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IMAGE
RESOURCES



INTERIM FINANCIAL REPORT
for the half year ended 30 June 2022

Image Resources NL

ABN: 57 063 977 579



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Your directors present their report, together with the financial statements of the Group, being the Company, Image Resources NL, and its controlled entities, for the half-year ended 30 June 2022 compared with the half-year ended 30 June 2021.

DIRECTORS

The following persons, unless otherwise stated, were directors of Image Resources NL ("Image") during the whole of the half-year and up to the date of this report:

Mr Robert Besley
 Mr Patrick Mutz
 Mr Aaron Chong Veoy Soo
 Mr Chaodian Chen
 Mr Peter Thomas
 Mr Huangcheng Li (Alternate: Dennis Lee), (Resigned 30 May 2022)
 Ms Ran Xu (Appointed 1 June 2022)
 Mr Winston Lee (Appointed 14 June 2022)

OPERATING AND FINANCIAL REVIEW

Operating Result

The profit from continuing operations for the half-year ended 30 June 2022 was \$17,937,000 (1H 2021: \$2,910,000).

Review of Operations

Image Resources NL ("Image" or "the Company") has continued to build on its success in 2020 and 2021 to achieve a strong EBITDA and record profit for a half year in first half 2022.

The following summarises the key drivers of operational and financial performance for 1H 2022:

- Heavy mineral concentrate ("HMC") production of 91kt (1H 2021: 187Kt) with lower production driven by record low half-year ore grades in 1H 2022 contrasted by record high half-year ore grades in 1H 2021, on similar ore tonnes processed.
- HMC sales of 99Kt (1H 2021: 152Kt), reflecting the lower HMC production, but at a much higher average HMC realised sales price of A\$929 per tonne (1H 2021: A\$480/t) principally from higher commodity prices, and resulting in 26% higher sales revenue to A\$91.8m (1H 2021: A\$73.1m).
- Cost of sales (excluding depreciation and amortisation) of \$518 per tonne (1H 2021: A\$288/t) mainly due to higher mining costs per tonne of HMC produced (from lower HMC production due to lower average ore grades) and general inflationary pressures.
- HMC sales margins increased 114% to a record high A\$411 per tonne (1H 2021: A\$192/t). As a result EBITDA increased 39% to A\$40.6 million (1H 2021: A\$29.3 million).

The following table provides a summary of the key drivers of underlying EBITDA for the Boonanarring Project:

	6 months to 30 June 2022	6 months to 30 June 2021
HMC Production (DMT 000s)	91	187
HMC Sales (DMT 000s)	99	152
HMC Realised Price (\$/DMT)	929	480
HMC Cost of Sales (\$/DMT)	(518)	(288)
HMC Margin (\$/DMT)	411	192
HMC Sales (A\$ millions)	91.8	73.1
Cost of sales excluding depreciation and amortisation (A\$ millions)	(51.2)	(43.8)
Underlying EBITDA (A\$ millions)	40.6	29.3

Underlying EBITDA

Underlying EBITDA, defined as earnings before interest, tax, depreciation and amortisation, and other expenses is used as a key measure of the Group's financial performance. The reconciliation of the underlying EBITDA to the financial metrics reported in the 1H 2022 financial statements under Australian Accounting standards is presented below.

	6 months to 30 June 2022 (A\$000's)	6 months to 30 June 2021 (A\$000's)
Operating sales revenue	91,838	73,107
Costs of sales excluding depreciation and amortisation	(51,211)	(43,803)
Underlying EBITDA	40,627	29,304
Depreciation and amortisation	(10,531)	(21,735)
Exploration, corporate and other	(5,500)	(3,677)
Realised foreign currency gain / (loss)	1,540	948
Finance costs (net)	(538)	(726)
Profit before tax	25,598	4,114
Income tax expense	(7,661)	(1,204)
Net profit after tax	17,937	2,910

Financial Review

The Group completed two strategic acquisitions during the half year, Eneabba Tenements and McCalls Project, for a combined cash outlay of A\$36.8m.

During the latest six months the Group successfully completed the payments of its 2nd annual dividend of A\$0.02 per share, fully franked (1H 2021: A\$0.02 per share, unfranked). In addition, the Group paid corporate tax of A\$12.4 million.

