ANNUAL FINANCIAL REPORT 2023

IMAGE RESOURCES NL

ABN: 57 063 977 579

Contents

DIRECTORS

Mr Robert Besley	Non-Executive Chair
Mr Patrick Mutz	Managing Director
Mr Aaron Chong Veoy Soo	Non-Executive Director
Ms Ran Xu	Non-Executive Director
Mr Winston Lee	Non-Executive Director
Mr Peter Thomas	Non-Executive Director

COMPANY SECRETARIES

Mr Dennis Wilkins (DWCorporate Pty Ltd)
Mr John McEvoy

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STOCK EXCHANGE

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

ISSUED CAPITAL

1,070,304,449 fully paid ordinary shares

In CY2023, Image Resources NL ("Image" or "the Company") continued with mining and ore processing operations for the majority of the year at its 100%-owned, high-grade, zircon-rich Boonanarring mineral sands project in the North Perth Basin, located 80km north of Perth. Mining of final Ore Reserves from the Boonanarring mine was completed in July, final ore processing was completed in August and the sale of the final 27,000 tonnes of heavy mineral concentrate (HMC) was completed in November. The Company concluded CY2023 with $46.2 million in cash and no debt.

The Company met or exceeded market guidance in all areas except for total Operating Costs which were 4% above the guidance range due to operating activity continuing beyond Q2 2023 and well into Q3 2023. HMC production exceeded the top end of guidance by 27,000 tonnes resulting in HMC sales also being above guidance at 133,000 tonnes for the year. C1 cash costs were marginally below the guidance range of $460-500/t, sold at $458/t.

		Actual CY2023	Guidance CY2023
HMC Production	kt	107	80-90
Operating Costs	$m	57	45-55
C1 Cash Costs (/t sold)	$/t	458	460-500
AISC (/t sold)	A$/t HMC	542	530-570
HMC Sales	kt	133	110-120

In addition to mining and ore processing, the Company was heavily engaged in efforts to secure environmental permitting for its Atlas project, as well as engineering planning for relocating processing equipment from Boonanarring to Atlas, procurement of long-lead items such as a mining camp, and infrastructure planning, with the goal of relocating mining and processing operations to Atlas as soon as final permits for construction are received. Environmental permitting through the EPA has been substantially delayed beyond original estimates, due to circumstances outside of Image's control. Consequently, on 20 September 2023, Image issued redundancy notices to 20 operating personnel. At 31 December 2023 it was anticipated that permitting for Atlas will not be completed until Q2 2024.

In contrast to Image's Chapter 1 simple business model of operating Boonanarring and Atlas as one mine at a time, producing a single product (HMC) and marketing its HMC to a single geographical jurisdiction (China), during CY2023 the Company has been actively advancing studies on its other 100%-owned projects under its Chapter 2 ambitions which encompasses multiple mines operating simultaneously, producing multiple products including potentially synthetic rutile, and marketing into multiple geographic jurisdictions.

The Company published a positive Pre-Feasibility Study (PFS) on its Bidaminna project on 27 June 2023, and has since commenced a Bankable Feasibility Study (BFS). Bidaminna is slated to be a standalone dredge mining operation. A PFS was also started in Q3 2023 on the Yandanooka project as a more rapid development given lower environmental and heritage sensitivities, and thus following on the heels of Atlas. A concept study also commenced for the McCalls project as a likely hydraulic or dredge mining project with multi-decade operation potential. A PFS was also well-advanced in CY2023 for a mineral separation plant (MSP) to be located at the current Boonanarring processing plant location to take advantage of owned-land and installed infrastructure including roads, power, solar and water. The MSP is slated to act as a central processing facility for processing of HMC from Bidaminna, Yandanooka and later McCalls. And finally, Image embarked on an investigation of the production of synthetic rutile (SR) from ilmenite to be recovered through the MSP, as a significant value-add step. Initial SR production test results from the conversion of ilmenite from Bidaminna were published on 5 September 2023, demonstrating a high-quality SR can be produced using hydrogen as the reductant in a fluidized bed reactor, to substantially reduce overall carbon dioxide emissions compared to existing commercial technology. Subsequent to the end of CY2023, the investigation into SR production has accelerated to include the filing of a provisional patent for a novel processing technique to produce SR and equipment is being sought for a demonstration scale plant to produce a large sample for marketing and to de-risk the technology from a technical and financing perspective.

CY2024 is scheduled to be a year of transition with the planned relocation of mining and processing operations from Boonanarring to Atlas, whilst continuing to advance studies on the Chapter 2 development projects and ambitions.

2023 in Review

Operations

Net mine operating cash inflow for the first half of 2023 was A$36 million with improved net cash inflows reflecting lower operating costs, and in particular mining costs, as strip ratios reduced, and ore mining at Boonanarring was completed.

The completion of mining operations in the southern section of Pit C, combined with clean-up of HMC pads, yielded additional process plant feed material which extended processing operations from originally planned completion in Q2 or early Q3 2023, to well into Q3 2023. Whilst this resulted in additional HMC production and exceeded CY 2023 guidance by 27,000 tonnes, it also required additional operating costs ($2m over guidance range).

The final shipment of HMC of 27,000 tonnes in November 2023 resulted in final Boonanarring revenue of A$22.1 million.

The original operating plan published in the 2017 Bankable Feasibility Study was for mining and processing operations to be relocated to Atlas following the depletion of Ore Reserves at Boonanarring. This relocation has been delayed longer than originally planned due to delays in receipt of environmental permitting from the EPA. Following receipt of all relevant approvals, relocation of mining and processing equipment, and site construction will commence in earnest and will be funded from cash reserves. If final permits are received in Q2 2024, mining at Atlas will commence in Q3 and HMC production in Q4. However, this schedule is subject to the filing of any appeals.

HMC sales for Atlas are fully committed under existing HMC offtake agreements successfully used at Boonanarring, which includes market-based pricing.

Full Year Results

Total HMC sales for CY2023 were 133kt compared to 187kt in CY2022 due to only a partial year of mining and processing with the completion of ore processing at Boonanarring late in Q3 2023.

The average HMC realised price for the full year was A$893/t (CY2022: A$917/t) reflecting lower ilmenite prices and lower average zircon grades in HMC, but with a more favourable average exchange rate of 0.67 (CT2022: 0.70).

The Boonanarring project generated EBITDA of approximately A$35 million in CY2023 (CY2022: A$69 million). CY2023 represented only a partial year of processing (8 months) for a total of only 1.7 million tonnes of ore processed, compared to 3.4 million tonnes for a full year of processing in CY2022.

A production forecast for CY2024 for Atlas will not be published at this time due to the uncertainty on timing for the receipt of final permitting, relocation of mining and ore processing equipment, infrastructure construction, and commencement of mining and processing at Atlas.

Mineral Sands Commodity Prices and FX

Image HMC pricing (Boonanarring and Atlas) is based on the underlying content of zircon (as % ZrO_2+HfO_2) and titanium dioxide (as % TiO_2) in the HMC and benchmark market prices for the various products (zircon, rutile, and ilmenite) at appropriate quality specifications, with the majority of the value of Boonanarring HMC derived from the zircon content. Benchmark prices are denominated in USD.

Image's benchmarking market pricing for zircon was relatively stable from mid-2022 to Q3 2023, after a series of price increases in first half of 2022, before a decline in price in Q4 2023.

Image's benchmark market pricing for ilmenite hit a peak of US$410 per tonne in Q3 2022 but subsequently fell to US$360 per tonne at end of Q4 2022. The price remained stable at this level during Q1 2023, before gradually declining for the remainder of 2023 to US$310 per tonne at the end of Q4 2023.

Lower benchmark pricing for ilmenite and similar average benchmark pricing for zircon across CY2023, combined with a lower (more favourable) AUD:USD exchange rate and marginally lower average zircon grades in HMC sold were the main reasons for a slight decrease in average HMC realised price in CY2023 compared to CY2022. The average realised price per tonne of HMC sold in CY2023 was A$893/t compared to A$917/t in CY2022.

The market for HMC remains relatively strong and customers are seeking confirmation on the timing of new supply from Atlas, Yandanooka or other Image development projects.

Corporate

Sales revenue for the year representing a partial year of operations was A$119 million (2022: A$172 million) with project operating and selling costs of A$107 million (2022: A$138 million) and with full-year CY2023 project EBITDA of A$35 million (2022: A$69 million). During CY2023 the Company generated a Net Loss of A$4.7 million compared to CY2022 Profit of A$15.2 million, for a total Net Profit After Tax (NPAT) of approximately A$75 million during the five years of Boonanarring operations (2019 to 2023).

As at 31 December 2023, Image had a healthy cash position of A$46.2 million (2022: A$53.4 million), after outlaying A$18.7 million for project development, Atlas construction costs, exploration and $9 million in income tax in CY2023. For CY2023, the Company generated net cash flow from mine operating activities of A$39.9 million (2022: A$65 million).

Growth and Sustainability

Growth Strategy

The Company's original operating strategy and plan outlined in its 2017 Bankable Feasibility Study ("BFS") was to mine and process all available Ore Reserves at Boonanarring and then self-fund the relocation of the mining fleet and processing equipment and support facilities to Atlas. That strategy and plan is still active, however, with completion of ore processing at Boonanarring in Q3 2023 and permitting for Atlas not yet finalised, the gap in production between Boonanarring and Atlas has now been extended beyond that anticipated in the 2017 BFS. Mining is currently forecast to commence at Atlas in Q4 2023. The original strategy of operating Boonanarring and Atlas in series and generating a single HMC product supplied to a single geographical jurisdiction is referred to as 'Chapter 1'.

The current growth and sustainability strategy under the banner of Chapter 2 expanded on the original strategy and incorporates the potential development of multiple mining/processing operations operating simultaneously, producing multiple products through a mineral separation facility and potentially upgrading ilmenite to SR and expanding to a global market. In addition to development of Atlas under the original strategy, the new strategy encompasses studies and planning for the following:

- Fast-track development of dry mining and processing operations at 100%-owned Yandanooka project (and later Durack and others) in the Eneabba tenements area.
- Development of a standalone dredge mining operation at 100%-owned Bidaminna project.
- Development of hydraulic or dredge mining and processing operations at 100%-owned McCalls project.
- Construction of an MSP to capture the value-adding advantages of multiple products (including by-products such as monazite) and expanding the Company's market reach geographically, while capitalising on the opportunity for effective post-mining use of the land and installed infrastructure at Boonanarring and,
- Potential for the construction of an SR production facility in the vicinity of the MSP, for the value-adding and market-expanding upgrading of ilmenite from Bidaminna, Yandanooka and McCalls to potentially lower carbon dioxide emissions SR by using hydrogen as the iron reductant instead of coal as is used in current commercial processes.

Sustainability

ESG & Sustainability Reporting

During Q3 2023, Image finalised its Inaugural Sustainability Report. Importantly, this report includes operational data and information for four full years of operation (CY2019 through CY2022) at the Company's Boonanarring mineral sands project.

Value-Adding Innovation

Positive test results on upgrading ilmenite have opened the door to the critical value-adding opportunity of upgrading ilmenite from Bidaminna and likely from Image's other development projects, to SR. Importantly, the potential for multi-decade operating life from these projects could serve to support justification for capital expenditure for SR production in the event future project feasibility study results are determined to be positive.

Community

Image continues to proudly contribute to the local communities in which it operates, including through local employment and support for local community events.

Modern Slavery Statement

Image continues to implement initiatives under the Modern Slavery Act. Image's 2nd annual Modern Slavery Statement for CY2022 was released in Q2 2023.

Atlas Development

The Atlas project is 100%-owned and was included as part of Image's BFS published in 2017 and was contemplated to be mined after all available Ore Reserves at Boonanarring were mined out and ore processing was completed. Final ore processing at Boonanarring was completed in September 2023. Atlas is development-ready pending final environmental permitting and is located approximately 160km north of Perth (80km north of Boonanarring).

