11 March 2021

ANNUAL FINANCIAL REPORT & DIVIDEND

Image Resources NL (ASX: IMA) ("Image" or "the Company") is pleased to announce its full year financial results for the year ended 31 December 2020.

Key Highlights

- Total Revenue CY2020 **A$176m** (CY2019: A$146m)
- Project EBITDA CY2020 **A$86m** (CY2019: A$72m)
- Net Profit after Tax CY2020 **A$24.8m** (CY2019: A$20.8m)
- **Intention to pay inaugural $0.02 per share unfranked dividend**

The increase in profit in CY2020, compared to CY2019, was driven by record HMC sales in Q3 which was then eclipsed in Q4, enabling Image to meet or beat guidance despite the challenges stemming from negative global economic impacts following the emergence of COVID-19.

Strong demand for the Company's HMC product has continued into Q1 2021 with shipments totaling a nominal 67k tonnes completed in the first 2 months.

Early Debt Repayment

On 16 February 2021 the Company announced the early repayment of its debt. The key rationale for early repayment was the opportunity for the Board to consider an inaugural dividend for shareholders, as well as the opportunity to consider potential investment options without the requirements for loan holder consent under the loan agreements.

Inaugural Dividend

Strong financial results, early repayment of the debt and continuing strong demand for the company's HMC product, were the catalysts that allowed the Board to consider and confirm the Company's intention to pay an unfranked dividend of $0.02 per share as soon as practicable, with details and relevant paperwork expected to be dispatched to shareholders in the coming weeks.

Managing Director Patrick Mutz commented, "*The strong financial results for CY2020 reflect the solid performance from our operating team, and when combined with continuing high demand for our HMC and positive market outlook for zircon and titanium minerals, this has allowed the Board to confirm its intention to pay a two-cent per share inaugural dividend. This is a milestone our long-standing shareholders have been waiting for and deserve. At the same time, our strong balance sheet, debt-free position and cash in the bank, allows the Company to consider potential investments in growth opportunities, both internally and externally. We look forward to an exciting 2021 with a focus on growth initiatives.*"

Image Resources NL | ABN 57 063 977 579
Ground Floor, 23 Ventnor Ave West Perth WA 6005 | PO Box 469 West Perth WA 6872
T: 08 9485 2410
www.imageres.com.au

Image Resources Background Information

Image is Australian's newest mineral sands mining company, operating open-cut mining and ore processing facilities at its 100%-owned, high-grade, zircon-rich Boonanarring Mineral Sands Project located 80km north of Perth, Western Australia, in the infrastructure-rich North Perth Basin. Boonanarring is arguably one of the highest grade, zircon-rich, mineral sands projects in Australia. The project was constructed and commissioned on-time and on-budget in 2018 and production of HMC ramped-up to exceed name-plate capacity in only the second month of operation (January 2019).

Image has now completed two full years of successful operations with performance meeting or beating market guidance ranges in all categories. The Company is focused on maintaining its strong operational and health, safety and environmental performance and has prioritised the identification of new Mineral Resources and Ore Reserves, to extend the cumulative mine life of Ore Reserves in its portfolio, while investigating the development of a second operating centre in parallel with current operations.

This document is authorised for release to the market by:

Patrick Mutz
Managing Director
+61 8 9485 2410
info@imageres.com.au
www.imageres.com.au

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 have been 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. Image undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Image Resources NL

ABN: 57 063 977 579

ANNUAL FINANCIAL REPORT

For the year ended 31 December 2020

**FOCUSED ON
HIGH-VALUE ZIRCON**

Contents

Corporate Directory

DIRECTORS

Mr Robert Besley	Non-Executive Chairman
Mr Patrick Mutz	Managing Director
Mr Chaodian Chen	Non-Executive Director
Mr Huancheng Li	Non-Executive Director
Mr Aaron Chong Veoy Soo	Non-Executive Director
Mr Peter Thomas	Non-Executive Director
Mr Fei Wu	Non-Executive Director

COMPANY SECRETARY

Mr Dennis Wilkins (DW Corporate)

PRINCIPAL PLACE OF BUSINESS & REGISTERED OFFICE

Ground Floor
23 Ventnor Avenue
West Perth WA 6005

CONTACT DETAILS

T: +61 8 9485 2410
E: info@imageres.com.au
W: www.imageres.com.au

AUSTRALIAN BUSINESS NUMBER

ABN: 57 063 977 579

SHARE REGISTRY

Automic Pty Ltd
Level 5
126 Phillip Street
Sydney NSW 2000
T: 1300 288 664 (within Australia)
T: +61 (0) 2 9698 5414 (International)
E: hello@automic.com.au
W: www.automicgroup.com.au

AUDITORS

Elderton Audit Pty Ltd
(Formerly Greenwich & Co Audit Pty Ltd)
Level 2
267 St Georges Terrace
Perth WA 6000
T: +61 8 6324 2900

STOCK EXCHANGE

Australian Securities Exchange (ASX)
ASX Code - IMA (Fully paid shares)

ISSUED CAPITAL

992,139,963 fully paid ordinary shares

Image Resources NL ("**Image"** or "**the Company**") successfully completed its second full year (CY2020) of operations at the Company's 100%-owned, high-grade, zircon-rich Boonanarring Mineral Sands Project (Boonanarring) in the North Perth Basin located 80 Kilometres north of Perth. During the year the Company met or beat market guidance despite the novel challenges stemming from negative global economic impacts following the emergence of COVID-19 and the variety of restrictive measures implemented by State and Commonwealth governments to effectively control the spread of the virus.

2020 in Review

Operations

In CY2020, the Company successfully completed its second full year as an active mining company.

In the March 2020 quarterly report the Company announced record high quarterly heavy mineral concentrate (HMC) production at 84kt with mining and processing activities relatively unaffected by the emergence of COVID-19. HMC sales were however impacted during the quarter with only 45kt shipped in total and with a 3rd shipment planned for the quarter delayed in to early April 2020. Despite the uncertainties created by COVID-19 the Company maintained its original guidance on sales, production and costs.

During the March quarter, Sunrise Energy Group commenced construction of a 2.3MW solar farm at Boonanarring, designed to supply the project with, on average, 25% of its electricity requirements.

In the June 2020 quarterly report, the Company outlined another very strong HMC production quarter at 83kt. Shipments increased moderately to 65kt for the quarter with HMC inventory building to 114kt. The average realised price for the half-year of A$646/t HMC against C1 cash costs of A$371/t, generated a strong margin of over A$275/t HMC shipped. By the end of the quarter the Company had only a small remaining net debt with a cash balance of A$36 million against outstanding loan notes of A$38 million. Once again, despite the ongoing effects of COVID-19 on the global economy, the Company maintained its original guidance on sales, production and costs.

In the September 2020 quarter sales increased 43% to a record high of almost 93kt resulting in an improvement in the net cash position of the Company to A$22 million. Higher sales resulted in a reduction in HMC stocks to 83kt. C1 Costs and AISC per tonne of HMC sold decreased by around 25% compared to the June quarter and, despite a fall in sales price per tonne HMC, mainly due to lower zircon content in HMC sold, margins, based on C1 costs, increased slightly to A$279/t. Once again, original guidance on sales, production and costs was maintained.

During the September quarter, Sunrise Energy Group completed construction and commissioning of the solar farm at Boonanarring and the first supply of renewable power was supplied to the mine.

The December 2020 quarter was highlighted with new record high HMC sales of 100kt. The net cash position increased to A$34 million at year end with an additional A$11 million being received in early January 2021 for a late December shipment. The Australian dollar price per tonne for HMC dropped slightly mainly due to a strengthening AUD against the USD, however strong sales maintained margins at A$274/t HMC sold. The net result of record sales in the September and December quarters was a confirmation that the Company had met, or beat, its original market guidance ranges in all areas for CY2020.

For the full December quarter, the solar farm supplied approximately 30% of total electricity requirements at Boonanarring at a slightly lower cost than grid power. The acceleration of HMC sales in 2H to the Company's off-take partners resulted in total sales of 306kt for CY2020 (compared to 237kt in CY2019), and with HMC production of 312kt, HMC stocks decreased to 51kt at 31 December 2020 (compared to 57kt at the end of CY2019).

The average HMC realised price for the full year was A$566 per tonne (CY2019: A$616/t) reflecting slightly lower average zircon grades in HMC sold and lower average zircon market prices compared to 2019.The Boonanarring project generated EBITDA of A$85.0 million for 2020 (2019: A$72.5 million) an increase of 17% year on year.

Production and sales guidance for CY2021 are 290-320kt HMC production and 300-330kt HMC sales; broadly in line with CY2020 guidance.

Mineral Sands Commodity Prices and FX

Boonanarring HMC prices are based on the underlying content of zircon (as ZrO2+HfO2) and titanium dioxide (as TiO2) and benchmark prices for the various products (zircon, rutile, and ilmenite) at appropriate quality specifications. The majority of the value of Boonanarring HMC is derived from the zircon content, with underlying zircon prices remaining strong and broadly flat for calendar year 2019, but with some price softening during the December quarter, which was largely offset by increasing prices for ilmenite and rutile. A softening in zircon prices continued into the first quarter of 2020, however prices for ilmenite and rutile continued to strengthen. For the remainder of 2020, zircon prices remained stable whilst titanium prices continued to improve, However, lower zircon grades in HMC sold in the second half of 2020 combined with a strengthening AUD against USD exchange rate, resulted in a drop in average HMC realised prices.

HMC prices decreased from an average A$659 per tonne in Q1 2020 to an average A$521 per tonne in Q4, for an overall average A$566 per tonne for CY2020 due to shipments being heavily weighted to the second half of the year.

Corporate

Sales revenue for the year was A$176 million (2019: A$146 million) with project operating and selling costs of A$91 million (2019: A$74 million) and with full year CY2020 project EBITDA of A$86 million (2019: A$72 million). During 2020 the Company generated a Net Profit After Tax of A$24.8 million (2019: A$20.8 million).

As at 31 December 2020 Image had a cash position of A$50.8 million (2019: A$49.9 million) and debt of A$17 million (2019: A$56.4 million). For CY2020, the Company generated net cash flow from mine operating activities of A$75.8 million (2019: A$62.9 million).

Subsequent to the end of this reporting period, in February 2021, it was announced that the Company had fully repaid its debt, three months earlier than scheduled under the Loan Note Subscription Agreement. As a result, all loan note securities have been, or are being, released, eliminating any restrictions on the Company's ability to consider an inaugural dividend or consider potential investment opportunities.

Social License

Safety

Image recorded one contractor related lost-time injury (LTI) during calendar year 2020 (2019: 2 LTIs).

Image maintains its proactive promotion of a positive safety culture which includes safety programs and procedures that encourage job safety analysis and planning as well as active incident reporting for the purpose of continuous improvement of the health, safety and well-being of all employees, contractors, visitors and members of the community as well as protection of the environment. The success of these programs is monitored through the use of regular internal Health, Safety and Environment audits and monthly Positive Performance Indicator (PPI) scoring. PPI scoring was reasonably steady for whole of CY2020 and in line with the second half of in CY2020.

Community

Image continues to proudly contribute to the local community, including through local employment. At year end approximately 50% of the workforce at Boonanarring lived locally to the operation or within local regional shires. In addition, the Company has an active and varied community support and engagement program.

As just one example, Image provides access to a local community group to graze sheep and cattle on land owned by the Company that is not being utilised for mining activities, with proceeds from the sale of these animals being for the benefit of the local community.

