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**INTERIM FINANCIAL REPORT**  
**for the half year ended 30 June 2023**

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 2023 compared with the half-year ended 30 June 2022.

**DIRECTORS**

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

- Mr Robert Besley
- Mr Patrick Mutz
- Mr Aaron Chong Veoy Soo
- Mr Peter Thomas
- Ms Ran Xu
- Mr Winston Lee
- Mr Chaodian Chen (Resigned 30 May 2023)

**OPERATING AND FINANCIAL REVIEW**

**Operating Result**

The profit from continuing operations for the half-year ended 30 June 2023 was \$4,622,000, down from a record high half year profit of \$17,937,000 in 1H 2022:

**Review of Operations**

Image Resources NL and its controlled entities (“Image” or “the Group”) has completed the final full half year of mining operations at Boonanarring, with final HMC production and HMC sales scheduled to be completed in Q3 2023 in advance of the planned relocation of operations to Atlas, pending final permitting approvals.

The following summarises the key drivers of operational and financial performance for 1H 2023:

- Heavy mineral concentrate (“HMC”) production was 3% higher at 94kt (1H 2022: 91Kt), driven by higher HM ore grade processed in 1H 2023, partly offset by lower ore tonnes processed.
- HMC sales were 7% lower at 92Kt (1H 2022: 99Kt) and average HMC realised unit sales price was 5% lower at A\$884 per tonne (1H 2022: A\$929/t), principally from lower average zircon grades in HMC shipped, resulting in 12% lower revenue at A\$81.1m (1H 2022: A\$91.8m).
- Unit cost of sales (excluding depreciation and amortisation) was 3% higher at A\$532 per tonne (1H 2022: A\$518/t) due to lower mining and logistics costs partially offset by lower sales volumes.
- HMC unit sales margin decreased 14% to A\$352 per tonne, down from the record high margin of A\$411 per tonne in 1H 2022. As a consequence, EBITDA was 20% lower at A\$32.4 million, down from A\$40.6 million in 1H 2022.

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

	<b>6 months to 30 June 2023</b>	<b>6 months to 30 June 2022</b>
HMC Production (DMT 000s)	94	91
HMC Sales (DMT 000s)	92	99
HMC Realised Price (A\$/DMT)	884	929
HMC Cost of Sales (A\$/DMT)	(532)	(518)
HMC Margin (A\$/DMT)	352	411
HMC Sales (A\$ millions)	81.1	91.8
Cost of sales excluding depreciation and amortisation (A\$ millions)	(48.7)	(51.2)
Underlying EBITDA (A\$ millions)	32.4	40.6

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### 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 2023 financial statements under Australian Accounting standards is presented below.

	<b>6 months to 30 June 2023</b>	<b>6 months to 30 June 2022</b>
	<b>(A\$000's)</b>	<b>(A\$000's)</b>
Operating sales revenue	81,060	91,838
Costs of sales excluding depreciation and amortisation	(48,721)	(51,211)
<b>Underlying EBITDA</b>	<b>32,339</b>	<b>40,627</b>
Depreciation and amortisation	(19,558)	(10,531)
Exploration, corporate and other	(5,983)	(5,500)
Realised foreign currency gain / (loss)	450	1,540
Finance costs (net)	(682)	(538)
<b>Profit before tax</b>	<b>6,566</b>	<b>25,598</b>
Income tax expense	(1,944)	(7,661)
<b>Net profit after tax</b>	<b>4,622</b>	<b>17,937</b>

### Financial Review

The Group finished the half year effectively debt free, with A\$62.5m in cash and cash equivalents (1H 2022: A\$53.5m), A\$21.0m in product inventories (1H 2022: \$22.7m) and freehold land and buildings at a cost of A\$26.1m (1H 2022: \$20.6m).

During the six months ended 30 June 2023, the Group did not declare a dividend having completed the payment of the 2nd annual dividend of A\$0.02 per share, fully franked, in 1H 2022. The Group paid corporate tax of A\$6.6 million (1H 2022: A\$12.4 million).

#### Corporate

All resolutions considered at the Group's May 2023 annual general meeting were approved. Non-Executive Director Mr Chaodian Chen, who retired by rotation, did not offer himself for re-election.

#### Boonanarring

During 1H 2023, the Group has continued to successfully mine and produce HMC at Boonanarring.

