed by the end of August.

Table 2: Mining & Production Statistics

		Q1 2023	Q2 2023	Q3 2023	QoQ % change	CY2023 YTD
Mining						
Ore	kt	672	576	0	-100%	1,248
Waste	kt	1,142	12	0	-100%	1,154
Processing						
Ore Processed	kt	705	761	236	-69%	1,702
HM Grade (in Ore)	HM%	7.6%	6.6%	5.5%	-17%	6.9%
ZrO2 Grade (in HM)	ZrO2%	13.7%	17.2%	17.7%	3%	15.4%
TiO2 Grade (in HM)	TiO2%	31.2%	37.1%	33.4%	-10%	34.3%
Recovery	HM%	78.5%	87.5%	90.1%	3%	83.9%

	ZrO2%	97.6%	98.4%	98.7%	0%	98.1%
	TiO2%	90.0%	92.2%	93.6%	2%	91.1%
HMC Produced	kt	45.7	48.6	12.5	-74%	106.9
HM Grade (in HMC)	HM%	92.2%	91.9%	93.3%	2%	92.0%
ZrO2 Grade (in HMC)	ZrO2%	15.7%	17.6%	18.8%	7%	16.7%
ZrO2 Grade (in HMC)	TiO2%	33.0%	35.3%	32.5%	-8%	34.2%

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

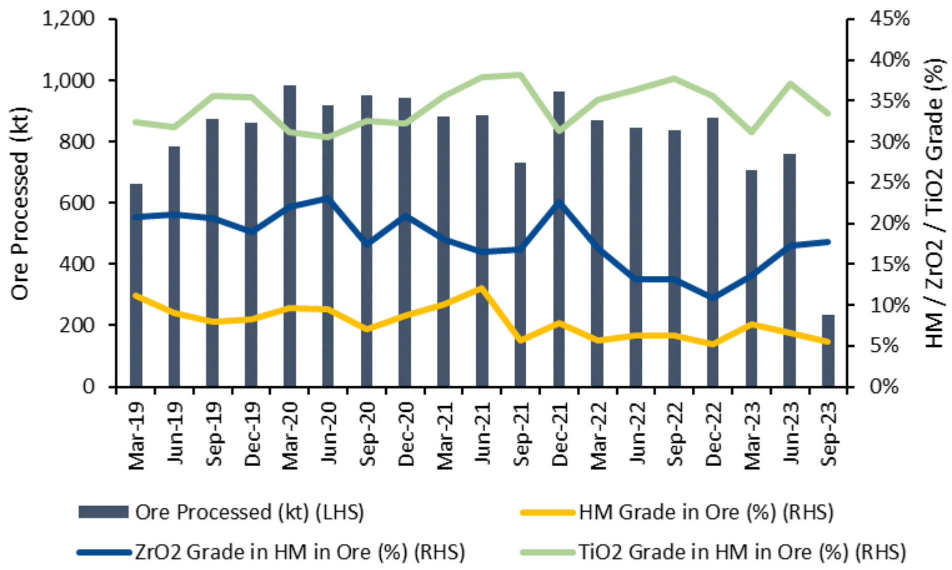


Figure 4: Quarterly HMC production (kt) and contained HM/ZrO2/TiO2 grades (%) in HMC