Environment

Image is committed to minimising any potential long-term adverse impacts of its Operations on the environment. The Company strives to maintain compliance with all of its licence requirements while it actively seeks to identify ways to lasting improvements to certain aspects of the environment such as soil water retention, by using terracing and blending clayey materials in the topsoils.

In CY2020 the Company demonstrated its commitment to concurrent mine rehabilitation by successfully completing rehabilitation, including topsoil replacement and re-vegetation, of 13 hectares of the mine, only 28 months following initial topsoil removal.

The Company has also taken actions to minimise its carbon footprint by working with Sunrise Energy Group to complete the construction and commissioning of the 2.3MW solar farm at Boonanarring, even though the project is fully and adequately supplied with all its electricity requirements from the grid. Commissioning of the solar farm was completed in September 2020 and for the full December quarter, approximately 30% of electricity requirements for Boonanarring were supplied as renewable solar energy from the farm, at costs slightly below grid power prices.

The use of solar power at Boonanarring provides Image Resources with green credentials and positions the Company as one of the very few mining companies in Australia to directly utilise solar energy to offset a substantial portion of its grid based energy supply, and thereby significantly reducing its carbon emissions.

Exploration

The Company's exploration portfolio remains almost exclusively focused on heavy mineral sands, with the exception being two adjoining tenements with a focus on gold. All tenements are located in Western Australia and all mineral sands related tenements are located in the North Perth Basin across a combined area of 1,134 square kilometres. The two gold tenements cover a combined area of 116 square kilometres.

The vast majority of exploration expenditures during CY2020 involved drilling, analysis and study work under Project 'MORE' with the objective of rapidly assessing areas of potential new Ore Reserves, firstly within economic pumping or hauling distance from the Boonanarring wet concentration plant (WCP), and later in the year, within economic proximity of the Atlas project.

The objective of project 'MORE' was achieved, however the goal of identifying two years of new Ore Reserves at Boonanarring was not achieved. The goal was set with expectations that additional Ore Reserves would be identified in the 3.5km long Boonanarring Southern Extension area covering Boonanarring Blocks E and F, which has existing access and would require only minimal additional environmental approval. However, the mineralisation in this area proved to be too low in heavy mineral grade and zircon content (given its depth), to qualify as Ore Reserves. Consequently, the Company's focus was re-directed to other surrounding target areas including Boonanarring Northern Extension Area, Boonanarring Northwestern Extension Area and Gingin North.

New mineralisation has been identified in all three target areas, and preliminary study results provide sufficient confidence to assign Exploration Targets as presented in Table 5. Preliminary study results were conducted by an independent consultant and were based on drill samples analysed by independent laboratories and included heavy mineral determination and XRF analysis. Composite samples were then created from the individual 1m drill sample sachets and were analysed for mineralogy using a combination of internal XRF measurements and QEMSCAN analysis by external laboratories.

Table 5. Exploration Targets

Area	Tonnes (million)	HM Grade (%)	Zircon grade (% in HM)	Relative Strip Ratio*
Northern Extension	3-4	10-12	18-20	same
Northwestern Extension	4-5	5-6	8-10	shallower
Gingin North	8-9	4-6	6-8	shallower
Totals	15-18	6-7	10-11	

Note: * - compared to current Boonanarring strip ratio (approx. 6:1)

It is important to point out that the potential quantity and grade in the Exploration Targets are conceptual in nature, that there has been insufficient exploration to estimate Mineral Resources and that it is uncertain if further exploration will result in the estimation of Mineral Resources or Ore Reserves. Mineral Resources and Ore Reserves can only be determined with the rigor of detailed review and assessment by qualified JORC Code Competent Persons. Such reviews were commenced prior to the end of CY2020 for each of these areas and will be reported separately in CY2021 when the assessments are complete.

The information that relates to Exploration Targets was prepared and first disclosed under JORC Code 2012 and was extracted from the Company's previous ASX announcement dated 31 December 2020. The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement and that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

While the Company believes sufficient drilling and assaying, including composite analysis for mineralogy, have been conducted to finalise Mineral Resources estimates, further drilling and assaying will be completed if and as required to enable the conversion of the Exploration Targets to Mineral Resources estimates. In any case, Mineral Resources estimates are expected to be completed in Q1 2021.

Exploration also focussed on identifying additional Mineral Resources and Ore Reserves within economic pumping or hauling distance from the WCP once it is re-located to the Atlas Project area, with the goal of extending the mine-life to beyond the current Ore Reserves at Atlas. Preliminary results appear promising from two nearby, 100%-owned projects, Helene and Hyperion. Both projects have existing Mineral Resources and Ore Reserves studies are underway with reporting expected late first quarter 2021.

Drilling programs are also being conducted on several other project areas to meet minimum expenditure requirements, investigate new mineralisation extensions, advance the understanding of the mineralised system and enhance the size of existing Mineral Resources.

A number of other project areas are being investigated including Regans Ford, Red Gully and Gingin South. These are currently being assessed for potential future development and drilling programmes will be considered where a project area has been determined to have sufficient high-level economics and prospects for permissibility for future mining.

Subsequent to the end of the reporting period, on 2 March 2021, the Company announced the finalisation of a Farm-in Agreement with the owners of the King Gold Prospect, which is located within Image's Erayinia gold tenement and which has historic gold drilling intercepts that outline a thick, gold bearing supergene layer that extends onto Erayinia. This Farmin provides Image with a low risk, low-cost opportunity, without obligation, to evaluate the King mineralisation and if deemed attractive to earn up to 80% ownership of the prospect. Full details of the Farmin were included in the ASX announcement of 3 March 2021.

Your directors present their report on the Company for the year ended 31 December 2020.

DIRECTORS

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

Robert Besley
Patrick Mutz
Chaodian Chen
Aaron Chong Veoy Soo
Huangcheng Li (Alternate: Dennis Lee)
Peter Thomas
George Sakalidis (Retired 29 May 2020)
Fei Wu

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year was the operation of the 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project located 80km north of Perth in WA and exploration of tenements in the North Perth basin.

RESULTS FROM OPERATIONS

During the year the Company recorded an operating profit of $24,783,000 (for the year to 31 December 2019: profit of $20,832,000). Basic profit per share for the year was 2.53 cents (year to 31 December 2019: Profit of 2.14 cents). Diluted profit / loss per share for the year was 2.44 cents (year to 31 December 2019: Profit of 2.10 cents).

DIVIDENDS

No amounts have been paid or declared by way of dividend by the Company since the end of the previous financial year. On March 10, 2021 the Company confirmed an intention to pay a final unfranked dividend of 2c per share.

Dividend Policy

The Company has a very basic dividend policy that provides for the Board of Directors, as soon as practicable after the end of a Company financial year, and to the extent permitted by law, to distribute to Shareholders as a dividend, all Excess Cash held at the end of that Financial Year; with Excess Cash defined as cash held by the Company, other than cash that the Board considers is necessary or desirable to be retained by the Company for the Company's existing liabilities and future activities.

REVIEW OF OPERATIONS

A review of operations is covered elsewhere in this Annual Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

All significant changes in the state of affairs of the Company during the year are discussed in detail above.

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Other than the following matters:

- On 20 January 2021, the Company's thirtieth shipment of 14,588 Metric Tonnes of HMC finished loading backed by a letter of credit. Subsequently, on 28 January 2021, full payment for the shipment was received by Image, in USD.
- On 10 February 2020, The Company repaid the balance of the Senior Secured Loan Notes facility. The repayment amount including interest was US$13,819,793.
- On 11 February 2021, the Company's thirty first and thirty second cargoes totalling 26,248 Metric Tonnes of HMC finished loading backed by a letter of credit to two customers. Subsequently, on 18 and 23 February 2021, full payment for the shipment was received by Image, in USD.
- On 25 February 2021, the Company's thirty third cargo totalling 19,398 Metric Tonnes of HMC finished loading backed by a letter of credit. Subsequently, on 5 March 2021, full payment for the shipment was received by Image, in USD.

There were no other material significant events subsequent to the reporting date.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Review of Operations set out on pages **3** to **6** of this Annual Financial Report, provide an indication of the company's likely development and expected results. In the opinion of the Directors, disclosure of any further information about these matters and the impact on Image Resources operations could result in unreasonable prejudice to the Company and has not been included in this report.

ENVIRONMENTAL ISSUES

The Company carries out operations in Australia which are subject to environmental regulations under both Commonwealth and State legislation in relation to those activities. The Company's MD, Head of Exploration, COO and Operations Manager are responsible for monitoring and reporting on compliance with all environmental regulations. During or since the financial year there have been no known significant breaches of these regulations.

INFORMATION ON DIRECTORS AND COMPANY SECRETARIES

Robert Besley
Chairman

Appointed as Director and Chair on 8 June 2016 Robert Besley and has more than 40 years' experience in the mining industry. Mr Besley has served in a number of Government and industry advisory roles including several years as Deputy Chairman of the NSW Minerals Council. He holds a BSc (Hons) in Economic Geology from the University of Adelaide and is a Member of the Australian Institute of Geoscientists. He managed the creation, listing and operation of two successful mining companies; CBH Resources Limited which he led as Managing Director from a small exploration company to Australia's 4th largest zinc producer; and Australmin Holdings Limited (acquired by Newcrest) which brought into production a gold mine in WA and mineral sands mine in NSW. More recently he was a founding Director of KBL Mining Limited which operated the Mineral Hill copper-gold mine in NSW and was Chairman of Silver City Minerals Limited, which explored for silver-lead-zinc in the Broken Hill District. He was a Non-Executive and independent Director of Murray Zircon from commencement of development and production of the Mindarie Mineral Sands Project until June 2016. He also serves on the Company's audit and remuneration committees. During the past three years he has served as a director of the following other listed companies:

- Silver City Minerals Limited - appointed 5 March 2010, resigned effective 28 February 2019.

Patrick Mutz
Managing Director

Patrick Mutz has more than 30 years of international mining industry experience in technical (metallurgist), managerial, consulting and executive roles in all aspects of the industry from exploration through project development, mining and mine rehabilitation. He has operational experience in open cut, underground, and in-situ mining and related processing, on projects in the USA, Germany, Africa and Australia. Since his arrival in Australia from the USA in 1998, he has served as CEO / Managing Director of a number of publicly listed and private mining companies based in South Australia, Victoria and Western Australia, primarily involved with project development and company transitioning from exploration to production. Mr Mutz is a Fellow of the AusIMM.. He holds a Bachelor of Science (Honours) and an MBA from the University of Phoenix in the US. Prior to joining Image Patrick was CEO of Murray Zircon Pty Ltd focusing on the development and mining and processing operations of its 100%-owned Mindarie Mineral Sands Project in South Australia, where he led the company on its goal of becoming South Australia's newest mineral sands mining company at that time. Mr Mutz has not been a director of any other listed public companies in the past 3 years.

Peter Thomas
Non-Executive Director

Mr Thomas, having served on ASX listed company boards for over 30 years, has been a non-executive director of Image Resources NL since 10 April 2002. For over 30 years until June 2011, he ran a legal practise on his own account specialising in the delivery of wide ranging legal, corporate and commercial advice to listed explorers and miners. He serves on the Company's remuneration committee. During the past three years he has served as a director of the following other listed companies:

- Emu NL – appointed August 2007, continuing.
- Middle Island Resources Limited – continuing.

