

4 December 2018

IMAGE RESOURCES COMMENCES PRODUCTION RAMP-UP PERIOD AT BOONANARRING

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to advise the Company has completed another project development milestone with **completion of wet commissioning and commencement of the production ramp-up period** at 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.

Wet commissioning of the heavy mineral concentrate (HMC) production facilities at Boonanarring commenced on 25 October 2018 and first production of HMC was achieved on 19 November. Wet commissioning has progressed on schedule with no significant adjustments required and with fewer unplanned processing interruptions. In addition, the ore processing rates achieved were higher than planned. Based on these successes, wet commissioning has been declared complete and effective 1 December 2018, the production ramp-up period has commenced.

As with construction, the production ramp-up period is aggressively scheduled to achieve the feasibility study target processing rate of 500 dry tonnes of ore per hour (DTPH) in only six months. Early processing rates during the latter stage of wet commissioning of up to 400 DTPH for several 24-hour operating periods without downtime, suggests meeting target production rates within the scheduled 6-month ramp-up period is achievable.



Boonanarring Project Wet Concentration Plant Control Room

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Managing Director Patrick Mutz commented, "The Boonanarring Project development team has successfully delivered on another milestone by completing wet commissioning on schedule. In recognition of the successful achievements of the construction and commissioning timelines, General Manager of Development Mr Todd Colton has been promoted to the position of Chief Operating Officer effective 1 December. I want to thank Todd, on behalf of the Board of Directors for his focused and unwavering contributions to the successful development of the Company's first operating project."

The Company remains committed to achieving its next key project development milestones of shipment of first HMC product and receipt of first revenue (late December-early January) and achievement of positive project cash flow at the end of 1st QTR 2019.

The date for the first shipment of HMC product is being adjusted to allow for a larger bulk shipment to accommodate higher than anticipated HMC production rates, which will have the added benefit of lower shipping costs on a unit basis.

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 (HM) grade, zircon-rich, mineral sands development projects in Australia. Image completed a bankable feasibility study in May 2017 and finalised funding for the project in May 2018. Project construction started in April 2018, wet commissioning commenced in October 2018 and first production of HMC product in November 2018. The Company is fully funded, including funds for corporate overhead and exploration expenditures through to positive cashflow, forecast to occur at end of 1st QTR 2019.

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