Permitting approvals for Atlas continue to be delayed. Ongoing delays due to the regulators not being able to meet their approvals process timelines, which has been exacerbated by department worker and skills shortages.

The Company has been advised current timelines for permitting has Ministerial and Commonwealth approval being received in Q2 2024 and, in the case of no appeals to the project, this would allow on-ground construction activities to commence at Atlas in Q3 2024. In the event an appeal is filed following EPA's final assessment report, then formalising responses to any appeal(s) will cause further delays.

Following receipt of long-lead items, including the innovative CT1 mineral separation spirals flex plant by Mineral Technologies and camp accommodation/facilities, the remaining capital spend for Atlas is estimated at A$30 million (excluding contingency).

Yandanooka PFS

As a result of ongoing delays with the Atlas project, and uncertainty around timing of the approval process, the Company has been fast-tracking Yandanooka feasibility studies (PFS folding into a BFS) as the project is likely to have a shorter development timeline than other projects in Image's portfolio due to minimal heritage consideration and level of environmental impacts.

Drilling at Yandanooka to upgrade the southern section of Mineral Resources was completed during Q4 2023. Assay results are expected to be finalised in Q1 2024. Full assay and composite analysis will be used to update the Mineral Resources estimate ("MRE").

In addition to the Mineral Resources drilling the Company successfully completed the installation of a 550-metre-deep water test bore, with pump testing and analysis planned for Q1 2024. The pump testing results will inform the PFS as to the water source for Yandanooka and associated operating and capital costs.

Work is well advanced on updating the MRE which will inform an initial Ore Reserves estimate as part of a PFS. The stretch target for the completion of the PFS is end of Q1 2024 with results to be announced shortly thereafter. Based on anticipated positive results, the plan is to rapidly upgrade the PFS to a BFS standard based around applying the same, or similar, development methodology as the successful Boonanarring project.

Bidaminna Pre-Development

An updated MRE for Bidaminna was announced in Q1 2023 (ASX: 28 February 2023: Mineral Resources Update Bidaminna Project).

In Q2 2023, the PFS results were announced (ASX: 27 June 2023: PFS Results – Bidaminna Mineral Sands Project).

Based on the Bidaminna PFS results, Image is advancing pre-BFS optimisation studies targeting significant value-add opportunities such as additional drilling for grade determination of dilution materials highlighted in the PFS. The Company is also considering the inclusion of an MSP, which is currently under independent feasibility study. The MSP will likely be located at the existing Boonanarring operation to take advantage of existing infrastructure and Image-owned land.

Additional drilling was planned at Bidaminna in Q4 2023 to determine the HM grade of "dilution" material which is currently assumed to have 0% HM grade. This could potentially add significantly to the total HM in the Ore Reserves. Drilling has been delayed due to planning for heritage surveys not having been finalised with Traditional Owners.

The Company is also investigating the significant value-adding opportunity of converting Bidaminna ilmenite into SR using Image's novel SR production process.

Exploration

The Company's portfolio of tenements is predominantly focussed on mineral sands, except for four contiguous exploration licences and prospecting licences with a focus on gold. The total area of all tenements is 1,704 square kilometres. All tenements are located in Western Australia and all mineral sands tenements are located in the North Perth Basin. The gold tenements are located approximately 120km southeast of Kalgoorlie.

Exploration activities are now primarily focused on the upgrading of known Mineral Resources for project development studies. Only limited exploration is directed to the identification of new mineralisation.

In Q1 2023, the Company released a Mineral Resources Update on the Bidaminna Project, followed by the announcement of PFS results on the project in Q2 2023.

In Q4 2023, the Company announced Mineral Resource Estimate updates for Gingin South, Red Gully and Regans Ford to update the reporting from JORC Code 2004 to JORC Code 2012. Also, in Q4, the Company completed infill drilling at Yandanooka to upgrade the classification of the Mineral Resources at the southern end of the deposit, where mining is likely to commence. These drilling results are being used to update the Mineral Resources estimate to support an inaugural Ore Reserves estimate as part of a PFS forecast to be completed in early Q2 2023.

Overall, exploration expenditures have been minimised to support the Company's cash conservation efforts given the uncertainty of timing for final permitting approvals for Atlas.

Business Risks

The Company completed a detailed risk review process in Q1 2023 and recently completed an internal review of the inherent risks and uncertainties the Company currently faces based on the previously established risk matrix. In Q1 2023 the Audit Committee was reconstituted as the Audit & Risk Committee, being comprised of the same director members as the former Audit Committee. A new formal and externally supported risk review has been scheduled by Management for Q2 2024.

The risks and uncertainties described below represent the most significant but not the only risks and uncertainties that the Company faces. Additional risks and uncertainties of which Image is not aware or that Image currently considers to be immaterial may also adversely affect the business, financial condition, results of operations or future development prospects.

Each risk area has been rated for residual risk after adjusting for controls and treatment actions.

Key risks with residual ratings of either Very High or High associated with business strategies, and prospects for future financial years include:

1. Approvals, Licenses and Permits: Residual Risk Rating: Very High

The Company will require certain licenses, permits and approvals to develop the Atlas Project, and subsequently other projects. Image has yet to obtain the key permits and approvals required for the Atlas Project. The duration and success of efforts to obtain approvals and permits are contingent upon many variables, some of which are outside the Company's control. Failure to obtain, or delays in obtaining such licenses and permits may adversely affect the Company's ability to proceed with the operating of the Atlas Project and/or subsequent projects.

In addition, there is potential for legislative and regulatory reform, which could lead to more onerous conditions being placed upon approvals for new or existing operations.

The Company addresses these risks by ensuring employees have the skills and disciplines to establish relationships and follow and implement the approval processes directed at ensuring all contingencies are adequately addressed.

2. Financial Stability and Funding: Residual Risk Rating: Very High

Boonanarring has reached the end of operations and requires significant expenditure on rehabilitation. In addition, the Company is advancing the development of the Atlas Project. Should the Company proceed to develop Atlas, significant capital expenditure will be incurred. As at 31 December 2023, Image had cash on hand of $46.2 million but is reliant on the minimisation of ongoing expenditures to meet capital expenditure requirements for Atlas, other project development expenditures and Boonanarring rehabilitation as well as general corporate and exploration expenditures. There is no certainty that the Company will be able to generate funds from operations in the future. There is additional risk with respect to the development of new projects in respect to forecast and actual future mineral sands prices and foreign exchange rates which could negatively impact project returns.

If other sources of funding are required, there is no guarantee that such funding will be available.

Since 2018, the Company has built a track record of raising funds when required for project development and of successfully managing its project development activities and to generate internal cashflows from operations to sustain the business.

3. Counterparty Risk (Offtake Contracts): Residual Risk Rating: High

The Company currently has two offtake contracts in place with HMC product purchasers. If one, or both purchasers breaches or otherwise fails to honour its contractual offtake commitments, any such breach or failure could materially adversely impact the Company's financial results and performance. There is also the risk Image may not be able to find alternative purchasers for its products in a timely fashion and/or at favourable market pricing.

The Company has established positive working relationships with existing HMC offtaker's and at the same time is looking to develop new markets for its products.

4. Operational Risks including health, safety & wellbeing of staff, contractors, and visitors: Residual Risk Rating: High

Mining is inherently dangerous and subject to factors or events beyond the Company's control The Company's current business, and any future development or mining operations, involve various types of risks and hazards typical of companies engaged in the mining industry. Such risks include, but are not limited to: (i) industrial accidents including fatalities; (ii) structural slides and pit wall failures, ground or slope failures and accidental release of water from surface storage facilities; (iii) fire or flooding; (iv) periodic interruptions due to inclement or hazardous weather conditions; (v) environmental hazards; (vi) discharge of pollutants or hazardous materials; (vii) failure of processing and mechanical equipment and other performance problems; (viii) geotechnical risks, and unusual and unexpected geological conditions; and (xi) force majeure events, or other unfavourable business or operating conditions.

Open cut mining, plant refurbishment and exploration activities present inherent risks of injury to people and damage to equipment.

Adverse operational issues could result in reduced operational performance and an inability to meet target returns and shareholder expectations.

The Company employs appropriately skilled safety professionals to manage the safety and wellbeing of employees and has well developed policies, procedures and processes, a strong safety culture, and robust training programs.

5. Ore Reserves – Depletion and Replacement: Residual Risk Rating: High

Once mining commences, the Ore Reserves are gradually depleted. The ability of the Company to replace the Ore Reserves with new Ore Reserves of appropriate grade and quality is an inherently uncertain process and the Company may not be able to identify replacement Ore Reserves that it will be able to extract in a timely manner to maintain revenue streams. In addition, the quantities of minerals ultimately mined may differ from that indicated by drilling results. In the event that minerals are present in lower amounts than expected or the product mined is of a lower quality than expected, the demand for, and realisable price of, the Company's products may decrease.

The company has a pipeline of 100%-owned, undeveloped mineral sands projects and has expanded its development team to meet the requirements of technical and economic studies to facilitate independent 3rd party confirmation of feasibility studies. Combined with strong relationships with experienced consultants, the Company is confident that it has the capability to progress development of these projects, as it has previously demonstrated with the Boonanarring project.

6. Employee Attraction and Retention Residual Risk Rating: High

The labour market in Western Australia for experienced employees is highly competitive, particularly in the mining industry which includes engineering, geology, operations, maintenance and more. There is a risk that the Company will not be able to attract and retain the level of talent necessary to support the Company's near-term project developments and growth ambitions. This risk is exacerbated in the near term by a requirement to transition from a daily commute style operation at Boonanarring to the requirement for onsite accommodations at Atlas and resulting in increased risk of attracting and retaining key personnel due to the restrictions of a mining camp environment.

The Company has a well-developed program for attracting and retaining key staff, including paying competitive base salaries, bonuses available to all staff primarily based on work performance and an Incentive Awards Plan (available to all employees).

7. Major Shareholder Relations Residual Risk Rating: High

Misalignment between the Company's Board/management and major shareholders could result in the Company, as currently structured, being unable to deliver on its operational and growth plans and thus failing to deliver on overall shareholder expectations.

The Company focuses on maintaining a strong relationship with existing major shareholders and actively monitors the structure of its share register, including maintaining regular contact with all shareholders through its ASX announcements, investor presentations, annual general meetings and direct communications with any shareholders that seek information from the Board or Management.

Other key risks identified, with current residual risk ratings of medium, which could result in significant impact on the Company included geopolitical landscape, community relations including with Traditional Owners, community activism, corporate governance issues, legal issues, maintaining a social license to operate and supply chain interruption.

The Company continues to develop its assessment of the potential impacts of climate change and the transition to a low carbon economy.

The Company's physical and transitional risk assessment process is ongoing. Changes in the Company's climate strategy and the transition to a low carbon economy may materially impact financial results in future reporting periods; as well as risks imposed upon the Company by legislation.

Your directors present their report, together with the financial statements of the Group, being the Company, Image Resources NL, and its controlled entities, for the financial year ended 31 December 2023 compared with the financial year ended 31 December 2022.

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
Aaron Chong Veoy Soo
Peter Thomas
Ran Xu
Winston Lee
Chaodian Chen (Retired 30 May 2023)

PRINCIPAL ACTIVITIES

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

RESULTS FROM OPERATIONS

During the year, the Group recorded an operating loss of $4,707,000 (for the year to 31 December 2022: operating profit of $15,168,000). Basic loss per share for the year was 0.43 cents (year to 31 December 2022: profit of 1.43 cents). Diluted loss per share for the year was 0.47 cents (year to 31 December 2022: profit of 1.42 cents).

DIVIDENDS PAID OR RECOMMENDED

No amounts have been paid or declared by way of a dividend by the Company since the end of the previous financial year (CY2022) and the directors do not recommend the payment of any dividend.

Dividend Policy

The Company's dividend policy provides for the Board of Directors, as soon as practicable after the end of a Group 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 Group, other than cash that the Board considers is necessary or desirable to be retained by the Group for the Group's existing liabilities and future activities.