The Group finished the half year effectively debt free, with A\$47.9m in cash and cash equivalents (1H 2021: A\$79.8m), A\$24.3m in product inventories (1H 2021: \$20.6m) and freehold land at a cost of A\$24.3m (1H 2021: \$20.5m).

Corporate

The Company executed a Director Appointment and Standstill Deed (Standstill Agreement), prior to the May AGM, with the Company's largest shareholder Murray Zircon and its associated companies (MZ Parties). Under the Standstill Agreement, the MZ Parties agreed to refrain from any further 249D actions for 14 months, in exchange for the appointment of a nominated director on the image Board to represent MZ Parties, and for the sale of 50% of Image's HMC production from Boonanarring and Atlas to Murray Zircon's largest shareholder OZC (Guangdong Orient Zircon Ind Sci & Tech Co. Ltd), through the current off-takers, at full market based pricing. In addition, the MZ Parties agreed not to vote its shares contrary to the voting recommendations made by a majority of the Board of Image on the resolutions considered at Image's May 2022 annual general meeting.

Boonanarring

The Group has continued to successfully mine and produce HMC at Boonanarring and has completed 29 months without a lost time injury as at the end of June 2022.

Despite the challenges presented from COVID, increasing inflationary pressures, uncertainties with land access, scarcity of support services and high employee turnover rates, the Group completed another successful and profitable half year and generated underlying EBITDA of A\$40.6m (1H 2021: A\$29.3m).

Demand for the Group's HMC product remains high with benchmark market prices for zircon increasing 5% on 1 April 2022 to US\$2,120 per tonne and increasing a further 7% to US\$2,270 per tonne on 1 July 2022. In addition, in May 2022, the benchmark market price for ilmenite rose a further 5% to US\$400 per tonne. These price increases and strong demand bode well for the remainder of the mine life at Boonanarring, as well as future development prospects at Atlas, Bidaminna and Eneabba.

Project Development and Exploration

Atlas

Atlas is located approximately 160km north of Perth (80km north of Boonanarring). The plan outlined in the BFS was for the wet concentration plant (WCP) and associated equipment, infrastructure and mining operations to be relocated from Boonanarring to Atlas when mining and processing of available Ore Reserves at Boonanarring is complete.

The forecast for completion of mining and processing at Boonanarring is currently estimated as Q1 2023, and possibly as late as Q2 2023 if an opportunity to gain access for mining to Block D south is successful and mining at Boonanarring is extended for three months.

Environmental permitting at Atlas is progressing, however the process has been delayed from a combination of issues related to heritage clearances and field assessment activities related to flora, fauna, groundwater and surface water. The current estimate for the grant of environmental approvals is now end of Q2 2023. The Group continues to work actively and co-operatively with the local traditional owners, through SWALSC, along with various service providers to address these issues and to try and identify a workable solution to obtain environmental approval to allow mining in this area in a timely manner.

Bidaminna

The Bidaminna Project is 100%-owned and is currently the subject of a feasibility study (FS) being conducted by IHC Robbins, as a potential stand-alone dredge mining production centre, to be operated in parallel with operations in the Atlas area. Bidaminna is located 100km north of Perth (25km northwest of Boonanarring) (refer ASX announcement 31 March 2021).

Heritage, flora and fauna surveys were completed in Q1 2022, drilling to collect necessary geotechnical data to support the FS was completed in April 2022, and drilling for upgrading the Mineral Resources estimate commenced in April and has been subsequently completed in July 2022. The FS is currently scheduled to be completed in Q4 2022.

Eneabba Tenements

The first strategic acquisition in 1H 2022 was the Eneabba Tenements, a package of tenements consisting of 8 ELs and 1 RL (refer to ASX announcement 11 March 2022). These tenements cover an area of approximately 232 square kilometres. The existing Mineral Resources in the Eneabba Tenements have a number of positive attributes including:

- Located in the historic Eneabba mineral sands mining district in Western Australia; and
- Mineralisation is located from surface in some places with low overall average strip ratios.

The Group is currently completing a desktop study to determine which of the two priority targets, Yandanooka and Durack, is most suitable to develop first.

McCalls Project

The second strategic acquisition in 1H 2022 was the McCalls mineral sands project. The McCalls deposit is a massive, low-grade mineral sands deposit (refer to ASX announcement 20 May 2022).

