

Image Resources NL: Quarterly Activities Report

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Perth, Australia - [Image Resources NL](#) (ASX:IMA) is pleased to report that high demand for mineral sands commodities, coupled with limited supply, is continuing to push commodity prices higher, and delivered increased cashflow and profitability in 2H 2021 from mining operations at the Company's 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project, located 80km north of Perth in the North Perth Basin in WA.

There were further mineral sands commodity price increases in Q4 with the average benchmark price for zircon up 10.4% and ilmenite up 5.7%, whilst rutile prices remained unchanged. On 1 January 2022 the benchmark price for zircon rose a further 10.4% above the Q4 average price, to US\$2,020/t. In total, zircon has risen 40% since the start of CY2021 (Figure 1*). In addition, the benchmark price for ilmenite has risen over 50% and rutile approximately 40% since the start of CY2021 (Figure 2*).

In Q4, due to very high demand for HMC in China, the Company was able to achieve pricing higher than benchmark pricing for November and December shipments as a result of competitive bidding. Premium pricing achieved is beyond the prescribed market benchmark pricing formulation of the HMC pricing model and may be temporary as these higher prices were negotiated based on the current wider-than-normal price gap between market-based benchmark pricing and abnormally high spot market pricing in China. Premium pricing is continuing into 1H 2022.

While commodity prices have been rising, costs have remained broadly in line with forecast despite substantially higher shipping costs. In addition, Q4 HMC production of almost 70kt resulted in guidance being met on this key statistic, despite the very low HMC production during Q3 which resulted from unusually high rainfall events in July/August and saturated ground conditions at Boonanarring. This resulted in substantial delays of the relocation of the Feed Preparation Plant (FPP) from Block A to Block C and contributed to a pit wall slump on the eastern high wall of the mine, which prevented access to higher grade Eastern Strand ore and resulted in record low ore grades being processed in Q3. HM ore grades bounced back in Q4 with re-established access to the higher-grade eastern strand ore in Block C.

The Company is focused on permitting and project development planning at Atlas in preparation for relocating mining and ore processing operations following the depletion of available Ore Reserves at Boonanarring. However, every effort is also being made to extend the mine-life at Boonanarring. Studies have been completed with respect to potentially accessing additional ore in Block D at Boonanarring based on higher commodity prices and recent more favourable FX. Results indicate that sufficient ore is available to extend mine life at Boonanarring into Q1 2023. Additional permitting and land access negotiations are underway.

The Company ended Q4 2021 with a debt-free cash position of A\$79.8M, a significant increase on Q3 2021 due to the strong operating cash flow from higher commodity prices. This strong cash position has been achieved post the early repayment of outstanding debt in Q1 2021 and the payment of approximately \$19m in dividends in Q2 2021.

Managing Director and CEO Patrick Mutz commented "Image's operational team is to be commended for its brilliant recovery in Q4 following the major setbacks in Q3 from heavy winter rains. Q4 performance boosted production to guidance levels and allowed the Company to take full advantage of very buoyant commodity prices to boost its cashflow and profitability."

*To view the full quarterly report, please visit:
<https://abnnewswire.net/Ink/GQU8390H>

About Image Resources NL:

[Image Resources NL](#) (ASX:IMA) is a mineral sands focused mining company operating an open-cut mine and ore processing facility at its 100%-owned, high-grade, zircon-rich Boonanarring Project, located 80km north of Perth in the infrastructure rich North Perth Basin.

Boonanarring is arguably one of the highest grade, zircon-rich mineral sands projects in Australia. Construction and project commissioning were completed on-time and on-budget in 2018. Production commenced in December 2018 and HMC production ramped-up to exceed name-plate capacity in only the second month of operation. The Company achieved profitability in Q1 2019 and was cashflow positive in Q2 2019 and is now at steady state production.

Source:

[Image Resources NL](#)

Contact:

Patrick Mutz Managing Director +61 8 9485 2410 info@imageres.com.au www.imageres.com.au

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