REVIEW OF OPERATIONS

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

On 14 March 2024, the Company announced that the Western Australian Environmental Protection Authority (EPA) has released its assessment report on the Company's development proposal for its 100%-owned Atlas mineral sands project. In this report, the EPA recommends that the Atlas development proposal may be implemented subject to conditions. The release of the assessment report triggers a three-week review period. Following the review period and resolution of any appeals, the Minister for Environment will consider approval of the Atlas project under Part IV of the Environment Protection Act.

Other than the events stated above, there has not been any other matter or circumstance that has arisen after the balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Review of Operations set out on pages 3 to 9 of this Annual Financial Report, provide an indication of the Group's likely development and expected results. In the opinion of the Directors, disclosure of any further information about these matters and the impact on Group operations could result in unreasonable prejudice to the Group and has not been included in this report.

ENVIRONMENTAL ISSUES

The Group carries out operations in Australia which are subject to environmental regulations under both Commonwealth and State legislation in relation to those activities. The Group's MD, Exploration Manager, 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
Chair

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 4^{th} 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 & risk, remuneration & nomination, and hedge committees. Mr Besley has not been a director of any other listed public companies in the past 3 years.

Patrick Mutz
Managing Director

Mr Mutz was appointed Managing Director and CEO on 8 June 2016 and has more than 40 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. Patrick serves on the Company's hedge committee. During the past 3 years he has served as a director of the following other listed companies:

- Aura Energy Limited – appointed 18 May 2022, continuing.

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 audit & risk and remuneration & nomination committees. During the past 3 years he has served as a director of the following other listed companies:

- Emu NL – appointed August 2007, continuing.
- Middle Island Resources Limited – appointed March 2010, continuing.

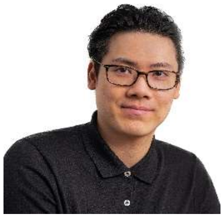
Aaron Chong Veoy Soo
Non-Executive Director

Mr Soo has been a long-term supporter and shareholder in Image Resources. Mr Soo is an advocate & solicitor practising in West Malaysia with 22 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 & risk committee. Mr Soo has not been a director of any other listed public companies in the past 3 years.

Ran Xu
Non-Executive Director

Ms Ran Xu has a masters degree in HR Management and Industrial Relations. She started working in LB Group in 2014 as a Procurement and Strategy VP and is now the Associate President of Strategy. Ms Xu has extensive experience and market intelligence in the ilmenite and pigment industry. Ms Xu has not been a director of any other listed companies in the past 3 years.

Winston Lee
Non-Executive Director



Winston Lee is the CEO of Vestpro International Limited, a commodity holding company, with assets under management including major stakes in private and publicly listed mining companies. Mr Lee is establishing a position in the global mining industry through investments, operations, and explorations in North America, Asia and Africa. He has 7 years of experience in developing international cooperation with resource companies as well as investments in heavy metal, healthcare and other natural resources. He led the Research and Development department of Zipro Technology Corporation, collaborating with professors and the Dean of Engineering at National Taiwan University. Mr Lee serves as Head of Finance of an AI driven simulation platform company and plays a central role covering a wide range of capital and legal structures as well as asset sales. The company owns patents involving Virtual Matter and Virtual Environments. Mr Lee is a passionate patron of the arts supporting emerging contemporary artists. He serves on the Company's remuneration & nomination committee. Mr Lee has not been a director of any other listed public companies in the past 3 years.

Dennis Wilkins
Joint Company Secretary

Mr Wilkins is the founder and Principal of DWCorporate Pty Ltd, a corporate advisory firm servicing the resources industry. He is a highly experienced company secretary with a strong background in mining and exploration. As Principal, Mr Wilkins has been providing commercial, strategic, and corporate governance services to international exchange listed entities for 21 years.

John McEvoy
Joint Company Secretary and Chief Financial Officer

Mr McEvoy joined Image Resources NL in July 2014 and is Chief Financial Officer and Joint Company Secretary. Mr McEvoy has an honours degree in Mathematics from Southampton University and has 30 years of experience in senior mining finance roles incorporating the whole mining company life-cycle from initial discovery to mine closure. Mr McEvoy is a member of the Institute of Chartered Accountants in England & Wales (ICAEW) and is a graduate of the Australian Institute of Company Directors (AICD).

AUDIT & RISK COMMITTEE

In February 2023 the Audit Committee was reconstituted as the Audit & Risk Committee. During the financial year the members of the Company's Audit & Risk Committee comprised Messrs Thomas (Chair), Besley and Soo. During the year, the committee held two meetings. All members attended these meetings.

REMUNERATION & NOMINATION COMMITTEE

In February 2023 the Remuneration Committee was reconstituted as the Remuneration & Nomination Committee. During the financial year the members of the Remuneration & Nomination Committee comprised Messrs Besley (Chair), Thomas and Lee. During the year, the committee held ten meetings. All members attended these meetings.

HEDGE COMMITTEE

During the financial year the members of the Hedge Committee comprised Messrs Besley (Chair), Mutz and McEvoy. During the financial year, the committee held six meetings. Mr Mutz attended 5 meetings. Messrs Besley and McEvoy attended all meetings.

INVESTMENT COMMITTEE

During the financial year the members of the Investment Committee comprised Messrs Thomas (Chair), Chen, Soo, and Ms Xu. In July 2023 the Investment Committee was disbanded with the full Board to vet future investment proposals. During the period the committee did not hold any meetings.

MEETINGS OF DIRECTORS

During the financial year ended 31 December 2023, there were six meetings of directors held. Attendances by each director during the 2023 year on Board and committee meetings is detailed below.

	Board Meetings		Audit & Risk Committee		Remuneration & Nomination Committee		Investment Committee		Hedge Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Robert Besley	6	6	2	2	10	10	-	-	6	6
Patrick Mutz	6	6	-	-	-	-	-	-	6	5
Peter Thomas	6	6	2	2	10	10	-	-	-	-
Aaron Soo	6	6	2	2	-	-	-	-	-	-
Chaodian Chen (Retired 30 May 2023)	2	1	-	-	-	-	-	-	-	-
Ran Xu	6	5	-	-	-	-	-	-	-	-
Winston Lee	6	6	-	-	10	10	-	-	-	-

PERFORMANCE RIGHTS AND OPTIONS

At the date of this report there was the following performance rights on issue to acquire a maximum of one fully paid ordinary shares for each right issued.

Number	Vesting Date	Expiry Date
578,088	30 June 2024	30 June 2026
1,156,176	30 June 2025	30 June 2026
16,087,294	30 June 2025	30 June 2027
17,821,558		

During the financial year 8,000,000 options expired on 27 May 2023 and 3,351,099 warrants expired on 20 May 2023.

During the financial year 3,761,066 performance rights were issued to acquire a maximum of one fully paid ordinary shares for each right issued. Since the end of the financial year, as at the date of this report, an additional 14,060,492 performance rights were issued to acquire a maximum of one fully paid ordinary shares for each right issued.

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 Group and in the discharge of his duties as a director, to seek independent professional advice and recover the reasonable costs thereof from the Group. The advice shall only be sought after consultation about the matter with the Chair (where it is reasonable that the Chair be consulted) or, if it is the Chair 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

Image has paid premiums to insure the Directors and Officers of Image.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as Officers of Image, and any other payments arising from liabilities incurred by the Officers in connection with such proceedings, other than where such liabilities that arise out of conduct involving a wilful breach of duty by the Officers or the improper use by the Officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to Image.

It's not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities. Conditions of the policy also preclude disclosure to third parties of the amount paid for the policy.

PROCEEDINGS ON BEHALF OF THE GROUP

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

Name	Position
Non-Executive Directors	
Robert Besley	Non-Executive Chair
Peter Thomas	Non-Executive Director
Aaron Soo	Non-Executive Director
Ran Xu	Non-Executive Director
Winston Lee	Non-Executive Director
Chaodian Chen (Retired 30 May 2023)	Non-Executive Director
Executive Directors	
Patrick Mutz	Managing Director & Chief Executive Officer
Executive Officers	
John McEvoy	Chief Financial Officer
Todd Colton	Chief Operating Officer
George Sakalidis (Resigned 17/03/2023)	Head of Exploration

The Group'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 is responsible for the Group's remuneration policy. The committee uses an external, independent remuneration advisor to help provide recommendations to the Board in relation to remuneration strategies, policies, contracts, director and executive remunerations packages and review of annual compensation arrangements.

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

- motivates them to contribute to the growth and success of the Group 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 shareholders 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 program established for employees.

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 - $634,418 per annum (from 1 July 2023) inclusive of superannuation, and allowances.
- Performance bonus – participates in a Group-wide executive performance incentive schemes, including both short-term and long-term incentives.
- Allowances – from 1 July 2023, the Group contributes up to $42,436 per 12-month period or proportion thereof for accommodation whilst located in Perth and towards airfares for travel between Adelaide and Perth. The Group provides a Group vehicle for use on Group business and commuting from the corporate office and the Group's various mining and exploration sites as and when necessary.
- The agreement may be terminated by the Group by the provision of six months written notice. The employee may terminate the contract by the provision of three months' notice.

John McEvoy – Chief Financial Officer

- Base Salary - $437,091 per annum (from 1 July 2023) inclusive of superannuation.
- Performance bonus – participates in a Group-wide executive performance incentive schemes, including short-term and long-term incentives.
- The agreement may be terminated by the Group by the provision of six months written notice. The employee may terminate the contract by the provision of three months' notice.

Todd Colton – Chief Operating Officer

- Base Salary - $483,770 per annum (from 1 July 2023) inclusive of superannuation.
- Performance bonus – participates in a Group-wide executive performance incentive schemes, including both short term and long-term incentives.
- The agreement may be terminated by the Group by the provision of six months written notice. The employee may terminate the contract by the provision of three months' notice.

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 $700,000 per annum on 30 May 2023.

Each Non-Executive Director's actual remuneration for the year ended 31 December 2023 and the year to 31 December 2022 is shown below. 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	171,000 [1]	-	-
Peter Thomas	100,500	10,000 [2]	6,000
Aaron Soo	88,000	6,000	-
Ran Xu	80,000	-	-
Winston Lee	80,000	6,000	-

Fees are inclusive of superannuation where required.

Note 1. Includes committee fees.

Note 2. Chair of Audit & Risk Committee.

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.

Non-Executive Director Remuneration

The Remuneration Committee also engaged BDO to review non-executive director (NED) remuneration against the same basket of peer companies used for the executive remuneration benchmarking, and to make recommendations to improve market competitiveness. BDO identified that NED salaries were and had been substantially below market levels and recommended that salaries increase, but that 30% of NED salaries be paid in equity. The Board adopted BDO's recommendations in lieu of, and subject to shareholder approval for an increase of the maximum aggregate amount of directors' fees payable as NED remuneration (NED Fee Cap) The shareholders approved the increase in the NED fee cap to $700,000 per annum at the last annual general meeting of shareholders on 30 May 2023.

Non-Executive Director Options

No Non-Executive Director (NED) options were issued during the year ended 31 December 2023 or the year ended 31 December 2022.

On 27 May 2023, 8,000,000 (NED) options expired. These options were originally issued on 27 May 2021 to NEDs at an exercise price of $0.32 per share with an expiry date of 27 May 2023.

Incentive Awards Plan

The Image Incentive Awards Plan (IAP) was approved by shareholders at the Shareholder General Meeting held on 30 May 2023. The first IAP issue of convertible securities occurred on 21 December 2023.

The IAP was adopted to give the Company more flexibility to motivate and incentivise employees, improve employee retention, and to better align incentive awards with longer term shareholder returns. This IAP was adopted as the existing Employee Share Plan (ESP) is limited to the issue of loan-funded shares.