Mineralisation at McCalls covers four exploration licences across two project areas over a total area of 224Km².

The existing Mineral Resources in the McCalls have a number of positive attributes including:

- Located 15km from the current Boonanarring processing plant and accessible largely by sealed road; and
- Very thick seams of mineralisation (up to 30m), located from surface in some places with low overall average strip ratio.

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Other than the following matter:

On 29 July 2022 the Group provided a Mineral Resource update on the West Mine North project associated with the recent strategic acquisition of a package of tenements located in the historic Eneabba mineral sands mining district in Western Australia, located 275km north of Perth. Further information is provided in the ASX announcement lodged on 29 July 2022.

There have been no other material significant matters or circumstances that have arisen subsequent to the end of the reporting period which have had, or are likely to have, a material impact on the operations of the Group or the financial statements.

FORWARD LOOKING STATEMENTS

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding prices, exploration or development costs and other operating results, growth prospects and the outlook of Image's operations, contain or comprise certain forward-looking statements regarding Image's operations, economic performance and financial condition. Although Image believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties, fluctuations in prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX.

INDEPENDENCE DECLARATION BY AUDITOR

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the half-year ended 30 June 2022.

This report has been signed in accordance with a resolution of directors.

For and on behalf of the Directors



SIGNED: Patrick Mutz

Managing Director

Perth

31 August 2022

ELDERTON
AUDIT PTY LTD

Auditor's Independence Declaration

To those charged with the governance of Image Resources NL

As auditor for the review of Image Resources NL for the half-year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Image Resources NL and the entities it controlled during the period.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd



Rafay Nabeel
Director

31 August 2022
Perth

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2022**



	Note	6 months to 30 Jun 2022 (\$'000)	6 months to 30 Jun 2021 (\$'000)
Continuing operations			
Operating sales revenue		91,838	73,107
Cost of sales	3	(48,390)	(53,501)
Gross profit		43,448	19,606
Government royalties		(4,169)	(3,255)
Shipping and other selling costs		(9,183)	(8,782)
Corporate expenses		(2,913)	(2,151)
Exploration and evaluation expenses		(2,653)	(1,585)
Other income		66	59
Net foreign exchange gain		1,540	948
Operating profit		26,136	4,840
Finance income		15	6
Financing costs	4	(553)	(732)
Profit before tax		25,598	4,114
Income tax expense		(7,661)	(1,204)
Net profit after tax		17,937	2,910
Other comprehensive income			
Changes in the fair value of available-for-sale financial assets		(1)	4
Other comprehensive loss for the period, net of tax		(1)	4
Total comprehensive income for the period, net of tax		17,936	2,914
Net profit attributable to owners of Image Resources NL		17,937	2,910
Total comprehensive income attributable to owners of Image Resources NL		17,936	2,914
Earnings per share		Cents	Cents
Basic profit per share (cents per share)		1.73	0.29
Diluted profit per share (cents per share)		1.69	0.28

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**



	Notes	30 Jun 2022 (\$000)	31 Dec 2021 (\$000)
Current Assets			
Cash and cash equivalents		47,896	79,840
Trade and other receivables	5	2,106	2,960
Inventory	6	24,532	21,739
Other assets		927	1,085
Derivatives		-	18
Total Current Assets		75,461	105,642
Non-Current Assets			
Property, plant and equipment	7	102,145	68,962
Other financial assets		3,213	4,629
Deferred Tax Assets		857	-
Total Non-Current Assets		106,215	73,591
TOTAL ASSETS		181,676	179,233
Current Liabilities			
Trade and other payables		23,342	19,560
Provisions		1,164	1,004
Borrowings	8	161	148
Derivatives		539	-
Income tax payable		7,923	11,093
Total Current Liabilities		33,129	31,805
Non-Current Liabilities			
Provisions		31,490	35,611
Borrowings	8	148	172
Deferred tax liabilities		-	742
Total Non-Current Liabilities		31,638	36,525
TOTAL LIABILITIES		64,767	68,330
NET ASSETS		116,909	110,903
Equity			
Issued capital	9	125,985	113,999
Reserves	9	20,784	26,764
Accumulated losses		(29,860)	(29,860)
TOTAL EQUITY		116,909	110,903