Despite the challenges presented including 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\$32.4m (1H 2022: A\$40.6m).

Demand for the Group's HMC product remained high during 1H 2023 with benchmark market prices for zircon increasing US\$50/T on 1 April 2023 to US\$2,170 per tonne. The strong underlying prices for zircon and titanium bode well for the remaining HMC sales from Boonanarring, as well as future development prospects at Atlas, Bidaminna and Yandanooka.

### Project Development and Exploration

#### Growth and Sustainability Strategy

In Q4 2022, the Board adopted a new, long-term growth and sustainability strategy. This new strategy reiterates the Group's original 'transition to production' plan outlined in its 2017 Bankable Feasibility Study ("BFS") for mining of all Ore Reserves at Boonanarring and then self-funding the relocation of mining and processing facilities to the Group's 100%-owned Atlas project. The new strategy also incorporates the potential development of a standalone dredge mining operation at Bidaminna, as well as studies aimed at demonstrating the viability of transitioning from a single mining/processing operation, with a single product (HMC only) and a single market jurisdiction (currently China) ("Chapter 1"), to multiple mining/processing operations operating simultaneously, with multiple products and expanded geographical market ("Chapter 2").

In addition to the planned self-funded development of Atlas, and potential development of Bidamina as a standalone dredge mining project, the new growth and sustainability strategy encompasses studies for the following:

- Development of an initial dry mining and processing operation at 100%-owned Yandanooka project (or alternatively Durack and later others) in the Eneabba Tenements area, with potential for 10+ year mine-life;
- Development of hydraulic mining and processing operations at 100%-owned McCalls project with potential 50+ year mine-life;
- Construction of an MSP to capture the value-adding advantages of multiple products (including by-products such as monazite) and expanding the Group's market reach geographically, as well as capitalising on the opportunity for effective post-mining use of the land and installed infrastructure at Boonanarring; and,
- Potential for the construction of a synthetic rutile ("SR") production facility in the vicinity of the MSP, for the value-adding and market-expanding upgrading of ilmenite from Bidamina, Yandanooka/Durack and McCalls to potentially 'green' SR by using solar produced green hydrogen as the iron reductant in a fluidised bed reactor ("FBR").

#### 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.

On 21 December 2022, the Group provided an Atlas Project Ore Reserve Update. Highlights included:

- 5.5 million tonnes of Ore Reserves at 9.2% Heavy Mineral ("HM") containing 20% combined zircon and rutile and 53% ilmenite in HM.
- Total HMC production of 446,000 tonnes
- Net project cashflow of A\$62 million, with project expected to be funded from current cash reserves and cash from remaining HMC sales from Boonanarring.

Mining and processing at Boonanarring is scheduled to be completed in Q3 2023.

The key items on the critical path for the development of the Atlas project are environmental approvals, which have been a priority focus for the past 18 months. The Environmental Protection Authority ("EPA") has provided its summary of public comments to Image's Environmental Review Document ("ERD") submitted for public comment in December 2022. The Group continues to work with the EPA to close out the ERD for final assessment, including the drafting of Environmental Management Plans, in parallel with the ERD process and conditions set by the EPA, in preparation for submission for final approval. Generally, the regulatory departments have been unable to meet their target dates and the permitting schedule has been delayed substantially.

Other development activities, including engineering, design and construction of long-lead items, power and water supply, civil design and detailed mine planning, are progressing to schedule.

#### Bidamina

The Bidamina Project is 100% owned and is located 100km north of Perth (25km northwest of Boonanarring). An inaugural Ore Reserves estimate for Bidamina was announced on 27 June 2023 as part of a pre-feasibility study ("PFS") conducted by IHC Mining. Ore Reserves were estimated to be 123 million tonnes at 1.8% total heavy minerals ("HM") and with 93% valuable heavy minerals in the HM. Highlights of the PFS included:

- Pre-tax NPV<sup>8</sup> A\$192 million
- Pre-tax IRR<sup>8</sup>: 28%
- Capital estimate: A\$194 million
- EBITDA: A\$379 million
- Forecast mine-life: 10.5 years
- Capital payback: 3.8 years

Based on the positive PFS results, Image is commencing a Definitive Feasibility Study (“DFS”) which will include capital and operating cost optimisation as well as the inclusion of an MSP, which is currently under independent feasibility study. The MSP will likely be located at the existing Boonanarring WCP operation to take advantage of existing infrastructure.