The new IAP was designed to better reward Directors and employees of the Group for providing dedicated and ongoing commitment and effort to the Group, and for the Group to reward its employees for their efforts in a manner on balance in all the prevailing circumstances, was in the best interests of the Company. The IAP provides employees with convertible (performance) rights to receive fully paid ordinary shares based on the terms and conditions decided on by the Directors of the Company.

During the 31 December 2023 year 3,761,066 performance rights were issued to acquire one fully paid ordinary share for each right issued subject to any adjustments that may be made for performance. Since the end of the financial year, as at the date of this report, an additional 14,060,492 performance rights were issued to acquire a maximum of one fully paid ordinary share for each right issued.

The principal provisions of the plan include.

- The plan extends to all employees and, subject to prior shareholder approval in each instance, to all Directors. of the Group.
- The Company may at any time, in its absolute discretion, make an offer to an Eligible Director or employee.
- The number and conditions of Convertible Securities issued to an Eligible Employee is determined by the Directors of the Company.
- An eligible participant may nominate a nominee to receive the convertible securities.
- The Board may determine an option exercise price (if any).
- Any Convertible Security may be made subject to Vesting Conditions as determined by the Board at its discretion.
- A share acquired in accordance with the Plan may be subject to a Restriction Condition.

Employee Share Plan

The Image Employee Share Plan (ESP) was implemented after shareholder approval at the shareholder General Meeting held on 13 February 2018 and was last approved by shareholders at the Annual General Meeting held on 30 May 2023. No securities were issued under the ESP during the reporting period, and it is the Company's intention to utilise the IAP described above for future offers in lieu of the ESP.

The purpose of the ESP is to give an additional incentive to employees of the Group to provide dedicated and ongoing commitment and effort to the Group, and for the Group to reward its employees for their efforts. It is considered 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 equity remuneration structures) 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 2023 year no ESP shares were issued.

The principal provisions of the ESP include:

- The Plan is available to all executive Directors subject to prior shareholder approval in each instance and employees of the Group.
- 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, for Plan Shares to be listed 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.

Executive Remuneration and Incentive Plans

Remuneration Mix

The mix of fixed and at-risk remuneration varies depending on the level of an executive and the performance of the Group. More senior positions have a greater level of their at-risk remuneration tied to group performance. During any year it is possible for all executives that no at-risk remuneration will be earned.

If target at-risk remuneration was earned in FY2023 the proportion of fixed and at-risk remuneration would be:

- Managing Director: 54% fixed and 46% at-risk
- Other Executives: 60% fixed and 40% at-risk

Total Fixed Remuneration (TFR) includes base salary and superannuation and allowances. Other benefits may be provided based on individual contracts. TFR for executives is reviewed at least annually by the Remuneration Committee and any changes must be approved by the Board, based on Remuneration Committee recommendations. Remuneration changes for other employees are based on recommendations from management. The group seeks to position TFR to be at or near the 50th market percentile of salaries for comparable positions/companies within the mining industry. The target TFR is based on information provided by independent remuneration consultants.

Incentives

During CY2023, the Company (through the Remuneration Committee) engaged BDO Remuneration and Reward ("BDO") to benchmark individual executive remuneration against similar positions of an appropriate group of peer companies of relative market cap, number of employees and number of operations, and to recommend changes to the remuneration program with respect to fixed remuneration, short-term incentives and long-term incentives, with the objective of ensuring executive remuneration is market competitive while improving alignment with shareholder value. BDO's approach was to recommend remuneration program features that have already been adopted by other resources companies and deemed to align with shareholder expectations. Considering BDO's recommendations the Group adopted the following Short-Term Incentive Plans (STIP) and Long-Term Incentive Plans (LTIP) for the performance year ending 30 June 2023.

Incentives are currently being paid as a mix of cash and performance rights. On vesting, each performance right entitles the holder to one share in Image Resources NL at no cost.

Maximum STI and LTI opportunities as a % of Total Fixed Remuneration (TFR) for executives for each performance year are shown in the following table:

Key Executive	Maximum STI opportunity (% of TFR)	Maximum LTI opportunity (% of TFR)
Patrick Mutz	50% (33.5% as cash & 16.5% as performance rights)	90%
John McEvoy	50% (33.5% as cash & 16.5% as performance rights)	60%
Todd Colton	50% (33.5% as cash & 16.5% as performance rights)	60%

FY2023 Remuneration

Short Term Incentive Plan (STIP)

The Group's STIP is designed to link any short-term incentive payments with the Group's achievement of overall performance targets that are aligned to the Group's short term strategic objectives. The STI performance targets are established at the start of the financial year and at the end of the financial year the percentage achieved is calculated and reviewed independently before being endorsed by the Remuneration Committee. Payments of STI's is dependent on performance achieved against specific KPI targets. STI's can be paid in a mix of cash and shares at the Board discretion (with the proportion currently set at 2/3 cash and 1/3 performance rights). No shares are issued to Directors without shareholder approval.

The executive remuneration framework is designed to align executive remuneration to the Group's strategic objectives aimed at creating increased shareholder returns and to incentivise executives to remain employed by the Group.

The maximum STI opportunity for each executive is 50% of TFR per annum.

The STIP is designed with an indicative 5% chance of achieving 100% of maximum: 50% chance of achieving target of 60% of maximum; and 95% chance of achieving threshold of 30% of maximum.

Key Executive	TFR	Remuneration type	Maximum STI Opportunity	
			% of TFR	*Value*
Patrick Mutz	$657,140	Cash	33.5%	$220,142
		Performance Rights	16.5%	$108,428
		Total	50.0%	$328,570
John McEvoy	$424,360	Cash	33.5%	$142,161
		Performance Rights	16.5%	$70,019
		Total	50.0%	$212,180
Todd Colton	$469,680	Cash	33.5%	$157,343
		Performance Rights	16.5%	$77,497
		Total	50.0%	$234,840

The number of STI performance rights to be offered to Key Executives is calculated by:

- determining each Key Executive's performance against the STI 2023 KPIs and using that STI performance score to determine the percentage of the maximum STI opportunity achieved (**Percentage STI Achieved**), and
- multiplying the maximum STI opportunity value for each Key Executive by the Percentage STI Achieved and dividing the result by the 20-day VWAP ending on 30 June 2023.

The Remuneration Committee determined the results of performance against the STI 2023 KPIs and calculated the overall Percentage STI Achieved. An independent consultant reviewed the results and endorsed the reasonableness of the Percentage STI Achieved.

The summary of the performance scoring for Key Executives for the STI 2023 KPIs equated to a Percentage STI Achieved of 62%.

The Performance Score resulted in a 2023 Performance Period STI cash and performance rights awards as shown in the following tables:

Key Executive	Maximum STI opportunity cash value	Percentage STI Achieved	STI cash to award
Patrick Mutz	$220,142	62%	$136,488
John McEvoy	$142,161	62%	$88,140
Todd Colton	$157,343	62%	$97,553

Key Executive	Maximum STI opportunity performance rights value	Percentage STI Achieved	20-day VWAP	Number of STI performance rights issued
Patrick Mutz	$108,428	62%	$0.0915	734,703
John McEvoy	$70,019	62%	$0.0915	474,445
Todd Colton	$77,497	62%	$0.0915	525,116

Approval for issue of the STI performance rights to Mr Mutz was obtained under Listing Rule 10.14 at the Company's annual general meeting held on 30 May 2023. The performance rights were issued on 16 February 2024.

One third of the STI performance rights issued are subject to a vesting condition that the Key Executive remains an employee of the Company until 30 June 2024, with the remaining STI performance rights subject to a vesting condition that the Key Executive remains an employee of the Company until 30 June 2025.

Long Term Incentive Plan (LTIP)

The LTIP comprises the majority of the equity component of at-risk remuneration with a smaller number of performance rights being part of STIP. The number of performance rights ultimately vesting is determined by reference to the Group's shareholder return performance over a 3-year period both in absolute terms and as compared to a peer group. LTIP performance rights are issued annually at the discretion of the Board.

The overall performance score is determined as the sum of the individual scores for each business area with the range being 0-200%. A score of 100% equates to a target of 60% of LTI performance rights vesting and with an estimated 5% chance of 100% of performance rights vesting.

For LTI performance rights issued related to the performance period 1 July 2022 to 30 June 2025 the following weightings apply:

Business Area	Minimum Target	Stretch Target	Weighting
Shareholder returns	Greater than 50% (below 40% equals zero)	Greater than 75%	50%
Ore Reserves	100Mt of new Ore Reserves	50Mt of new Ore Reserves (above Minimum Target)	30%
Growth & Sustainability	Positive feasibility studies on Bidaminna & Yandanooka	Positive feasibility studies on MSP, McCalls Project and SR	20%

Shareholder returns are calculated based on changes in capital value as measured by share price and dividends across the 3-year LTI performance period ending 30 June 2025. Shareholder returns are determined on both a relative and absolute basis.

If relative performance compared to peer group is less than 40% the relative performance score is zero, and otherwise the score is equal to the relative performance score.

If absolute returns are less than 20% then the absolute performance score is zero and otherwise the score is equal to the absolute returns.

Overall performance score is determined as the average of the performance score and absolute returns score.

There is also a condition that there are no fatalities in the final performance period. If this is not achieved no LTI performance rights will vest.

The number of LTI performance rights to be offered to Key Executives is calculated by dividing the maximum LTI opportunity value for each Key Executive by the 20-day VWAP ending 30 June 2023, being $0.0915 (**20-day VWAP**). As a result, the following Performance Rights have been issued:

Key Executive	Maximum LTI Opportunity value	Maximum number of LTI performance rights
Patrick Mutz	$591,426 (90% of TFR)	6,463,672
John McEvoy	$254,616 (60% of TFR)	2,782,688
Todd Colton	$281,808 (60% of TFR)	3,079,868

Approval for issue of the STI performance rights to Mr Mutz was obtained under Listing Rule 10.14 at the Company's annual general meeting held on 30 May 2023. The performance rights were issued on 16 February 2024.

The Board will determine each Key Executive's performance against LTI KPIs shortly after 30 June 2025 and will use that LTI performance score to determine the percentage of the maximum LTI opportunity achieved (**Percentage LTI Achieved**). The number of LTI performance rights that vest after 30 June 2025 will be determined by multiplying the Percentage LTI Achieved times the maximum number of LTI performance rights issued.

Upon a change of control all vesting conditions will be waived pro rata to time elapsed and performance to date as determined by the Board. If the employee ceases to be employed by the Group performance rights will lapse except to the extent the Board exercises its discretion to allow vesting in whole or in part.

No performance rights vested during the current reporting period.

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 Chair)	$171,000 inclusive of super	-
Mr P Mutz	(Managing Director)	$634,418 inclusive of super	-
Mr P Thomas	(Non-Executive Director)	$100,500 inclusive of super	$16,000 inclusive of super
Mr A Soo	(Non-Executive Director)	$88,000 [1]	$6,000 [1]
Mrs R Xu	(Non-Executive Director)	$80,000 [1]	-
Mr W Lee	(Non-Executive Director)	$80,000 [1]	$6.000[1]

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

Non-Executive Director remuneration for the years ended 31 December 2023 and 31 December 2022

	Financial year	Board fees	Committee fees	Super-annuation	Share-based payments	Total
Robert Besley	2023	167,883	-	5,784	-	173,667
	2022	100,000	-	8,676	-	108,676
Peter Thomas	2023	88,954	16,000	11,383	-	116,337
	2022	54,546	10,909	6,709	-	72,164
Aaron Soo	2023	88,000	6,000	-	-	94,000
	2022	60,000	6,000	-	-	66,000
Chaodian Chen	2023	25,000	-	-	-	25,000
	2022	60,000	-	-	-	60,000
Ran Xu	2023	80,000	-	-	-	80,000
	2022	35,000	-	-	-	35,000
Winston Lee	2023	80,000	8,548	-	-	88,548
	2022	32,833	-	-	-	32,833
Huangcheng Li	2023	-	-	-	-	-
	2022	25,000	-	-	-	25,000
	2023	529,837	30,548	17,167	-	577,552
	2022	367,379	16,909	15,385	-	399,673

Notes: Huancheng Li resigned as a director on 30 May 2022.
Ran Xu was appointed as a director on 1 June 2022.
Winston Lee was appointed as a director on 14 June 2022.
Chaodian Chen retired as a director on 30 May 2023.
Winston Lee committee fees covers period of 29/07/2022 to 31/12/2023.