Aaron Chong Veoy Soo
Non-Executive Director

Mr Soo has been a long term supporter and shareholder in Image Resources. Mr Soo is an advocate & solicitor practising in West Malaysia with 20 years of experience in legal practice and currently a partner in Stanley Ponniah, Ng & Soo, Advocates & Solicitors. He also serves on the Company's audit committee. Mr Soo has not been a director of any other listed public companies in the past 3 years

Chaodian Chen
Non-Executive Director

Mr Chen founded Orient Zirconic in 1995 and has built the company into a leading company in the zirconium industry. He served as President and Chairman of the company until mid-2013 when China National Nuclear Corporation (CNNC) became the largest shareholder in Orient Zirconic. He became the Chairman of Murray Zircon when the company was founded in 2011 as a result of Orient Zirconic's first investment in mining in Australia. Mr Chen is the Vice President of China non-ferrous metals industry association titanium zirconium & Hafnium Branch. He holds an EMBA degree and is a Certified Engineer. He also owns a number of patents involving the processing of zircon. Mr Chen has not been a director of any other listed public companies in the past 3 years.

- Guangdong Orient Zirconic Ind Sci & Tech Co., Ltd, resigned 9 November 2016. Reappointed 11 January 2020.

Fei (Eddy) Wu
Non-Executive Director

Mr Wu has solid operational experience in the Australian resource and mining industry. He specialises in combining the strengths of Australian upstream mining with Chinese downstream processing and end use to optimise the strategy for resource development and maximise the resource value. As the first CEO of Murray Zircon, he built and led the team to complete the development and start-up at the Mindarie mineral sands project in late 2012. Mr Wu was appointed as a Non-Executive Director of Murray Zircon in early 2013. He was the CEO of Queensland Mining Corporation Limited (QMC) from August 2013 until January 2018. He is currently the CEO of WIM Resources Pty Ltd. Eddy graduated from the University of Science and Technology, Beijing. He holds a Master's Degree in Commerce (Finance) from the Australian National University and a Master's Degree in Science from Cass Business School, City University London. He also serves on the Company's audit and remuneration committees as Chair of both. During the past three years he has also served as a director of the following other listed company:

- Queensland Mining Corporation Limited. Appointed 9 August 2013, resigned 31 January 2018.

Huangcheng Li
Non-Executive Director

	Mr Li is an investor from Taiwan, with more than 30 years of experience investing in various industries ranging from the general merchandising, precious stones and certification businesses. Mr Li graduated from Tamkang University and in 1981 founded Leecotex International Limited in Taiwan and Capital 88 International Limited in Hong Kong in 1993 where he served as the Managing Director. In 2015 Mr Li acquired a 49% ownership interest in Giochi Preziosi Group ("GP Group") and served as the Vice President until July 2017. GP Group is a leading global toy company and has undergone a process of diversification and has expanded into new sectors and markets where it has successfully operated. Currently, Mr Li is the co-founder of Lee & Wu Company Limited, a company focusing support towards high-tech industries in the development of new material applications. Mr Li has not been a director of any other listed public companies in the past 3 years.

Dennis Wilkins
Company Secretary (Appointed 25 September 2012)

	Mr Wilkins is the founder and principal of DW Corporate Pty Ltd, a leading privately held corporate advisory firm servicing the natural resources industry. Since 1994 he has been a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. From 1995 to 2001 he was the Finance Director of Lynas Corporation Ltd during the period when the Mt Weld Rare Earths project was acquired by the group. He was also founding director and advisor to Atlas Iron Limited at the time of Atlas' initial public offering in 2006. Since July 2001 Mr Wilkins has been running DW Corporate Pty Ltd, where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector.

AUDIT COMMITTEE

At the date of this report the members of the Company's audit committee comprise Messrs Besley, Soo and Wu (with Mr Wu undertaking the role of the Chair of that committee). During the year, the committee held one meeting. All members attended this meeting.

REMUNERATION COMMITTEE

At the date of this report the Remuneration Committee ("committee") comprises Messrs Thomas, Wu (with Mr Wu undertaking the role of the Chair of that committee) and Soo. During the year, the committee held two meetings. All members attended these meetings.

MEETINGS OF DIRECTORS

During the financial year ended 31 December 2020, there were six meetings of directors held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Robert Besley	6	6	1	1	2	2
Patrick Mutz	6	6	-	-	-	-
Peter Thomas	6	6	-	-	2	2
Aaron Soo	6	6	1	1	-	-
George Sakalidis (Retired 29 May 2020)	3	3	-	-	-	-
Fei (Eddy) Wu	6	6	1	1	2	2
Chaodian Chen	6	0	-	-	-	-
Huangcheng Li	6	0	-	-	-	-
Dennis Lee (Alternate for Huangcheng Li)	6	6	-	-	-	-

OPTIONS

At the date of this report, there were no options held over ordinary paid shares. No options were issued to directors or executives as remuneration during the year ended 31 December 2020.

CORPORATE STRUCTURE

Image is a no liability company incorporated and domiciled in Australia.

ACCESS TO INDEPENDENT ADVICE

Each director has the right, so long as he is acting reasonably in the interests of the Company and in the discharge of his duties as a director, to seek independent professional advice and recover the reasonable costs thereof from the Company. The advice shall only be sought after consultation about the matter with the chairman (where it is reasonable that the chairman be consulted) or, if it is the chairman that wishes to seek the advice or it is unreasonable that he be consulted, another director (if that be reasonable). The advice is to be made immediately available to all Board members other than to a director against whom privilege is claimed.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into agreements indemnifying, to the extent permitted by law, all the directors and officers of the Company against all losses or liabilities incurred by each director and officer in their capacity as directors and officers of the Company. During the year an amount of $121,704 (the year to 31 December 2019: $70,902) was incurred in insurance premiums for this purpose.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out in this annual report.

Names and positions held of key management personnel (defined by the Australian Accounting Standards as being *"those people having authority and responsibility for planning, directing, and controlling the activities of an entity, either directly or indirectly. This includes an entity's directors")* in office at any time during the financial year were:

Key Management Personnel	Position
Robert Besley	Non-Executive Chairman
Patrick Mutz	Managing Director
Peter Thomas	Non-Executive Director
Aaron Soo	Non-Executive Director
Fei (Eddy) Wu	Non-Executive Director
Chaodian Chen	Non-Executive Director
Huangcheng Li	Non-Executive Director
George Sakalidis [1]	Executive Technical Director / Head of Exploration
John McEvoy	Chief Financial Officer
Todd Colton	Chief Operating Officer

Note 1. Mr Sakalidis retired as Executive Technical Director on 29 May 2020 and subsequently became Head of Exploration

The Company's policy for determining the nature and amount of emoluments of key management personnel is set out below:

Key Management Personnel Remuneration and Incentive Policies

The Remuneration committee's mandate is to make recommendations to the Board with respect to appropriate and competitive remuneration and incentive policies (including basis for paying and the quantum of any bonuses), for key management personnel and others as considered appropriate to be singled out for special attention, which:

- motivates them to contribute to the growth and success of the Company within an appropriate control framework;
- aligns the interests of key leadership with the interests of the Company's shareholders;
- are paid within any limits imposed by the Constitution and make recommendations to the Board with respect to the need for increases to any such amount at the Company's annual general meeting; and
- in the case of directors, only permits participation in equity-based remuneration schemes after appropriate disclosure to, due consideration by and with the approval of the Company's shareholders.

Non-Executive Directors

- The committee is to ensure that non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements.
- To the extent that the Company adopts a remuneration structure for its non-executive directors other than in the form of cash and superannuation, the disclosure thereof shall be made to stakeholders and approvals obtained as required by law and the ASX listing rules.

Incentive Plans and Benefits Programs

The committee is to:

- review and make recommendations concerning long-term incentive compensation plans, including the use of equity-based plans. Except as otherwise delegated by the Board, the committee will act on behalf of the Board to administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising grants, in accordance with the terms of those plans;
- ensure that, where practicable, incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide remuneration when they are achieved; and
- review and, if necessary, improve any existing benefit programmes established for employees.

Employee Share Plan
The Image Employee Share Plan (ESP) was implemented after shareholder approval at the Shareholder General Meeting held on 13 February 2018.

The purpose of the ESP is to give an additional incentive to employees of the Company to provide dedicated and ongoing commitment and effort to the Company, and for the Company to reward its employees for their efforts. It is considered to be an effective way to align the objectives of management with the interests of shareholders.

The plan rewards share price growth. The plan shares are of value to the holder of the shares only to the extent to which the share price exceeds the share price after the offer is made to the employee. Furthermore, the plan does not give rise to a tax liability on issue (unlike some options) therefore encouraging long term holdings.

Issue of Plan Shares to Directors of the Company requires prior approval of Shareholder in accordance with Listing Rule 10.14.

During the 31 December 2020 year 12,875,014, ESP shares were issued. Of these 1,013,163 shares were issued to Directors.

The principal provisions of the plan include:

- The Plan is available to all executive Directors and employees of the Company;
- The Company may at any time, in its absolute discretion, make an offer to an Eligible Employee;
- The number of Plan Shares issued to an Eligible Employee is determined by the Directors of the Company;
- The issue price is the volume weighted average price of shares in the 5 trading days prior to the Issue Date;
- The person accepting the offer ("Participant") is deemed to have agreed to borrow from the Company on the terms of the loan agreement referred to below an amount to fund the purchase of the Plan Shares;
- The Plan Shares rank pari passu with all issued fully paid shares in respect of voting rights, dividends and entitlement to participate in any bonus or rights issues;
- Plan participants may not dispose of any ESP Shares within 12 months of the issue date;
- Until the loan to the Participant is fully repaid the Company has control over the disposal of the Plan Shares; and
- Application will be made as soon as practicable after the allotment of the Plan Shares for listing for quotation on ASX.

The principal provisions of the loan agreement include:

- The amount lent will be an advance equal to the issue price of the Plan Shares multiplied by the number of Plan Shares issued:
- The repayment date is the date falling 3 years after the Issue Date.
- The loan can be repaid at any time but the Participant must pay any amount outstanding on the date the employee ceases to be an employee of Image (or such late date as determined by Image at its discretion. All dividends declared and paid on the Plan Shares will be applied towards the repayment of the advance and there is no interest on the advance.
- A holding lock will be placed on the Plan Shares until the loan is fully repaid.

Retirement and Superannuation Payments
Prescribed benefits were provided by the Company to directors by way of superannuation contributions to externally managed complying superannuation funds during the year. These benefits were paid as superannuation contributions to satisfy (at least) the requirements of the Superannuation Contribution Guarantee Act and in satisfaction of any salary sacrifice requests. All contributions were made to accumulation type funds selected by the director and accordingly actuarial assessments were not required.

Relationship between Company Performance and Remuneration
There is no relationship between the financial performance of the Company for the current or previous financial year and the remuneration of the key management personnel. Remuneration is set having regard to market conditions and to encourage the continued services of key management personnel.

Use of Remuneration Consultants
The Company did not employ the services of a remuneration consultant during the financial year ended 31 December 2020 to make a remuneration recommendation in relation to any Key Management Personnel.

