ASX ANNOUNCEMENT
20 August 2026
ASX: IMA

BILLION SUNNY PREPAYMENT FACILITY EXTENDED TO 30 JUNE 2027; STRATEGIC REVIEW COMMENCED

Variation executed with no additional security granted, no dilution to shareholders and interest capitalised to maturity

Highlights

- Final Maturity Date of the Billion Sunny prepayment facility **extended to 30 June 2027** — interest is **capitalised and compounded monthly** and payable at maturity, with **no cash interest payments** required in the interim
- **No additional security** has been granted to Billion Sunny over any asset of the Company, and the variation has been achieved with **no dilution to shareholders**
- The variation **materially reduces the Company's forecast cash outflows** through to 30 June 2027 and preserves liquidity
- Discussions with the Company's other offtake partner, Shantou Natfort Zirconium and Titanium Co., Ltd, in relation to a corresponding variation **are continuing and no agreement has been reached**
- **Cost optimisation program initiated** across corporate overhead, operating costs, contractor and consultancy arrangements, and capital commitments
- **Strategic review of the Company's asset portfolio commenced** — the Board considers the portfolio contains assets whose value is not currently reflected in the Company's market capitalisation, and expects to provide a further update during Q4 2026

Executed variation

Image Resources NL (ASX: IMA) (Image or the Company) advises that it has executed a variation letter (Variation Letter) with Billion Sunny Investment Limited (Billion Sunny) amending the terms of the prepayment facility provided by Billion Sunny to the Company (Billion Sunny Facility).

The Billion Sunny Facility is governed by a binding term sheet between Image and Billion Sunny dated 23 December 2024, as previously amended by letter agreements dated 20 October 2025 and 13 March 2026. Billion Sunny is an offtake partner of the Company and the provider of the Billion Sunny Facility.

The Variation Letter has been executed by both parties and is effective from its date. It is governed by Western Australian law.

Amended terms

Term	Position under the Variation Letter
Final Maturity Date	The earlier of (a) the date of the final shipment of heavy mineral concentrate (HMC) by Image to the HMC processor which includes the relevant Facility Offset Percentage of HMC completing final repayment of the principal amount and accrued interest, and (b) 30 June 2027.
Interest	Interest continues to accrue on the principal amount in accordance with the binding term sheet, capitalised and compounding monthly at the end of each month up to the Final Maturity Date, and is payable on the Final Maturity Date. No periodic cash interest payments are required.
Security	No additional security has been granted to Billion Sunny. The facility remains on its existing basis.

Term	Position under the Variation Letter
Atlas Project	The parties have agreed that a suspension or cessation of production at the Atlas Project, including placing the Atlas Project on care and maintenance, would not constitute an Event of Default or a breach of the binding term sheet. No decision has been made in relation to the future operating status of the Atlas Project.
Minimum cash balance	Image is not required to maintain any minimum cash balance in relation to its proposed operations at the Atlas Project.
Additional indebtedness	Image is permitted to enter into new commitments or incur financial indebtedness of up to A$[45] million without Billion Sunny's prior written consent.
Other terms	Except as varied, the terms of the binding term sheet (including the rights and obligations of the parties) remain unchanged. To the extent of any inconsistency, the Variation Letter prevails.

Effect on the Company

The Variation Letter defers repayment obligations under the Billion Sunny Facility that would otherwise have fallen due during the current financial year, and removes the requirement for periodic cash interest payments through to the Final Maturity Date. The variation therefore materially reduces the Company's forecast cash outflows over the period to 30 June 2027 and preserves liquidity.

The variation has been achieved without the grant of any additional security over the Company's assets, and without any dilution to shareholders.

The removal of the minimum cash balance requirement and the increased headroom for new commitments provide the Company with materially greater operational and financial flexibility as it assesses the optimal course for the Atlas Project and the Company's broader asset portfolio.

The Company has given a non-binding commitment to Billion Sunny that it will assess, as part of the strategic review of its asset portfolio described below, which of its assets may be monetised in order to repay the Billion Sunny Facility. Billion Sunny has also indicated a willingness to consider a further extension beyond 30 June 2027 should that be required, although no agreement has been reached in relation to any further extension and there is no assurance that any further extension would be agreed.

Discussions with Natfort

Image has a separate prepayment facility with Shantou Natfort Zirconium and Titanium Co., Ltd (Natfort), its other offtake partner, governed by a binding term sheet dated 23 October 2024 as subsequently amended (Natfort Facility).

Image has proposed a similar variation to the Natfort Facility on broadly similar terms to those now agreed with Billion Sunny. Discussions with Natfort are continuing and Image will update the market in accordance with its continuous disclosure obligations.

Outlook

More broadly, the Company continues to progress a number of workstreams directed at strengthening its funding position and balance sheet, including the deferral of prepayment facility repayments described above, working capital initiatives and the evaluation of other potential funding options. Image will keep the market informed of material developments in accordance with its continuous disclosure obligations under ASX Listing Rule 3.1.

Cost Optimisation

The Board has initiated a structured review of the Company's cost base across corporate overhead, operating costs, contractor and consultancy arrangements, and capital commitments. The objective is to preserve balance sheet flexibility and improve unit operating margins in the current mineral sands pricing environment. Management is leading the program with Board oversight, and findings will be reported to the Board periodically.

Strategic review of assets

In parallel, the Company has commenced a review of its asset portfolio to assess the optimal pathway to realise value from each project and tenement holding. The review will consider, among other things, retention and development in the ordinary course, joint venture or farm-in structures, and divestment or relinquishment where an asset is not aligned with the Company's core strategy.

The review encompasses the Company's mineral sands projects in the North Perth Basin, its exploration tenure, and certain tenements prospective for monazite-hosted rare earth elements.

The Board has commenced the review with a clear objective: to establish the structure and asset mix that best position Image for its next phase of growth. The Board considers that the Company's portfolio contains assets whose value is not currently reflected in the Company's market capitalisation, and the review aims to identify how that value may be realised.

The review is at a preliminary stage. No decision has been made on any transaction or restructure, and there is no certainty that the review will result in any transaction or change to the Company's asset holdings. The Company is in preliminary discussions with interested parties related to fund raising opportunities that will be non-dilutive to shareholders if achieved.

The Board expects to provide a further update on the progress of the review during Q4 2026.

This announcement has been authorised for release to the ASX by the Chair of Image Resources NL.

For further information:

Winston Lee
Chair
Image Resources NL
T: +61 8 9485 2410

Dennis Wilkins
Company Secretary
Image Resources NL