Key Management Personnel Remuneration

Table 1: Remuneration for the years ended 31 December 2023 and 31 December 2022

		Short-term benefits				Post Employment	
	Financial Year	Salary ($)	Cash Bonus ($)	Non-monetary benefits [1] ($)	Other ($)	Super-annuation ($)	Total ($)
Executive Directors							
Patrick Mutz	2023	597,776	255,576	40,869	[2] 43,889	27,403	965,513
	2022	529,831	185,687	45,372	-	27,784	788,674
Executive Officers							
John McEvoy	2023	403,259	151,673	-	-	27,466	582,398
	2022	364,335	75,000	-	-	27,555	466,890
Todd Colton	2023	449,225	166,082	-	-	27,500	642,807
	2022	393,110	77,000	-	-	27,500	497,610
George Sakalidis	2023	32,583	-	-	[3] 160,473	3,421	196,477
	2022	157,771	20,594	-	-	18,321	196,686
	2023	1,482,843	573,331	40,869	204,362	85,790	2,387,195
	2022	1,445,047	358,281	45,372	-	101,160	1,949,860

Note 1. Non-monetary benefits include allowances paid for travel and accommodation during the financial year.
Note 2. Annual leave paid out.
Note 3. Long service leave and annual leave paid out on resignation on 14 March 2023.

Options Granted as Remuneration

During the 2023 and 2022 financial years no options were issued to Non-Executive Directors.

Options held by Non-Executive Directors

Name	Balance at the beginning of the year No.	Exercised No.	Exercised $	Lapsed No.	Balance at the end of the year No.
Robert Besley	2,000,000	-	-	(2,000,000)	-
Chaodian Chen	2,000,000	-	-	(2,000,000)	-
Aaron Chong Veoy Soo	2,000,000	-	-	(2,000,000)	-
Peter Thomas	2,000,000	-	-	(2,000,000)	-
	8,000,000	-	-	(8,000,000)	-

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	Expired during the Year	Other	Balance at End of Year or Date of Retirement
Non-Executive Directors						
Robert Besley	666,667	-	-	-	-	666,667
Peter Thomas	2,104,306	-	-	-	-	2,104,306
Aaron Soo	15,000,000		-	-	-	15,000,000
Winston Lee	151,515,494	-	-	-	-	151,515,494
Ran Xu	-	-	-	-	-	-
Chaodian Chen	-	-	-	-	-	-[3]
Executive Directors						
Patrick Mutz	4,949,606	1,000,000	-	[2] (909,248)	-	5,040,358
Executive Officers						
George Sakalidis	3,740,570	-	-	-	-	[1] 3,740,570
John McEvoy	2,604,148	-	-	-	-	2,604,148
Todd Colton	2,888,492	-	-	[2] (709,722)	-	2,178,770
Total	183,469,283	1,000,000	-	(1,618,970)	-	182,850,313

Note 1: Number of shares held when executive resigned on 14 March 2023.
Note 2: Employee share plan shares that expired on 02/11/2023. The employee had no legal right to the shares after this date, even though they were still registered in their name. These shares were bought back by the Company on 04/01/2024.
Note 3: Number of shares held when the director retired on 30 May 2023.

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 Group 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
CHAIR
Perth, 25 March 2024

IMAGE RESOURCES

ELDERTON
AUDIT PTY LTD

Auditor's Independence Declaration

As auditor for the audit of Image Resources NL for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

I) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

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

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Sajjad Cheema
Director
25th March 2024
Perth

Consolidated statement of profit or loss and other comprehensive income

For the Year Ended 31 December 2023

	Notes	Year to 31 Dec 2023 ($000)	Year to 31 Dec 2022 ($000)
Continuing operations			
Operating sales revenue	3	119,133	171,537
Cost of sales	3	(94,225)	(113,880)
Gross profit		24,908	57,657
Government royalties		(5,649)	(7,790)
Shipping and other selling costs		(6,742)	(16,035)
Corporate expenses		(7,683)	(6,126)
Exploration and evaluation expenses		(4,173)	(5,330)
Impairment – Property, Plant & Equipment		(2,230)	--
Rehabilitation costs – closed sites		(685)	-
Other income and expense		46	115
Foreign currency gain / (loss)	3	(141)	1,810
Operating profit / (loss)		(2,349)	24,301
Finance income	3	1,048	58
Financing costs	3	(3,317)	(2,798)
Profit / (loss) before income tax		(4,618)	21,561
Income tax expense	6	(89)	(6,393)
Profit / (loss) for the year from continuing operations		(4,707)	15,168
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Changes in the fair value of financial assets measured at fair value through other comprehensive income		(5)	(6)
Items that will not be reclassified to profit or loss			
Hedging gain / (loss)		(405)	177
Total other comprehensive income / (loss)		(410)	171
Total comprehensive income / (loss) for the year		(5,117)	15,339
Net profit / (loss) attributable to owners of Image Resources NL		(4,707)	15,168
Total comprehensive income / (loss) attributable to owners of Image Resources NL		(5,117)	15,339
	Notes	**Cents**	**Cents**
Earnings per share			
Basic earnings / (loss) per share	5	(0.43)	1.43
Diluted earnings / (loss) per share	5	(0.47)	1.42

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

As at 31 December 2023

	Notes	31 Dec 2023 ($000)	31 Dec 2022 ($000)
Current assets			
Cash and cash equivalents	7	46,197	53,455
Trade and other receivables	8	2,654	2,021
Inventory	11	2,077	27,950
Other financial assets	9	2,862	1,416
Total current assets		53,790	84,842
Non-current assets			
Property, plant and equipment	10	99,116	107,045
Other financial assets	9	2,364	4,658
Deferred tax assets	6	10,395	4,534
Total non-current assets		111,875	116,237
Total assets		165,665	201,079
Current liabilities			
Trade and other payables	12	4,680	21,718
Provisions	13	4,356	11,929
Borrowings	14	111	108
Income tax payable	6	-	8,622
Total current liabilities		9,147	42,377
Non-current liabilities			
Trade and other payables		-	455
Provisions	13	45,798	41,961
Borrowings	14	-	89
Total non-current liabilities		45,798	42,505
Total liabilities		54,945	84,882
Net assets		110,720	116,197
Equity			
Issued capital	15	126,893	127,331
Reserves	16	18,062	18,713
Accumulated losses	16	(34,235)	(29,847)
Total equity		110,720	116,197

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the Year Ended 31 December 2023

	Issued Capital ($000)	Profit Reserve Account ($000)	Other Reserves ($000)	Accum'd Losses ($000)	Total ($000)
Balance at 1 January 2022	**113,999**	**24,290**	**2,474**	**(29,860)**	**110,903**
Comprehensive profit					
Operating profit for the year	-	-	-	15,168	15,168
Other comprehensive income	-	-	171	-	171
Transfer to profit reserve – dividend	-	15,168	-	(15,168)	-
Total comprehensive profit for the year	-	15,168	171	-	15,339
Derivatives fair value movement	-	-	(18)	-	(18)
Transactions with owners in their capacity as owners					
Dividends declared	-	(20,776)	-	-	(20,776)
Warrants exercised during the year	-	-	(2,583)	-	(2,583)
Shares issued during the year	15,402	-	-	-	15,402
Shares cancelled during the year	(2,043)	-	-	-	(2,043)
Options cancelled during the year	-	-	(13)	13	-
Cost of share issue	(27)	-	-	-	(27)
Total transactions with owners in their capacity as owners	13,332	(20,776)	(2,614)	13	(10,045)
Balance at 31 December 2022	**127,331**	**18,682**	**31**	**(29,847)**	**116,197**

	Issued Capital ($000)	Profit Reserve Account ($000)	Other Reserves ($000)	Accum'd Losses ($000)	Total ($000)
Balance at 1 January 2023	**127,331**	**18,682**	**31**	**(29,847)**	**116,197**
Comprehensive profit					
Operating loss for the year	-	-	-	(4,707)	(4,707)
Other comprehensive loss	-	-	(410)	-	(410)
Other comprehensive loss – tax affect	-		78	-	78
Total comprehensive profit for the year	-	-	(332)	(4,707)	(5,039)
Transactions with owners in their capacity as owners					
Warrants cancelled during the year	-	-	(265)	265	-
Shares cancelled during the year	(438)	-	-	-	(438)
Options cancelled during the year	-	-	(54)	54	-
Cost of share issue	-	-	-	-	-
Total transactions with owners in their capacity as owners	(438)	-	(319)	319	(182)
Balance at 31 December 2023	**126,893**	**18,682**	**(620)**	**(34,235)**	**110,720**

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

For the Year Ended 31 December 2023

	Notes	Year to 31 Dec 2023 ($000)	Year to 31 Dec 2022 ($000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		118,171	173,446
Payments to suppliers and contractors		(87,626)	(121,372)
Interest received		913	58
Interest paid		(1,616)	(1,258)
Other income		46	60
Income tax paid		(15,809)	(14,139)
Net cash from operating activities	7	14,079	36,795
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial derivatives		-	(228)
Proceeds from sale of property, plant and equipment		-	3
Purchase of property, plant and equipment		(11,297)	(49,692)
Payments for exploration and evaluation		(8,581)	(5,231)
Net cash used in investing activities		(19,878)	(55,148)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from new issues of shares	15	-	3,529
Payments for share issue costs		-	(27)
Proceeds from employee loan repayments		-	996
Dividends paid		(980)	(12,770)
Net cash used in financing activities		(980)	(8,272)
Net increase / (decrease) in cash held		(6,779)	(26,625)
Cash at beginning of the year		53,455	79,840
Effect of exchange fluctuations on cash held		(479)	240
Cash and cash equivalents at the end of the year	7	46,197	53,455

The accompanying notes form part of these financial statements.

Note 1 Basis of Preparation

The financial statements cover the consolidated group comprising Image Resources NL (the Company) and its subsidiaries, together referred to as Image or the Group. The Company is a for-profit company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Stock Exchange. The financial statements were authorised for issue on 25 March 2024.

These general-purpose financial statements have 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.

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 (IFRSs). Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

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.

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.

Foreign Currency Translation

Both the functional and presentation currency of the Company is in Australian Dollars.

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.

Critical Accounting Estimates, Assumptions and Judgements

The Group 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 found in the following notes:

Income Tax	Note 6
Property, Plant and Equipment	Note 10
Provisions	Note 13

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.

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.

Other Accounting Policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements or at note 26

Note 2 Operating Segments

Segment Information

Identification of reportable segments

The Group has identified that it operates in only one segment based on the internal reports that are reviewed and used by the Board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is a minerals sands production and exploration Group. Currently all the Group's mineral sands tenements and resources are located in Western Australia.

Revenue and assets by geographical region

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

Major customers

The Group 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.

Accounting Policy

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 Group as the Managing Director and other members of the Board of Directors.

Note 3 Revenue and Expenses

	Year to 31 Dec 2023 ($000)	Year to 31 Dec 2022 ($000)
Sales Revenue		
Concentrate sales	119,133	171,537
Operating Expenses		
Mine operating costs	(46,247)	(84,230)
Depreciation and amortisation	(19,631)	(33,112)
Amortisation of capitalised borrowing costs	(2,460)	(2,461)
Inventory movement	(25,887)	5,923
Cost of sales	(94,225)	(113,880)
Gross Profit	24,908	57,657
Foreign Currency Gain / (Loss)		
Realised foreign currency loss	(63)	(88)
Unrealised foreign currency gain / (loss)	(78)	1898
	(141)	1,810
Finance Income		
Interest income	1,048	58
Finance Costs		
Interest expense	(1,364)	(1,436)
Loss on hedging maturities	-	(1,103)
Financing costs	(10)	-
Unwinding of rehabilitation discount	(1,943)	(259)
	(3,317)	(2,798)

Note 3 Revenue and Expenses (Cont'd)

Accounting Policy

Revenue Recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: 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.

