

23 April 2018

IMAGE RESOURCES SIGNS HEADS OF AGREEMENT FOR SOLAR FARM FOR BOONANARRING

Image Resources NL (ASX: IMA) (“Image” or “the Company”) is pleased to announce the execution of a binding Heads of Agreement (“HOA”) with **Sunrise Energy Group Pty Ltd** for the supply and construction of a 3-4 Mega Watt Alternating Current (MW_{AC}) solar farm to be built next to the Company’s high-grade, zircon-rich Boonanarring mineral sands project located 80 km north of Perth, which is currently under construction and scheduled to be commissioned in the 4th Quarter 2018.

Subject to receipt of all necessary approvals, the Solar Farm will be built, owned and operated by Sunrise Energy Group on land owned by Image and leased to Sunrise Energy Group. The solar farm will be located approximately 20km north of Gingin, adjacent to the Boonanarring mine and processing facility and connected directly to Image’s embedded electrical supply network in a “behind the meter” configuration. See Figure 1 for photo of similar type solar farm.

Figure 1: Solar Farm



Photo courtesy of Sunrise Energy Group

“We are pleased to be one of the pioneering WA mining companies adopting distributed renewable electricity generation” said Patrick Mutz, Managing Director of Image Resources. “This solar farm is expected to produce around 25% of our electrical requirements at Boonanarring. Not only will the solar farm supply power in an environmentally sustainable manner, its construction will result in a further \$6-\$7m of capital investment by Sunrise Energy Group into a long-life asset located in the shire of Gingin, creating both construction and operational employment. It could also provide a small savings in annual electricity costs to the Company.”

Sunrise Energy Group will now work, at its cost, to complete all of the remaining development activities, including securing all required approvals, over the next 6-8 months, with construction anticipated to commence in early 2019.

The binding provisions of the HOA are customary for an agreement of this nature and include exclusivity, confidentiality and the reimbursement of certain costs incurred by Sunrise Energy Group in the event Image decides not to proceed with the project during the project approvals phase.

“We are excited to be working with Image Resources on this solar farm project” said Neil Canby, Executive Director, Sunrise Energy Group. “The adoption of large-scale distributed generation by the commercial and industrial sector in WA has been very limited to date. The WA market is a very different market to the National Electricity Market applicable to the Eastern States, having unique challenges and opportunities. Image Resources has taken the time to work through our commercial model and evaluate the opportunity as a potential large load industrial customer, including the social, environmental and economic benefits of having distributed renewable energy generation for their mining project.”

Mr Canby goes on to say, “This proposition is not unique to Image Resources. This is a model that can be used for many large rural loads across WA that are connected to the grid. We look forward to making this project a huge success for Image Resources. Sunrise Energy Group is proud and committed to be leading the charge in this exciting new energy supply segment.”

About Sunrise Energy Group

Sunrise Energy Group Pty Ltd is an emerging renewable energy company based in Perth, Western Australia. Sunrise Energy Group delivers turnkey solutions using distributed renewable generation for both grid connected and off grid customers in rural and remote Western Australia. Sunrise Energy Group works directly with customers to tailor the solution for them that achieves the desired social, environmental and economic outcomes for each particular situation.

About Boonanarring

The Boonanarring mineral sands project is located 80 km north of Perth in WA and is being fast-tracked to production by Image Resources. Project construction was initiated on 14 March 2018 with the start of construction of the site entry road. Work crews were also mobilised to South Australia during the month to begin relocating the Company’s wet concentration plant (WCP) and associated equipment that will be transported to WA and reassembled at Boonanarring for the recovery of heavy mineral concentrate (HMC).

Boonanarring site civils construction for the WCP will begin in April and topsoil removal for mining is anticipated to begin in May. Total construction time is anticipated to be six months with plant commissioning expected in October 2018 and first production by the end of December 2018. The project is fully funded to positive cash flow and 100% of HMC production is committed under a binding offtake agreement for the life of the mine. Details are available in various ASX announcements through Image Resources’ website at www.imageres.com.au.

For further information, please contact:

Patrick Mutz

Managing Director

+61 8 9485 2410

info@imageres.com.au

www.imageres.com.au