

IMX RESOURCES NL

A.B.N. 67 009 129 560

**NOTICE OF THE GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM**

DATE AND TIME OF MEETING

25 June 2008 at 2.00pm

PLACE OF MEETING

The King Room
Level 1, The Grace Hotel
77 York Street (Cnr York & King Streets)
SYDNEY, NSW

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IMX RESOURCES NL
ABN 67 009 129 560
(Company)

NOTICE OF ORDINARY MEETING OF SHAREHOLDERS
and accompanying proxy form

NOTICE IS HEREBY GIVEN that an ordinary meeting of shareholders of the Company will be held as specified below:

Time: 2:00 PM (AEST)

Date: 25 June 2008

Place: The King Room
Level 1, The Grace Hotel
77 York Street (Cnr York and King Streets)
Sydney, NSW

BUSINESS

Full details of the Resolutions are provided in the accompanying Explanatory Memorandum. Terms and abbreviations used in this Notice of Meeting are set out in the “Definitions” section of this Notice of Meeting.

RESOLUTION 1: RATIFICATION OF EXERCISE PRICE OF PLAN OPTIONS ISSUED TO MESSRS HUNT, JACOBS AND McBAIN ON 21 DECEMBER 2007

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

“That for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the exercise price of fifty cents (50c) each of:

- (a) *one million (1,000,000) Plan Options to Finmin Solutions Pty Ltd ACN 070 381 850 as trustee for the Jacobs Family Super Fund, an Associate of Johann Christiann Jooste-Jacobs;*
- (b) *three hundred thousand (300,000) Plan Options to Minerals and Metal Marketing Pty Ltd ACN 108 174 849, an Associate of Stephen Brian Hunt; and*
- (c) *one million and five hundred thousand (1,500,000) Plan Options to Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Super Fund A/C, an Associate of Duncan Robert McBain;*

issued on 21 December 2007 pursuant to resolutions 5.1, 5.2 and 5.3 of the shareholders of the Company at the annual general meeting held on 27 November 2007, be ratified, at the request of the ASX.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

1. Messrs Jooste-Jacobs, Hunt and McBain; and

2. any associate¹ of Messrs Jooste-Jacobs, Hunt and McBain.

However, the Company need not disregard a vote if:

3. it is cast by any of the abovementioned persons as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form: or
4. it is cast by any of the abovementioned persons chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 2: RATIFICATION OF EXERCISE PRICE OF PLAN OPTIONS TO BE ISSUED TO ELIGIBLE EMPLOYEES

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

“That for all purposes the exercise price of fifty three cents (53c) each in respect of six hundred and sixty thousand (660,000) Plan Options to be issued by the Company to Jacqueline Andrea Barry, Kathryn Marie Crisp, Kimberley Graeme France and Bianca Manzi as Eligible Employees, pursuant to a Board determination dated 13 November 2007, be ratified”.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

1. Jacqueline Andrea Barry, Kathryn Marie Crisp, Kimberley Graeme France and Bianca Manzi; and
2. any associate² of the abovementioned persons.

However, the Company need not disregard a vote if:

- (a) it is cast by any of the abovementioned persons as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by any of the abovementioned persons chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 3: ISSUE A FURTHER 1,000,000 PLAN OPTIONS TO MR McBAIN OR HIS ASSOCIATE

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

“That for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Company be and is hereby authorised to allot and issue one million (1,000,000) Plan Options to Duncan Robert McBain or to his nominated Associate within twelve (12) months of this resolution:

- (a) *for no consideration;*

¹ an “associate” within the meaning of sections 11, 13, 14, 15, 16 or 17 of the *Corporations Act*.

² an “associate” within the meaning of sections 11, 13, 14, 15, 16 or 17 of the *Corporations Act*.

- (b) *at an exercise price of fifty three cents (53c) in respect of each Plan Option; and*
 (c) *upon the terms and conditions set out in:*
 (i) *the Plan; and*
 (ii) *any written offer from the Board to issue the Plan Options.”*

Voting exclusion statement

The Company will disregard any votes cast on this resolution by:

1. Mr McBain; and
2. any associate of Mr McBain.

However, the Company need not disregard a vote if:

- (a) it is cast by any of the abovementioned persons as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by any of the abovementioned persons chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Listing Rules

Under Listing Rule 10.11, the Company cannot issue the Plan Options to Mr McBain or to his Associate without shareholder approval (because they are related parties of the Company). However, there are exceptions to this Listing Rule. The Company seeks to apply exception 4 at Listing Rule 10.12, namely:

1. that Mr McBain or his Associate are persons referred to in Listing Rule 10.14, being either a director of the Company (in Mr McBain’s circumstance) or an associate of a director of the Company (in the Associate’s circumstance); and
2. that Mr McBain or his Associate will, if the resolution is passed, receive the Plan Options under the employee incentive scheme (being the Plan) with approval under Listing Rule 10.14.

To obtain approval under Listing Rule 10.14, the Company must provide certain information to the shareholders as prescribed under Listing Rule 10.15 or 10.15A (at the Company’s option).

The Company provides the following information to shareholders as prescribed by Listing Rule 10.15A:

1. Mr McBain has nominated an Associate to be issued with the 1,000,000 Plan Options. That Associate is Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Super Fund A/C. Mr McBain is a trustee and a beneficiary of the Operandi Super Fund A/C.
2. Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Super Fund A/C may acquire a maximum number of 1,000,000 Plan Options pursuant to this Resolution.
3. The exercise price for each of the 1,000,000 Plan Options to be acquired under the Plan is 53 cents, based on the 5 day volume weighted average price (**WVAP**) on the ASX immediately prior to the Board Determination Date of 13 November 2007.

4. Persons who have received Plan Options consequent on the last approval are:

FinMin Solutions Pty Ltd ACN 070 381 850 as trustee for the Jacobs Family Super Fund, an Associate of Johann Christiaan Jooste-Jacobs. FinMin Solutions Pty Ltd ACN 070 381 850 as trustee for the Jacobs Family Super Fund was issued with 1,000,000 Plan Options for no consideration. Please refer to Resolution 1 of this Notice of Meeting, pursuant to which shareholder ratification has been sought.

Minerals and Metal Marketing Pty Ltd ACN 108 174 849, an Associate of Stephen Brian Hunt. Minerals and Metal Marketing Pty Ltd ACN 108 174 849 was issued with 300,000 Plan Options for no consideration. Please refer to Resolution 1 of this Notice of Meeting, pursuant to which shareholder ratification has been sought.

Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Super Fund A/C, an Associate of Duncan Robert McBain. Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Super Fund A/C was issued with 1,500,000 Plan Options for no consideration. Please refer to Resolution 1 of this Notice of Meeting, pursuant to which shareholder ratification has been sought.

5. Persons requiring approval under Listing Rule 10.14 who are entitled to participate in the Plan are:

Johann Christiaan Jooste-Jacobs
Duncan Robert McBain
Stephen Brian Hunt
Anthony James Haggarty
Cao Xiangkui

6. There are no loans in relation to the acquisition of these 1,000,000 Plan Options.
7. The Company will issue the 1,000,000 Plan Options to Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Super Fund A/C by 24 June 2009.

RESOLUTION 4: ISSUE A FURTHER 200,000 PLAN OPTIONS TO MR HUNT OR HIS ASSOCIATE

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

“That for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Company be and is hereby authorised to allot and issue two hundred thousand (200,000) Plan Options to Stephen Brian Hunt or to his nominated Associate within twelve (12) months of this resolution:

- (a) *for no consideration;*
 (b) *at an exercise price of fifty six cents (56c) in respect of each Plan Option; and*
 (c) *upon the terms and conditions set out in:*
 (i) *the Plan; and*
 (ii) *any written offer from the Board to issue the Plan Options.”*

Voting exclusion statement

The Company will disregard any votes cast on this resolution by:

1. Mr Hunt; and
2. any associate of Mr Hunt.

However, the Company need not disregard a vote if:

- (a) it is cast by any of the abovementioned persons as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by any of the abovementioned persons chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Listing Rules

Under Listing Rule 10.11, the Company cannot issue the Plan Options to Mr Hunt or to his Associate without shareholder approval (because they are related parties of the Company). However, there are exceptions to this Listing Rule. The Company seeks to apply exception 4 at Listing Rule 10.12, namely:

1. that Mr Hunt or his Associate are persons referred to in Listing Rule 10.14, being either a director of the Company (in Mr Hunt's circumstance) or an associate of a director of the Company (in the Associate's circumstance); and
2. that Mr Hunt or his Associate will, if the resolution is passed, receive the Plan Options under the employee incentive scheme (being the Plan) with approval under Listing Rule 10.14.