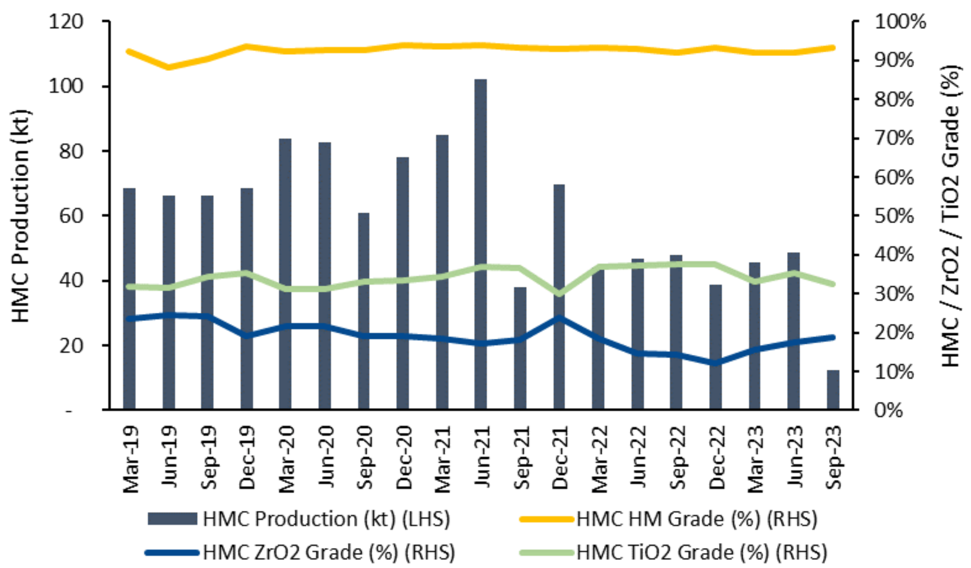
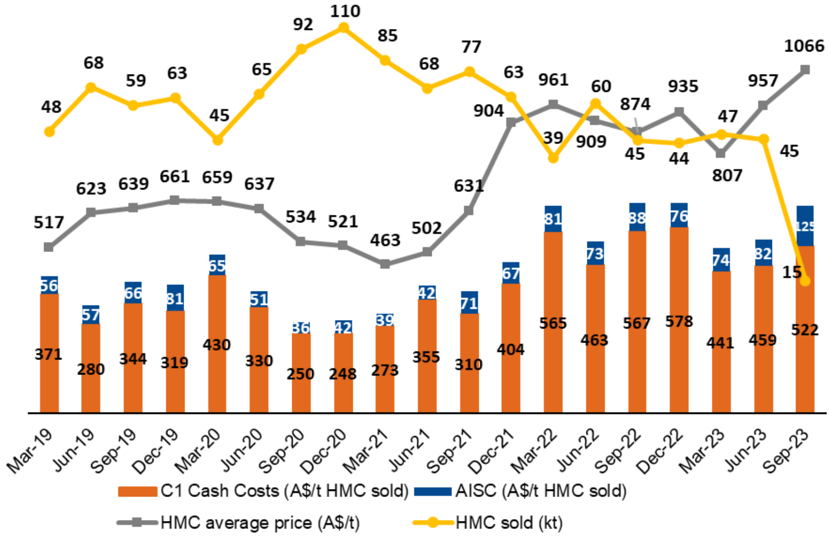


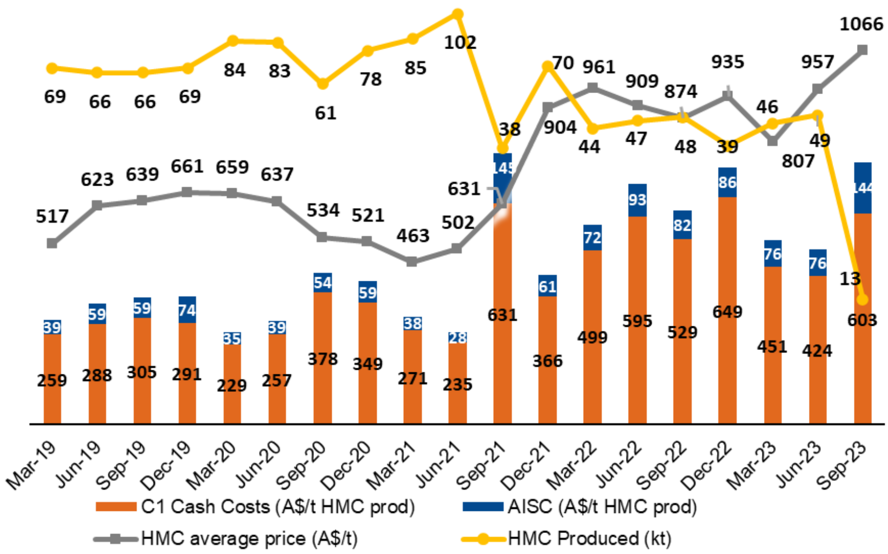
Figure 5: Quarterly HMC Production (kt) with Average Realised Prices & Costs per Tonne HMC Sold



Costs

C1 and AISC cash costs per tonne HMC sold increased 14% and 19% respectively QoQ due to slightly lower tonnes sold (Figure 5 and Table 3). C1 costs increased from $459/t to A$522/t HMC sold and AISC increased from $541/t to $647/t HMC sold mainly due to lower HMC tonnes sold, whilst costs reduced on an absolute basis with the completion of waste and ore mining. One shipment of 14.5Kt of HMC sailed in Q3, with a final HMC shipment of approximately 27Kt now scheduled for Q4 2023, with clean-up of remnant ore and HMC now complete.