Current Board Remuneration Structure

The current remuneration structure for the board is as follows:

Director		Annual Directors Fees	Committee Fees
Mr R Besley	(Non-Executive Chairman)	$100,000 inclusive of super	-
Mr P Mutz	(Managing Director)	$501,000 inclusive of super	-
Mr P Thomas	(Non-Executive Director)	$60,000 inclusive of super	$6,000 inclusive of super
Mr A Soo	(Non-Executive Director)	$60,000 [1]	$6,000
Mr F Wu	(Non-Executive Director)	$60,000 inclusive of super	$12,000 inclusive of super
Mr C Chen	(Non-Executive Director)	$60,000 [1]	-
Mr H Li	(Non-Executive Director)	$60,000 [1]	-

Note 1: No super is required to be paid as the Directors are permanent foreign residents.

Key Management Personnel Remuneration

Table 1: Remuneration for the year ended 31 December 2020

	Short-term benefits			Post-employment	Share-based payments	
	Directors Fees/Salary ($)	Other Fees & contractual payments ($)	Non-monetary benefits ($)	Statutory superannuation ($)	Equity-settled share based payments ($)	Total ($)
Non-Executive Directors						
Robert Besley	78,162	-	-	7,425	-	85,587
Peter Thomas	52,512	-	-	4,989	-	57,501
Aaron Soo	54,763	-	-	-	-	54,763
Fei (Eddy) Wu	55,252	-	-	5,249	-	60,501
Chaodian Chen	51,763	-	-	-	-	51,763
Huang Cheng Li	51,763	-	-	-	-	51,763
Executive Directors						
Patrick Mutz	464,691	132,431	-	25,309	-	622,431
George Sakalidis	196,372	19,160	-	20,442	-	235,974
Executive Officers						
John McEvoy	334,279	36,000	-	22,841	-	393,120
Todd Colton	337,000	100,702	-	25,000	-	462,702
Total	**1,676,557**	**288,293**	**-**	**111,255**	**-**	**2,076,105**

Table 1: Remuneration for the year ended 31 December 2019

	Short-term benefits			Post-employment	Share-based payments	
	Directors Fees/Salary ($)	Other Fees & contractual payments ($)	Non-monetary benefits ($)	Statutory superannuation ($)	Equity-settled share based payments ($)	Total ($)
Non-Executive Directors						
Robert Besley	53,333	-	-	5,067	-	58,400
Peter Thomas	36,625	-	-	3,479	-	40,104
Aaron Soo	32,254	-	-	-	-	32,254
Fei (Eddy) Wu	36,625	-	-	3,479	-	40,104
Chaodian Chen	32,254	-	-	-	-	32,254
Huang Cheng Li	32,254	-	-	-	-	32,254
Executive Directors						
Patrick Mutz	426,133	202,500	-	23,867	-	652,500
George Sakalidis	193,074	17,138	-	18,342	-	228,554
Executive Officers						
John McEvoy	327,159	122,216	-	22,840	-	472,215
Todd Colton	325,000	141,909	-	25,000	-	491,909
Total	**1,494,711**	**483,763**	**-**	**102,074**	**-**	**2,080,548**

Compensation Options as at 31 December 2020

Nil

Key Management Personnel Contracts

Remuneration arrangements for Key Management Personnel are formalised in employment agreements. The following outlines the details of contracts:

Executives

Patrick Mutz – Managing Director

- Base Salary - $501,000 per annum (from 1 July 2020) inclusive of superannuation
- Performance bonus – participates in a Company-wide executive performance incentive scheme.
- Allowances – from 1 January 2019, the Company will contribute up to $40,000 per 12 month period or proportion thereof for accommodation whilst located in Perth and towards airfares for travel between Adelaide and Perth. The Company provides a Company vehicle for use on Company business and commuting between his place of residence in the Perth area and the corporate office and the Company's various mining and exploration sites as and when necessary.
- The agreement may be terminated by the Company by the provision of three months written notice. The employee may terminate the contract by the provision of two months' notice.

George Sakalidis – Head of Exploration (From 29 May 2020) and Executive Director – Exploration (Retired 29 May 2020)

- Base Salary - $241,220 per annum (from 1 July 2020) inclusive of superannuation based on a 70% commitment of time being an average of 28 hours work per week. Salary is paid monthly based on a rate of $166 per hour inclusive of 9.5% superannuation.
- Performance bonus – participates in a Company-wide executive performance incentive scheme.
- The agreement may be terminated by the provision of one month's written notice by either the Company or Mr Sakalidis.

John McEvoy – Chief Financial Officer

- Base Salary - $364,239 per annum (from 1 July 2020) inclusive of superannuation.
- Performance bonus – participates in a Company-wide executive performance incentive scheme.
- The agreement may be terminated by the provision of three month's written notice by either the Company or Mr McEvoy.

Todd Colton – Chief Operating Officer

- Base Salary - $374,000 per annum (from 1 July 2020) inclusive of superannuation.
- Performance bonus – participates in a Company-wide executive performance incentive scheme.
- The agreement may be terminated by the provision of three month's written notice by either the Company or Mr Colton.

Non-Executives

Clause 91 (1) of the Company's Constitution provides that Directors are entitled to receive Directors' fees within the limits approved by shareholders in general meeting. Shareholders approved the aggregate fees to be paid to Directors to be $500,000 per annum on 29 May 2020.

Each Non-Executive Director's actual remuneration for the year ended 31 December 2020 and the year to 31 December 2019 is shown above. Each Non-Executive Director has an unspecified term of appointment, which is subject to the Company's Constitution. Conditions are reviewed at least annually by the Remuneration Committee. There are no termination benefits for any Non-Executive Director.

Base fees for each non-executive director during their period in office were as follows:

	Base Fees per annum	Audit Committee Fee	Remuneration Committee Fee
	$	$	$
Robert Besley	82,850	-	2,738
Peter Thomas	51,763	-	5,738
Aaron Soo	51,763	3,000	-
Fei (Eddy) Wu	51,763	3,000	5,738
Chaodian Chen	51,763	-	-
Huang Cheng Li	51,763	-	-

Fees are inclusive of superannuation where required.

Consultant Agreements

DW Corporate Services Pty Ltd: provides the services of Dennis Wilkins as Company Secretary. These services are provided under a services agreement for a fixed monthly retainer fee of $2,000 plus additional services charged at specified hourly rates. Four months' written notice of termination is required from either party.

Guaranteed Rate Increases

There are no guaranteed rate increases fixed in the contracts of any of the key management personnel.

Options and Rights Granted as Remuneration

During the financial year no options were issued to key management personnel to acquire fully paid ordinary shares.

Options held by Key Management Personnel

No Key Management Person or their related entities held options in the Company during the financial year.

IMAGE RESOURCES

Shares held by Key Management Personnel

The number of shares in the company held at the beginning and end of the year and net movements during the financial year by key management personnel and/or their related entities are set out below:

Name	Balance at Beginning of Year or Date of Appointment	Purchased during the Year	Award under Employee Share Plan	Other Changes during the Year	Balance at End of Year or Date of Retirement
Directors					
Robert Besley	566,667	100,000	-	-	666,667
Peter Thomas	2,104,306	-	-	-	2,104,306
Aaron Soo	14,330,000	-	-	-	14,330,000
Fei Wu	-	-	-	-	-
Chaodian Chen	-	-	-	-	-
Huang Cheng Li	136,445,311	-	-	-	136,445,311
George Sakalidis	5,147,865	-	436,632	-	5,584,497
Patrick Mutz	2,641,343	-	1,013,163	-	3,654,506
Executive Officers					
John McEvoy	3,035,885	-	749,211	-	3,785,096
Todd Colton	1,312,429	-	790,834	-	2,103,263
Totals	165,583,806	100,000	2,989,840	-	168,673,646

Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments, apart from those described in the tables above, relating to options, rights and shareholdings.

Other Transactions with KMP and/or their Related Parties

There were no other transactions conducted between the Company and KMP or their related parties, apart from those disclosed above relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

This Report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the directors

ROBERT BESLEY
CHAIRMAN
Perth, 10 March 2021

ELDERTON

AUDIT PTY LTD

Auditor's Independence Declaration

As auditor for the audit of Image Resources NL for the period ended 31 December 2020, 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 audit; and

II) no contraventions of any applicable code of professional conduct in relation to the audit.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

10 March 2021
Perth

Corporate governance statement

Image Resources NL and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Image Resources NL has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2020 Corporate Governance Statement is dated at 5 February 2021 and reflects the corporate governance practices in place throughout the period ended 31 December 2020. The 2020 Corporate Governance Statement was approved by the Board on 5 February 2021. A description of the Company's current corporate governance practices is set out in the Company's Corporate Governance Statement which can be viewed at www.imageres.com.au.

Statement of profit or loss and other comprehensive income

For the Year Ended 31 December 2020

	Notes	Year to 31 Dec 2020 ($000)	Year to 31 Dec 2019 ($000)
Continuing operations			
Operating sales revenue	3	176,378	146,196
Cost of sales	3	(104,224)	(82,211)
Gross profit		72,154	63,985
Other income		151	-
Government royalties		(8,262)	(6,932)
Shipping and other selling costs		(10,248)	(7,500)
Corporate expenses		(4,684)	(4,627)
Exploration and evaluation expenses		(4,980)	(3,345)
Other expenses		(44)	(1,009)
Realised foreign currency gain loss		(1,896)	(1,797)
Unrealised foreign currency gain / (loss)		(1,887)	439
Operating profit		40,304	39,214
Finance income	3	36	48
Financing costs	3	(5,817)	(10,045)
Profit before tax		34,523	29,217
Income tax expense	6	(9,740)	(8,385)
Net profit after tax		24,783	20,832
Other comprehensive income			
Changes in the fair value of available-for-sale financial assets		2	-
Total comprehensive income for the period, net of tax		24,785	20,832
		Cents	**Cents**
Earnings per share			
Basic earnings per share	5	2.53	2.14
Diluted earnings per share	5	2.44	2.10

The accompanying notes form part of these financial statements.

Statement of financial position

As at 31 December 2020

	Notes	31 Dec 2020 ($000)	31 Dec 2019 ($000)
Current assets			
Cash and cash equivalents	7	50,761	49,935
Trade and other receivables	8	12,191	593
Inventory	12	20,441	16,789
Other assets	9	392	468
Total current assets		83,785	67,785
Non-current assets			
Property, plant and equipment	10	82,806	95,582
Deferred tax assets	6	-	4,358
Other financial assets	11	4,951	2,885
Total non-current assets		87,757	102,825
Total assets		171,542	170,610
Current liabilities			
Trade and other payables	13	19,610	16,210
Provisions	14	903	692
Borrowings	15	17,199	37,679
Income tax payable	6	1,282	-
Total current liabilities		38,994	54,581
Non-Current Liabilities			
Provisions	14	19,807	15,380
Borrowings	15	10	18,858
Deferred tax liabilities	6	4,101	-
Total non-current liabilities		23,918	34,238
Total liabilities		62,912	88,819
Net assets		108,630	81,791
Equity			
Issued capital	16	110,607	108,553
Reserves	17	27,883	3,098
Accumulated losses	17	(29,860)	(29,860)
Total equity		108,630	81,791

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the Year Ended 31 December 2020

	Issued Capital ($000)	Financial Assets at FVOCI ($000)	Warrants Reserve ($000)	Profit Reserve Account ($000)	Accumulated Losses ($000)	Total ($000)
Balance at 1 January 2019	**103,170**	**10**	**4,314**	**-**	**(50,692)**	**56,802**
Comprehensive Profit						
Operating profit for the year	-	-	-	-	20,832	20,832
Other comprehensive income	-	-	-	-	-	-
Total comprehensive profit for the year	-		-	-	20,832	20,832
Transactions with owners in their capacity as owners						
Shares issued during the year	4,179	-	-	-	-	4,179
Cost of share issue	(22)	-	-	-	-	(22)
Warrants issued during the year	1,226	-	(1,226)	-	-	-
Total transactions with owners in their capacity as owners	5,383	-	(1,226)	-	-	4,157
Balance at 31 December 2019	**108,553**	**10**	**3,088**	**-**	**(29,860)**	**81,791**
Balance at 1 January 2020	**108,553**	**10**	**3,088**	**-**	**(29,860)**	**81,791**
Comprehensive profit						
Operating profit for the year	-	-	-	-	24,783	24,783
Other comprehensive income	-	2	-	-	-	2
Transfer to profit reserve – dividend	-	-	-	24,783	(24,783)	-
Total comprehensive profit for the year	-	2	-	24,783	-	24,785
Transactions with owners in their capacity as owners						
Shares issued during the year	2,511	-	-	-	-	2,511
Shares cancelled during the year	(447)	-	-	-	-	(447)
Cost of share issue	(10)	-	-	-	-	(10)
Total transactions with owners in their capacity as owners	2,054	-	-	-	-	2,054
Balance at 31 December 2020	**110,607**	**12**	**3,088**	**24,783**	**(29,860)**	**108,630**

The accompanying notes form part of these financial statements.