To obtain approval under Listing Rule 10.14, the Company must provide certain information to the shareholders as prescribed under Listing Rule 10.15 or 10.15A (at the Company's option).

The Company provides the following information to shareholders as prescribed by Listing Rule 10.15A:

1. Mr Hunt has nominated an Associate to be issued with the 200,000 Plan Options. That Associate is Minerals and Metals Marketing Pty Ltd ACN 108 174 849. Minerals and Metals Marketing Pty Ltd ACN 108 174 849 is controlled by Mr Hunt.
2. Minerals and Metals Marketing Pty Ltd ACN 108 174 849 may acquire a maximum number of 200,000 Plan Options pursuant to this Resolution.
3. The exercise price for each of the 200,000 Plan Options to be acquired under the Plan is 56 cents, based on the 5 day VWAP on the ASX immediately prior to the Board Determination Date of 3 March 2008.
4. Persons who have received Plan Options consequent on the last approval are :

FinMin Solutions Pty Ltd ACN 070 381 850 as trustee for the Jacobs Family Super Fund, an Associate of Johann Christiaan Jooste-Jacobs. FinMin Solutions Pty Ltd ACN 070 381 850 as trustee for the Jacobs Family Super Fund was issued with 1,000,000

Plan Options for no consideration. Please refer to Resolution 1 of this Notice of Meeting, pursuant to which shareholder ratification has been sought.

Minerals and Metal Marketing Pty Ltd ACN 108 174 849, an Associate of Stephen Brian Hunt. Minerals and Metal Marketing Pty Ltd ACN 108 174 849 was issued with 300,000 Plan Options for no consideration. Please refer to Resolution 1 of this Notice of Meeting, pursuant to which shareholder ratification has been sought.

Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Super Fund A/C, an Associate of Duncan Robert McBain. Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Super Fund A/C was issued with 1,500,000 Plan Options for no consideration. Please refer to Resolution 1 of this Notice of Meeting, pursuant to which shareholder ratification has been sought.

5. Persons requiring approval under Listing Rule 10.14 who are entitled to participate in the Plan are:

Johann Christiaan Jooste-Jacobs
Duncan Robert McBain
Stephen Brian Hunt
Anthony James Haggarty
Cao Xiangkui

6. There are no loans in relation to the acquisition of the 200,000 Plan Options.
7. The Company will issue the 200,000 Plan Options to Minerals and Metals Marketing Pty Ltd ACN 108 174 849 by 24 June 2009.

RESOLUTION 5: ISSUE 500,000 PLAN OPTIONS TO MR HAGGARTY OR HIS ASSOCIATE

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

“That for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Company be and is hereby authorised to allot and issue five hundred thousand (500,000) Plan Options to Anthony James Haggarty or to his nominated Associate within twelve (12) months of this resolution:

- (a) *for no consideration;*
- (b) *at an exercise price of fifty six cents (56c) in respect of each Plan Option; and*
- (c) *upon the terms and conditions set out in:*
 - (i) *the Plan; and*
 - (ii) *any written offer from the Board to issue the Plan Options.”*

Voting exclusion statement

The Company will disregard any votes cast on this resolution by:

1. Mr Haggarty; and
2. any associate of Mr Haggarty.

However, the Company need not disregard a vote if:

- (a) it is cast by any of the abovementioned persons as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by any of the abovementioned persons chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Listing Rules

Under Listing Rule 10.11, the Company cannot issue the Plan Options to Mr Haggarty or to his Associate without shareholder approval (because they are related parties of the Company). However, there are exceptions to this Listing Rule. The Company seeks to apply exception 4 at Listing Rule 10.12, namely:

1. that Mr Haggarty or his Associate are persons referred to in Listing Rule 10.14, being either a director of the Company (in Mr Haggarty's circumstance) or an associate of a director of the Company (in the Associate's circumstance); and
2. that Mr Haggarty or his Associate will, if the resolution is passed, receive the Plan Options under the employee incentive scheme (being the Plan) with approval under Listing Rule 10.14.

To obtain approval under Listing Rule 10.14, the Company must provide certain information to the shareholders as prescribed under Listing Rule 10.15 or 10.15A (at the Company's option).

The Company provides the following information to shareholders as prescribed by Listing Rule 10.15A:

1. Mr Haggarty has nominated an Associate to be issued with the 500,000 Plan Options. That Associate is HFTT Pty Ltd ACN 100 848 842 as trustee for the Haggarty Family Trust. Mr Haggarty is a trustee and a beneficiary of the Haggarty Family Trust.
2. HFTT Pty Ltd ACN 100 848 842 as trustee for the Haggarty Family Trust may acquire a maximum number of 500,000 Plan Options pursuant to this Resolution.
3. The exercise price for each of the 500,000 Plan Options to be acquired under the Plan is 56 cents based on the 5 day VWAP on the ASX immediately prior to the Board Determination Date of 3 March 2008.
4. Persons who have received Plan Options consequent on the last approval are :

FinMin Solutions Pty Ltd ACN 070 381 850 as trustee for the Jacobs Family Super Fund, an Associate of Johann Christiaan Jooste-Jacobs. FinMin Solutions Pty Ltd ACN 070 381 850 as trustee for the Jacobs Family Super Fund was issued with 1,000,000 Plan Options for no consideration. Please refer to Resolution 1 of this Notice of Meeting, pursuant to which shareholder ratification has been sought.

Minerals and Metal Marketing Pty Ltd ACN 108 174 849, an Associate of Stephen Brian Hunt. Minerals and Metal Marketing Pty Ltd ACN 108 174 849 was issued with 300,000 Plan Options for no consideration. Please refer to Resolution 1 of this Notice of Meeting, pursuant to which shareholder ratification has been sought.

Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Super Fund A/C, an Associate of Duncan Robert McBain. Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Super Fund A/C was issued with 1,500,000 Plan Options for no consideration. Please refer to Resolution 1 of this Notice of Meeting, pursuant to which shareholder ratification has been sought.

5. Persons requiring approval under Listing Rule 10.14 who are entitled to participate in the Plan are:

Johann Christiaan Jooste-Jacobs
Duncan Robert McBain
Stephen Brian Hunt
Anthony James Haggarty
Cao Xiangkui

6. There are no loans in relation to the acquisition of the 500,000 Plan Options.
7. The Company will issue the 500,000 Plan Options to HFFT Pty Ltd ACN 100 848 842 as trustee for the Haggarty Family Trust by 24 June 2009.

RESOLUTION 6: ISSUE 500,000 PLAN OPTIONS TO MR CAO OR HIS ASSOCIATE

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

“That for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Company be and is hereby authorised to allot and issue five hundred thousand (500,000) Plan Options to Cao Xiang Kui or to his nominated Associate within twelve (12) months of this resolution:

- (a) *for no consideration;*
(b) *at an exercise price of fifty six cents (56c) in respect of each Plan Option; and*
(c) *upon the terms and conditions set out in:*
(i) *the Plan; and*
(ii) *any written offer from the Board to issue the Plan Options.”*

Voting exclusion statement

The Company will disregard any votes cast on this resolution by:

1. Mr Cao; and
2. any associate of Mr Cao.

However, the Company need not disregard a vote if:

- (a) it is cast by any of the abovementioned persons as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by any of the abovementioned persons chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Listing Rules

Under Listing Rule 10.11, the Company cannot issue the Plan Options to Mr Cao or to his Associate without shareholder approval (because they are related parties of the Company). However, there are exceptions to this Listing Rule. The Company seeks to apply exception 4 at Listing Rule 10.12, namely:

1. that Mr Cao or his Associate are persons referred to in Listing Rule 10.14, being either a director of the Company (in Mr Cao's circumstance) or an associate of a director of the Company (in the Associate's circumstance); and
2. that Mr Cao or his Associate will, if the resolution is passed, receive the Plan Options under the employee incentive scheme (being the Plan) with approval under Listing Rule 10.14.