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) increased 42% and 49% respectively QoQ due to lower HMC production. C1 costs increased to A$603/t HMC produced and AISC increased to A$747/t HMC produced. Cost increases per tonne HMC produced were mainly as a result of lower tonnes processed resulting in 74% lower HMC production QoQ (Table 2).

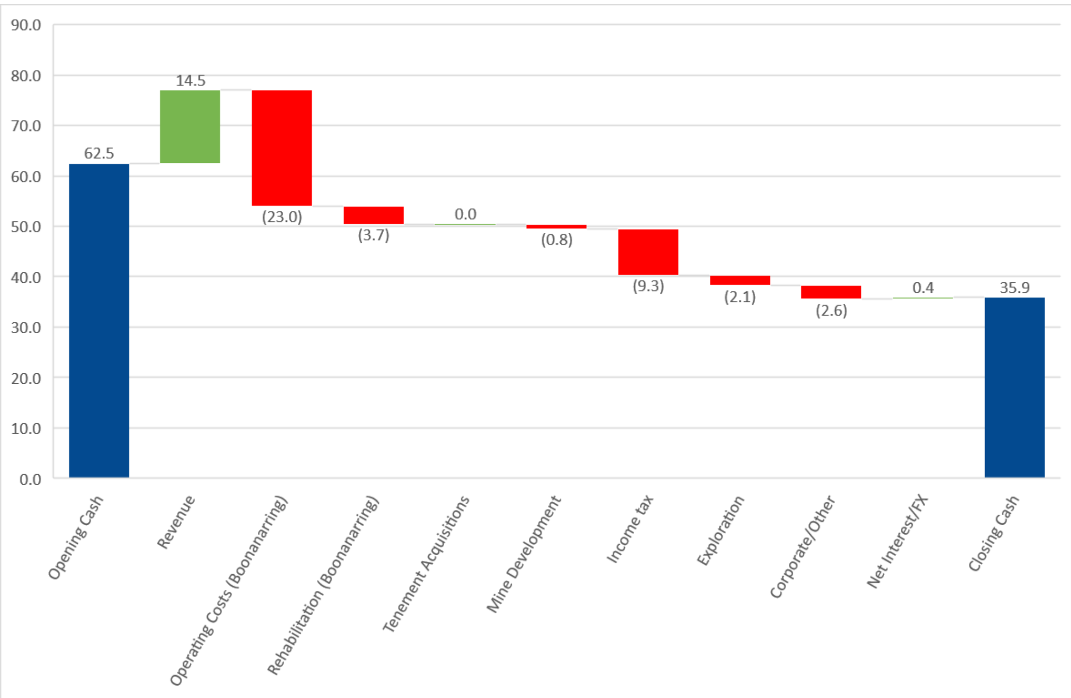
Total project cash operating costs were A$8.2m for the quarter with CY2023 guidance amended to $54-56m (previous guidance A$50-55m) (Table 5) due to ongoing costs associated with an extension to mining and processing activity at Boonanarring (with a corresponding increase in forecast HMC production).

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

		Q1 2023	Q2 2023	Q3 2023	QoQ % change	CY2023 YTD
Costs/tonne HMC produced						
Mining	A$/t HMC	238	242	250	4%	241
Pre-Strip	A$/t HMC	0	0	0	0%	0
Processing	A$/t HMC	91	77	149	94%	91
Site Support	A$/t HMC	17	17	39	135%	19
Logistics	A$/t HMC	105	89	165	86%	105
Total – C1 Cash Costs	**A$/t HMC**	**451**	**424**	**603**	**42%**	**456**
Royalties	A$/t HMC	38	42	60	43%	43
Sustaining Capital	A$/t HMC	1	1	3	268%	1
Corporate	A$/t HMC	37	33	81	144%	40
Total – AISC	**A$/t HMC**	**527**	**500**	**747**	**49%**	**541**
Costs/tonne HMC sold						
C1 Cash Costs	**A$/t HMC**	**441**	**459**	**522**	**14%**	**458**
AISC	**A$/t HMC**	**515**	**541**	**647**	**19%**	**568**

Net Operating Cash Outflow was A$8.5m for Q3 2023 with only one shipment completed during the quarter. A final shipment of approximately 27Kt of Boonanarring HMC is scheduled for Q4 2023. Expenditure during the quarter included A$0.8m on development activities (mainly Atlas), $3.7m on rehabilitation activities at Boonanarring, $9.3m on income tax and $2.1m on exploration.