Note 4 Auditors Remuneration

	Year to 31 Dec 2023 ($000)	Year to 31 Dec 2022 ($000)
Amounts received or due and receivable by the auditors of the Company for:		
- Auditing and reviewing the financial reports – (Elderton Audit Pty Ltd)	57	56

Note 5 Earnings Per Share

	Year to 31 Dec 2023 (Cents)	Year to 31 Dec 2022 (Cents)
Basic earnings per share	0.43	1.43
Diluted earnings per share	0.47	1.42
	($000)	**($000)**
Reconciliation of earnings used in calculating earnings per share		
Profit / (loss) attributable to ordinary equity holders of the Company used in calculating basic and diluted earnings per share	(4,707)	15,168
	Number of shares	**Number of shares**
Weighted average number of ordinary shares used in the calculation of basic earnings per share	1,082,978,494	1,060,059,599
Weighted average number of ordinary shares used in the calculation of diluted earnings per share		
Weighted average number of ordinary shares (basic)	1,082,978,494	1,060,059,599
Effects of dilution from:		
Warrants	1,285,353	9,525,458
Options	3,221,918	8,416,438
Weighted average number of ordinary shares (diluted)	1,087,485,765	1,078,001,495

The Company had no options (2022: 8,000,000) over fully paid ordinary shares on issue at balance date.

Accounting Policy

(i) Basic Earnings per Share – Basic earnings per share (EPS) is determined by dividing the profit or 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.

Note 6 Income Tax

	Year to 31 Dec 2023 ($000)	Year to 31 Dec 2022 ($000)
The major components of income tax expense for the years ended 31 December 2023 and 2022 are:		
Current income tax		
Current income tax charge	4,961	12,001
Adjustments in respect of current income tax of previous years	912	(332)
Deferred income tax		
Relating to origination and reversal of temporary differences	(4,884)	(5,427)
Adjustments in respect of deferred tax of previous years	(900)	151
Income tax expense in the statement of profit or loss	89	6,393

	Year to 31 Dec 2023 ($000)	Year to 31 Dec 2022 ($000
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 / (loss) before tax	(4,618)	21,561
Prima facie tax on operating profit at statutory rate of 30% (2022: 30%)	(1,385)	6,469
Non-deductible expenses	124	63
Other assessable income	99	-
Derecognition of previously recognised capital losses	1	-
Capital raising costs charged to equity	(12)	(10)
Costs classified as other comprehensive income	-	53
Adjustments in respect of current income tax of previous years	912	(333)
Adjustments in respect of deferred tax of previous years	(900)	151
Movement in unrecognised temporary differences	1,250	-
Income tax expense	89	6,393

The Corporate tax rate payable by the Company if the Company was required to pay income tax in the year ended 31 December 2023 was 30% (31 December 2022: 30%). The deferred tax asset held on the balance sheet is calculated at the 30% income tax rate.

Deferred tax assets	15,196	12,678
Deferred tax liabilities	(4,801)	(8,144)
Net deferred tax assets / (liabilities)	10,395	4,534

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

	Assets		Liabilities		Net	
	2023 ($000)	2022 ($000)	2023 ($000)	2022 ($000)	2023 ($000)	2022 ($000)
Property, plant and equipment	-	-	(3,609)	(4,780)	(3,609)	(4,780)
Financial derivatives	68	-		-	68	
Unrealised foreign exchange gains		715	-	-	-	715
Provisions and accruals	439	431	-	-	439	431
Capital raising costs	11	22	-	-	11	22
Mine rehabilitation	14,676	11,510	-	-	14,676	11,510
Other deferred tax assets	2	-	-	-	2	-
Borrowing costs	-	-	-	(738)		(738)
Receivables	-	-	(40)	(3)	(40)	(3)
Prepayments	-	-	(28)	-	(28)	-
Consumables	-	-	(623)	(619)	(623)	(619)
Inventories	-	-	-	(1,947)	-	(1,947)
Exploration & mine properties	-	-	(499)	-	(499)	-
Financial derivatives	-	-	-	(53)	-	(53)
Investments	-	-	(2)	(4)	(2)	(4)
Net deferred tax assets / (liabilities)	15,196	12,678	(4,801)	(8,144)	10,395	4,534

Accounting Policy

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.

Key Estimate - Recovery of Deferred Tax Assets or Liabilities

Judgement is required in determining whether deferred tax assets or liabilities are recognised in the Consolidated Statement of Financial Position. Deferred tax assets or liabilities, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets or liabilities. 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 Group to realise net deferred tax assets or liabilities could be impacted. Additionally, future changes in tax laws could limit the ability of the Group to obtain tax deductions in future periods.

The Group has unrecognised deferred tax assets or liabilities arising from tax losses and other temporary differences. The ability of the Group 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 provision's, but these are not expected to have any material impact on the amounts as reported.

	31 Dec 2023 ($000)	31 Dec 2022 ($000)
Note 7 Cash and Cash Equivalents		
Cash at bank	22,181	53,439
Deposits at call	24,016	16
	46,197	53,455
Cash flows from operating activities reconciliation		
Operating profit / (loss) after income tax*:*	(4,707)	15,168
Effect of non-cash items		
Income tax expense	(15,720)	(7,747)
Depreciation and amortisation expense	24,632	35,835
Exploration and evaluation expense	4,170	5,330
Profit on sale of property, plant and equipment	1	(3)
Realised foreign currency loss	401	1,658
Unrealised foreign currency (gain) / loss	78	(1,898)
Changes in operating assets and liabilities:		
Decrease in trade and other receivables relating to operating activities	631	255
Decrease in prepayments	48	43
(Increase) / Decrease in inventory	25,873	(6,210)
Increase / (Decrease) in trade and other payables relating to operating activities	(16,065)	1,051
Decrease in provisions	(5,263)	(6,687)
Cash flow from operations	14,079	36,795

Recognition and Measurement
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.

	31 Dec 2023 ($000)	31 Dec 2022 ($000)
Note 8 Trade and Other Receivables		
GST refundable	191	877
Income tax refundable	1,314	-
Restricted cash – security for guarantees	142	142
Prepayments	852	900
Other receivables	155	102
	2,654	2,021

	31 Dec 2023 ($000)	31 Dec 2022 ($000)
Note 9 Other Financial Assets		
Current		
Loans to employees – (Employee share plan)	646	696
Loans to Key Management Personnel – (Employee share plan)	2,216	316
Derivatives	-	404
	2,862	1,416
Non-Current		
Loans to Employees – (Employee Share Plan)	1,834	3,544
Loans to Key Management Personnel (Employee Share Plan)	509	1,088
Equity investments at fair value – shares in listed corporations	21	26
	2,364	4,658

Note 10 Property, Plant and Equipment

	Plant and Equipment ($000)	Land and Buildings ($000)	Mine Development ($000)	Borrowing Costs ($000)	Exploration ($000)	Total ($000)
Year ended 31 December 2022						
Balance at 1 January 2022	14,444	20,591	28,851	4,921	155	68,962
Additions	726	5,477	5,175	-	38,578	49,956
Mine closure and rehabilitation asset	-	-	23,961	-	-	23,961
Asset Transfer	10,000	-	(10,000)	-	-	-
Depreciation	(9,030)	-	(24,343)	(2,461)	-	(35,834)
Closing Net Book Value	16,140	26,068	23,644	2,460	38,733	107,045
At 31 December 2022						
Cost	67,655	26,068	85,738	21,968	38,733	240,162
Accumulated Depreciation	(51,515)	-	(62,094)	(19,508)	-	(133,117)
Closing Net Book Value	16,140	26,068	23,644	2,460	38,733	107,045
Year ended 31 December 2023						
Balance at 1 January 2023	16,140	26,068	23,644	2,460	38,733	107,045
Additions	8,752	3	2,099	-	4,340	15,194
Mine closure and rehabilitation asset	-	-	1,526	-	-	1,526
Asset Transfer	2,962	(2,000)	(962)			-
Disposals	(1)	-	-	-	-	(1)
Impairment		(2,230)				(2,230)
Depreciation	(2,045)	-	(17,913)	(2,460)	-	(22,418)
Closing Net Book Value	25,808	21,841	8,394	-	43,073	99,116
At 31 December 2023						
Cost	79,368	21,841	88,401	21,968	43,073	254,651
Accumulated Depreciation	(53,560)	-	(80,007)	(21,968)	-	(155,535)
Closing Net Book Value	25,808	21,841	8,394	-	43,073	99,116

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 and Atlas which the Group has acquired for future operations. One farm lot has been impaired down to fair value as this is no longer required and will be sold.

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.

The calculation of the plant and equipment depreciation assumes that the plant and equipment will have a market value of $15M once the processing of all Boonanarring mined ore has been completed.

Exploration expenditure associated with the acquisition of tenements and expenditure incurred on those tenements is capitalised if it is considered that the expenditure incurred will be recouped through the successful development and exploitation of the area of interest.

Leases
The Group has lease contracts for motor vehicles and office equipment used in its operations. The leases have lease terms between 3 and 5 years. The Group'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.

	Office Lease ($000)	Motor Vehicles ($000)	Total ($000)
Year ended 31 December 2022			
Balance at 1 January 2022	276	34	310
Additions	-	78	78
Depreciation	(118)	(61)	(179)
Closing Net Book	158	51	209
Year ended 31 December 2023			
Balance at 1 January 2023	158	51	209
Additions	-	168	168
Depreciation	(118)	(140)	(258)
Closing Net Book	40	79	119

Recognition and Measurement of 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 Group 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.

Right of Use Assets
As a lessee, the Group recognises a right-of-use asset, representing its right to use the underlying asset and a corresponding lease liability, on the statement of financial position, for leases (other than short term and low value lease). The right-of-use asset is amortised on a straight-line basis over its lease term.

The Group recognises the right-of-use asset and the lease liability at the lease commencement date. The right-of-use asset is initially measured at cost (at the present value of future lease payments), and subsequently at cost less accumulated depreciation, any impairment losses and adjustments for remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments expected to be paid over the lease term, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, then the Groups' incremental borrowing rate or, where not available, a market rate alternative. The lease liability is further remeasured if the estimated future lease payments change.

Key Estimate - 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 Group'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.

Note 11 Inventory

	31 Dec 2023 ($000)	31 Dec 2022 ($000)
Current		
Ore stockpiles	-	3,220
Heavy mineral concentrate and other intermediate stockpiles	-	22,667
Stores and consumables	2,077	2,063
	2,077	27,950

Accounting Policy
Inventories of heavy mineral concentrate are valued at the lower of weighted average 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 12 Trade and Other Payables

	31 Dec 2023 ($000)	31 Dec 2022 ($000)
Current		
Trade creditors	2,688	10,694
Accruals	1,400	9,474
GST and tax payable	-	7
Dividends payable	102	1,082
Other payables	491	461
	4,681	21,718
Non-Current		
Other payables	-	455
	-	455

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 Group 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 13 Provisions

	31 Dec 2023 ($000)	31 Dec 2022 ($000)
Current		
Employee leave benefits	1,232	1,329
Mine closure and rehabilitation	3,124	10,600
	4,356	11,929
Non-Current		
Employee leave benefits	-	58
Mine closure and rehabilitation	45,798	41,903
	45,798	41,961
Movement in mine closure and rehabilitation		
Balance at the beginning of the year	52,503	35,579
Increase in rehabilitation estimate – (property, plant & equipment)	1,526	23,961
Increase in rehabilitation estimate – closed site – (profit and loss)	685	-
Rehabilitation activities	(7,735)	(7,296)
Unwinding of discount	1,943	259
	48,922	52,503

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 a discounted fair value, assuming a risk-free discount rate equivalent to the 5 year Australian US Government bond rate of 4.0% as at 31 December 2023 (31 December 2022: 3.7%) and an inflation factor of 3.28% (31 December 2022: 3.0%). Although the ultimate amount to be incurred is uncertain, management has, at 31 December 2023, estimated the asset retirement cost of work completed to date with a total undiscounted estimated cash flow of $53,000,000 (31 December 2022: $53,390,000). Management's estimate of the underlying asset retirement costs are independently reviewed by an external consultant on a regular basis for completeness and was most recently reviewed in December 2023.