The DFS will likely also include the addition of the significant value-adding step of converting Bidamina ilmenite into SR. SR testing has commenced and involves the use of an FBR using hydrogen as the iron reductant. The Company is also investigating the potential production of green hydrogen using the existing solar farm at Boonanarring.

Additional drilling is planned for CY2023 to determine the HM grade of 40 million tonnes of “dilution” material which is currently assumed to have 0% HM grade due to insufficient drill data. A grade determination for the dilution material could add significantly to the total HM in the Ore Reserve and overall project economics.

#### **SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE**

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.

#### **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 7 for the half-year ended 30 June 2023.

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 4 September 2023

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**ELDERTON**  
AUDIT PTY LTD

**Auditor's Independence Declaration**

To those charged with the governance of Image Resources NL

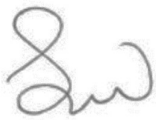
As auditor for the review of Image Resources NL for the half-year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (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**



**Sajjad Cheema**  
Director

4 September 2023  
Perth

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 30 JUNE 2023



	Note	6 months to 30 Jun 2023 (\$000)	6 months to 30 Jun 2022 (\$000)
<b>Continuing operations</b>			
Operating sales revenue		81,060	91,838
Cost of sales	3	(59,636)	(48,390)
Gross profit		21,424	43,448
Government royalties		(3,811)	(4,169)
Shipping and other selling costs		(4,832)	(9,183)
Corporate expenses		(3,470)	(2,913)
Exploration and evaluation expenses		(2,535)	(2,653)
Other income		22	66
Net foreign exchange gain		450	1,540
Operating profit		7,248	26,136
Finance income		325	15
Financing costs	4	(1,007)	(553)
Profit before tax		6,566	25,598
Income tax expense		(1,944)	(7,661)
<b>Profit for the year from continuing operations</b>		<b>4,622</b>	<b>17,937</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Changes in the fair value of financial assets measured at fair value through other comprehensive income		-	(1)
<i>Items that will not be reclassified to profit or loss</i>			
Hedging loss		(427)	-
Other comprehensive loss for the period, net of tax		(427)	(1)
<b>Total comprehensive income for the period, net of tax</b>		<b>4,195</b>	<b>17,936</b>
Net profit attributable to owners of Image Resources NL		4,622	17,937
Total comprehensive income attributable to owners of Image Resources NL		4,195	17,936
<b>Earnings per share</b>			
		<b>Cents</b>	<b>Cents</b>
Basic profit per share (cents per share)		0.43	1.73
Diluted profit per share (cents per share)		0.38	1.69

The accompanying notes form part of these financial statements.



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**



	Notes	30 Jun 2023 (\$'000)	31 Dec 2022 (\$'000)
<b>Current Assets</b>			
Cash and cash equivalents		62,477	53,455
Trade and other receivables	5	1,783	2,021
Inventory	6	24,231	27,950
Other financial assets		994	1,416
<b>Total Current Assets</b>		<b>89,485</b>	<b>84,842</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	96,877	107,045
Other financial assets		4,553	4,658
Deferred Tax Assets		9,242	4,534
<b>Total Non-Current Assets</b>		<b>110,672</b>	<b>116,237</b>
<b>TOTAL ASSETS</b>		<b>200,157</b>	<b>201,079</b>
<b>Current Liabilities</b>			
Trade and other payables		26,588	21,718
Provisions		26,679	11,929
Borrowings		217	108
Other non-current financial liabilities		21	-
Income tax payable		377	8,622
<b>Total Current Liabilities</b>		<b>53,882</b>	<b>42,377</b>
<b>Non-Current Liabilities</b>			
Trade and other payables		455	455
Provisions		25,460	41,961
Borrowings		89	89
<b>Total Non-Current Liabilities</b>		<b>26,004</b>	<b>42,505</b>
<b>TOTAL LIABILITIES</b>		<b>79,886</b>	<b>84,882</b>
<b>NET ASSETS</b>		<b>120,271</b>	<b>116,197</b>
<b>Equity</b>			
Issued capital	8	127,214	127,331
Reserves	8	22,584	18,713
Accumulated losses		(29,527)	(29,847)
<b>TOTAL EQUITY</b>		<b>120,271</b>	<b>116,197</b>