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2022**



	Issued Capital (\$000)	Profit Reserve Account (\$000)	Other Reserves (\$000)	Accum'd Losses (\$000)	Total (\$000)
As at 1 January 2021	110,607	24,783	3,100	(29,860)	108,630
Operating profit for the period	-	-	-	2,910	2,910
Other comprehensive income	-	-	4	-	4
Transfer to profit reserve - dividend	-	2,910	-	(2,910)	-
Total comprehensive profit	-	2,910	4	-	2,914
<i>Transactions with owners</i>					
Dividend paid	-	(19,864)	-	-	(19,864)
Warrants exercised during the year	-	-	(240)	-	(240)
Share based payments	-	-	67	-	67
Shares issued during the year	1,267	-	-	-	1,267
Shares cancelled during the year	(301)	-	-	-	(301)
Cost of share issue	(4)	-	-	-	(4)
Total transactions with owners	962	(19,864)	(173)	-	(19,075)
At 30 June 2021	111,569	7,829	2,931	(29,860)	92,469
As at 1 January 2022	113,999	24,290	2,474	(29,860)	110,903
Operating profit for the period	-	-	-	17,937	17,937
Other comprehensive income	-	-	(1)	-	(1)
Transfer to profit reserve - dividend	-	17,937	-	(17,937)	-
Total comprehensive profit	-	17,937	(1)	-	17,936
Derivatives fair value movement	-	-	(557)	-	(557)
<i>Transactions with owners</i>					
Dividend paid	-	(20,777)	-	-	(20,777)
Warrants exercised during the year	2,582	-	(2,582)	-	-
Shares issued during the year	10,213	-	-	-	10,213
Shares cancelled during the year	(792)	-	-	-	(792)
Cost of share issue	(17)	-	-	-	(17)
Total transactions with owners	11,986	(20,777)	(2,582)	-	(11,373)
At 30 June 2022	125,985	21,450	(666)	(29,860)	116,909

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**



	6 months to 30 Jun 2022 (\$000)	6 months to 30 Jun 2021 (\$000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	91,948	84,674
Payments to suppliers and contractors	(58,396)	(57,577)
Other income	26	58
Interest received	15	5
Interest paid	(232)	(961)
Income tax paid	(12,430)	-
Net cash from operating activities	20,931	26,199
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for security deposit	-	(85)
Purchase of property, plant and equipment	(43,736)	(1,952)
Payments for exploration and evaluation	(2,090)	(1,818)
Net cash used in investing activities	(45,826)	(3,855)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	3,529	414
Share issue expenses	(17)	(4)
Proceeds from employee loan repayments	980	-
Dividends paid	(12,766)	(19,025)
Repayment of borrowings	-	(17,169)
Net cash used in financing activities	(8,274)	(35,784)
Net (decrease) / increase in cash held	(33,169)	(13,440)
Cash at the beginning of the financial period	79,840	50,761
Effect of exchange fluctuations on cash held	1,225	821
Cash at the end of the financial period	47,896	38,142

The accompanying notes form part of these financial statements.

NOTE 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

These general-purpose financial statements for the interim half-year reporting period ended 30 June 2022 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard 134: *Interim Financial Reporting*.

The consolidated financial statements of the Group, as at and for the half-ended 30 June 2022, comprises the Company and its wholly owned subsidiaries (together referred as the Group). These financial statements were approved by the Board of Directors on the date of the Directors Declaration.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year. It is therefore recommended that this financial report be read in conjunction with the annual financial statements for the year ended 31 December 2021, together with any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Going Concern

The Group recognises that its ability to continue as a going concern to meet its debts when they fall due is dependent on successful production and product sales from the Boonanarring project resulting in the project's ongoing profitable operation. The Directors have reviewed the business outlook, taking into account the early production achievements and the fact that significant cash flow is being generated, and are of the opinion that the use of the going concern basis of accounting is appropriate.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

NOTE 2 SEGMENT INFORMATION

Identification of reportable segments

The Group has identified that it operates in only one segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is a Mineral Sands mining Group operating its 100% owned high-grade zircon rich Boonanarring mine located in the North Perth Basin of Western Australia. Currently all the Group's mineral sands and gold tenements, reserves and resources are located in Western Australia.

