



Image Resources NL

ABN: 57 063 977 579

**Interim Financial Report
For the six-month period ended
30 June 2021**

**FOCUSED ON
HIGH-VALUE ZIRCON**





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Your directors submit the financial report of the Company for the half-year ended 30 June 2021.

DIRECTORS

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

Mr Robert Besley
 Mr Patrick Mutz
 Mr Aaron Chong Veoy Soo
 Mr Chaodian Chen
 Mr Peter Thomas
 Mr Huangcheng Li (Alternate: Dennis Lee)
 Mr Fei Wu (Resigned 18 May 2021)

OPERATING AND FINANCIAL REVIEW

Operating Result

The profit from continuing operations for the half-year ended 30 June 2021 was \$2,910,000 (2020: \$14,192,000).

Review of Operations

Image Resources NL (“Image” or “the Company”) continued to build on its success in 2020 to achieve record production in the half year ended 30 June 2021.

The following summarises the key drivers of operational and financial performance for 1H 2021:

- Record heavy mineral concentrate (“HMC”) production of 187kt for 1H 2021 compared to 167kt for 1H 2020. Strong HMC production in the March quarter (“Q1”) of 85kt was followed by record HMC production in Q2 of 102kt.
- HMC sales of 152kt for 1H 2021 compared to 110kt for 1H 2020 puts the Company on track to meet sales guidance for 2021 of 300,000 to 320,000 tonnes.
- A lower average HMC realised sales price of A\$480 per tonne for 1H 2021 compared to A\$642 per tonne for 1H 2020 was mainly due to lower average zircon grades in HMC and a stronger A\$ versus US\$.
- Cost of sales (excluding depreciation and amortisation) of \$288 per tonne for 1H 2021 compared to \$228 per tonne for 1H 2020 with a key contributor being higher shipping costs

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

	6 months to 30 June 2021	6 months to 30 June 2020
HMC Production (DMT 000s)	187	167
HMC Sales (DMT 000s)	152	110
HMC Realised Price (\$/DMT)	480	642
HMC Cost of Sales (\$/DMT)	(288)	(228)
HMC Margin (\$/DMT)	192	414
HMC Sales (A\$ millions)	73.1	70.6
Cost of sales excluding depreciation and amortisation (A\$ millions)	(43.8)	(25.1)
Underlying EBITDA (A\$ millions)	29.3	45.5

Underlying EBITDA

Underlying EBITDA, defined as earnings before interest, tax, depreciation and amortisation, and other expenses is used as a key measure of the Company's financial performance. The reconciliation of the underlying EBITDA to the financial metrics reported in the 1H 2021 financial statements under Australian Accounting standards is presented below.

	6 months to 30 June 2021	6 months to 30 June 2020
	(A\$000's)	(A\$000's)
Operating sales revenue	73,107	70,611
Costs of sales excluding depreciation and amortisation	(43,803)	(25,098)
<i>Underlying EBITDA</i>	29,304	45,513
Depreciation and amortisation	(21,735)	(16,292)
Exploration, corporate and other	(3,677)	(4,184)
Realised foreign currency gain / (loss)	948	(1,684)
Finance costs (net)	(726)	(3,912)
<i>Profit before tax</i>	4,114	19,441
Income tax expense	(1,204)	(5,249)
<i>Net profit after tax</i>	2,910	14,192

Boonanarring

Overall, operational performance for 1H 2021 was very positive with heavy mineral concentrate (HMC) production of 187k tonnes of HMC, 12% higher than in 1H 2020. Cost of sales of \$288 per tonne were higher than in 1H 2020 but were broadly in line with guidance. Guidance on C1 cash costs per tonne of \$290-320 has been maintained. Margins per tonne were lower for 1H 2021 resulting in underlying project EBITDA of \$29.3 million compared to \$45.5 million in 1H 2020. However, margins and underlying project EBITDA is expected to increase in 2H 2021 based on an increasingly positive outlook for mineral sands commodity prices generally, and zircon prices in particular.