Statement of cash flows

For the Year Ended 31 December 2020

	Notes	Year to 31 Dec 2020 ($000)	Year to 31 Dec 2019 ($000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		164,854	145,409
Payments to suppliers and contractors		(93,543)	(79,479)
Interest received		36	50
Interest paid		(6,560)	(3,061)
Other income		151	-
Net cash from / (used in) operating activities	7	64,938	62,919
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1	76
Purchase of property, plant and equipment		(16,362)	(9,794)
Payments for exploration and evaluation		(4,841)	(3,164)
Net cash (used in) investing activities		(21,202)	(12,882)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from new issues of shares	16	-	1,534
Payments for share issue costs		(10)	(39)
Proceeds from employee loan repayments		-	109
Proceeds from interest bearing loan	15	-	566
Repayment of borrowings	15	(38,313)	(14,186)
Net cash inflows (used in) / from financing activities		(38,323)	(12,016)
Net increase in cash held		5,413	38,021
Cash at beginning of the year		49,935	11,886
Effect of exchange fluctuations on cash held		(4,587)	28
Cash at the end of the year	7	50,761	49,935

The accompanying notes form part of these financial statements.

This financial report includes the financial statements and notes of the Company.

Note 1 Statement of Significant Accounting Policies

Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial statements were authorised for issue on 10 March 2021, subject to minor typographical amendments.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The Directors consider the going concern basis of preparation to be appropriate based on forecast future cash flows.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The following standards were applied for the first time during the current reporting period:

- Conceptual Framework for Financial Reporting and AASB 2019-1 References to the Conceptual Framework.
- AASB 2018-6 Definition of a Business.
- AASB 2018-7 Definition of Material.

The amendments listed above did not have any impact on the amounts recognised in prior periods, did not affect the current period and is not expected to significantly affect future periods.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

ACCOUNTING POLICIES

a) Revenue Recognition

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

b) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by non-casual employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

c) Foreign Currency Translation

Functional and Presentation Currency
Both the functional and presentation currency of Image is Australian Dollars.

Foreign Currency Translation
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at balance date.

All translation differences relating to transactions and balances denominated in foreign currency are taken to the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

d) Exploration and Evaluation Expenditure

All exploration and evaluation expenditure is expensed to the Statement of Profit or Loss and other Comprehensive Income as incurred. The effect of this write-off is to decrease the profit incurred from continuing operations as disclosed in the Statement of Profit or Loss and other Comprehensive Income and to decrease the carrying values in the Statement of Financial Position. That the carrying value of mineral assets, as a result of the operation of this policy, is zero does not necessarily reflect the board's view as to the market value of that asset.

e) Asset Acquisitions

The cost method is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of assets given up at the date of acquisition plus costs incidental to the acquisition.

Costs relating to the acquisition of new areas of interest are classified as either exploration and evaluation expenditure or mine properties based on the stage of development reached at the date of acquisition.

f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

g) Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the Statement of Profit or Loss and Other Comprehensive Income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities and assets are therefore measured at the amounts expected to be paid to or recovered from the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses, if any in fact are brought to account.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

i) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income. This policy has no application where paragraph (d) Exploration and Evaluation Expenditure applies.

j) Earnings per Share

(i) *Basic Earnings per Share* – Basic earnings per share (EPS) is determined by dividing the loss from continuing operations after related income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

(ii) *Diluted Earnings per Share* – Options that are considered to be dilutive are taken into consideration when calculating the diluted earnings per share.

k) Inventory

Inventories of heavy mineral concentrate are valued at the lower of an average weighted cost and net realisable value (NRV). Cost comprises direct costs and an appropriate proportion of fixed and variable expenditure including depreciation and amortisation.

Inventories of consumable supplies and spare parts to be used in production are valued at weighted average cost.

NRV is the estimated selling price in the ordinary course of business less the estimated costs of production and to complete the sale.

l) Property, plant, and equipment

Property, plant and equipment is stated at historical cost, less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing the asset into use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item flow to the Company and the cost of the item can be measured reliably.

Mine development costs are capitalised to property, plant and equipment only once a decision to mine is made and the development is fully funded. Mine development expenditure represents the cost incurred in preparing mines for commissioning and production, and also includes other attributable costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through successful exploitation of the related mining project. Once production commences, these costs are amortised over the estimated economic life of the mine on a units of production basis. Mine development costs are written off if the mine property is abandoned. Development costs incurred to maintain production are expensed as incurred against the related production.

At each reporting date, the entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the entity makes a formal assessment of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs of disposal and value in use.

Depreciation

Depreciation is provided on a straight-line or units of production basis on all plant and equipment commencing from the time the asset is held ready for use. Major depreciation periods are:

- Plant and equipment – 1 to 5 years
- Motor vehicles – 3 to 5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting period and adjusted prospectively, if appropriate.

m) Borrowings

Recognition and Measurement

Borrowings are initially recognised at fair value and revalued where the borrowings are denominated in a foreign currency.

Transaction costs paid on the establishment of loan facilities are capitalised to property, plant and equipment to the extent that it is probable that some or all of the facility will be drawn down and that the borrowings are directly related to the purchase of property, plant and equipment. Where there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is expensed to profit and loss. Borrowing costs incurred after the property, plant and equipment is installed and operating are expensed to the profit and loss statement directly.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The fair value of financial liabilities carried at amortised cost approximates their carrying values.

n) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Fair Value
Fair value is determined based on closing market prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. The expression "fair value" – and derivatives thereof – wherever used in this report bears the meaning ascribed to that expression by the Australian Accounting Standards Board.

Impairment
At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit or loss.

De-recognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

o) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

p) Leases

The Company adopted AASB 16 on the required effective date 1 January 2019.

The adoption of the AASB resulted in equipment that was previously being classified as operating lease now recognised on the balance sheet. This resulted in recognition of a right-of-use asset and a corresponding liability being the present value of future lease payments. Over the life of the lease, the lease liability will incur interest expense and is reduced as lease payments are made. The right-of-use asset is amortised on a straight-line basis over its lease term. The pattern of expense recognition changes with a higher expense at lease commencement due to a higher lease liability at the time.

Image Resources adopted AASB 16 using the modified retrospective approach. There is no restatement of comparative periods and the lease liability has been set to the same value as the right-of-use asset. Image Resources has elected to apply practical expedients allowed under the modified retrospective approach and not recognise short-term or low-value leases on its balance sheet but to account for the lease expense on a straight-line basis over the remaining lease term.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 January 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 8%. The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases. This resulted in recognition a right-of-use asset $195,791 and a lease liability of $195,791. It also resulted in recognition of additional expense for the year ended 31 December 2019 of $5,000.

q) Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

s) Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker (“CODM”), which has been identified by the Company as the Managing Director and other members of the Board of directors.

t) Critical Accounting Estimates, Assumptions and Judgements

The Company makes estimates and assumptions concerning the future in applying its accounting policies. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and future periods affected.

Impairment of Property, Plant and Equipment and Mine Development Expenditure

Non-current assets are assessed for impairment when there is an indication that their carrying amount may not be recoverable. The recoverable amount of each Cash Generating Unit (CGU) is determined as the higher of value-in-use and fair value less costs of disposal estimated on the basis of discounted present value of the future cash flows (a level 3 fair value estimation method).

The estimates of discounted future cash flows for each CGU are based on significant assumptions including:

- estimates of the quantities of mineral reserves and ore resources for which there is a high degree of confidence of economic extraction and the timing of access to these reserves and ore resources:
- future production levels and the ability to sell that production
- future product prices based on the Company’s assessment of forecast short and long term prices for each of the key products

- future exchange rates for the Australian dollar compared to the US dollar using external forecasts by recognised economic forecasters
- future cash costs of production, sustaining capital expenditure, rehabilitation and mine closure
- the asset specific discount rate applicable to the CGU

Determination of Mineral Resources and Ore Reserves

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, and provision for decommissioning and restoration. The information in this report as it relates to ore reserves, mineral resources or mineralisation is reported in accordance with the AusIMM "Australian Code for Reporting of Identified Mineral Resources and Ore Reserves 2012". The information has been prepared by or under supervision of competent persons as identified by the Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being restated.

Rehabilitation and Site Restoration Provision

Significant estimates and assumptions are made in determining the provision for rehabilitation of the mine as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditure differing from amounts currently provided.

Recovery of Deferred Tax Assets

Judgement is required in determining whether deferred tax assets are recognised in the Consolidated Statement of Financial Position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise net deferred tax assets could be impacted. Additionally, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

The Company has unrecognised deferred tax assets arising from tax losses and other temporary differences. The ability of the Company to utilise its tax losses is subject to meeting the relevant statutory tests.

The income tax expense has been estimated and calculated based on management's best knowledge of current income tax legislation. There may be differences with the treatment of individual jurisdiction provisions but these are not expected to have any material impact on the amounts as reported.

u) New Accounting Standards for Application in Future Years

There are a number of new Accounting standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company and have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early.

These standards are not expected to have a material impact on the Company in the current or future period until mandatory adoption.

v) Rounding

Rounding of amounts All amounts in the financial statements have been rounded to the nearest thousand dollars, except as indicated, in accordance with the ASIC Corporations Instrument 2016/191.

Note 2 Operating Segments

Segment Information

Identification of reportable segments

The Company 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 Company is a minerals sands production and exploration company. Currently all the Company's mineral sands tenements and resources are located in Western Australia.

Revenue and assets by geographical region

The Company's revenue is derived from sources and assets located wholly within Australia.

Major customers

The Company currently provides products to two off-takers plus one buyer outside the primary offtake agreements.

Financial information

Reportable items required to be disclosed in this note are consistent with the information disclosed in the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position and are not duplicated here.