Figure 7: Quarterly Cashflow Waterfall Chart



Sales

HMC sales volumes decreased 68% to 14.5Kt with only one shipment during the quarter. A final Boonanarring HMC shipment of approximately 27Kt is scheduled for Q4 2023.

Realised pricing of A$1,066/t HMC sold for Q3 2023 (Table 4) was up 21% QoQ. As a result of lower sales volumes, partially offset by higher realised prices, sales revenue for the September Quarter was down 64% QoQ to $15.5m. Total finished HMC inventory, almost entirely at port storage at the end of the quarter, has been finalised at approximately 27kt based on a physical closeout of HMC inventory including reprocessing of the base of the HMC storage pad.

Table 4: HMC Sales and Stockpiles

		Q1 2023	Q2 2023	Q3 2023	QoQ % change	CY2023 YTD
Sales						
HMC sold	kt	46.7	44.9	14.5	-68%	106.2
ZrO2 in HMC	%	14%	17%	21%	23%	16%
TiO2 in HMC	%	35%	34%	33%	-3%	34%
Average price realised	A$/t HMC	807	942	1,066	11%	906
HMC Revenue	A$m	37.8	43.3	15.5	-64%	96.5
Stockpiles (end of period)						
HMC for shipping	kt	35	34	27	-26%	27

Financial Summary

Revenue for Q3 2023 was A$15.5m with only one shipment completed and remaining HMC stocks to be shipped in Q4 2023. As a result, the Company experienced a A$8.5m of net project operating cash outflow for Q3.

At 30 September 2023, Image had a net cash position of A$36m, with the final shipment of approximately 27Kt HMC scheduled for Q4 2023 expected to generate an additional $23-$25m before shipping costs.

Performance against Guidance

Q3 HMC processing mainly comprised clean-up of remaining HMC stockpiles supplemented with a small amount of remnant ROM ore still to be processed in Q3. Final shipment of HMC was delayed into Q4 2023 whilst clean-up work and trucking of final HMC to Bunbury was completed.

With additional HMC production, guidance for HMC sold and produced has increased resulting in a corresponding increase in processing and logistics costs.

CY2023 Cost/T guidance is maintained, with minimal costs (mainly shipping), still to be incurred in Q4 for the final 27Kt HMC shipment.

Table 5: CY2023 Guidance

		CY2023 YTD	CY2023 Prev. Guidance	CY2023 Revised Guidance
HMC Produced	Kt	106.8	95-105	107
HMC Sold	Kt	106.2	125-135	130-135
Project Operating Costs[1]	A$m	54	50-55	54-56
C1 Cash Costs (HMC Sold)	A$/t HMC	456	400-420	400-430
AISC Cash Costs (HMC Sold)	A$/t HMC	541	480-510	480-510

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

Corporate

On 5 September 2023, the Company released the Half Yearly Report and Accounts for 2023 and reported revenue of $81 million, project EBITDA of A$32 million and net profit after tax of A$4.6 million.

On 22 September 2023, the Company announced employee reductions at Boonanarring due to substantial delays in obtaining final regulatory approvals required to commence construction and mining activities at Atlas and the uncertainty as to the extent such delays will continue.

Subsequent to the end of the quarter, on 2 October 2023, the Company released its Inaugural Sustainability Report.

Corporate costs for Q3 included $587,000 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 and 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 development-ready pending final 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 7 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 at 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 at Atlas. 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.

Current estimates for the grant of Ministerial and Commonwealth approvals for Atlas is Q1 2024 noting that this timing is dependent on whether the EPA report receives any objections (appeals). In the event of appeals being received, this could delay the commencement of on-ground activity by an additional 3 to 6 months.

Aboriginal Cultural Heritage Act 2021

The Company continues to work actively and co-operatively with the local traditional owners, through the Southwest Aboriginal Land and Sea Council, along with various service providers to address any outstanding cultural and heritage issues. The new Aboriginal Cultural Heritage Act 2021 (Act) and the Aboriginal Cultural Heritage Regulations 2022 came into effect on 1 July 2023. Subsequently the Western Australian Government announced that the new Act would be repealed, with the previous Act being reinstated with some amendments.