To obtain approval under Listing Rule 10.14, the Company must provide certain information to the shareholders as prescribed under Listing Rule 10.15 or 10.15A (at the Company's option).

The Company provides the following information to shareholders as prescribed by Listing Rule 10.15A:

1. Mr Cao will be issued with the 500,000 Plan Options in his personal capacity as he has not nominated an Associate.
2. Mr Cao may acquire a maximum number of 500,000 Plan Options pursuant to this resolution.
3. The exercise price for each of the 500,000 Plan Options to be acquired under the Plan is 56 cents, based on the 5 day VWAP on the ASX immediately prior to the Board Determination Date of 9 May 2008.
4. Persons who have received Plan Options consequent on the last approval are:

FinMin Solutions Pty Ltd ACN 070 381 850 as trustee for the Jacobs Family Super Fund, an Associate of Johann Christiaan Jooste-Jacobs. FinMin Solutions Pty Ltd ACN 070 381 850 as trustee for the Jacobs Family Super Fund was issued with 1,000,000 Plan Options for no consideration. Please refer to Resolution 1 of this Notice of Meeting, pursuant to which shareholder ratification has been sought.

Minerals and Metal Marketing Pty Ltd ACN 108 174 849, an Associate of Stephen Brian Hunt. Minerals and Metal Marketing Pty Ltd ACN 108 174 849 was issued with 300,000 Plan Options for no consideration. Please refer to Resolution 1 of this Notice of Meeting, pursuant to which shareholder ratification has been sought.

Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Super Fund A/C, an Associate of Duncan Robert McBain. Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Super Fund A/C was issued with 1,500,000 Plan Options for no consideration. Please refer to Resolution 1 of this Notice of Meeting, pursuant to which shareholder ratification has been sought.

5. Persons requiring approval under Listing Rule 10.14 who are entitled to participate in the Plan are:

Johann Christiaan Jooste-Jacobs
 Duncan Robert McBain
 Stephen Brian Hunt
 Anthony James Haggarty
 Cao Xiangkui

6. There are no loans in relation to the acquisition of these 500,000 Plan Options.
7. The Company will issue the 500,000 Plan Options to Mr Cao by 24 June 2009.

RESOLUTION 7: AMENDMENT OF THE PLAN

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

“That for all purposes, the Company amend the Plan in the manner summarised in paragraph 2.5 of the Explanatory Memorandum accompanying this Notice of Meeting and as set out in the Amended Plan.”

Any Plan Options issued pursuant to the Amended Plan are to be treated as an exception to Listing Rule 7.1, pursuant to Exception 9 of Listing Rule 7.2.

Voting exclusion statement

The Company will disregard any votes cast on this resolution by:

1. any director; and
2. any associate³ of a director.

However, the Company need not disregard a vote if:

- (a) it is cast by any of the abovementioned entity or persons as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by any of the abovementioned entity or persons chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 8: APPROVAL OF 16,394,000 SHARES ISSUED TO TONGHUA ON 15 FEBRUARY 2008

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

“That for the purposes of Listing Rules 7.1 and 7.4 and all other purposes, the Company approves and ratifies the allotment and issue of sixteen million, three hundred and ninety four thousand (16, 394,000) fully paid ordinary shares in the capital of the Company at an issue price of eighty five cents (85 cents) each to Tonghua on 15 February 2008.”

³ an “associate” within the meaning of sections 11, 13, 14, 15, 16 and 17 of the *Corporations Act*.

Voting exclusion statement

The Company will disregard any votes cast on this resolution by:

3. Tonghua; and
4. any associate⁴ of Tonghua.

However, the Company need not disregard a vote if:

- (a) it is cast by any of the abovementioned entity or persons as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by any of the abovementioned entity or persons chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 8 proposes the ratification and approval of the allotment and issue of Shares for the purposes of satisfying the requirements of Listing Rule 7.4.

The information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5.

In compliance with the requirements of Listing Rule 7.5, shareholders are advised of the following particulars:

1. *The number of Shares allotted and issued:* 16,394,000.
2. *The price at which the Shares were allotted and issued:* 85 cents each.
3. *The terms of the Shares:* the Shares rank equally in all respects with the existing ordinary Shares on issue.
4. *The Shares were allotted and issued to:* Jilin Tonghua Iron and Steel (Group) Mining Co Ltd.
5. *The use (or intended use) of the funds raised:* to provide working capital for the development of the Company's Cairn Hill project.

Definitions

In this Notice of Meeting:

Amended Plan means the Plan as proposed to be amended, which amendments are summarised at paragraph 2.5 of the Explanatory Memorandum;

ASIC means the Australian Securities and Investments Commission;

Associate means any of the following:

⁴ an "associate" within the meaning of sections 11, 13, 14, 15, 16 and 17 of the *Corporations Act*.

- (a) a company which is controlled by an Eligible Employee or his or her spouse or a child of the Eligible Employee;
- (b) the trustee of a trust the beneficiaries of which trust include an Eligible Employee or his or her spouse or a child of the Eligible Employee;
- (c) a relative of the Eligible Employee;

as defined in clause 1.1.1 of the Plan;

ASX means the ASX Limited ACN 008 624 691;

Board means the board of directors of the Company from time to time, as defined in clause 1.1.2 of the Plan;

Board Determination Date means the date on which the Board resolves to offer to issue Plan Options to an Eligible Employee (subject to and conditional upon any necessary approval(s) of holders of Shares in the Company);

Company means IMX Resources NL ABN 67 009 129 560;

Corporations Act means the *Corporations Act 2001 (Cth)*;

Eligible Employee means:

- (a) any employee of the Company or of a Subsidiary of the Company (including any director or officer who is employed in an executive capacity);
- (b) any non-executive director of the Company;
- (c) any consultant of the Company nominated by the Board as eligible to participate in the Plan; or
- (d) any personal representative of the foregoing;

as defined in clause 1.1.3 of the Plan;

Exercise Price in relation to a Plan Option means the price at which a Plan Option is to be exercised which price is to be determined by the Board pursuant to Clause 5 of the Plan, as defined in clause 1.1.4 of the Plan;

Explanatory Memorandum means the explanatory memorandum accompanying this Notice of Meeting;

Listing Rule or **Listing Rules** means the listing rules of the ASX;

Option means an option issued by the Company to enable the holder of that option to acquire a Share at the Exercise Price during the Option Period and upon the terms and conditions the subject of the Option, as defined in clause 1.1.8 of the Plan;

Option Period means the period during which a Plan Option may be exercised, as defined in clause 1.1.9 of the Plan;

Plan means the “*Goldstream Share and Option Incentive Plan*” which was adopted by an ordinary resolution of shareholders on 27 November 2007;

Plan Option means an Option issued to an Eligible Employee pursuant to the Plan, as defined in clause 1.1.7 of the Plan;

Resolution or **Resolutions** means a resolution to be passed at the ordinary meeting of shareholders and contained in this Notice of Meeting;

Share means an ordinary share in the capital of the Company, as defined in clause 1.1.10 of the Plan;

Subsidiary has the meaning provided in the Corporations Act 2001 as amended, as defined in clause 1.1.11 of the Plan;

Tonghua means Jilin Tonghua Iron & Steel (Group) Mining Co Ltd.