	Year to 31 Dec 2020 ($000)	Year to 31 Dec 2019 ($000)
Note 3 Revenue and Expenses		
Sales Revenue		
Concentrate sales	176,378	146,196
Operating Expenses		
Mine operating costs	(74,105)	(66,359)
Depreciation and amortisation	(27,713)	(17,678)
Amortisation of capitalised borrowing costs	(5,749)	(5,263)
Inventory movement	3,343	7,089
Cost of sales	(104,224)	(82,211)
Gross Profit	72,154	63,985
Other Expenses		
Realised foreign currency loss	(1,896)	(1,797)
Finance Income		
Interest income	36	48
Finance Costs		
Interest expense	(5,670)	(9,655)
Amortisation of capitalised borrowing costs	-	-
Other financing costs	(147)	(390)
	(5,817)	(10,045)

Note 4 Auditors Remuneration

Amounts received or due and receivable by the auditors of the Company for:		
- Auditing and reviewing the financial reports – (Elderton Audit Pty Ltd)	54	54

Note 5 Earnings Per Share

	Year to 31 Dec 2020 (Cents)	Year to 31 Dec 2019 (Cents)
Basic earnings per share	2.53	2.14
Diluted earnings per share	2.44	2.10
	($000)	**($000)**
Reconciliation of earnings used in calculating earnings per share		
Profit attributable to ordinary equity holders of the Company used in calculating basic and diluted earnings per share	24,783	20,832
	Number of shares	**Number of shares**
Weighted average number of ordinary shares used in the calculation of basic earnings per share at 31 December 2020	981,236,917	971,794,723
Weighted average number of ordinary shares used in the calculation of diluted earnings per share		
Weighted average number of ordinary shares (basic)	981,236,917	971,794,723
Effect of warrants on issue	35,810,714	18,208,229
Weighted average number of ordinary shares (diluted) at 31 December 2020	1,017,047,631	990,003,952

The Company had Nil (2019: Nil) options over fully paid ordinary shares on issue at balance date.

Note 6 Income Tax

	($000)	($000)
Income tax expense		
Current tax	1,282	-
Deferred tax	8,458	8,385
Income tax expense in the statement of profit or loss	9,740	8,385

Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on profit / (loss) from ordinary activities before tax is reconciled to the income tax (expense) / benefit as follows:

Accounting profit before tax	34,523	29,217
Prima facie tax on operating profit at statutory rate of 30% (2019: 30%)	10,357	8,765
Non-deductible expenses	36	89
Non-assessable income	(30)	-
Capital raising costs charged to equity	(3)	(7)
Tax losses brought to account as a deferred tax asset		-
Under provision in prior year	(620)	(462)
Income tax expense	9,740	8,385

The Corporate tax rate payable by the Company if the Company was required to pay income tax in the year ended 31 December 2020 was 30% (31 December 2019: 30%). The deferred tax asset held on the balance sheet is calculated at the 30% income tax rate.

Deferred tax assets and liabilities		
Deferred tax assets	5,338	10,508
Deferred tax liabilities	(9,439)	(6,150)
Net deferred tax assets / (liabilities)	(4,101)	4,358

Composition of and movements in deferred tax assets and liabilities during the year

	Assets		Liabilities		Net	
	2020 ($000)	2019 ($000)	2020 ($000)	2019 ($000)	2020 ($000)	2019 ($000)
Tax losses	-	7,350	-	-		7,350
Property, plant and equipment	-	-	(5,578)	(1,988)	(5,578)	(1,988)
Unrealised foreign exchange gains	1,940	1,374	-	-	1,940	1,374
Provisions and accruals	366	258	-	-	366	258
Capital raising costs	245	362	-	-	245	362
Mine rehabilitation	2,787	1,164	-	-	2,787	1,164
Borrowing costs	-	-	(2,869)	(3,799)	(2,869)	(3,799)
Receivables	-	-	(4)	(4)	(4)	(4)
Inventories	-	-	(984)	(355)	(984)	(355)
Investments	-	-	(4)	(4)	(4)	(4)
Net deferred tax assets / (liabilities)	5,338	10,508	(9,439)	(6,150)	(4,101)	4,358

Note 7 Cash and Cash Equivalents

	31 Dec 2020 ($000)	31 Dec 2019 ($000)
Cash at bank	50,745	49,920
Deposits at call	16	15
	50,761	49,935
Cash flows from operating activities reconciliation		
Operating profit after income tax	24,783	20,832
Income tax expense	9,740	8,385
Depreciation and amortisation expense	33,496	22,948
Exploration and evaluation expense	4,980	3,345
Loss on sale of property, plant and equipment	44	1,011
Realised foreign currency loss	2,978	1,094
Unrealised foreign currency (gain) / loss	617	(439)
Interest expense	-	5,394
Share based payments expense	-	98
Borrowing costs	(359)	246
Changes in operating assets and liabilities:		
Increase in trade and other receivables relating to operating activities	(11,598)	(105)
Decrease in prepayments	77	70
Increase in inventory	(3,652)	(7,542)
Increase in trade and other payables relating to operating activities	3,662	7,366
Increase / (decrease) in current borrowings	(45)	6
Increase in provisions	215	210
Cash flow from operations	64,938	62,919

Note 8 Trade and Other Receivables

Trade receivables	11,342	-
GST and tax refundable	792	592
Other receivables	57	1
	12,191	593

Note 9 Other Assets – Current

	31 Dec 2020 ($000)	31 Dec 2019 ($000)
Restricted cash – security for guarantees	57	54
Prepayments	335	414
	392	468

Restricted cash represents term deposits held by the Company's bank as security for a bank guarantee ($34,667) in favour of the property manager in relation to operating lease commitments for the office premises and security for the Company credit card ($20,000).

Deposits at call consist of term deposits with maturity dates greater than three months.

Note 10 Property, Plant and Equipment

	Plant and Equipment ($000)	Land and Buildings ($000)	Mine Development ($000)	Borrowing Costs ($000)	Total ($000)
Year ended 31 December 2019					
Balance at 1 January 2019	48,905	11,394	19,131	21,632	101,062
Additions	4,331	75	3,374	7	7,787
Mine closure and rehabilitation asset	-	-	10,655	-	10,655
Disposals	(901)	-	-	-	(901)
Transfers	523	-	(523)	-	-
Depreciation	(13,256)	-	(4,502)	(5,263)	(23,021)
Closing Net Book Value	39,602	11,469	28,135	16,376	95,582
At 31 December 2019					
Cost	53,720	11,469	32,978	21,968	120,135
Accumulated Depreciation	(14,118)	-	(4,843)	(5,592)	(24,553)
Net Book Value	39,602	11,469	28,135	16,376	95,582
Year ended 31 December 2020					
Balance at 1 January 2020	39,602	11,469	28,135	16,376	95,582
Additions	1,713	6,919	7,386	-	16,018
Mine closure and rehabilitation asset	-	-	4,781	-	4,781
Disposals	(45)	-	-	-	(45)
Depreciation	(15,926)	-	(11,855)	(5,749)	(33,530)
Closing Net Book Value	25,344	18,388	28,447	10,627	82,806
At 31 December 2020					
Cost	55,351	18,388	45,145	21,968	140,852
Accumulated Depreciation	(30,007)	-	(16,698)	(11,341)	(58,046)
Net Book Value	25,344	18,388	28,447	10,627	82,806

Property, plant and equipment includes the purchase of a wet concentration mineral sands processing plant and ancillary mining and processing equipment from Murray Zircon on 8 June 2016 for $11,935,028 and construction costs incurred building the Boonanarring Mine. Mine development expenditure represents the cost incurred in preparing mines for commissioning and production, other attributable costs incurred before production commences and mine closure and rehabilitation costs.

Land represents farm lots at Boonanarring which the company has acquired.

Borrowing costs incurred financing the senior debt facility were fully capitalised to property, plant and equipment. Depreciation on plant and equipment, mine development and borrowing costs is charged to the inventory cost base.

Leases

The Company has lease contracts for motor vehicles and office equipment used in its operations. The leases have lease terms between 3 and 5 years. The company's obligations under its leases are secured by the lessor's title to the leased assets. The right of use assets is included in Plant and Equipment above as their values are too immaterial to state separately.

Set out below are the leased assets carrying amounts recognised and the movements during the period.

	Motor Vehicles ($000)	Office Equipment ($000)	Total ($000)
Year ended 31 December 2019			
Balance at 1 January 2019	-	-	-
Additions	178	18	196
Depreciation	(67)	(7)	(74)
Closing Net Book	111	11	122
Year ended 31 December 2020			
Balance at 1 January 2020	111	11	122
Additions	53	-	53
Depreciation	(86)	(6)	(92)
Closing Net Book	78	5	83

Set out below are the carrying amounts of lease liabilities (included under borrowings, Note 15)

	31 Dec 2020 ($000)	31 Dec 2019 ($000)
Opening Net Book Value	127	-
Additions	57	196
Accretion of interest	16	12
Payments	(95)	(81)
Closing Net Book Value	105	127
Current	95	72
Non-Current	10	55

Note 11 Other Financial Assets

Non-Current		
Loans to Employees – (Employee Share Plan)	3,391	1,909
Loans to Key Management Personnel (Employee Share Plan)	1,532	949
Equity investments at fair value – shares in listed corporations	28	27
	4,951	2,885

	31 Dec 2020 ($000)	31 Dec 2019 ($000)

Note 12 Inventory

	31 Dec 2020 ($000)	31 Dec 2019 ($000)
Current		
Ore stockpiles	2,259	466
Heavy mineral concentrate and other intermediate stockpiles	16,689	15,139
Stores and consumables	1,493	1,184
	20,441	16,789

Inventories of heavy mineral concentrate are valued at the lower of an average weighted cost and net realisable value (NRV). Cost comprises direct costs and an appropriate proportion of fixed and variable expenditure including depreciation and amortisation.

Inventories of consumable supplies and spare parts to be used in production are valued at weighted average cost.

NRV is the estimated selling price in the ordinary course of business less the estimated costs of production and to complete the sale.

Note 13 Trade and Other Payables

	31 Dec 2020 ($000)	31 Dec 2019 ($000)
Trade creditors	10,787	8,150
Accruals	8,509	7,759
GST and tax payable	235	190
Other payables	79	111
	19,610	16,210

Trade creditors, accruals, GST and tax payables and other payables are normally settled on 30 Day terms.

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

Note 14 Provisions

	31 Dec 2020 ($000)	31 Dec 2019 ($000)
Current		
Employee leave benefits	903	692
Non-Current		
Employee leave benefits	87	82
Mine closure and rehabilitation	19,720	15,298
	19,807	15,380

Mine closure and rehabilitation obligations
The calculation of the mine closure and rehabilitation provision requires assumptions such as application of environmental legislation, plant closure dates, available technologies, engineering costs and inflation and discount rates. A change in any of the assumptions used may have a material impact on the carrying value of mine closure and rehabilitation obligations.
The mine closure and rehabilitation provision is recorded as a liability at fair value, assuming a risk-free discount rate equivalent to the 5 year Australian US Government bond rate of 0.99% as at 31 December 2020 (31 December 2019: 0.99%) and an inflation factor of 1.0% (31 December 2018: 2.1%). Although the ultimate amount to be incurred is uncertain, management has, at 31 December 2020, estimated the asset retirement cost of work completed to date using an expected remaining mine life of 2 years and a total undiscounted estimated cash flow of $19,718,091 (31 December 2019: $14,724,787). Management's estimate of the underlying asset retirement costs are independently reviewed by an external consultant on a regular basis for completeness.