Accounting Policy

Provisions are recognised when the Group 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.

Mine Closure and Rehabilitation

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 considering the significant judgements and estimates involved and are dealt with on a prospective basis as they arise.

Employee Benefits

Provision is made for the Group'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.

Key Estimate - 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.

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 14 Borrowings

	Interest Rate	31 Dec 2023 ($000)	31 Dec 2022 ($000)
Current			
Lease liabilities	(8%)	111	108
Non-Current			
Lease liabilities	(8%)	-	89
Total Current and Non-Current		111	197

	31 Dec 2023 ($000)	31 Dec 2022 ($000)
Lease Liabilities Movement		
Balance at the beginning of the year	197	320
Additions	168	79
Accretion of interest	18	35
Payments	(272)	(237)
Balance at the end of the year	111	197

Lease liabilities includes leases for motor vehicles and the office lease for three years from 1 May 2021 for Level 2, 7 Ventnor Avenue, West Perth WA 6005.

Leases

As a lessee, the Group recognises a right-of-use asset, representing its right to use the underlying asset and a corresponding lease liability, on the statement of financial position, for leases (other than short term and low value lease). The right-of-use asset is amortised on a straight-line basis over its lease term.

The Group recognises the right-of-use asset and the lease liability at the lease commencement date. The right-of-use asset is initially measured at cost (at the present value of future lease payments), and subsequently at cost less accumulated depreciation, any impairment losses and adjustments for remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments expected to be paid over the lease term, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, then the Groups' incremental borrowing rate or, where not available, a market rate alternative. The lease liability is further remeasured if the estimated future lease payments change.

Accounting Policy

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 Group 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.

Note 15 Issued Capital

	Year to 31 Dec 2023		Year to 31 Dec 2022	
	No.	($000)	No.	($000)
Contributed Equity – Ordinary Shares				
At the beginning of the period	1,084,193,616	127,331	1,012,642,386	113,999
Warrants exercised at $0.1365 expiring 20 May 2023	-	-	7,898,901	1,702
Warrants exercised at $0.11385 expiring 24 May 2023	-	-	21,525,000	4,409
Dividend reinvestment plan shares	-	-	33,384,977	6,683
Employee share plan shares issued at $0.145	-	-	17,978,563	2,607
Employee shares cancelled	(2,951,516)	(438)	(9,236,211)	(2,042)
Share issue costs	-	-	-	(27)
Balance at the end of the period	1,081,242,100	126,893	1,084,193,616	127,331

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.

Accounting Policy

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

	31 Dec 2023 ($000)	31 Dec 2022 ($000)
Note 16 Reserves and Accumulated Losses		
Reserves		
Profit Reserve – Dividend	18,682	18,682
Other Reserves		
Fair value reserve of financial assets	5	10
Hedging reserve	-	-
Warrants reserve	-	265
Share based payments reserve	-	54
Other comprehensive income	(625)	(298)
	(620)	31
Closing balance	18,062	18,713
Profit Reserve Account		
Balance at the beginning of the year	18,682	24,290
Current year profit	-	15,168
Dividend paid	-	(20,776)
Balance at the end of the year	18,682	18,682
Fair Value Reserve of Financial Assets		
Balance at the beginning of the year	10	16
Changes in the fair value of equity investments	(5)	(6)
Balance at the end of the year	5	10
Hedging Reserve		
Balance at the beginning of the year	-	18
Changes in hedging fair value	-	(18)
Balance at the end of the year	-	-
Reserve – Warrants		
Balance at the beginning of the year	265	2,848
Exercise of warrants	(265)	(2,583)
Balance at the end of the year	-	265
Share Based Payments Reserve		
Balance at the beginning of the period	54	67
Cancellation of director options	(54)	(13)
Balance at the end of the period	-	54
Other Comprehensive Income Reserve		
Balance at the beginning of the period	(298)	(475)
Other comprehensive income	(405)	177
Other comprehensive income – tax effect	78	-
Balance at the end of the period	625	(298)

Profit Reserve Account

The profits from the years ended 31 December 2023 and 31 December 2022 were transferred to a profit reserve to be applied against future dividend payments.

Warrants Reserve

The warrants reserve is used to recognise the fair value of warrants issued.

Hedging Reserve

Image uses two types of hedging instruments as part of its foreign currency risk management strategy. These include foreign currency forward contracts and foreign currency call options. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedge reserve.

	31 Dec 2023 No.	31 Dec 2022 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	-	3,351,099
Exercisable at $0.11385 on or before 24 May 2023	-	-
	-	3,351,099
	($000)	**($000)**
Accumulated Losses		
Opening balance	(29,847)	(29,860)
Profit / (loss) for the year	(4,707)	15,168
Transfer to profit reserve account	-	(15,168)
Cancellation of warrants – share based payment reversal	265	-
Cancellation of director option – share based payment reversal	54	13
	(34,235)	(29,847)

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 2023	WAEP 2023	Number 2022	WAEP 2022
Outstanding at 1 January	3,351,099	0.1365	32,775,000	0.1216
Exercised during the year	-	-	(29,423,901)	0.1199
Expired during the year	(3,351,099)	0.1365	-	-
Outstanding at 31 December	-	-	3,351,099	0.1365
Exercisable at 31 December	-	-	3,351,099	0.1365

b) Weighted average remaining contractual life

The weighted average remaining contractual life for the warrants outstanding as at 31 December 2022 is 0 years, (31 December 2022: Between 0 and 1 year).

c) Range of exercise price

The range of exercise prices for warrants outstanding at the end of the year was $0 to $0 (31 December 2022: $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 2022: Nil).

e) Warrants pricing model

The fair value of warrants previously granted 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 Tranche A	31 Dec 2018 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	$0.79
Weighted average share price at grant date ($)	$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 17 Tenement Expenditure Commitments

The Group 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 $1,808,820.

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 Group 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 Group 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.

Note 18 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 Group will secure rights to access those portions of the Tenements encroaching freehold land.

Note 19 Significant Events Subsequent to Reporting Date

On 14 March 2024, the Company announced that the Western Australian Environmental Protection Authority (EPA) has released its assessment report on the Company's development proposal for its 100%-owned Atlas mineral sands project. In this report, the EPA recommends that the Atlas development proposal may be implemented subject to conditions. The release of the assessment report triggers a three-week review period. Following the review period and resolution of any appeals, the Minister for Environment will consider approval of the Atlas project under Part IV of the Environment Protection Act.

Other than the events stated above, there has not been any other matter or circumstance that has arisen after the balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future periods.

Note 20 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 2023	WASIP 2023	WASLP 2023	Number 2022	WASIP 2022	WASLP 2022
Outstanding at 1 January	37,083,952	0.152	0.152	33,600,999	0.188	0.188
Granted during the year	-	-	-	17,978,563	0.145	0.145
Sold during the year	-	-	-	(4,919,423)	0.202	0.202
Released to employee	-	-	-	(339,976)	-	-
Cancelled during the year	(2,951,516)	0.148	0.148	(9,236,211)	0.221	0.221
Outstanding at 31 December	34,132,436	0.153	0.153	37,083,952	0.152	0.152
Exercisable at 31 December	23,194,785	0.145	0.145	19,105,389	0.159	0.159

Incentive Awards Plan

The Incentive Award Plan (IAP) was approved by shareholders at the Annual Shareholder General Meeting held on 30 May 2023.

The IAP was adopted to give the Company more flexibility to motivate and incentivise employees, improve employee retention, and to better align incentive awards with longer term shareholder returns. This IAP was adopted as the existing Employee Share Plan (ESP) is limited to the issue of shares.

Under the terms of the IAP, Image may, in its absolute discretion, make an offer of shares, options or performance rights as incentives to Directors of the Company, employees or individual contractors. The Directors may specify the various terms and conditions of the offer.

On 21 December 2023, 3,761,066 performance rights were issued to employees of the Company.

Incentive Awards Plan - Performance Rights Issue

The Directors of the Company approved the issue of 3,761,066 performance rights to employees of the Company, these were issued on 21 December 2023.

(a) General terms of the Performance Rights Issue

There is no consideration for the issue of the Rights.

One right entitles the holder to one share. The ratio of shares issued may be reduced if a satisfactory performance rating is not attained.

The holder is entitled to convert the rights to shares at the end of a 2-year vesting period. Any unvested rights and vested rights not exercised will expire after a 4-year period. If the employee ceases employment with the Company, all unvested performance rights will lapse except if the Company exercises its discretion.

The performance rights were issued for nil cash consideration. The amount payable upon exercise of each performance right is nil.

(b) Recognised share-based payment expense

The performance rights were issued on 21 December 2023. The share-based payment expense will be allocated over the balance of the vesting period commencing from 1 January 2024 and therefore for the year ended 31 December 2023 the amount of incentive awards plan charged to profit and loss was Nil. (31 December 2022: Nil).

(c) Summary of performance rights granted.

	Number 2023	Number 2021
Outstanding at 1 January	-	-
Issued during the year	3,761,066	-
Lapsed during the year	-	-
Outstanding at 31 December	3,761,066	-
Convertible at 31 December	-	-

(d) Weighted average remaining contractual life

The weighted average remaining contractual life for the performance rights outstanding as at 31 December 2023 is between 3 and 4 years. (31 December 2022: N/A).

(e) Weighted average fair value

Weighted average fair value of performance rights granted during the year was $0.068 per share (2022: $0).

(f) **Performance rights pricing model**

The fair value of the equity-settled performance rights granted under the incentive awards plan is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the rights were granted.

The following table lists the inputs to the model used for the year ended 31 December 2023:

	2023
Dividend yield (%)	0%
Expected volatility (%)	53.33%
Risk-free interest rate (%)	3.7%
Expected life of performance rights (years)	3.5 years

Non-Executive Directors Option Plan

The Shareholders of the Company approved the issue of 10,000,000 options to Non-Executive Directors of the Company at the Annual General Meeting of the Company on 27 May 2021. These options expired on 27 May 2023.

(a) General terms of Option Plan

There is no consideration paid for the issue of the Options.

There is no vesting period required for the exercise of the options to shares.

Unexercised options will lapse prior to the expiry date if a Directors ceases to be an officer or employee of the Company.

(b) Recognised share-based payment expense

The share-based payment expense for the year ended 31 December 2023 in relation the non-executive director option plan charged to profit and loss was Nil. (31 December 2022: Nil).

(c) Summary of options granted

	Number 2021	WAEP 2021	Number 2021	WAEP 2021
Outstanding at 1 January	8,000,000	0.32	10,000,000	0.32
Issued during the year	-	-	-	-
Lapsed during the year	(8,000,000)	0.32	(2,000,000)	0.32
Outstanding at 31 December	-	-	8,000,000	0.32
Exercisable at 31 December	-	-	8,000,000	0.32

(d) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 31 December 2023 is 0 as the options have expired. (31 December 2022: 0 and 1 year).

(e) Range of exercise price

The range of exercise price for options outstanding at the end of the year was $0 (2022: $0.32).

(f) Weighted average fair value

Weighted average fair value of options granted during the year was $0 (2022: $0).