*The accompanying notes form part of these financial statements.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 30 JUNE 2023**



	Issued Capital (\$000)	Profit Reserve Account (\$000)	Other Reserves (\$000)	Accum'd Losses (\$000)	Total (\$000)
<b>Balance at 1 January 2022</b>	<b>113,999</b>	<b>24,290</b>	<b>2,474</b>	<b>(29,860)</b>	<b>110,903</b>
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 in their capacity as 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 in their capacity as owners	11,986	(20,777)	(2,582)	-	(11,373)
<b>Balance at 30 June 2022</b>	<b>125,985</b>	<b>21,450</b>	<b>(666)</b>	<b>(29,860)</b>	<b>116,909</b>
<b>Balance at 1 January 2023</b>	<b>127,331</b>	<b>18,682</b>	<b>31</b>	<b>(29,847)</b>	<b>116,197</b>
Operating profit for the period	-	-	-	4,622	4,622
Other comprehensive income	-	-	(427)	-	(427)
Transfer to profit reserve - dividend	-	4,622	-	(4,622)	-
Total comprehensive profit	-	4,622	(427)	-	4,195
<i>Transactions with owners in their capacity as owners</i>					
Other financial assets fair value movement	-	-	(4)	-	(4)
Dividend paid	-	-	-	-	-
Warrants cancelled during the year	-	-	(266)	266	-
Options cancelled during the year	-	-	(54)	54	-
Shares cancelled during the year	(117)	-	-	-	(117)
Cost of share issue	-	-	-	-	-
Total transactions with owners in their capacity as owners	(117)	-	(324)	320	(121)
<b>Balance at 30 June 2023</b>	<b>127,214</b>	<b>23,304</b>	<b>(720)</b>	<b>(29,527)</b>	<b>120,271</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 30 JUNE 2023**



	<b>6 months to 30 Jun 2023 (\$000)</b>	<b>6 months to 30 Jun 2022 (\$000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	81,592	91,948
Payments to suppliers and contractors	(53,081)	(58,396)
Other income	22	26
Interest received	257	15
Interest paid	(1,099)	(232)
Income tax paid	(6,551)	(12,430)
<b>Net cash from operating activities</b>	<b>21,140</b>	<b>20,931</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for security deposit		-
Purchase of property, plant and equipment	(7,634)	(43,736)
Payments for exploration and evaluation	(3,394)	(2,090)
<b>Net cash used in investing activities</b>	<b>(11,028)</b>	<b>(45,826)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	3,529
Share issue expenses	-	(17)
Proceeds from employee loan repayments	-	980
Dividends paid	(980)	(12,766)
Repayment of borrowings	-	-
<b>Net cash used in financing activities</b>	<b>(980)</b>	<b>(8,274)</b>
<b>Net (decrease) / increase in cash held</b>	<b>9,132</b>	<b>(33,169)</b>
Cash at the beginning of the financial period	53,455	79,840
Effect of exchange fluctuations on cash held	(110)	1,225
<b>Cash at the end of the financial period</b>	<b>62,477</b>	<b>47,896</b>

*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 2023 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 2023, 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 2022, 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 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 2023 (\$000)	6 months to 30 Jun 2022 (\$000)
<b>NOTE 3 COST OF SALES</b>		
Mine operating costs	36,375	40,584
Depreciation and amortisation	17,657	9,237
Amortisation of capitalised borrowing costs	1,901	1,294
Inventory movement	3,703	(2,725)
	59,636	48,390

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.

	30 Jun 2023 (\$000)	31 Dec 2022 (\$000)
<b>NOTE 4 FINANCING COSTS</b>		
Interest expense	1,007	343
Other financing costs	-	210
	1,007	553

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

	30 Jun 2023 (\$000)	31 Dec 2022 (\$000)
<b>NOTE 5 TRADE AND OTHER RECEIVABLES</b>		
GST and tax refundable	791	877
Restricted cash – security for guarantee	142	142
Prepayments	730	900
Other receivables	120	102
	1,783	2,021

Trade receivables 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.