As at the end of the quarter, the repeal has not passed Parliament and details of the amendments to the previous Act have not been finalised. The Company will assess the potential impact of the reinstatement of the old Act (amended) on approvals and land access arrangements for Atlas as well as for the Company's other development projects, once the new Act is repealed and amendment details are finalised.

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 operations in the Atlas area. Bidaminna is located 100km north of Perth (25km northwest of Boonanarring).

An inaugural Ore Reserves estimate was also announced on 27 June 2023 (see Table 8). 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% leucoxene (70-95% TiO2), 4.0% rutile, plus 5% zircon (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 low strip ratio.

Additional drilling is planned in Q4 2023 to determine the HM grade 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).

While the Bidaminna PFS is based on producing and selling an HMC product, early work on a PFS for an MSP (commenced in parallel with the Bidaminna PFS) to make final products, indicates overall project economics are further improved with the inclusion of the value-add of mineral separation. Results of the PFS for an MSP are expected to be finalised in Q4 2023.

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 7 – 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

No drilling was carried out during Q3 2023.

All primary assay results from the Q2 drilling at Yandanooka have been received. 48 mineral assemblage composites were compiled across the Yandanooka deposit and sent for QEMSCAN analysis. All QEMSCAN results have been received. The results are being used to generate an updated Mineral Resources estimate and will be used to generate an inaugural Ore Reserve estimate in conjunction with an ongoing PFS.

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

Image conducted a geological review of the deposit area including field mapping and conceptual model generation to evaluate the potential for deep drill targets. Three deep targets have been identified (approximately 300m below surface). Consideration for drilling these targets will be delayed to conserve cash until revenue generation resumes from the Atlas project.