IMX Resources NL ABN 67 009 129 560 (Company)

**Explanatory Memorandum to shareholders
to accompany the Notice of Meeting**

A. Introduction

This Explanatory Memorandum has been prepared for the information of shareholders of the Company, in connection with the general Meeting to be held on **25 June 2008** at **2.00 pm** (AEST) at **The King Room, Level 1, The Grace Hotel, 77 York Street (Cnr York and King Streets), Sydney NSW (Meeting)**.

Terms not otherwise defined in this Explanatory Memorandum have the same meaning as set out in the “*Goldstream Share and Option Incentive Plan*” (**Plan**), which was adopted by an ordinary resolution of shareholders on 27 November 2007. A full copy of the Plan is available for inspection at the Company’s office at Level 2, Spectrum Building, 100 Railway Road, Subiaco WA 6008. Alternatively, a copy of the Plan can be posted to a member upon written request to the Company Secretary.

Broadly, the purpose of the Meeting is to:

1. seek the shareholders’ ratification of the exercise price, as a result of confusion in interpretation of the valuation method of:
 - 1.1 the Plan Options which were issued to Associates of Messrs Stephen Brian Hunt, Johann Christiaan Jooste-Jacobs and Duncan Robert McBain on 21 December 2007, pursuant to the ordinary resolutions of shareholders on 27 November 2007; and
 - 1.2 the Plan Options to be issued to Eligible Employees, pursuant to a Board determination dated 13 November 2007;
2. seek the approval of shareholders to:
 - 2.1 issue a further 1,000,000 Plan Options to Mr McBain or his Associate, pursuant to a Board determination dated 13 November 2007;
 - 2.2 issue a further 200,000 Plan Options to Mr Hunt or his Associate, pursuant to a Board determination dated 3 March 2008;
 - 2.3 issue 500,000 Plan Options to Mr Anthony James Haggarty or his Associate, pursuant to a Board determination dated 3 March 2008;
 - 2.4 issue 500,000 Plan Options to Mr Cao Xiang Kui, pursuant to a Board determination dated 12 March 2008; and

- 2.5 amend the Plan, in the manner summarised at paragraph B 2.5 of this Explanatory Memorandum.
3. seek the shareholders' approval, for the purposes of and pursuant to Australian Securities Exchange (**ASX**) Listing Rule 7.4, of the issue of 16,394,000 ordinary shares in the Company to Jilin Tonghua Iron & Steel (Group) Mining Co Ltd (**Tonghua**) on 15 February 2008 at an issue price of 85 cents each.

Further information in respect of each proposed resolution is set out below.

B. Further information

1.1 PROPOSED RESOLUTION 1: ratification of exercise price of Plan Options issued to Messrs Hunt, Jacobs and McBain on 21 December 2007

At the Company's annual general meeting on 27 November 2007 (**AGM**), shareholders resolved to adopt the Plan. It was proposed at resolutions 5.1 to 5.3 of the AGM that upon adoption of the Plan, the following Plan Options be issued within one (1) month:

- (a) 1,000,000 to Johann Jooste-Jacobs or his Associate;
- (b) 300,000 to Stephen Hunt or his Associate; and
- (c) 1,500,000 to Duncan McBain or his Associate;

To enable consideration of the resolutions, shareholders were advised⁵ that the exercise price of the abovementioned Plan Options would be:

- (a) *"...the 5 day Volume Weighted Average Price prior to grant"; and*
- (b) *"...not less than the five (5) day volume weighted average price of the sale of the Company's ordinary Shares on the ASX immediately prior to the date the relevant Plan Option is granted by the Company to the Eligible Employee".*

This method of calculating the exercise price is consistent with clause 5.1 of the Plan.

The Board has interpreted the words "*grant*" and "*granted*" to mean the date of the Board's determination to issue the Plan Options (subject to shareholder approval). That interpretation is consistent with:

- (a) the use of the terms "*allot*", "*grant*" and "*issue*" in the Plan, intended to distinguish between the act of acceding or deciding to issue Plan Options (subject to shareholder approval) and actually issuing the Plan Options to Eligible Employees or their Associates; and
- (b) the Board's obligation to facilitate an informed decision by itself and shareholders on whether Plan Options should be issued to an Eligible Employee in any particular case. Calculating the exercise price of the

⁵ in Item 4 of the explanatory memorandum to the Notice of Meeting dated 29 October 2007 for the AGM

Plan Options by reference to the date of the Board's determination facilitated:

- (i) the Board's appreciation of the financial consequences to the Company of the proposed issue of Plan Options; and
- (ii) the shareholders' understanding of the material terms and conditions attaching to the Plan Options.

The Board has explained its interpretation of the words "grant" and "granted" to the ASX. The ASX has accepted the Board's interpretation and accompanying explanation.

Accordingly, the abovementioned Plan Options were issued to Associates of Messrs Hunt, Jooste-Jacobs and McBain on 21 December 2007 with an exercise price of 50 cents each.

The exercise price is the 5 trading day volume weighted average price (**VWAP**) of the sale of the Company's ordinary shares on the ASX immediately before the Board's determination on 22 October 2007, determined as follows:

Trading date	Volume	Value (\$)
Monday 15 October 2007	119,750	59,540.34
Tuesday 16 October 2007	126,132	63,076.00
Wednesday 17 October 2007	76,050	38,034.05
Thursday 18 October 2007	171,718	85,867.11
Friday 19 October 2007	254,439	128,846.30
Total:	748,089	375,363.80
VWAP (total value ÷ total volume)	\$0.50	

Given that the word "grant" is capable of being interpreted as the date that Plan Options are actually issued, the Company seeks the shareholders' ratification of the issue of the Plan Options at the exercise price of 50 cents each, consistent with the Board's interpretation as set out above.

1.2 PROPOSED RESOLUTION 2: ratification of the exercise price of the Plan Options proposed for issue to Eligible Employees

On 13 November 2007, the Board determined to issue 660,000 Plan Options to Eligible Employees or their Associates.

Applying the method of calculation set out in paragraph B 1.1 above, the exercise price of the Plan Options is 53 cents each, being the 5 day VWAP immediately before the Board's determination on 13 November 2007, calculated as follows:

Trading date	Volume	Value (\$)
Tuesday 6 November 2007	179,827	95,797.09
Wednesday 7 November 2007	164,372	89,871.07
Thursday 8 November 2007	235,928	125,157.50
Friday 9 November 2007	103,000	54,665.00
Monday 12 November 2007	684,448	359,667.00
Total:	1,367,575	725,157.66

VWAP (total value ÷ total volume)	\$0.53
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Again, given the possibility of an alternative interpretation of the word “grant” as discussed at paragraph B 1.1 above, the Company seeks the shareholders’ ratification of the proposed exercise price of 53 cents each for the Plan Options.

2.1 PROPOSED RESOLUTION 3: issue a further 1,000,000 Plan Options to Mr McBain or his Associate

On 13 November 2007, the Board determined to issue a further 1,000,000 Plan Options to Mr McBain or his Associate, subject to the approval of shareholders.

For clarity, the Company has not purported to issue or agreed to issue these Plan Options to Mr McBain or his Associate ahead of shareholders’ approval.

It is proposed that:

- (a) there be no consideration payable by Mr McBain or his Associate for the issuing of the Plan Options.
- (b) the exercise price of the Plan Options be 53 cents each, being the 5 day VWAP immediately before the Board’s determination on 13 November 2007; and
- (c) the Plan Options be issued to Mr McBain or his Associate within twelve (12) months of shareholders passing this resolution.

Corporations Act 2001 (Cth) (Corporations Act)

Pursuant to section 208 of the Corporations Act, the Company must obtain the approval of the shareholders to provide a financial benefit to a related party of the Company. The financial benefit must be given within 15 months of any approval given by the shareholders.

Approval of the shareholders is being sought pursuant to section 208 of the Corporations Act to issue the Plan Options to Mr McBain or his Associate in accordance with proposed resolution 3 because:

- (a) issuing options in the Company (including the Plan Options) to a related party is a “*financial benefit*” within the meaning of section 229(3) of the Corporations Act; and
- (b) Mr McBain or his Associate are “*related parties*” of the Company within the meaning of section 228 of the Corporations Act.