Revenue and assets by geographical region

The Group operates wholly within the geographical location of Australia with all of its assets located there. All revenue is received from two customers based in China.

	6 months to 30 Jun 2022 (\$000)	6 months to 30 Jun 2021 (\$000)
NOTE 3 COST OF SALES		
Mine operating costs	40,584	38,647
Depreciation and amortisation	9,237	17,785
Amortisation of capitalised borrowing costs	1,294	3,950
Inventory movement	(2,725)	(6,881)
	48,390	53,501

Cost of goods sold is in the inventory value of each tonne of finished product sold. All production is added to inventory at cost, which includes direct costs and depreciation and amortisation. The inventory value recognised as cost of goods sold for each tonne of finished product sold is the weighted average value per tonne for the stockpile from which the product is sold.

Inventory movement represents the movement in balance sheet inventory stockpiles, including the non-cash depreciation and amortisation components and movement in the net realisable value adjustments.

NOTE 4 FINANCING COSTS

Interest expense	343	725
Other financing costs	210	7
	553	732

Refer to note 8 for the accounting policy on borrowing/financing costs.

	30 Jun 2022 (\$000)	31 Dec 2021 (\$000)
NOTE 5 TRADE AND OTHER RECEIVABLES		
Trade receivables	-	-
GST and tax refundable	856	1,022
Loans to employees – (Employee share plan)	554	1,137
Loans to Key Management personnel – (Employee share plan)	567	590
Other receivables	129	211
	2,106	2,960

Trade receivable are amounts due from customers for goods sold in the ordinary course of business. Trade receivables amounts reflect sales of mineral sands and are backed by a letter of credit when the ship dispatches. Funds are received from the letter of credit in US dollars generally within five business days from the date the ship dispatches.

Due to the short-term nature of current receivables, their carrying amount is assumed to be the same as their fair value.

NOTE 6 INVENTORIES

Ore stockpiles – at cost	3,806	2,459
Heavy mineral concentrate and other intermediate stockpiles – at cost	18,883	17,506
Stores and consumables – at cost	1,843	1,774
	24,532	21,739

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**



	Plant and Equipment (\$000)	Land and Buildings (\$000)	Mine Developm't (\$000)	Borrowing Costs (\$000)	Exploration (\$000)	Total (\$000)
NOTE 7 PROPERTY, PLANT AND EQUIPMENT						
Year ended 31 December 2021						
Balance at 1 January 2021	25,344	18,388	28,447	10,627	-	82,806
Additions	1,594	2,203	5,598	-	155	9,550
Mine closure and rehabilitation asset	-	-	15,859	-	-	15,859
Disposals	(12)	-	-	-	-	(12)
Depreciation	(12,482)	-	(21,053)	(5,706)	-	(39,241)
Closing Net Book Value	14,444	20,591	28,851	4,921	155	68,962
At 31 December 2021						
Cost	56,929	20,591	66,602	21,968	155	166,245
Accumulated Depreciation	(42,485)	-	(37,751)	(17,047)	-	(97,283)
Net Book Value	14,444	20,591	28,851	4,921	155	68,962
Half year ended 30 June 2022						
Balance at 1 January 2022	14,444	20,591	28,851	4,921	155	68,962
Additions	1,749	3,734	1,433	-	¹ 36,923	43,839
Disposals	-	-	-	-	-	-
Depreciation	(4,453)	-	(4,909)	(1,294)	-	(10,656)
Closing Net Book Value	11,740	24,325	25,375	3,627	37,078	102,145
At 30 June 2022						
Cost	58,678	24,325	68,035	21,968	37,078	210,084
Accumulated Depreciation	(46,938)	-	(42,660)	(18,341)	-	(107,939)
Net Book Value	11,740	24,325	25,375	3,627	37,078	102,145

Note 1.

This includes the purchase of 2 projects as follows:

- On 18 January 2022, the Group completed the strategic acquisition of a package of mineral sands tenements in the historic Eneabba mining district for \$23m in cash. Further information is provided in the ASX announcement lodged on 19 January 2022.
- On 14 March 2022, the Group announced the strategic acquisition of the McCalls Mineral Sands Project for \$12m in cash. Further information is provided in the ASX announcement lodged on 14 March 2022.