The Company continues to see wet concentration plant ("WCP") availability consistently above target of 90% and this, combined with higher heavy mineral ore grades (higher than in 1H 2020), supported HMC production of 187,000 tonnes for the half year, putting the Company in a strong position to achieve HMC production guidance for CY2021 of 300,000 to 330,000 tonnes.

Demand for Boonanarring HMC remains high. Benchmark zircon prices have increased 14% since 31 March 2021 and have continued upward momentum in to Q3 2021, which bodes well for average sales prices in 2H 2021. This, combined with relatively high HMC stock levels, puts the Company in a strong position to take advantage of expected stronger prices and a weaker A\$ versus US\$ in 2H 2021.

HMC sales for 1H 2021 (152,000t) were significantly higher than 1H 2020 (110,000t) with sales in the early part of 2020 being impacted by COVID-19. HMC sales guidance for 2021 has been maintained at 300-320,000 tonnes.

After 1H 2020, the Company continued to operate relatively unaffected by COVID-19, with no confirmed cases at any of the Company's sites. The Company remains vigilant with respect to COVID-19 and has maintained strict adherence to modifications of its daily work practices and procedures in line with recommendations from regulatory and health officials to reduce the potential risks posed by COVID-19 to its employees, contractors, consultants and their families as well as the local communities in which they reside.

Project Development and Exploration

Project development efforts have been focussed on advancement of the Atlas project (including further work on Hyperion and Helene). In addition, further work is being undertaken immediately to the south of existing reserves at Boonanarring (in blocks D, E and F) to assess the potential for additional Boonanarring mine life given stronger mineral sands commodity prices.

Exploration focus areas during this reporting period include mineral sands projects Atlas, Hyperion, Helene and Bidaminna, plus the gold project at Erayinia and King Prospect Farmin. A maiden dredge mining Mineral Resources estimate for Bidaminna was completed and resulted in 102 million tonnes at 2.2%HM with a strong mineral assemblage of 37% leucoxene in the HM and 93% VHM. Additional tenements were secured over areas to the north and northwest of Bidaminna which exhibit similar aeromagnetic signatures as Bidaminna.

Drilling programmes were conducted on a number of other project areas to meet minimum expenditure requirements, to investigate potential mineralised zones and to enhance the understanding and size of existing Mineral Resources.

In 1H 2021 the Company completed 70 drill holes for 3,218 metres.

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Other than the following matters:

- nominal 30,000 tonne HMC shipment completed in July 2021;
- 30,000 tonne HMC shipment booked for loading in August 2021;

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

FORWARD LOOKING STATEMENTS

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

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

INDEPENDENCE DECLARATION BY AUDITOR

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the half-year ended 30 June 2021.

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

For and on behalf of the Directors



SIGNED: Patrick Mutz

Managing Director

Perth

19 August 2021

ELDERTON
AUDIT PTY LTD

Auditor's Independence Declaration

To those charged with the governance of Image Resources NL

As auditor for the review of Image Resources NL for the half-year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

19 August 2021
Perth

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2021**



	Note	6 months to 30 Jun 2021 (\$000's)	6 months to 30 Jun 2020 (\$000's)
Continuing operations			
Operating sales revenue		73,107	70,611
Cost of sales	3	(53,501)	(34,443)
Gross profit		19,606	36,168
Government royalties		(3,255)	(3,317)
Shipping and other selling costs		(8,782)	(3,630)
Corporate expenses		(2,151)	(1,920)
Exploration and evaluation expenses		(1,585)	(2,348)
Other income		59	84
Net foreign exchange gain / (loss)		948	(1,684)
Operating profit		4,840	23,353
Finance income		6	35
Financing costs	4	(732)	(3,947)
Profit before tax		4,114	19,441
Income tax expense		(1,204)	(5,249)
Net profit after tax		2,910	14,192
Other comprehensive income			
Changes in the fair value of available-for-sale financial assets		4	-
Other comprehensive loss for the period, net of tax		4	-
Total comprehensive income for the period, net of tax		2,914	14,192
Earnings per share			
		Cents	Cents
Basic profit per share (cents per share)		0.29	1.45
Diluted profit per share (cents per share)		0.28	1.40