Pursuant to section 219 of the Corporations Act, the following information is provided to shareholders:

2.1.1 the related parties to whom the proposed resolution would permit financial benefits to be given

Name	Related party status	Act reference
Duncan Robert McBain	director of the Company	Section 228(2)(a) of the Corporations Act
OR		
Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Superannuation Fund, an Associate of Duncan Robert McBain	Operandi Pty Ltd ACN 087 612 253 as trustee for the Operandi Superannuation Fund is an entity controlled by Duncan Robert McBain and he is a trustee and beneficiary of the Operandi Superannuation Fund	Section 228(4) of the Corporations Act

2.1.2 the nature of the financial benefits

the issuing of 1,000,000 Plan Options to Duncan Robert McBain or his Associate.

2.1.3 in relation to each director of the Company:

(a) *Duncan Robert McBain, Managing Director of the Company*

Mr McBain does not wish to make a recommendation about the proposed resolution because he has a material personal interest in the outcome of the resolution, as it is proposed that he or his Associate will be issued with Plan Options.

(b) *Each of Johann Christiaan Jooste-Jacobs, Stephen Brian Hunt, Anthony James Haggarty and Cao Xiangkui, being the remaining directors of the Company, wish to recommend the proposed resolution to shareholders for the following reasons:*

The Company is currently an exploration company reliant on shareholder funds. To conserve funds, while still attracting high calibre directors, the Plan Options are issued to directors to supplement a lower cash component paid in director fees. The Plan Options are priced at the 5 day VWAP prior to the Board resolving to issue the Plan Options (subject to and conditional upon shareholder approval) to reflect the future performance of the Company.

2.1.4 in relation to each such director:

(a) *Duncan Robert McBain, Managing Director of the Company*

Mr McBain has a material personal interest in the outcome of the resolution, as it is proposed that he or his Associate will be issued with the Plan Options the subject of the resolution.

(b) *Each of Johann Christiaan Jooste-Jacobs, Stephen Brian Hunt, Anthony James Haggarty and Cao Xiangkui, being the remaining directors of the Company, have no interest in the outcome of the proposed resolution.*

2.1.5 Other information that is reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass the proposed resolution that is known to the Company or any of its Directors:

(a) *The market price of the Shares during the term of the Plan Options will normally determine whether or not the Plan Options holder exercises the Plan Options. At the time that any Plan Options are exercised and Shares issued pursuant to the exercise of the Plan Options, Shares may be trading on the ASX at a price which is higher than the exercise price of the Options.*

(b) *The Company has valued the Plan Options using the Black-Scholes Option Pricing Model which is acceptable for the purposes of a notice of meeting. The assessment of the value of the Plan Options has been prepared based on the following assumptions:*

- the Share price is 53.5 cents each, as at 9 May 2008;
- the risk free rate of return is 7%p.a. (an estimation based on the Reserve Bank 3 to 5 year Treasury bond indicator as at 16 April 2008);
- the volatility of the Share price has been set at 60% (an estimation based on the volatility of the industry in which the Company operates, its financial position and the volatility of listed shares of other companies comparable to the Company);
- the exercise price of the Plan Options is 53 cents each; and
- the Plan Options will have an expiry date of five years from the date of issue.

Based on the above assumptions, the Black-Scholes Option Pricing Model attributes a theoretical value of 31 cents to each Plan Option, and the estimated value of the Plan Options to be issued to Mr McBain, or to his Associate, is \$219,608.

- (c) *Under the Australian equivalent of IFRS, the Company is required to expense the value of the Plan Options in its income statement over the vesting periods. Other than as disclosed in this Explanatory Memorandum, the directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Plan Options pursuant to the proposed resolution.*

ASX Listing Rules (Listing Rules)

Pursuant to Listing Rule 10.14, the Company cannot permit Mr McBain or his Associate to acquire the Plan Options under the Plan without the approval of holders of ordinary securities of the Company. The Notice of Meeting accompanying this Explanatory Memorandum sets out the information to be disclosed to shareholders in obtaining their approval.

2.2 PROPOSED RESOLUTION 4: issue a further 200,000 Plan Options to Mr Hunt or his Associate

On 3 March 2008, the Board determined to issue a further 200,000 Plan Options to Mr Hunt or his Associate, subject to the approval of shareholders.

For clarity, the Company has not purported to issue or agreed to issue these Plan Options to Mr Hunt or his Associate ahead of shareholders' approval.

It is proposed that:

- (a) there be no consideration payable by Mr Hunt or his Associate for the issuing of the Plan Options.
- (b) the exercise price of the Plan Options be 56 cents each, being the 5 day VWAP immediately before the Board's determination on 3 March 2008; and
- (c) the Plan Options be issued to Mr Hunt or his Associate within twelve (12) months of shareholders passing this resolution.

Corporations Act 2001

Pursuant to section 208 of the Corporations Act, the Company must obtain the approval of the shareholders to provide a financial benefit to a related party of the Company. The financial benefit must be given within 15 months of any approval given by the shareholders.

Approval of the shareholders is being sought pursuant to section 208 of the Corporations Act to issue the Plan Options to Mr Hunt or his Associate in accordance with proposed resolution 4 because:

- (a) issuing options in the Company (including the Plan Options) to a related party is a "financial benefit" within the meaning of section 229(3) of the Corporations Act; and

- (b) Mr Hunt or his Associate are “*related parties*” of the Company within the meaning of section 228 of the Corporations Act.

Pursuant to section 219 of the Corporations Act, the following information is provided to shareholders:

2.2.1 the related parties to whom the proposed resolution would permit financial benefits to be given

Name	Related party status	Act reference
Stephen Brian Hunt	director of the Company	Section 228(2)(a) of the Corporations Act
OR		
Minerals and Metal Marketing Pty Ltd ACN 108 174 849, an Associate of Stephen Brian Hunt	Mineral and Metals Marketing Pty Ltd ACN 108 174 849 is an entity controlled by Stephen Brian Hunt	Section 228(4) of the Corporations Act

2.2.2 the nature of the financial benefits

the issuing of 200,000 Plan Options to Stephen Brian Hunt or his Associate.

2.2.3 in relation to each director of the Company:

- (a) *Stephen Brian Hunt, Non-Executive Director of the Company*

Mr Hunt does not wish to make a recommendation about the proposed resolution because he has a material personal interest in the outcome of the resolution, as it is proposed that he or his Associate will be issued with Plan Options.

- (b) *Each of Johann Christiaan Jooste-Jacobs, Duncan Robert McBain, Anthony James Haggarty and Cao Xiangkui, being the remaining directors of the Company, wish to recommend the proposed resolution to shareholders for the following reasons:*

The Company is currently an exploration company reliant on shareholder funds. To conserve funds, while still attracting high calibre directors, the Plan Options are issued to directors to supplement a lower cash component paid in director fees. The Plans Options are priced at the 5 day VWAP prior to the Board resolving to issue the Plan Options (subject to shareholder approval) to reflect the future performance of the Company.

2.2.4 in relation to each such director:

- (a) *Stephen Brian Hunt, Non-Executive Director of the Company*

Mr Hunt has a material personal interest in the outcome of the resolution, as it is proposed that he or his Associate will be issued with the Plan Options the subject of the resolution.