Figure 8: Erayinia, Madoonia Downs and the King Prospect Location Map

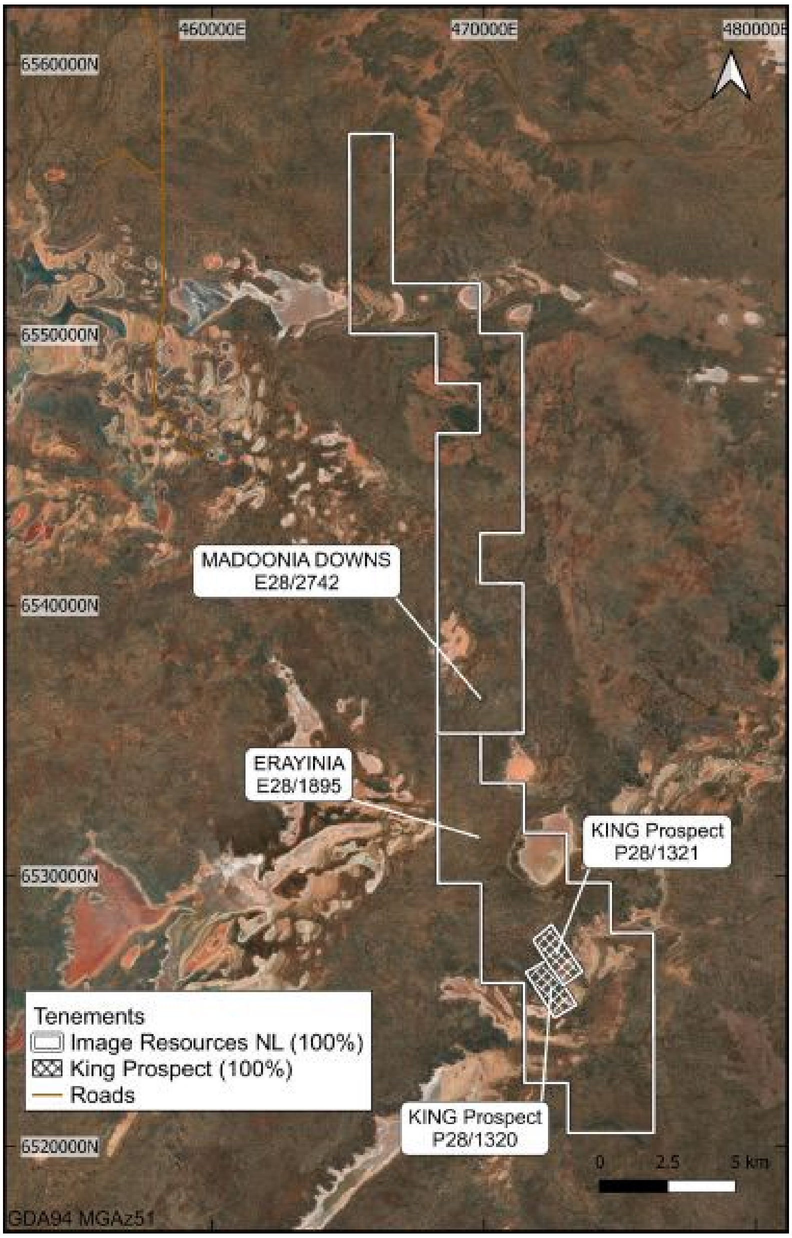


Table 6: Tenement Schedule in accordance with ASX Listing Rule 5.3.3

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	1% Royalty payable in all minerals	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% pending transfer	100% pending transfer
WA	P28/1321	Granted	KING	100% pending transfer	100% pending transfer
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	MINDARRA 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
WA	L 70/242	Granted	ATLAS	100%	100%
WA	L 70/243	Granted	ATLAS	100%	100%
Mining Tenements acquired during the Quarter					
WA	E70/6549	Application	YANDANOOKA WEST	0%	100% pending grant
Mining Tenements disposed during the Quarter					

Summary of Tenement Activity Q3 2023

Granted Tenements

- Nil

Surrendered Tenements

- Nil

Tenement Transfers

- Nil

Tenement Applications

- E70/6549 Yandanooka West (32 blocks) applied for 27/9/23 (after underlying tenure surrendered)

Tenement Renewals Granted

- Nil

Figure 9: North Perth Basin Tenements as of Q2, 2023.