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**



	Notes	30 Jun 2021 (\$000's)	31 Dec 2020 (\$000's)
Current Assets			
Cash and cash equivalents		38,142	50,761
Trade and other receivables	5	1,181	12,191
Inventory	6	27,572	20,441
Other assets		757	392
Total Current Assets		67,652	83,785
Non-Current Assets			
Property, plant and equipment	7	63,439	82,806
Other financial assets		4,007	4,951
Total Non-Current Assets		67,446	87,757
TOTAL ASSETS		135,098	171,542
Current Liabilities			
Trade and other payables		14,864	19,610
Provisions		952	903
Borrowings	8	159	17,199
Income tax payable		2,189	1,282
Total Current Liabilities		18,164	38,994
Non-Current Liabilities			
Provisions		19,841	19,807
Borrowings	8	227	10
Deferred tax liabilities		4,397	4,101
Total Non-Current Liabilities		24,465	23,918
TOTAL LIABILITIES		42,629	62,912
NET ASSETS		92,469	108,630
Equity			
Issued capital	9	111,569	110,607
Reserves	9	10,760	27,883
Accumulated losses		(29,860)	(29,860)
TOTAL EQUITY		92,469	108,630

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2021**



	Issued Warrants		Financial	Share	Profit	Accumulated	Total
	Capital	Reserve	Assets at	Based	Reserve	Losses	
	(\$000's)	(\$000's)	FVOCI	Payments	Account	(\$000's)	(\$000's)
			(\$000's)	(\$000's)	(\$000's)		
As at 1 January 2020	108,553	3,088	10	-	-	(29,860)	81,791
Operating profit for the period	-	-	-	-	-	14,192	14,192
Other comprehensive loss	-	-	-	-	-	-	-
Transfer to profit reserve - dividend	-	-	-	-	14,192	(14,192)	-
Total comprehensive profit	-	-	-	-	14,192	-	14,192
At 30 June 2020	108,553	3,088	10	-	14,192	(29,860)	95,983
As at 1 January 2021	110,607	3,088	12	-	24,783	(29,860)	108,630
Operating profit for the period	-	-	-	-	-	2,910	2,910
Other comprehensive income	-	-	4	-	-	-	4
Transfer to profit reserve - dividend	-	-	-	-	2,910	(2,910)	-
Total comprehensive profit	-	-	4	-	2,910	-	2,914
<i>Transactions with owners</i>							
Dividend paid	-	-	-	-	(19,864)	-	(19,864)
Warrants exercised during the year	240	(240)	-	-	-	-	-
Share based payments	-	-	-	67	-	-	67
Shares issued during the year	1,027	-	-	-	-	-	1,027
Shares cancelled during the year	(301)	-	-	-	-	-	(301)
Cost of share issue	(4)	-	-	-	-	-	(4)
Total transactions with owners	962	(240)	-	67	(19,864)	-	(19,075)
At 30 June 2021	111,569	2,848	16	67	7,829	(29,860)	92,469

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2021**



	6 months to 30 Jun 2021 (\$000's)	6 months to 30 Jun 2020 (\$000's)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	84,674	64,957
Payments to suppliers and contractors	(57,577)	(43,557)
Other income	58	84
Interest received	5	35
Interest paid	(961)	(4,071)
Net cash from operating activities	26,199	17,448
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for security deposit	(85)	-
Purchase of property, plant and equipment	(1,952)	(8,791)
Payments for exploration and evaluation	(1,818)	(1,998)
Net cash used in investing activities	(3,855)	(10,789)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	414	-
Share issue expenses	(4)	-
Dividends paid	(19,025)	-
Repayment of borrowings	(17,169)	(19,828)
Net cash used in financing activities	(35,784)	(19,828)
Net (decrease) / increase in cash held	(13,440)	(13,169)
Cash at the beginning of the financial period	50,761	49,935
Effect of exchange fluctuations on cash held	821	(699)
Cash at the end of the financial period	38,142	36,067

The accompanying notes form part of these financial statements.