- (b) *Each of Johann Christiaan Jooste-Jacobs, Duncan Robert McBain, Anthony James Haggarty and Cao Xiangkui, being the remaining directors of the Company, have no interest in the outcome of the proposed resolution.*

2.2.5 Other information that is reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass the proposed resolution that is known to the Company or any of its Directors:

- (a) *The market price of the Shares during the term of the Plan Options will normally determine whether or not the Plan Option holder exercises the Plan Option. At the time that any Plan Options are exercised and Shares are issued pursuant to the exercise of the Plan Options, Shares may be trading on the ASX at a price which is higher than the exercise price of the Plan Options.*

- (b) *The Company has valued the Plan Options using the Black-Scholes Option Pricing Model which is acceptable for the purposes of a notice of meeting. The assessment of the value of the Plan Options has been prepared based on the following assumptions:*

- the Share price is 53.5 cents each as at 9 May 2008;
- the risk free rate of return is 7%p.a. (an estimation based on the Reserve Bank 3 to 5 year Treasury bond indicator as at 16 April 2008);
- the volatility of the Share price has been set at 60% (an estimation based on the volatility of the industry in which the Company operates, its financial position and the volatility of listed shares of other companies comparable to the Company);
- the exercise price of the Plan Options is 56 cents; and
- the Plan Options will have an expiry date of five years from the date of issue.

Based on the above assumptions, the Black-Scholes Option Pricing Model attributes a theoretical value of 31 cents to each Plan Option, and the estimated value of the Plan Options to be issued to Mr Hunt, or to his Associate, is \$42,928.

- (c) *Under the Australian equivalent of IFRS, the Company is required to expense the value of the Plan Options in its income statement over the vesting periods. Other than as disclosed in this Explanatory Memorandum, the directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Plan Options pursuant to the proposed resolution.*

Listing Rules

Pursuant to Listing Rule 10.14, the Company cannot permit Mr Hunt or his Associate to acquire the Plan Options under the Plan without the approval of holders of ordinary securities of the Company. The Notice of Meeting accompanying this Explanatory Memorandum sets out the information to be disclosed to shareholders in obtaining their approval.

2.3 PROPOSED RESOLUTION 5: issue 500,000 Plan Options to Mr Haggarty or his Associate

On 3 March 2008, the Board determined to issue 500,000 Plan Options to Mr Haggarty or his Associate, subject to the approval of shareholders.

For clarity, the Company has not purported to issue or agreed to issue these Plan Options to Mr Haggarty or his Associate ahead of shareholders' approval.

It is proposed that:

- (a) there be no consideration payable by Mr Haggarty or his Associate for the issuing of the Plan Options.
- (b) the exercise price of the Plan Options be 56 cents each, being the 5 day VWAP immediately before the Board's determination on 3 March 2008; and
- (c) the Plan Options be issued to Mr Haggarty or his Associate within 12 months of shareholders passing this resolution.

Corporations Act 2001

Pursuant to section 208 of the Corporations Act, the Company must obtain the approval of the shareholders to provide a financial benefit to a related party of the Company. The financial benefit must be given within 15 months of any approval given by the shareholders.

Approval of the shareholders is being sought pursuant to section 208 of the Corporations Act to issue the Plan Options to Mr Haggarty or his Associate in accordance with proposed resolution 5 because:

- (a) issuing options in the Company (including the Plan Options) to a related party is a “*financial benefit*” within the meaning of section 229(3) of the Corporations Act; and
- (b) Mr Haggarty or his Associate are “*related parties*” of the Company within the meaning of section 228 of the Corporations Act.

Pursuant to section 219 of the Corporations Act, the following information is provided to shareholders:

2.3.1 the related parties to whom the proposed resolution would permit financial benefits to be given

Name	Related party status	Act reference
Anthony James Haggarty	director of the Company	Section 228(2)(a) of the Corporations Act
OR		
HFTT Pty Ltd ACN 100 848 842 as trustee for the Haggarty Family Trust, an Associate of Anthony James Haggarty.	HFTT Pty Ltd ACN 100 848 842 as trustee for the Haggarty Family Trust is an entity controlled by Anthony James Haggarty and he is a trustee and beneficiary of the Haggarty Family Trust	Section 228(4) of the Corporations Act

2.3.2 the nature of the financial benefits

the issuing of 500,000 Plan Options to Anthony James Haggarty or his Associate.

2.3.3 in relation to each director of the Company:

- (a) *Anthony James Haggarty, Non-Executive Director of the Company*

Mr Haggarty does not wish to make a recommendation about the proposed resolution because he has a material personal interest in the outcome of the resolution, as it is proposed that he or his Associate will be issued with Plan Options.

- (b) *Each of Johann Christiaan Jooste-Jacobs, Duncan Robert McBain, Stephen Brian Hunt and Cao Xiangkui, being the remaining directors of the Company, wish to recommend the proposed resolution to shareholders for the following reasons:*

The Company is currently an exploration company reliant on shareholder funds. To conserve funds, while still attracting high calibre directors, the Plan Options are issued to directors to supplement a lower cash component paid in director fees. The Plan Options are priced at the 5 day VWAP prior to the Board resolving to issue the options (subject to shareholder approval) to reflect the future performance of the Company.

2.3.4 in relation to each such director:

- (a) *Anthony James Haggarty, Non-Executive Director of the Company*

Mr Haggarty has a material personal interest in the outcome of the resolution, as it is proposed that he or his Associate will be issued with the Plan Options the subject of the resolution.

- (b) *Each of Johann Christiaan Jooste-Jacobs, Duncan Robert McBain, Stephen Brian Hunt and Cao Xiangkui, being the remaining directors of the Company, have no interest in the outcome of the proposed resolution.*

2.3.5 Other information that is reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass the proposed resolution that is known to the Company or any of its Directors:

- (a) *The market price of the Shares during the term of the Plan Options will normally determine whether or not the Plan Options holder exercises the Plan Option. At the time any Plan Options are exercised and Shares issued pursuant to the exercise of the Plan Options, Shares may be trading on the ASX at a price which is higher than the exercise price of the Plan Options.*

- (b) *The Company has valued the Plan Options using the Black-Scholes Option Pricing Model which is acceptable for the purposes of a notice of meeting. The assessment of the value of the Plan Options has been prepared based on the following assumptions:*

- the Share price is 53.5 cents each as at 9 May 2008;
- the risk free rate of return is 7%p.a. (an estimation based on the Reserve Bank 3 to 5 year Treasury bond indicator as at 16 April 2008);
- the volatility of the Share price has been set at 60% (an estimation based on the volatility of the industry in which the Company operates, its financial position and the volatility of listed shares of other companies comparable to the Company);
- the exercise price of the Plan Options is 56 cents; and
- the Plan Options will have an expiry date of five years from the date of issue.

Based on the above assumptions, the Black-Scholes Option Pricing Model attributes a theoretical value of 31 cents to each Plan Option, and the estimated value of the Plan Options to be issued to Mr Haggarty, or to his Associate, is \$107,319.

- (c) *Under the Australian equivalent of IFRS, the Company is required to expense the value of the Plan Options in its income statement over the vesting periods. Other than as disclosed in this Explanatory Memorandum, the directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options pursuant to the proposed resolution.*

Listing Rules

Pursuant to Listing Rule 10.14, the Company cannot permit Mr Haggarty or his Associate to acquire the Plan Options under the Plan without the approval of holders of ordinary securities of the Company. The Notice of Meeting accompanying this Explanatory Memorandum sets out the information to be disclosed to shareholders in obtaining their approval.

2.4 PROPOSED RESOLUTION 6: issue 500,000 Plan Options to Mr Cao or his Associate

On 12 March 2008, the Board determined to issue 500,000 Plan Options to Mr Cao or his Associate, subject to the approval of shareholders.

For clarity, the Company has not purported to issue or agreed to issue these Plan Options to Mr Cao or his Associate ahead of shareholders' approval.

It is proposed that:

- (a) there be no consideration payable by Mr Cao or his Associate for the issuing of the Plan Options.
- (b) the exercise price of the Plan Options be 56 cents each, being the 5 day VWAP immediately before the Board's determination on 12 March 2008; and
- (c) the Plan Options be issued to Mr Cao or his Associate within twelve (12) months of shareholders passing this resolution.

Corporations Act

Pursuant to section 208 of the Corporations Act, the Company must obtain the approval of the shareholders to provide a financial benefit to a related party of the Company. The financial benefit must be given within 15 months of any approval given by the shareholders.