Recognition and measurement of provisions
Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

A mine closure and rehabilitation provision is recognised at the commencement of a mining project and/or construction based on the estimated costs necessary to meet legislative requirements by estimating future costs and discounting these to a present value. The provision is recognised as a liability, separated into current (estimated costs arising within twelve months) and non-current components based on the expected timing of these cash flows. A corresponding asset is included property, plant and equipment (mine development assets section), only to the extent that it is probable that future economic benefits associated with the restoration expenditure will flow to the entity, and is amortised over the life of the mine.

At each reporting date the mine closure and rehabilitation provision is re-measured in line with changes in discount rates and timing or amounts of the costs to be incurred. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved and are dealt with on a prospective basis as they arise.

Changes in the liability relating to mine closure and rehabilitation obligations are added to or deducted from the related asset (where it is probable that future economic benefits will flow to the entity), other than the unwinding of the discount which is recognised as a financing expense in the Statement of Profit and Loss and Other Comprehensive Income. Changes in the asset value have a corresponding adjustment to future amortisation charges.

The mine closure and rehabilitation provision does not include any amounts related to remediation costs associated with unforeseen circumstances.

Note 15 Borrowings

	Interest Rate	31 Dec 2020 ($000)	31 Dec 2019 ($000)
Current			
Lease liabilities	(8%)	95	73
Interest bearing loan – Senior Secured Loan Notes	(13%)	17,104	37,606
		17,199	37,679
Non-Current			
Lease liabilities	(8%)	10	55
Interest bearing loan – Senior Secured Loan Notes	(13%)	-	18,803
		10	18,858

Senior Secured Debt Facility.

A senior secured debt facility which raised A$50,000,000 from the issue of senior secured loan notes. The senior loan notes amounted to US$38,865,000 plus capitalised interest of US$7,257,672. US$26,347,241 was repaid during the year ended 31 December 2020. (2019: $6,586,810). US$13,173,620 is the balance at 31 December 2020 (31 December 2019: US$39,520,861).

The key terms of the loan include a loan period of three years from draw down, an interest rate of 14% for the first fifteen months following draw down and 13% thereafter for the balance of the loan. Interest for the first fifteen months was added to the loan amount and thereafter paid quarterly in arrears. The principal is being repaid in seven equal instalments starting in the 18th month following drawdown. Drawdown occurred on 25 May 2018.

Note 16 Issued Capital	Year to 31 Dec 2020 No.	($000)	Year to 31 Dec 2019 No.	($000)
Contributed Equity – Ordinary Shares				
At the beginning of the period	980,979,899	108,553	957,247,598	103,170
Employee share plan shares issued at $0.195	12,875,014	2,510	-	-
Employee shares cancelled	(1,715,220)	(446)	-	-
Shares issued on exercise of warrants at $0.11385	-	-	13,475,000	2,760
Employee share plan shares issued at $0.195	-	-	1,303,813	254
Employee share plan shares issued at $0.267	-	-	8,953,488	2,391
Share issue costs	-	(10)	-	(22)
Balance at the end of the period	992,139,693	110,607	980,979,899	108,553

Terms and Conditions of Contributed Equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held, regardless of the amount paid up thereon.

At a general meeting every shareholder present in person or by proxy, representative or attorney has: a) on a show of hands, one vote; and b) on a poll, one vote for each fully paid share held.

Note 17 Reserves and Accumulated Losses	31 Dec 2020 ($000)	31 Dec 2019 ($000)
Reserves		
Fair value reserve of financial assets	12	10
Profit Reserve – Dividend	24,783	-
Warrants reserve	3,088	3,088
Closing balance	27,883	3,098
Fair Value Reserve of Financial Assets		
Balance at the beginning of the period	10	10
Changes in the fair value of equity investments	2	-
Balance at the end of the period	12	10
Profit Reserve Account		
Balance at the beginning of the period	-	-
Transfer from accumulated losses	24,783	-
Balance at the end of the period	24,783	-
Reserve – Warrants		
Balance at the beginning of the period	3,088	4,314
Issue of warrants	-	-
Exercise of warrants	-	(1,226)
Balance at the end of the period	3,088	3,088

The profits from the year ended 31 December 2020 was transferred to a profit reserve to be applied against future dividend payments.

The warrants reserve is used to recognise the fair value of warrants issued. During the year to 31 December 2019, the value previously ascribed to warrants that were exercised during the year was transferred to retained losses.

	31 Dec 2020 No.	31 Dec 2019 No.
Warrants		
The Company had the following warrants over un-issued fully paid ordinary shares at the end of the year:		
Exercisable at $0.1365 on or before 20 May 2023	14,285,714	14,285,714
Exercisable at $0.11385 on or before 24 May 2023	21,525,000	21,525,000
	35,810,714	35,810,714

	($000)	($000)
Accumulated Losses		
Opening balance	(29,860)	(50,692)
Profit / (loss) for the year	24,783	20,832
Transfer to profit reserve account	(24,783)	-
	(29,860)	(29,860)

a) Summaries of warrants granted

The following table details the number and weighted average exercise prices (WAEP) and movements in warrants issued during the year.

	Number 2020	WAEP 2020	Number 2019	WAEP 2019
Outstanding at 1 January	35,810,714	0.1204	35,810,714	0.1204
Issued during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at 31 December	35,810,714	0.1204	35,810,714	0.1204
Exercisable at 31 December	35,810,714	0.1204	35,810,714	0.1204

b) Weighted average remaining contractual life

The weighted average remaining contractual life for the warrants outstanding as at 31 December 2020 is between 2 and 3 years (31 December 2019: Between 3 and 4 years).

c) Range of exercise price

The range of exercise prices for warrants outstanding at the end of the year was $0.11385 to $0.1365 (31 December 2019: $0.11385 to $0.1365).

d) Weighted average fair value

The weighted average fair value of warrants granted during the year was Nil (31 December 2019: Nil).

e) Warrants pricing model

The fair value of the warrants granted during the year ending 31 December 2018 was estimated as at the date of grant using a Black-Scholes option pricing model taking into account the terms and conditions upon which the warrants were granted.

The following table lists the inputs to the model used for the year ended 31 December 2018.

	31 Dec 2018	31 Dec 2018
	Tranche A	Tranche B
Dividend yield (%)	Nil	Nil
Expected volatility (%)	85%	85%
Risk-free interest rate (%)	2.50%	2.47%
Expected life of warrants (years)	5.02	4.95
Warrant exercise prices ($)	$0.091	$0.79
Weighted average share price at grant	$0.13	$0.12

The minimum life of the Warrants is the length of any vesting period. The maximum life is based on the expiry date. For the purposes of these warrants the exercise date is estimated as the expiry date. The expected volatility reflects the assumption that the historical volatility was indicative of future trends, which may also not necessarily be the actual outcome. No other features of warrants granted were incorporated into the measurement of fair value.

Note 18 Tenement Expenditure and Leasing Commitments

The Company has certain obligations to perform minimum exploration work on the tenements in which it has an interest. These obligations vary from time to time. The aggregate of the prescribed expenditure conditions applicable to the granted tenements for the next twelve months amounts to $1,646,967.

Application for exemption from all or some of the prescribed expenditure conditions will be made but no assurance is given that any such application will be granted. Nevertheless, the Company is optimistic, given its level of expenditure in the North Perth Basin, that it would likely be granted exemptions, on a project basis, in respect of the prescribed expenditure conditions applicable to many of its North Perth Basin tenements.

If the prescribed expenditure conditions are not met with respect to a tenement, that tenement is liable to forfeiture.

The Company has the ability to diminish its exposure under these conditions through the application of a variety of techniques including applying for exemptions (from the regulatory expenditure obligations), surrendering tenements, relinquishing portions of tenements or entering into farm-out agreements whereby third parties bear the burdens of such obligation in whole or in part.

The Company has leased office premises at 23 Ventnor Avenue, West Perth, WA. The lease expired on 31 July 2020 and was renewed for twelve months to 31 July 2021. The commitment for the 2021 financial year is $141,646 including all outgoings and car parking.

Note 19 Tenement Access

The interests of holders of freehold land encroached by the Tenements are given special recognition by the Mining Act (WA). As a general proposition, a tenement holder must obtain the consent of the owner of freehold before conducting operations on such freehold land. Unless it already has secured such rights, there can be no assurance that the Company will secure rights to access those portions of the Tenements encroaching freehold land.

The Company has finalised negotiations with the Traditional Owners and their representatives in regard to the Native Title claim affecting part of the Atlas deposit and being the subject of a registered (but undetermined) claim. The agreement is in the process of being signed by all parties. This is the only deposit forming part of the high-grade dry mining targets within the North Perth Basin (NPB) Project which has, insofar as the Company is aware, any potential to be subject to Native Title. However, heritage aspects of the remaining areas of the project still have to be taken into consideration.

Outside of the NPB Project the Company's other tenements may contain dredge mining targets which could be subject to Native Title claim.

The Company is not in a position at this time to assess the likely effect of any Native Title claim impacting the Company.

During 2020, the Company purchased two properties to the north of the Boonanarring project with a view to adding to the reserve base.

Note 20 Significant Events Subsequent to Reporting Date

Other than the following matters:

- On 20 January 2021, The Company's thirtieth shipment of 14,588 Metric Tonnes of HMC finished loading backed by a letter of credit. Subsequently, on 28 January 2021, full payment for the shipment was received by Image, in USD.
- On 10 February 2021, The Company repaid the balance of the Senior Secured Loan Notes facility. The repayment amount including interest was US$13,819,793.
- On 9 and 10 February 2021, The Company's thirty first and thirty second cargoes totalling 26,248 Metric Tonnes of HMC finished loading backed by a letter of credit to two customers. Subsequently, on 18 and 23 February 2021, full payment for the shipment was received by Image, in USD.
- On 25 February 2021, the Company's thirty third cargo totalling 19,398 Metric Tonnes of HMC finished loading backed by a letter of credit. Subsequently, on 5 March 2021, full payment for the shipment was received by Image, in USD.

There were no other material significant events subsequent to the reporting date.

Note 21 Employee Benefits

Employee Share Plan

Under the terms of the Image Share Plan ("ESP"), as approved by shareholders, Image may, in its absolute discretion, make an offer of ordinary fully paid shares in Image to any Eligible Employee, to be funded by a limited recourse interest free loan granted by the Company.

The issue price is determined by the Directors and is not to be less than the volume weighted average price of shares in the 5 trading days prior to the Issue Date. Eligible Employees use the abovementioned loan to acquire the plan shares. The loan amount per share may in certain circumstances be more than the issue price where shareholder approval is required for the issue and the share price is more than the issue price. The shares may be sold 12 months after their issue date generally only if the employee is currently employed.

The following table illustrates the number, weighted average share loan prices (WASLP) and weighted average share issue price (WASIP), and movements in plan shares during the year.

	Number 2020	WASIP 2020	WASLP 2020	Number 2019	WASIP 2019	WASLP 2019
Outstanding at 1 January	12,854,104	0.230	0.224	3,504,152	0.120	0.120
Granted during the year	12,875,014	0.195	0.195	10,257,301	0.260	0.250
Sold during the year	-	-	-	(907,349)	0.120	0.120
Cancelled during the year	(1,715,220)	0.260	0.260	-	-	-
Outstanding at 31 December	24,013,898	0.205	0.205	12,854,104	0.230	0.224
Exercisable at 31 December	11,138,884	0.225	0.217	3,900,616	0.150	0.120

Equity-Settled Share Based Payments

The Directors may, in their absolute discretion, grant options to Directors and full or part time employees of the Company for nil consideration in accordance with guidelines established by the Directors. The exercise price of the option is set by the Board of Directors. Unvested options may terminate upon cessation of employment in accordance with the terms on which the options were granted.