	30 Jun 2023 (\$000)	31 Dec 2022 (\$000)
<b>NOTE 6 INVENTORIES</b>		
Ore stockpiles – at cost	1,177	3,220
Heavy mineral concentrate and other intermediate stockpiles – at cost	21,007	22,667
Stores and consumables – at cost	2,047	2,063
	24,231	27,950

	Plant and Equipment (\$000)	Land and Buildings (\$000)	Mine Developm't (\$000)	Borrowing Costs (\$000)	Exploration (\$000)	Total (\$000)
<b>NOTE 7 PROPERTY, PLANT AND EQUIPMENT</b>						
<b>Year ended 31 December 2022</b>						
Balance at 1 January 2022	14,444	20,591	28,851	4,921	155	68,962
Additions	726	5,477	5,175	-	38,578	49,956
Mine closure and rehabilitation asset	-	-	23,961	-	-	23,961
Asset Transfer	10,000	-	(10,000)	-	-	-
Depreciation	(9,030)	-	(24,343)	(2,461)	-	(35,834)
Closing Net Book Value	16,140	26,068	23,644	2,460	38,733	107,045
<b>At 31 December 2022</b>						
Cost	67,655	26,068	85,738	21,968	38,733	240,162
Accumulated Depreciation	(51,515)	-	(62,094)	(19,508)	-	(133,117)
Net Book Value	16,140	26,068	23,644	2,460	38,733	107,045
<b>Half year ended 30 June 2023</b>						
Balance at 1 January 2023	16,140	26,068	23,644	2,460	38,733	107,045
Additions	295	3	6,810	-	924	8,032
Mine closure and rehabilitation asset	-	-	1,526	-	-	1,526
Asset Transfers	870	-	(870)	-	-	-
Depreciation	(1,772)	-	(16,054)	(1,900)	-	(19,726)
Closing Net Book Value	15,533	26,071	15,056	560	39,657	96,877
<b>At 30 June 2023</b>						
Cost	68,820	26,071	93,587	21,968	39,657	250,103
Accumulated Depreciation	(53,287)	-	(78,531)	(21,408)	-	(153,226)
Net Book Value	15,533	26,071	15,056	560	39,657	96,877

- Mine development expenditure additions incurred during the half year ended 30 June 2023 consisted of expenditure incurred on developing the Atlas project of \$6.8 million. Expenditure incurred during CY2022 was \$3.9 million for the Atlas project and \$1.3 million for the Boonanarring mine.
  - Exploration expenditure consists of expenditure incurred on the acquisition of tenement licences and is recognised as an exploration asset as it is considered that the expenditures incurred will be recouped through successful development and exploitation of the areas of interest. Additional exploration and evaluation expenditure incurred on these tenement licences acquired is also added to the value of the exploration asset.
- Exploration expenditure incurred relates to the acquisition of the Eneabba tenements and the McCalls project during the CY2022 and additional expenditure incurred on Eneabba and McCalls during CY2023.

	30 Jun 2023 (\$000)	31 Dec 2022 (\$000)
<b>NOTE 8 ISSUED CAPITAL</b>		
<b>Ordinary share capital</b>		
Issued and fully paid	127,214	127,331

	30 Jun 2023	
	Number	(\$000)
At 1 January 2023	1,084,193,616	127,331
Employee share plan shares cancelled	(782,685)	(117)
At 30 June 2023	1,083,410,931	127,214

	30 Jun 2023 (\$000)	31 Dec 2022 (\$000)
<b>Reserves</b>		
Fair value reserve of financial assets	4	10
Share based payments reserve	-	54
Warrants reserve	-	265
Profits reserve account	23,304	18,682
Other reserves - OCI	(724)	(298)
	22,584	18,713

	Number	Number
<i>Share Base Payments Reserve</i>		
The Company 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
<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

	6 months to 30 Jun 2023 (\$000)	6 months to 30 Jun 2022 (\$000)
<i>Profits Reserve Account</i>		
Balance at the beginning of the period	18,682	24,290
Transfer from accumulated profits	4,622	17,937
Dividend paid	-	(20,777)
Balance at the end of the period	23,304	21,450

**NOTE 9 TENEMENT EXPENDITURE COMMITMENTS**

The Group has 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 \$1,776,820. 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 10 SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE**

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.

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**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 2023 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 4th day of September 2023

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# ELDERTON

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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 2023, the consolidated statement of profit or loss and 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 2023 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.

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**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 2023 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 "Sajjad Cheema".

**Sajjad Cheema**  
Director

4 September 2023  
Perth

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