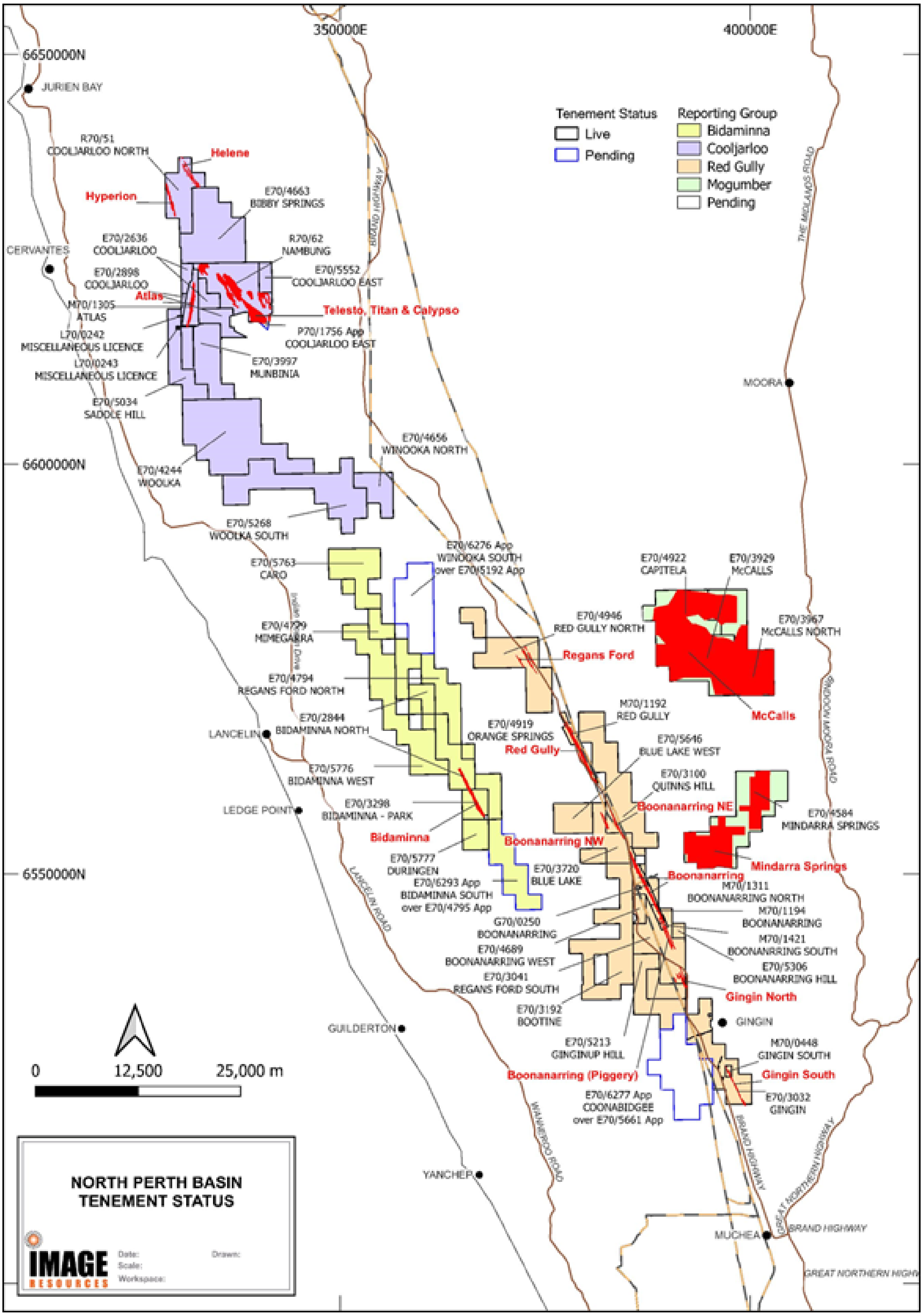
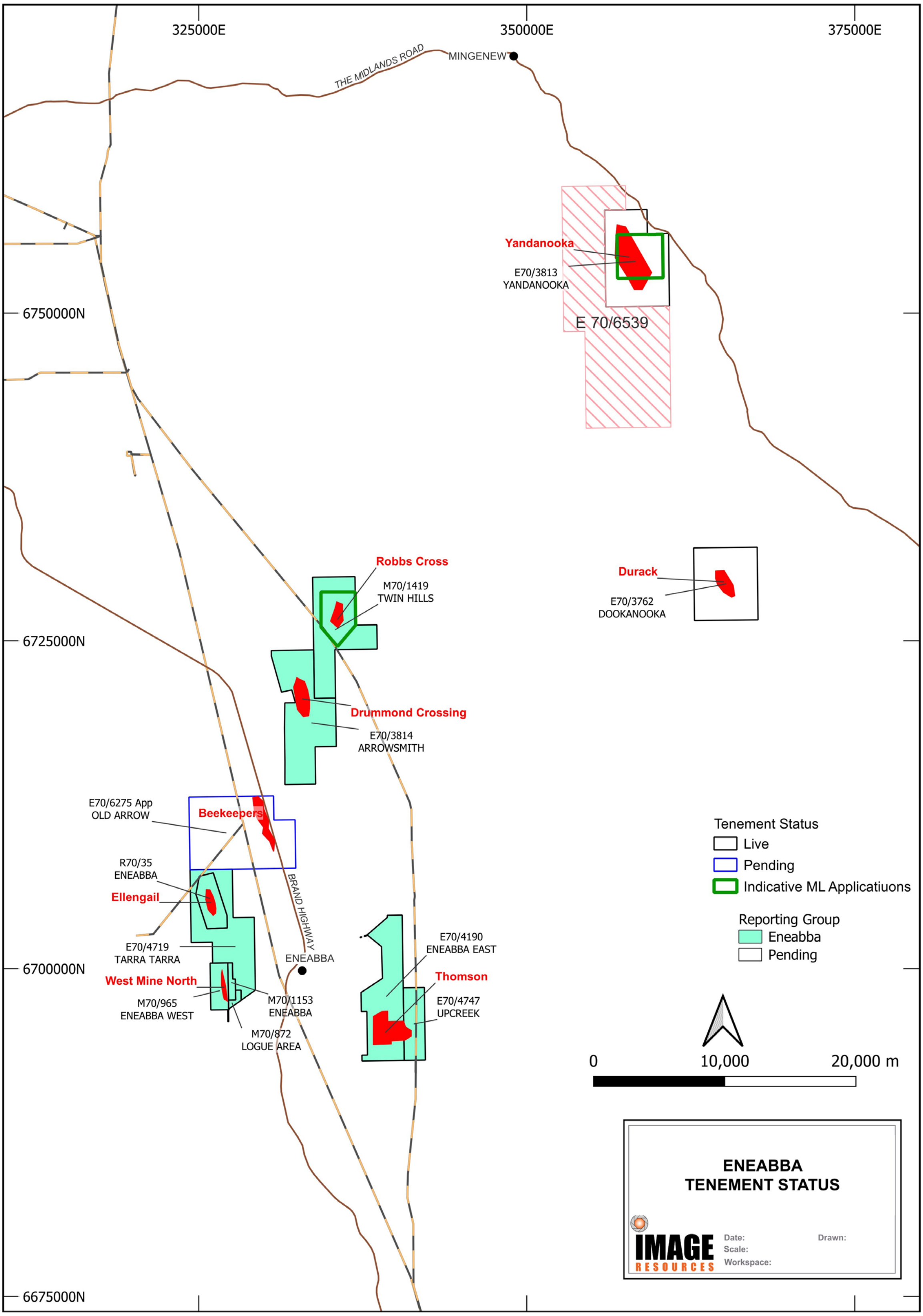


Figure 10 : Eneabba Tenements of Q2, 2023



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 September 2023 mining has not commenced at Atlas.