The share-based payments expense for the year ending 31 December 2020 and year to 31 December 2019 was Nil.

There were no options issued during the year ended 31 December 2020 and year to 31 December 2019.

NOTE 22 RELATED PARTY AND RELATED ENTITY TRANSACTIONS

	31 Dec 2020 ($000)	31 Dec 2019 ($000)
Key Management Personnel Compensation		
Short-term employee benefits	1,965	1,979
Post-employment benefits	111	102
Equity-settled share-based payments	-	-
	2,076	2,081

Short-term employee benefits

These amounts include fees and benefits paid to non-executive Chair and non-executive directors as well as all salary and paid leave benefits awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the costs of superannuation contributions payable for the period.

Equity-settled share-based payments

This amount is calculated as the fair value of the options and represents the value of the services received during the period the options are held over the financial period. This value was calculated using the Black-Scholes option pricing model. Further information on the share-based payment transaction is disclosed in Note 21.

Further key management personnel remuneration information has been included in the Remuneration Report section of the Directors Report.

Transactions with other related parties

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated. Transactions with directors, director-related parties and related entities **other than those disclosed elsewhere in this financial report** are as follows:

	Year to 31 Dec 2020 ($000)	Year to 31 Dec 2019 ($000)
Revenue		
Concentrate Sales - Orient Zirconic Resources (Australia) Pty Ltd	53,105	-
Expenses		
Magnetic Resources NL, a George Sakalidis related party, purchase of stationary	(1)	-
Murray Zircon Pty Ltd – Interest on $4,000,000 loan (Note 17)	-	(89)
Murray Zircon Pty Ltd – Loan Repayment	-	(4,000)
Murray Zircon Pty Ltd – Additional equipment – poly pipe	(10)	(417)
Murray Zircon Pty Ltd – Purchase of Image Resources Equipment	-	75
Murray Zircon Pty Ltd – Refund of Wet Concentrator Plant dismantling costs incurred by Image Resources	-	1,116
Spouse of Patrick Mutz – The Company purchases travel expenses from a national travel agency of which his spouse is an agent and receives a commission. The amount disclosed is an estimate of the fees and commissions which is shared between the agency and the spouse of Patrick Mutz	(2)	(4)
	53,092	(3,319)

Total amounts owing to directors and/or director-related parties and related entities at 31 December 2020 were Nil (31 December 2019: $Nil). All transactions were incurred on normal commercial terms and were arm's length transactions.

Orient Zirconic Resources (Australia) Pty Ltd is a related party due to its 5.22% interest in the shares of the Company and Director Chaodian Chen being a director of its owner Guangdong Orient Zirconic In Sci & Tech Co., Ltd. Murray Zircon Pty Ltd is a related party due to it holding a 20.53% interest in the shares of the Company.

NOTE 23 CONTINGENT LIABILITIES

Other than those matters disclosed in Notes 18 and 19, there are no contingent liabilities or commitments.

NOTE 24 FINANCIAL INSTRUMENTS DISCLOSURE

a) Financial Risk Management Policies

The Company's financial instruments consist of deposits with banks, receivables, available-for-sale financial assets, payables and borrowings.

Risk management policies are approved and reviewed by the board. The use of hedging derivative instruments is not contemplated at this stage of the Company's development.

Specific Financial Risk Exposure and Management

The main risks the Company is exposed to through its financial instruments, are commodity price, interest rate and liquidity risks.

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows, cash reserves, liquid investments, receivables, financial liabilities and commitments.

Capital Risk

Management controls the capital of the Company in order to maintain the appropriate working capital position to ensure that the Company can fund its operation, continue as a going concern and continue to provide returns for shareholders and benefits for other stakeholders. Capital is managed by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

The working capital position of the Company at 31 December 2020 and 31 December 2019 was as follows:

	31 Dec 2020 ($000)	31 Dec 2019 ($000)
Cash and cash equivalents	50,706	49,935
Restricted cash	55	55
Trade and other receivables	12,191	593
Inventory	20,441	16,789
Trade and other payables and provisions	(19,610)	(16,902)
Borrowings	(17,199)	(37,679)
Working capital position	46,584	12,791

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and deposits with financial institutions as well as credit exposures to outstanding receivables.

The Company is not exposed to credit risk through sales of mineral sands product due to a letter of credit being in place prior to a mineral sands shipment leaving port. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Company has lodged cash deposits (designated as restricted cash above) totalling $54,667 (2019: $54,667) with the bank as collateral security for office lease property managers for rental guarantees and also security for company credit cards.

The following table provides information regarding the credit risk relating to cash and cash equivalents, term deposits and restricted cash based on Standard & Poors credit ratings:

	31 Dec 2020 ($000)	31 Dec 2019 ($000)
AA- rated	50,816	49,990

Financial Instruments

The Company holds no derivative instruments, forward exchange contracts or interest rate swaps.

Financial Instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments.

31 December 2020	Weighted Average Effective Interest Rate %	Fixed Interest Rate ($000)	Floating Interest Rate ($000)	Non-Interest Bearing ($000)	Total ($000)
Financial Assets:					
Cash and cash equivalents		-	50,761	-	50,761
Restricted cash		-	55	-	55
Trade and other receivables		-	-	12,191	12,191
Equity investments at fair value		-	-	28	28
Total Financial Assets	0.003%	-	50,816	12,219	63,035
Financial Liabilities:					
Trade and other payables and provisions		-	-	19,610	19,610
Borrowings		17,199	-	-	17,199
Total Financial Liabilities	13%	17,199	-	19,610	36,809
Net Financial Assets		(17,199)	50,816	(7,391)	26,226

31 December 2019	Weighted Average Effective Interest Rate %	Fixed Interest Rate ($000)	Floating Interest Rate ($000)	Non-Interest Bearing ($000)	Total ($000)
Financial Assets:					
Cash and cash equivalents		-	49,935	-	49,935
Restricted cash		-	55	-	55
Trade and other receivables		-	-	593	593
Equity investments at fair value		-	-	27	27
Total Financial Assets	0.02%	-	49,990	620	50,610
Financial Liabilities:					
Trade and other payables and provisions		-	-	16,983	16,983
Borrowings		56,537	-	-	56,537
Total Financial Liabilities	13%	56,537	-	16,983	73,520
Net Financial Assets		(56,537)	49,990	(16,363)	(22,910)

The table below summarises the maturity profile of the Company's' financial liabilities according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows. As a result, these balances may not agree with the amounts disclosed in the statement of financial position:

31 December 2020	Less than 3 months ($000)	3 to 12 Months ($000)	1 to 5 years ($000)	Total ($000)
Trade and other payables and provisions	19,610	-	-	19,610
Borrowings	8,552	8,552	-	17,104
	28,162	8,552	-	36,714

31 December 2019	Less than 3 months ($000)	3 to 12 Months ($000)	1 to 5 years ($000)	Total ($000)
Trade and other payables and provisions	16,902	-	-	16,902
Borrowings	9,402	28,205	18,803	56,410
	26,304	28,205	18,803	73,312

Please refer to Note 15 for further details of the Senior Secured Debt Facility.

b) Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

31 December 2020	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Financial Assets:				
Financial assets at fair value through profit or loss:				
Equity investments at fair value:				
- Listed investments	28	-	-	28
	28	-	-	28

31 December 2019	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Financial Assets:				
Financial assets at fair value through profit or loss:				
Equity investments at fair value:				
- Listed investments	27	-	-	27
	27	-	-	27

Sensitivity Analysis – Interest rate risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the financial period results and equity which could result from a change in this risk.

As at balance date, the effect on loss and equity as a result of changes in the interest rate on financial assets, with all other variables remaining constant would be as follows:

	31 Dec 2020 ($000)	31 Dec 2019 ($000)
Change in loss – increase/(decrease):		
- Increase in interest rate by 2%	(1,015)	(1,000)
- Decrease in interest rate by 2%	1,015	1,000
Change in equity – increase/(decrease):		
- Increase in interest rate by 2%	1,015	1,000
- Decrease in interest rate by 2%	(1,015)	(1,000)

Directors Declaration

The directors of the Company declare that:

1. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 and:
   - (a) comply with Accounting Standards and the Corporations Act 2001;
   - (b) give a true and fair view of the financial position as at 31 December 2020 and performance for the year ended on that date of the Company; and
   - (c) the audited remuneration disclosures set out in the Remuneration Report section of the Directors' Report for the year ended 31 December 2020 complies with section 300A of the Corporations Act 2001;
2. the Chief Financial Officer has declared pursuant to section 295A(2) of the Corporations Act 2001 that:
   - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   - (b) the financial statements and the notes for the financial year comply with Accounting Standards; and
   - (c) the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
4. the directors have included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

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

ROBERT BESLEY
CHAIRMAN

PERTH
Dated this 10 March 2021

ELDERTON
AUDIT PTY LTD

Independent Audit Report to the members of Image Resources NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Image Resources NL (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be a key audit matter to be communicated in our report.

Provision for Rehabilitation
Refer to Note 14, Provisions and accounting policy Notes 1o and 1t

Key Audit Matter	How our audit addressed the key audit matter
As at 31 December 2020, the company has a liability of $19,720,000 relating to the estimated cost of rehabilitation, decommissioning and restoration relating to areas disturbed during operation in Boonanarring but not yet rehabilitated. The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology. At each reporting date the rehabilitation liability is reviewed and re-measured in line with changes in observable assumptions, timing and the latest estimates of the costs to be incurred based on area of disturbance at reporting date. This area is a key audit matter as the determination of the restoration liability involves a level of complex calculations and significant management judgement.	Our audit work included, but was not restricted to, the following: • Obtaining an Independent expert valuation report and external underlying documentation for their determination of future required activities, their timing and associated cost estimations. We also determined the nature and quantum of costs contained in the provision estimate. • Testing the accuracy of historical restoration and rehabilitation provisions by comparing to actual expenditure. • Assessing the planned timing of environmental restoration and demobilisation provisions through comparison to mine plans and reserves. • Assessing the competence, scope and objectivity of the company's external experts used in determination of the provisions estimate. • Analysed inflation rate and discount assumptions in the provision calculation to current market data and economic forecasts. • Evaluating the completeness of the provisions estimate to the company's analysis of each operating location to identify where disturbance requires rehabilitation or demobilisation and our understanding of the company's operations.

Revenue Recognition
Refer to Note 3, Operating sale revenue and accounting policy Notes 1a

Key Audit Matter	How our audit addressed the key audit matter
The entity has reported revenue of AUD176 million from sales of minerals. The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates. There is also a risk around the timing of revenue recognition, particularly focused on the contractual terms of delivery and location of the customers. Based on these factors, we have identified revenue recognition as a key risk for our audit	Our audit work included, but was not restricted to, the following: • considering the appropriateness of the revenue recognition accounting policies. • understanding the significant revenue processes including performance of an end to end walkthrough of the revenue assurance process and identifying the relevant controls. • performing cut off procedures • assessing the transfer of control to the customer by reviewing contracts and shipping documentation. • verifying a sample of transactions with supporting documents • ensuring adequate disclosure in the financial statements

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 24 of the directors' report for the year ended 31 December 2020. The directors of Image Resources NL are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Image Resources NL for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

10 March 2021
Perth