

IMAGE SECURES US\$20M OFFTAKE PREPAYMENT FACILITY

HIGHLIGHTS

- Image secures binding US\$20M Offtake Prepayment Facility with key Chinese offtake partner
- Facility is unsecured with a 12-month term and drawdown in two tranches of \$US10M
- Facility funds to support working capital requirements for the development of 100%-owned Atlas mineral sands project
- Facility principal and interest to be repaid by delivery of market priced HMC

Image Resources NL (ASX: IMA) (“**Image**” or “**the Company**”) is pleased to announce the execution of a binding heavy mineral concentrate (“**HMC**”) offtake prepayment facility for US\$20 million (“**Facility**”) with Chinese offtake partner Shantou Natfort Zirconium and Titanium Co., Ltd, (“**Natfort**”) in relation to Image’s 100%-owned Atlas mineral sands project (“**Atlas**”) located 170km north of Perth in the North Perth Basin.

Natfort has been Image’s key offtake customer for HMC produced at the Company’s Boonanarring project since the start 2019.

Facility funds will support working capital requirements as the Company moves through construction and commissioning of its Atlas project, with a stretch goal of achieving first HMC production in Q1 2025 and return to operating revenue in Q2 2025.

Drawdown of the Facility is subject to standard conditions precedent for this type of financing, along with Image securing construction and delay-in-start-up insurances to minimise the risk of any major production delays. The drawdown will occur in two tranches of US\$10 million each, anticipated in November 2024 and January 2025.

The 12-month unsecured Facility, chosen as a lower cost and more favourable option to conventional debt or issuing equity, carries a fee¹ (“**Facility Fee**”) payable at the end of the term by delivery of HMC of equivalent market value.

The US\$20 million principal of the Facility plus accrued interest will be repaid by the delivery of HMC from Atlas, with approximately 25% of each shipment going towards the repayment of the principal.

¹ Equivalent to sum of ten percent annual interest on outstanding monthly Facility balance.

Managing Director and CEO Patrick Mutz commented:

“On behalf of the Board of Directors, I want to thank Natfort for providing Image with the opportunity to participate in this prepayment facility arrangement. These working capital funds are crucial for ensuring the construction pace for the development of Atlas is maintained at a high level to achieve first HMC production and sales as quickly as practicable, with the goal of returning to profitability in 1H 2025.

These funds will also help maintain the momentum with the various other work programs targeting growth, including other project feasibility studies and overall corporate support.

We extend our gratitude to Natfort for its ongoing support as Image’s key offtake partner through the successful and continuing market-based HMC offtake agreement and for providing this prepayment facility, to the benefit of all Image shareholders.”

HMC OFFTAKE BACKGROUND

HMC sales from Image’s Boonanarring project were made under a life-of-mine, market-based HMC offtake agreement between Image and Natfort (**“Offtake Agreement”**). This Offtake Agreement is an arm’s length agreement executed in 2018 in advance of first HMC production from Boonanarring. This original Offtake Agreement, along with an updated pricing model specific to Atlas HMC, will serve as the basis for the commercial terms of all market-based sales of HMC from Atlas, starting with the HMC sales made under the binding agreement governing this Facility.

FACILITY REPAYMENT

The US\$20 million principal of the Facility plus accrued Facility Fee will be repaid by the delivery of HMC from Atlas. Nominally 25% of each shipment of Atlas HMC – as valued based on a market-based Atlas HMC pricing model operating under the original HMC Offtake Agreement – will be delivered free of charge to repay the Facility. The value of HMC delivered as repayment of the Facility is not subject to a discount to market pricing.

The balance of each shipment of HMC (nominally 75%) that is not involved with repayment of the Facility, will be market priced and paid for by Natfort via a letter of credit (**“LC”**), as used successfully for all previous HMC shipments from Boonanarring.

Through the use of LCs, the full amount of each shipment is effectively prepaid prior to ship sailing, with the full principal of the Facility plus accrued Facility Fee repaid across the 12-month term.

- ENDS -

This announcement is approved for release by the Board of Directors.

For further information, please contact:

INVESTORS

Patrick Mutz
MANAGING DIRECTOR & CEO

E. info@imageres.com.au

MEDIA

Helena Bogle
MEDIA CONSULTANT – SPOKE

E. helena@hellospoke.com.au

ABOUT NATFORT

Shantou Natfort Zirconium and Titanium Co., Ltd. (“Natfort”) is a privately-owned zirconium and titanium concentrates or heavy mineral concentrates (HMC) processing company in China and has been Image’s primary HMC offtaker from 2019 through 2023 for HMC produced by Image from its Boonanarring Mineral Sands Project, located 80km north of Perth in Western Australia. Natfort (previously known as Shantou Guofu Zirconium and Titanium Co., Ltd.) was established in December 2011 and is located at Lotus Mountain, Yanhong, Chenghai, Shantou, in the Guangdong Province in China.

Natfort focuses exclusively on separating HMC, zircon concentrates, and titanium dioxide (TiO₂) concentrates into individual products of zircon and TiO₂ products ilmenite and rutile, and lesser amounts of monazite containing rare earth elements, for sale to zirconium and titanium industry customers in China.

Natfort is neither a shareholder of, nor a related party to, Image Resources.

ABOUT IMAGE RESOURCES

Image Resources NL is a mineral sands focused miner and supplier of critical minerals titanium dioxide, zircon and monazite containing rare earth elements for sale into global markets. The Company has a demonstrated track record of successful project development and operations at its Boonanarring project located 80km north of Perth in the infrastructure rich North Perth Basin.

Boonanarring was a high-grade, high-zircon, low capital cost mine development that was constructed on-time and on-budget in CY2018 and then ramped up to name plate capacity in the second month of operation and went on to operate profitably through Q3 2023. Debt for the project was paid off early in February 2021 and the Company paid dividends to shareholders in April 2021 and April 2022. Image is currently developing the Atlas project and is constructing the mine and infrastructure and will be relocating the processing plant and equipment from Boonanarring to Atlas, with anticipated return to production, sales and profitability in 1H 2025.

Chapter 1 operating strategy for Image involved the transition from advanced explorer to active miner, operating one mine at a time, and producing a single product (HMC) sold into a single jurisdiction (China). Chapter 2 strategy (post Atlas) focuses on growth and sustainability and involves the operation of multiple mines in parallel, producing multiple products (separating HMC), and selling into a global market. The Company is also investigating a significant value adding step of upgrading its ilmenite to synthetic rutile using a lower GHG emissions, innovative process which Image has provisionally patented, and aims to demonstration through potential grant funding support.

FORWARD LOOKING STATEMENTS

Statements contained in this release, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, Mineral Resources, Ore Reserves or potential growth of Image Resources, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

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