NOTE 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

These general-purpose financial statements for the interim half-year reporting period ended 30 June 2021 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard 134: *Interim Financial Reporting*.

These financial statements were approved by the Board of Directors on the date of the Directors Declaration.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Company. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year. It is therefore recommended that this financial report be read in conjunction with the annual financial statements for the year ended 31 December 2020, together with any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Going Concern

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

Accounting Policies

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

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

NOTE 2 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 Mineral Sands mining Company operating its 100% owned high-grade zircon rich Boonanarring mine located in the North Perth Basin of Western Australia. Currently all the Company's mineral sands and gold tenements, reserves and resources are located in Western Australia.

Revenue and assets by geographical region

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2021**



	6 months to 30 Jun 2021	6 months to 30 Jun 2020
	(\$000's)	(\$000's)
NOTE 3 COST OF SALES		
Mine operating costs	38,647	35,047
Depreciation and amortisation	17,785	13,077
Amortisation of capitalised borrowing costs	3,950	3,215
Inventory movement	(6,881)	(16,896)
	53,501	34,443

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

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

NOTE 4 FINANCING COSTS		
Interest expense	725	3,801
Other financing costs	7	146
	732	3,947

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

	30 Jun 2021	31 Dec 2020
	(\$000's)	(\$000's)
NOTE 5 TRADE AND OTHER RECEIVABLES		
Trade receivables	-	11,342
GST and tax refundable	671	792
Loans to employees – (Employee share plan)	421	-
Other receivables	89	57
	1,181	12,191

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2021**



	30 Jun 2021 (\$000's)	31 Dec 2020 (\$000's)
NOTE 6 INVENTORIES		
Ore stockpiles – at cost	1,395	2,259
Heavy mineral concentrate and other intermediate stockpiles – at cost	24,435	16,689
Stores and consumables – at cost	1,742	1,493
	27,572	20,441

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment (\$000's)	Land and Buildings (\$000's)	Mine Development (\$000's)	Borrowing Costs (\$000's)	Total (\$000's)
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)
Closing carrying amount	25,344	18,388	28,447	10,627	82,806
<u>Reconciliation of carrying amounts:</u>					
As at 1 January 2020	39,602	11,469	28,135	16,376	95,582
Additions	1,713	¹ 6,919	7,386	-	16,018
Mine closure and rehabilitation	-	-	4,781	-	4,781
Disposals	(45)	-	-	-	(45)
Depreciation	(15,926)	-	(11,855)	(5,749)	(33,530)
At 31 December 2020	25,344	18,388	28,447	10,627	82,806

Note: 1 During the period the Company completed the purchase of a section of land that will allow access for further drilling of the Boonanarring Northern and North-western Extension Areas under Project 'MORE'.

At 30 June 2021					
Cost	56,294	18,582	46,436	21,968	143,280
Accumulated Depreciation	(37,903)	-	(26,647)	(15,291)	(79,841)
Closing carrying amount	18,391	18,582	19,789	6,677	63,439
<u>Reconciliation of carrying amounts</u>					
As at 1 January 2021	25,344	18,388	28,447	10,627	82,806
Additions	943	194	1,290	-	2,427
Disposals	(3)	-	-	-	(3)
Depreciation	² (7,893)	-	(9,948)	(3,950)	(21,791)
At 30 June 2021	18,391	18,582	19,789	6,677	63,439

Note: 2 The calculation of accounting depreciation for the plant and equipment has previously assumed an expected residual value of \$10M at the time the Boonanarring mine has been completed and operations ceased. This residual value has been reviewed and increased to \$15M. The effect on the depreciation for the 6 months ended 30 June 2021 is that depreciation was reduced by \$2,068,000

	30 Jun 2021 (\$000's)	31 Dec 2020 (\$000's)
NOTE 8 BORROWINGS		
Current		
Interest bearing loan – Senior Secured Loan Notes	-	17,104
Operating lease liabilities	159	95
	159	17,199
Non-Current		
Interest bearing loan – Senior Secured Loan Notes	-	-
Operating lease liabilities	227	10
	227	10

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 as financing costs.