Approval of the shareholders is being sought pursuant to section 208 of the Corporations Act to issue the Plan Options to Mr Cao or his Associate in accordance with proposed resolution 6 because:

- (a) issuing options in the Company (including the Plan Options) to a related party is a “*financial benefit*” within the meaning of section 229(3) of the Corporations Act; and
- (b) Mr Cao or his Associate are “*related parties*” of the Company within the meaning of section 228 of the Corporations Act.

Pursuant to section 219 of the Corporations Act, the following information is provided to shareholders:

2.4.1 the related parties to whom the proposed resolution would permit financial benefits to be given

Name	Related party status	Act reference
Cao Xiangkui	director of the Company	Section 228(2)(a) of the Corporations Act
OR		
Associate of Cao Xiangkui	entity controlled by a related party	Section 228(4) of the Corporations Act

2.4.2 the nature of the financial benefits

the issuing of 500,000 Plan Options to Cao Xiang Kui or his Associate.

2.4.3 in relation to each director of the Company:

(a) Cao Xiangkui, Non-Executive Director of the Company

Mr Cao does not wish to make a recommendation about the proposed resolution because he has a material personal interest in the outcome of the resolution, as it is proposed that he or his Associate will be issued with Plan Options.

- (b) Each of Johann Christiaan Jooste-Jacobs, Duncan Robert McBain, Stephen Brian Hunt and Anthony James Haggarty, being the remaining directors of the Company, wish to recommend the proposed resolution to shareholders as follows:*

The Company is currently an exploration company reliant on shareholder funds. To conserve funds, while still attracting high calibre directors, the Plan Options are issued to directors to supplement a lower cash component paid in director fees. The Plan Options are priced at the 5 day VWAP prior to the Board resolving to issue the Plan Options (subject to shareholder approval) to reflect the future performance of the Company.

2.4.4 in relation to each such director:*(a) Cao Xiangkui, Non-Executive Director of the Company*

Mr Cao has a material personal interest in the outcome of the resolution, as it is proposed that he or his Associate will be issued with the Plan Options the subject of the resolution.

*(b) Each of Johann Christiaan Jooste-Jacobs, Duncan Robert McBain, Stephen Brian Hunt and Anthony James Haggarty, being the remaining directors of the Company, have no interest in the outcome of the proposed resolution.***2.4.5 Other information that is reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass the proposed resolution that is known to the Company or any of its Directors:**

(a) The market price of the Shares during the term of the Plan Options will normally determine whether or not the Plan Options holder exercises the Plan Option. At the time any Plan Options are exercised and Shares issued pursuant to the exercise of the Plan Options, Shares may be trading on the ASX at a price which is higher than the exercise price of the Plan Options.

(b) The Company has valued the Plan Options using the Black-Scholes Option Pricing Model which is acceptable for the purposes of a notice of meeting. The assessment of the value of the Plan Options has been prepared based on the following assumptions:

- the Share price is 53.5 cents each as at 9 May 2008;
- the risk free rate of return is 7%p.a. (an estimation based on the Reserve Bank 3 to 5 year Treasury bond indicator as at 16 April 2008);
- the volatility of the Share price has been set at 60% (an estimation based on the volatility of the industry in which the Company operates, its financial position and the volatility of listed shares of other companies comparable to the Company);
- the exercise price of the Plan Options is 56 cents; and
- the Plan Options will have an expiry date of five years from the date of issue.

Based on the above assumptions, the Black-Scholes Option Pricing Model attributes a theoretical value of 31 cents to each Plan Option, and the estimated value of the Plan Options to be issued to Mr Cao, or to his Associate, is \$107,319.

- (c) *Under the Australian equivalent of IFRS, the Company is required to expense the value of the Plan Options in its income statement over the vesting periods. Other than as disclosed in this Explanatory Memorandum, the directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Plan Options pursuant to the proposed resolution.*

Listing Rules

Pursuant to Listing Rule 10.14, the Company cannot permit Mr Cao or his Associate to acquire the Plan Options under the Plan without the approval of holders of ordinary securities of the Company. The Notice of Meeting accompanying this Explanatory Memorandum sets out the information to be disclosed to shareholders in obtaining their approval.

2.5 PROPOSED RESOLUTION 7: amendment of the Plan

As foreshadowed in the Company announcement dated 1 February 2008, it is proposed that the Plan be amended to:

- (a) clarify the distinction between the date of the Board's determination to issue the Plan Options (subject to shareholders' approval) and the date that the Plan Options are actually issued; and
- (b) provide for the exercise price of the Plan Options to be issued in the future to be determined by reference to the date of the Board's determination to issue the Plan Options (subject to shareholders' approval).

A summary of those and other proposed amendments to the Plan is set out below.

A full copy of the Plan with all proposed amendments (*Amended Plan*) is available for inspection at the Company's office at Level 2, Spectrum Building, 100 Railway Road, Subiaco WA 6008. Alternatively, a copy of the Amended Plan can be posted to a member upon written request to the Company.

Summary of proposed amendments

2.5.1 Insertion of a definition of "Board Determination Date"

A definition of the "Board Determination Date" has been inserted at clause 1.1.3 of the Amended Plan. This is the date upon which the Board resolves to offer to issue a Plan Option to a relevant Eligible Employee or Associate (following the obtaining of any necessary approvals of shareholders of the Company).

2.5.2 Insertion of a definition of “Issue Date”

A definition of the “Issue Date” has been inserted at clause 1.1.6 of the Amended Plan. This is the date upon which the Company issues the Plan Option(s) to the relevant Eligible Employee or Associate.

2.5.3 Amendment of the categories of “Associate”

The existing category of “Associate” at:

- clause 1.1.1.3 of the Plan (i.e. a relative of the Eligible Employee) has been amended to restrict that particular category of “Associate” to a spouse, de-facto or dependent of the Eligible Employee;
- clause 1.1.1.1 of the Plan has been amended to expand that particular category of "Associate" to a company which is controlled by an Eligible Employee or his or her spouse, de facto partner, child or a dependant of the Eligible Employee; and
- clause 1.1.1.2 of the Plan has been amended to expand that particular category of "Associate" to the trustee of a trust, the beneficiaries of which trust include an Eligible Employee or his or her spouse, de facto partner, child or a dependant of the Eligible Employee.

2.5.4 Amendment of the category of Eligible Employee

The existing category of “Eligible Employees” at clause 1.1.4.4 (ie. a personal representative of any of the other persons within the definition of Eligible Employees) has been deleted.

2.5.5. Clarification of the procedure for offering and subsequently issuing Plan Options

The procedure for the Board extending an offer to issue Plan Options, together with the subsequent responses from the Eligible Employee and the Company, has been clarified in clauses 3.1, 3.2 and 3.5 of the Amended Plan.

The offer from the Board to the Eligible Employee will state:

- (a) the number of Plan Options being offered for issue to the Eligible Employee;
- (b) that, subject to the Board’s discretion to refuse to allow an Associate to be issued with Plan Options, the issue of Plan Options may be made to the Eligible Employee or to their nominated Associate, at the Eligible Employee’s election;
- (c) the terms and conditions upon which the Plan Options are being offered for issue to the Eligible Employee or their Associate;

- (d) the period within which the offer for issue of Plan Options may be accepted;
- (e) the manner in which acceptance of the offer must be communicated to the Board; and
- (f) any other matters which the Board may determine.

The Eligible Employee's written acceptance:

- (a) must be received by the Company within the prescribed period and in the prescribed manner;
- (b) must advise of whether the Eligible Employee does wish to accept the offer to issue Plan Options;
- (c) if so, the Eligible Employee must further:
 - (i) indicate whether the Plan Options are to be issued to the Eligible Employee or to their named Associate (subject to the Board's discretion as discussed above);
 - (ii) provide the Eligible Employee's or Associate's (as the case may be) signed acknowledgment of, and agreement to comply with the terms and conditions upon which the Plan Options are being offered for issue;
 - (iii) (if an Associate is nominated to receive the Plan Options), provide all information required to be furnished to the Board concerning the identity of the shareholders of the Associate and the beneficiaries of any trust of which the Associate may be trustee.