	30 Jun 2022 (\$000)	31 Dec 2021 (\$000)
NOTE 8 BORROWINGS		
Current		
Operating lease liabilities	161	148
Non-Current		
Operating lease liabilities	148	172
NOTE 9 ISSUED CAPITAL		
Ordinary share capital:		
Issued and fully paid	125,985	113,999

	Number	(\$000)
As at 1 January 2021	1,012,642,386	113,999
Employee share plan shares cancelled	(4,187,674)	(792)
Warrants exercised	29,423,901	6,111
Dividend reinvestment plan shares issued at \$0.172	¹ 33,384,977	6,684
Share issue costs	-	(17)
At 30 June 2021	1,071,263,590	125,985

Note 1

Shares issued as a result of the Dividend Reinvestment Plan allowing all eligible shareholders to reinvest either all or part of their dividend payments into additional fully paid Image Resources shares. A dividend of 2 cents per share fully franked was paid on 28 April 2022.

	(\$000)	(\$000)
Reserves		
Available-for-sale financial assets reserve	15	16
Share based payments reserve	67	67
Warrants reserve	265	2,848
Profits reserve account	21,450	24,290
Hedging reserve	(538)	-
Other reserves - OCI	(475)	(475)
	20,784	26,746

	30 Jun 2022 Number	31 Dec 2021 Number
NOTE 9 ISSUED CAPITAL (CONT'D)		
<i>Share Base Payments Reserve</i>		
The Compa had the following unlisted warrants over un-issued fully paid ordinary shares at the end of the period:		
Options exercisable at \$0.32 on or before 27 May 2023	8,000,000	10,000,000
<i>Warrants</i>		
The Company had the following unlisted warrants over un-issued fully paid ordinary shares at the end of the period:		
Exercisable at \$0.1365 on or before 20 May 2023	3,351,099	11,250,000
Exercisable at \$0.11385 on or before 24 May 2023	-	21,525,000
	3,351,099	32,775,000
	6 months to 30 Jun 2022 (\$000)	6 months to 30 Jun 2021 (\$000)
<i>Profits Reserve Account</i>		
Balance at the beginning of the period	24,290	24,783
Transfer from accumulated losses	17,937	2,910
Dividend paid	(20,777)	(19,864)
Balance at the end of the period	21,450	7,829

NOTE 10 TENEMENT EXPENDITURE COMMITMENTS

The Group has entered into certain obligations to perform minimum exploration work on tenements held. These obligations vary from time to time in accordance with contracts signed. Tenement rentals and minimum expenditure obligations, that may be varied or deferred on application, are expected to be met in the normal course of business.

The minimum statutory expenditure requirement on the granted tenements for the next twelve months amounts to \$2,040,820. The Group no longer has any joint ventures over any of its tenements.

The tenements are subject to legislative requirements with respect to the processes for application, grant, conversion and renewal. Tenements are also subject to the payment of annual rent and the meeting of minimum annual expenditure commitments. There is no guarantee that any applications, conversions or renewals for the Group's tenements will be granted.

NOTE 11 SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Other than the following matter:

On 29 July 2022 the Group provided a Mineral Resource update on the West Mine North project associated with the recent strategic acquisition of a package of tenements located in the historic Eneabba mineral sands mining district in Western Australia, located 275km north of Perth. Further information is provided in the ASX announcement lodged on 29 July 2022.

There have been no material significant matters or circumstances that have arisen subsequent to the end of the reporting period which have had, or are likely to have, a material impact on the operations of the Group or the financial statements.

DIRECTORS' DECLARATION



The directors of the Company declare that:

1. the accompanying financial statements and notes:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position of the Group as at 30 June 2022 and its performance for the half-year ended on that date.
2. in the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

A handwritten signature in blue ink, appearing to read "Patrick Mutz".

SIGNED BY PATRICK MUTZ

Managing Director

Perth

Dated this 31st day of August 2022

ELDERTON

AUDIT PTY LTD

Independent Auditor's Review Report

To the members of Image Resources NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Image Resources NL ('the Company') and its subsidiaries ('the Group'), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and condensed other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, consolidated notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors' determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 30 June 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Image Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Image Resources NL would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Image Resources NL is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Image Resources NL's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

A handwritten signature in black ink, appearing to read "Rafay Nabeel".

Rafay Nabeel
Director

31 August 2022
Perth