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.

(a) Senior Secured Debt Facility.

A senior secured debt facility originally with Pala Investments Limited (“Pala”) and Castlake IV, L.P. and CL V Investment Solutions LLC which are entities controlled by Castlake L.P. as the Loan Note Holders, to raise A\$50,000,000 from the issue of senior secured loan notes. The senior loan notes amounted to US\$38,865,000 and capitalised interest of US\$26,347,241. The loan was repaid on 10 February 2021. (The current portion of the loan at 31 December 2020 was US\$13,173,620).

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 is added to the loan amount and thereafter paid quarterly in arrears. The principal was to be repaid in seven equal instalments starting in the 18th month following drawdown. Drawdown occurred on 25 May 2018 and the loan was fully repaid in February 2021, three months earlier than originally scheduled.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2021**



	30 Jun 2021 (\$000's)	31 Dec 2020 (\$000's)
NOTE 9 ISSUED CAPITAL		
Ordinary share capital:		
Issued and fully paid	111,569	110,607

	Number	(\$000's)
As at 1 January 2021	992,139,693	110,607
Employee share plan shares cancelled – \$0.267 issue price	(401,299)	(107)
Employee share plan shares cancelled – \$0.195 issue price	(995,432)	(194)
Warrants exercised at \$0.1365 expiring 20 May 2023	3,035,714	654
Dividend reinvestment plan shares issued at \$0.172	3,562,802	613
Share issue costs	-	(4)
At 30 June 2021	997,341,478	111,569

	(\$000's)	(\$000's)
Reserves		
Available-for-sale financial assets reserve	16	12
Share based payments reserve	67	-
Warrants reserve	2,848	3,088
Profits reserve account	7,829	24,783
	10,760	27,883

	Number	Number
<i>Share Base Payments Reserve</i>		
The Company had the following unlisted warrants over un-issued fully paid ordinary shares at the end of the period:		
Options exercisable at \$0.32 on or before 27 May 2023	10,000,000	-
<i>Warrants</i>		
The Company had the following unlisted warrants over un-issued fully paid ordinary shares at the end of the period:		
Exercisable at \$0.1365 on or before 20 May 2023	11,250,000	14,285,714
Exercisable at \$0.11385 on or before 24 May 2023	21,525,000	21,525,000
	32,775,000	35,810,714

	6 months to 30 Jun 2021 (\$000's)	6 months to 30 Jun 2020 (\$000's)
<i>Profits Reserve Account</i>		
Balance at the beginning of the period	24,783	-
Transfer from accumulated losses	2,910	14,192
Dividend paid	(19,864)	-
Balance at the end of the period	7,829	14,192

NOTE 10 TENEMENT EXPENDITURE COMMITMENTS

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

The minimum statutory expenditure requirement on the granted tenements for the next twelve months amounts to \$1,802,620. The Company no longer has any joint ventures over any of its tenements.

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

NOTE 11 SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Other than the following matters:

- nominal 30,000 tonne HMC shipment completed in July 2021;
- 30,000 tonnes HMC shipment booked for loading in August 2021;

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

DIRECTORS' DECLARATION



The directors of the Company declare that:

1. the accompanying financial statements and notes:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position of the Company as at 30 June 2021 and its performance for the half-year ended on that date.
2. 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.

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

A handwritten signature in blue ink that reads "Patrick Mutz".

SIGNED BY PATRICK MUTZ

Managing Director

Perth

Dated this 19th day of August 2021



ELDERTON

AUDIT PTY LTD

Independent Auditor's Review Report

To the members of Image Resources NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Image Resources NL, which comprises the condensed statement of financial position as at 30 June 2021, the condensed statement of profit or loss and condensed other comprehensive income, condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 30 June 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Image Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Conclusion

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

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

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens

Managing Director

19 August 2021

Perth