Upon receipt of the Eligible Employee's response, the Board shall:

- (a) notify the Eligible Employee in writing whether their response is satisfactory, having regard to the acknowledgment and information required by paragraphs 2.5.4(c)(ii) and 2.5.4(c)(iii) above;
- (b) assuming that the response is satisfactory, the written notification shall:
 - (i) advise the Eligible Employee of the date of issue of the Plan Options to them or to their Associate;
 - (ii) advise the Eligible Employee of the number of Plan Options issued to them or to their Associate; and
 - (iii) enclose the certificate issued by the Company for the Plan Options.

- (c) if, in exercise of its discretion, the Board refuses to allow a named Associate to be issued with Plan Options, the Board will provide the Eligible Employee (in its written notification discussed at paragraph (a) above) with a further opportunity to:
- (i) accept the offer of Plan Options, on the basis that they now be issued to the Eligible Employee; or
 - (ii) accept the offer of Plan Options, on the basis of a request for the Plan Options to now be issued to an alternative named Associate.

In either circumstance, the procedure described in this paragraph 2.5.5 will apply.

Proposed clauses 3.1, 3.2, 3.5 and 3.6 of the Amended Plan reflect this procedure.

2.5.6 Consistency of terminology

The proposed insertion of definitions for “*Board Determination Date*” and “*Issue Date*” are intended to address the distinction between acceding or deciding to issue Plan Options (subject to shareholder approval) and actually issuing the Plan Options.

Consequently, and to avoid confusion, all references to the “*grant*”, “*issue*” or “*allotment*” of Plan Options or ordinary Shares in the Company consequent upon the exercise of Plan Options have been correspondingly amended to “*issue*” or “*issued*”.

In addition, references to an “*invitation*” to “participate” in the Plan being extended to Eligible Employees have been removed and replaced with references to an “offer” to issue securities to Eligible Employees and their corresponding “acceptance”, which more accurately reflects the process set out in clauses 3.1, 3.2, 3.5 and 3.6 of the Amended Plan.

2.5.7 Time period in which shares are issued

Pursuant to item 8 of the Schedule to the Amended Plan, in the event that Plan Options are exercised during the Option Period, the relevant ordinary shares in the Company will be issued within seven (7) business days after the date on which the Plan Options are exercised. Previously, the period was fifteen (15) business days after the date on which the Plan Options are exercised.

3 PROPOSED RESOLUTION 8: approval of 16,394,000 shares issued to Tonghua on 15 February 2008

Listing Rule 7.1 and Listing Rule 7.4

In general terms, Listing Rule 7.1 prohibits the Company from issuing or agreeing to issue equity securities or other securities with rights to conversion to equity (eg. options) during any 12 month period, if the number of those securities exceeds 15% of the same class of securities on issue at the commencement of the 12 month period. This Listing Rule is subject to certain exceptions, including an exception under Listing Rule 7.4.

Pursuant to Listing Rule 7.4, the shareholders can ratify a previous issue of shares in the Company which took place without shareholder approval (provided that issue of shares did not breach Listing Rule 7.1 at that time). Ratifying a previous issue of shares under Listing Rule 7.4 renews the Company's capacity to make a subsequent issue of shares without requiring shareholder approval under Listing Rule 7.1.

The Company issued 16,394,000 shares to Tonghua on 15 February 2008, at an issue price of 85 cents each. As at that date, the issue of shares did not breach Listing Rule 7.1. The Company seeks the ratification of that issue of shares in order to renew its capacity to make subsequent issues of shares without requiring shareholder approval under Listing Rule 7.1.

Listing Rule 7.5

Listing Rule 7.5 requires that certain information be disclosed to shareholders in the Notice of Meeting to enable its consideration of the proposed ratification.

The Notice of Meeting accompanying this Explanatory Memorandum sets out the information to be disclosed to shareholders.

BY ORDER OF THE BOARD

K G FRANCE
Company Secretary

Dated at PERTH this 26th day of May 2008

* * * * *

INSTRUCTIONS FOR COMPLETING THE PROXY FORM

1. To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and either:
 - 1.1 send the proxy form by facsimile to the Company on +61 8 9486 8699;
 - 1.2 post the proxy form to the Company at PO Box 1784, West Perth, WA, 6872; or
 - 1.3 deliver the proxy form to the registered office of the Company at Level 2, Spectrum Building, 100 Railway Road, Subiaco WA 6008.
2. Duly completed proxy forms and (where applicable) any authority or a certified copy of the authority must be received by the Company at one of the addresses or facsimile number (as the case may be) above **not less than 48 hours** before the time specified for the commencement of the meeting.
3. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the shareholder's voting rights.
4. Should you desire to direct your proxy how to vote, place a cross in the appropriate box for each item of business at the meeting. Otherwise, your proxy may vote as your proxy thinks fit or abstain from voting.
5. A duly appointed proxy need not be a member of the Company, but must be a natural person (ie. not a corporation etc.). A proxy may also be appointed by reference to an office held by the proxy (eg. "the Company secretary" etc).
6. The Company will accept proxy appointments by corporate shareholders which are executed in accordance with section 127(1) of the Corporations Act (ie. not under the common seal of the corporate shareholder and signed by the relevant officeholder(s) of the corporate shareholder) or section 127(2) of the Corporations Act (under the common seal of the Company and signed by the relevant officeholder(s) of the corporate shareholder).
7. Corporate shareholders will be required to complete a "*Certificate of Appointment of Corporate Representative*" to allow the nominated representative to attend on the corporate shareholder's behalf. A form of this certificate may be obtained from the Company.

**IMX RESOURCES NL
ABN 67 009 129 560**

PROXY FORM

I/We (print name)
Of
(address).....
a member/members of IMX Resources NL (ABN 67 009 129 560) hereby appoint

.....
of

or failing him/her

of

or failing him/her, the Chair of the meeting, as my/our proxy at the Ordinary Meeting of the Company to be held on **25 June 2008** commencing at **2pm (AEST)**, and at any adjournment thereof. My/our proxy is also authorised to agree on my/our behalf that the meeting is duly convened notwithstanding that less than the requisite period of notice may have been given.

If the Chair of the meeting is appointed as your proxy in respect of, or may be appointed by default and you do *not* wish to direct your proxy how to vote as your proxy in respect of a Resolution (including Resolution 1.1), please place a mark in the box.

By marking this box you acknowledge that the Chair may exercise your proxy even if he has an interest in the outcome of the resolution (as he does in respect of Resolution 1.1) and votes cast by him other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in computing the required majority if a poll is called on the resolution (including Resolution 1.1).

In relation to any undirected proxies the Chair intends to vote in favour of all Resolutions.

Should you so desire to direct the proxy how to vote, you should place a cross in the appropriate box(es) below:

I/We direct my/our proxy to vote in the following manner:

		For	Against	Abstain
Resolution 1:	Ratification of exercise price of 50 cents each for:			
	a. 1,000,000 plan options issued to Mr Jooste-Jacobs or his associate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. 300,000 plan options issued to Mr Hunt or his associate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain
c. 1,500,000 plan options issue to Mr McBain or his associate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Ratification of exercise price of plan options issued to be issued to eligible employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Issue a further 1,000,000 plan options to Mr McBain or to his associate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4: Issue a further 200,000 plan options to Mr Hunt or to his associate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5: Issue 500,000 plan options to Mr Haggarty or to his associate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6: Issue 500,000 plan options to Mr Cao or to his associate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7: Amendment of the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8: Approval of 16,394,000 shares issued to Tonghua on 15 February 2008	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This proxy is appointed to represent _____ % of my voting right.

My total voting right is _____ shares.

Dated this _____ day of _____ 2008.

SIGNATURE OF SHAREHOLDER

Individuals

Signature _____

Signature _____

Signature _____

Body corporate

Director/Sole Director _____

Director/Company Secretary _____

Sole Director and Sole Company Secretary _____

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