All mining and mineral processing activities have been completed at the Boonanarring project.

Table 7: Ore Reserves - Dredge & Strand Deposits; in accordance with the JORC Code (2012) – 27 June 2023

Project/Deposit	Ore Reserve Category	Tonnes (million)	In-situ HM Tonnes (millions)	Total HM grade (%)	HM Assemblage (% of total HM)					Slimes (%)	Oversize (%)
					Zircon	Rutile	Leuc.	Ilmenite	Monazite		
Bidaminna	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**	**0.4**	**6.0**	**4.1**

1 Bidaminna Ore Reserves refer to the 27 June 2023 release "Pre-Feasibility Study Results – Bidaminna 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

Dry Mining, JORC 2012 and 2004

Deposit	Mineral Resource Category	Cut-off (total HM%)	Tonnes (million)	In-situ HM Tonnes (millions)	Total HM grade (%)	HM Assemblage (% of total HM)				Slimes (%)	Oversize (%)
						Zircon	Rutile	Leuc.	Ilmenite		
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**

	Deposit	Mineral Resource Category	Cut-off (total HM%)	Tonnes (million)	In-situ HM Tonnes (millions)	Total HM grade (%)	HM Assemblage (% of total HM)				Slimes (%)	Oversize (%)
							Zircon	Rutile	Leuc.	Ilmenite		
	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**
		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**
Dredge Mining, JORC 2012	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**	**-**
		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"
- Bidaminna Ore Reserve: 27 June 2023 "Pre-Feasibility Study Results – Bidaminna 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"
- Bidaminna Mineral Resource: 28 February 2023 – "Mineral Resources Update - Bidaminna 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.

Appendix 5B

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

Name of entity

IMAGE RESOURCES NL

ABN	Quarter ended ("current quarter")
57 063 977 579	30/09/2023

Consolidated statement of cash flows			Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		14,497	96,089
1.2	Payments for			
	(a)	exploration & evaluation	(2,066)	(5,460)
	(b)	development	-	-
	(c)	production	(22,992)	(68,819)
	(d)	staff costs	(1,644)	(3,535)
	(e)	administration and corporate costs	(999)	(2,440)
	(f)	rehabilitation costs	(3,653)	(7,575)
1.4	Interest received		310	567
1.5	Interest and other costs of finance paid		(215)	(1,314)
1.6	Income taxes paid		(9,258)	(15,809)
1.7	Government grants and tax incentives			
1.8	Other (provide details if material)		12	34
1.9	**Net cash from / (used in) operating activities**		**(26,008)**	**(8,262)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities		
	(b)	tenements	-	(682)
	(c)	property, plant and equipment	(820)	(7,772)
	(d)	exploration & evaluation		
	(e)	investments		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
	(f) ther 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**	**(820)**	**(8,454)**

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	62,477	53,455
4.2	Net cash from operating activities (item 1.9 above)	(26,008)	(8,262)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(820)	(8,454)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(980)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	298	188
4.6	**Cash and cash equivalents at end of period**	**35,947**	**35,947**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	35,931	62,461
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)**	**35,947**	**62,477**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – Directors Fees	587
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.

7.	**Financing facilities** *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.*	**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.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(26,008)
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)	(26,008)
8.4	Cash and cash equivalents at quarter end (item 4.6)	35,947
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	35,947
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.4

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.

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: No. Operation cash outflows will decrease significantly due to the completion of mining and processing at the Boonanarring mine.

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: No, this is not necessary. One more shipment resulting in A$23 million to A$25 million in sales will be received during Q4 with only shipping costs still to be incurred.

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:	Yes. Expenditure levels will reduce significantly from Q4 onwards, with cash on hand plus revenue expected in Q4, expected to be sufficient to continue with planned activities and to meet business objectives.

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: 26 Oct 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.