(g) **Option pricing model**

The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the year ended 31 December 2021:

	2021
Dividend yield (%)	12.12%
Expected volatility (%)	50.33%
Risk-free interest rate (%)	0.015%
Expected life of options (years)	2 years
Option exercise price	$0.3200
Weighted average share price at grant date ($)	$0.1689

NOTE 21 RELATED PARTY AND RELATED ENTITY TRANSACTIONS

	31 Dec 2023 ($000)	**31 Dec 2022 ($000)**
Key Management Personnel Compensation		
Short-term employee benefits	2,862	2,233
Post-employment benefits	103	117
Equity-settled share-based payments	-	-
	2,965	2,350

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 20.

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 2023 ($000)	Year to 31 Dec 2022 ($000)
Revenue		
Concentrate Sales - Guangdong Orient Zirconic Ind Sci & Tech Co., Ltd	-	47,035
Expenses		
Spouse of Patrick Mutz – The Group 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	(4)	(3)
	(4)	47,032

Total amounts owing to directors and/or director-related parties and related entities at 31 December 2023 were Nil (31 December 2022: $Nil). All transactions were incurred on normal commercial terms and were arm's length transactions.

Orient Zirconic Resources (Australia) Pty Ltd was a related party due to its 5.2% interest in the shares of the Company and Director Chaodian Chen being a director of its owner Guangdong Orient Zirconic Ind Sci & Tech Co., Ltd (OZC). Chaodian Chen resigned as a Director of OZC on 13 January 2023.

NOTE 22 CONTINGENT LIABILITIES

Other than those matters disclosed in Notes 17 and 18, there are no contingent liabilities or commitments.

NOTE 23 FINANCIAL RISK MANAGEMENT

a) Financial Risk Management Policies

The Group'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.

Specific Financial Risk Exposure and Management

The main risks the Group 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 Group 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 Group in order to maintain the appropriate working capital position to ensure that the Group 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 Group'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 Group at 31 December 2023 and 31 December 2022 was as follows:

	31 Dec 2023 ($000)	31 Dec 2022 ($000)
Cash and cash equivalents	46,057	53,315
Restricted cash	140	140
Trade and other receivables	2,910	1,990
Inventory	2,077	27,950
Trade and other payables and provisions	(9,036)	(23,047)
Borrowings	(111)	(108)
Income Tax Payable	-	(8,622)
Working capital position	42,037	51,618

Credit Risk

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

The Group 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 Group has lodged cash deposits (designated as restricted cash above) totalling $139,645 (2021: $139,645) 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 2023 ($000)	31 Dec 2022 ($000)
AA- rated	31,312	53,594
A rated	14,885	-

Financial Instrument composition and maturity analysis

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

31 December 2023	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		-	46,180	-	46,180
Restricted cash		-	156	-	156
Trade and other receivables		-	-	2,771	2,771
Equity investments at fair value		-	-	21	21
Total Financial Assets	2.59%	-	46,336	2,792	49,128
Financial Liabilities:					
Trade and other payables		-	-	4,680	4,680
Borrowings		111	-	-	111
Total Financial Liabilities	8%	111	-	4,680	4,791
Net Financial Assets		(111)	46,336	(1,888)	44,337

31 December 2022	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		-	53,439	-	53,439
Restricted cash		-	155	-	155
Trade and other receivables		-	-	1,990	1,990
Derivatives		-	-	405	405
Equity investments at fair value		-	-	26	26
Total Financial Assets	0.13%	-	53,594	2,421	56,015
Financial Liabilities:					
Trade and other payables		-	-	22,173	22,173
Borrowings		198	-	-	198
Total Financial Liabilities	8%	198	-	22,173	22,371
Net Financial Assets		(198)	53,594	(19,752)	33,644

The table below summarises the maturity profile of the Group'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:

	Less than 3 months ($000)	3 to 12 Months ($000)	1 to 5 years ($000)	Total ($000)
31 December 2023				
Trade and other payables	4,225	455	-	4,680
Borrowings	45	48	18	111
	4,270	503	18	4,791
31 December 2022				
Trade and other payables	21,263	455	455	22,173
Borrowings	33	116	49	198
	21,296	571	504	22,371

IMAGE RESOURCES

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).

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
31 December 2023				
Financial Assets:				
Financial assets at fair value through profit or loss:				
Equity investments at fair value:				
- Listed investments	21	-	-	21
	21	-	-	21
31 December 2022				
Financial Assets:				
Financial assets at fair value through profit or loss:				
Equity investments at fair value:				
- Listed investments	26	-	-	26
Derivatives at fair value	-	404	-	404
	26	404	-	430

Sensitivity Analysis – Interest rate risk

The Group 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:

	Year to 31 Dec 2022 ($000)	Year to 31 Dec 2021 ($000)
Change in loss – increase/(decrease):		
- Increase in interest rate by 2%	(927)	(1,072)
- Decrease in interest rate by 2%	927	1,072
Change in equity – increase/(decrease):		
- Increase in interest rate by 2%	927	1,072
- Decrease in interest rate by 2%	(927)	(1,072)

NOTE 24 HEDGING	31 Dec 2022 ($000)	31 Dec 2021 ($000)
Current assets / (liabilities)		
Foreign exchange forwards	-	-
Foreign exchange options	-	405
	-	405

The Group is exposed to risk from movements in foreign exchange in relation to its forecast US dollar denominated sales and as part of the risk management strategy has entered into foreign exchange forward contracts and has purchased Australian dollar call options.

(a) Recognition

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of the reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged relationship designated.

(b) Fair value of derivatives

There were no derivative financial instruments held at 31 December 2023 (The derivative financial instruments held at 31 December 2022 comprised the above hedging instruments). The fair value of hedging instruments is determined using valuation techniques with inputs that are observable market data (a level 2 measurement). The valuation of the call options is determined using forward foreign exchange rates at the balance date. The only unobservable input used in the calculation is the credit default rate, movements in which would not have a material effect on the valuation.

(c) Hedge accounting

At the start of a hedge relationship, the Group formally designates and documents the hedge relationship, including the risk management strategy for undertaking the hedge. This includes identification of the hedging instrument; the hedged item or transaction and the nature of the risk being hedged. Hedge accounting is only applied where effective tests are met.

(d) Cash flow hedges

For cash flow hedges, the portion of the gain or loss on the hedging instrument that is effective is recognised directly in equity, while the ineffective portion is recognised in profit or loss. The ineffective portion was immaterial in the current and prior periods.

There were no foreign exchange call options at the reporting date in relation to expected USD revenue, predominantly from contracted sales to 31 December 2023. (The foreign exchange call option hedges held at 31 December 2022 covered US$16.8 million of expected USD revenue at an average strike price of 70.0 cents).

Amounts recognised in equity are transferred to the income statement when the hedging instruments matures.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated, or exercised without replacement or roll over, or if its designation as a hedge is revoked amounts previously recognised in equity remain in equity until the forecast transaction occurs.

NOTE 25 CONTROLLED ENTITIES

The consolidated financial statements incorporate the following subsidiaries:

Controlled Entities	Country of Incorporation	2022	2021
Image Resources NL (Parent Company)	**Australia**		
Craton Resources Pty Ltd	Australia	100%	100%
Titon Resources Pty Ltd	Australia	100%	100%
Titan-DR Resources Pty Ltd	Australia	100%	100%
Titan-SR Resources Pty Ltd	Australia	100%	100%

NOTE 26 OTHER ACCOUNTING POLICIES

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is accounted for differently as follows:

- Exploration and evaluation expenditure associated with exploration and evaluation activity including direct costs and an appropriate portion of related overhead 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.
- Exploration expenditure associated with the acquisition of tenement licences may be recognised as an exploration asset if it is considered that the expenditures incurred are expected to be recouped through successful development and exploitation of the area of interest. Additional exploration and evaluation expenditure incurred on these tenement licences acquired is also added to the value of the exploration asset.

Accounting for exploration and evaluation expenditure is assessed separately for each 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Once a development decision is made, all past exploration and expenditure in respect of an area of interest that has been capitalised is transferred to mine properties where it is amortised over the life of the area of interest to which it relates on a unit of production basis. No amortisation is charged during the exploration and evaluation phase.

The application of the above accounting policy requires to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available, which may require adjustments to the carrying value of assets. Capitalised exploration and evaluation expenditure is assessed for impairment when an indicator of impairment exists, and capitalised assets are written off where required.

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.

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 Group 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, its 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 Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group 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 Group'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 Group 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.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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 Group and have not been applied in preparing these financial statements. The Group does not plan to adopt these standards early.

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

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

Comparative Figures

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

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 2023 and performance for the year ended on that date of the Group;

2. this declaration has been made after receiving the declarations required to be made to the directors by the CEO and CFO in accordance with section 295A of the Corporations Act 2001 for the year ended 31 December 2023;

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 and

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
CHAIR

PERTH
Dated this 25 March 2024

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") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated 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 Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2023 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 Group 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 matters described below to be key audit matters to be communicated in our report.

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Provision for Rehabilitation
Refer to Note 13

Key Audit Matter	How our audit addressed the key audit matter
As at 31 December 2023, the Group has a liability of $48.9 million 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 use of assumptions 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. • Assessing the competence, scope and objectivity of the Group's external experts used in determination of the provisions estimate. • Testing the accuracy of historical restoration and rehabilitation provisions by comparing to actual expenditure. • Assessing the planned timing of environmental restoration and rehabilitation provision through comparison to mine plans and reserves. • Analysed inflation rate and discount assumptions in the provision calculation with current market data and economic forecasts. • Evaluating the completeness of the provisions estimate to the Group's analysis of each operating location to identify where disturbance requires rehabilitation or demobilisation and our understanding of the Group's operations.

Revenue Recognition
Refer to Note 3

Key Audit Matter	How our audit addressed the key audit matter
The Group has reported revenue of $119.1 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

Deferred Exploration and Evaluation Costs
Refer to Note 10

Key Audit Matter	How our audit addressed the key audit matter
At 31 December 2023, the Group has significant exploration and evaluation expenditure of $43.079 million which has been capitalised. As the carrying value of exploration and evaluation expenditures represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed its recoverable amount. The Group capitalises exploration and evaluation expenditure in line with AASB 6 *Exploration for and Evaluation of Mineral Resources*. The assessment of each asset's future viability requires significant judgement. There is a risk that amounts are capitalised which no longer meet the recognition criteria of AASB 6.	Our audit work included, but was not restricted to, the following: • We obtained evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditures by obtaining valid contracts giving the Group rights to explore, for a sample of capitalised exploration costs. • We enquired with management and reviewed budgets to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the Group's area of interest were planned. • We enquired with management, reviewed announcements made and reviewed minutes of directors' meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest; and • We enquired with management to ensure that the Group had not decided to proceed with development of a specific area of interest, yet the carrying amount of the exploration and evaluation asset was unlikely to be recovered in full from successful development or sale.

Impairment of PPE including Land and Mine Development Costs
Refer to Note 10

Key Audit Matter	How our audit addressed the key audit matter
As at 31 December 2023, the Group has property, plant and equipment including land and mine development costs amounting to $56.0 million. The Group has completed mining at its only producing Boonanarring mine and is actively developing Atlas mine. An impairment of $2.2 million has been charged to the income statement. The assessment of the recoverable amount requires significant judgment, in particular relating to estimated cash flow projections and discount rates. Due to the level of judgment, market environment and significance to the Group's financial statements, this is considered to be a key audit matter.	Our audit work included, but was not restricted to, the following: • Reviewed the management's impairment assessment in accordance with AASB 136 Impairment of Assets. • We held discussions with management, reviewed board minutes and ASX announcements to understand future and use of existing land, plant and associated infrastructure. • We reviewed an independent expert's report on residual value for Boonanarring wet concentrator plant and associate infrastructure. • Obtained third party valuation report for land which would not be in use in future and ensure proper adjustments have been made in the accounting record. • Ensured that mine development costs related to area over which Group has mining rights and estimated value in use is higher than carrying value. • Reviewed adequacy of the related disclosures 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 Group’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 Group 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 Group’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 Group’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 Group 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

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 24 of the directors’ report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Image Resources NL for the year ended 31 December 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company 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.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Sajjad Cheema
Director

25th March 2024
Perth