

*+Rule 3.20.4, 7.18-7.24, 15.3, Appendix 7A paragraphs 8 & 9*

## Appendix 3A.5

### Notification of reorganisation of capital – return of capital by way of in specie distribution of <sup>+</sup>securities in another entity

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Please note that two or more corporate actions on the same <sup>+</sup>security may not run with different record dates if the timetables result in overlapping (but not identical) ex-periods. It is permissible to run different corporate actions with the same record date except in the case of reorganisations – consolidations/splits which cannot run at the same time as any other corporate action for that entity.

If you are an entity incorporated outside Australia, for <sup>+</sup>securities other than CDIs / depository interests, please obtain and provide an International Securities Identification Number (ISIN) for the class(es) of <sup>+</sup>securities to be created during your corporate action. The ISIN(s) should be advised in the Further Information section of this form. Further information on this requirement can be found in the Online Forms section of ASX Online for companies.

\*Denotes minimum information required for first lodgement of this form.

\*\*Denotes information that must be provided on or before <sup>+</sup>business day 0 of the relevant Appendix 6A or Appendix 7A timetable.

The balance of the information, where applicable, must be provided as soon as reasonably practicable by the entity.

If a cash special dividend is paid at the same time as the return of capital the entity must also lodge Appendix 3A.1 – notification of dividend / distribution.

#### Part 1 – Entity and announcement details

Question no	Question	Answer
1.1	*Name of entity	IMX Resources Limited
1.2	*Registration type and number <i>One of ABN/ARSN/ARBN/ACN or other registration type and number (if "other" please specify what type of registration number has been provided).</i>	67 009 129 560
1.3	*ASX issuer code	IXR
1.4	*The announcement is <i>Tick whichever is applicable.</i>	<input checked="" type="checkbox"/> New announcement <input type="checkbox"/> Update/amendment to previous announcement <input type="checkbox"/> Cancellation of previous announcement
1.4a	*Reason for update <i>Mandatory only if "Update" ticked in Q1.4 above. A reason must be provided for an update.</i>	
1.4b	*Date of previous announcement to this update <i>Mandatory only if "Update" ticked in Q1.4 above.</i>	

1.4c	<p><b>*Reason for cancellation</b> <i>Mandatory only if "Cancellation" ticked in Q1.4 above. If information has previously been provided in Part 3D of the form "Preference <sup>+</sup>security distribution rate details" please also confirm whether the rate changes remain in place for the <sup>+</sup>security or are also cancelled.</i></p>	
1.4d	<p><b>*Date of previous announcement to this cancellation</b> <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i></p>	
1.5	<p><b>*Date of this announcement</b> <i>The date of lodgement of the form by the entity via ASX Online.</i></p>	31 May 2016
1.6	<p><b>*Applicable ASX <sup>+</sup>security code and description for return of capital</b> <i>Please select the <sup>+</sup>security to which the notification applies. Only one <sup>+</sup>security can be selected for each form. Consequent changes to option pricing are covered in later parts of this form.</i></p>	<p>IXR</p> <p>Return of capital pursuant to the sale of the Chilalo Graphite project and other graphite tenements as approved by IMX shareholders on 20 April 2016.</p>

## Part 2 – return of capital approval requirements and dates

Question No.	Question	Answer
2.1	<p>*Are any of the below approvals required for the return of capital before business day 0 of the timetable?</p> <ul style="list-style-type: none"> <li>• <sup>+</sup>Security holder approval</li> <li>• Court approval</li> <li>• Lodgement of court order with <sup>+</sup>ASIC</li> <li>• ACCC approval</li> <li>• FIRB approval;</li> <li>• Another approval/condition external to the entity required to be given/met before business day 0 of the timetable for the return of capital.</li> </ul> <p><i>If any of the above approvals apply to the return of capital before business day 0 of the timetable, please answer 'yes' and provide details at Q2.2. If "no" go to Q2.3.</i></p> <p><i>The purpose of the question is to confirm that relevant approvals are received prior to ASX establishing an ex market in the <sup>+</sup>securities. If the entity wishes to disclose approvals or conditions which are to be resolved at a later date it should use Part 5 "Further information".</i></p>	<ul style="list-style-type: none"> <li>• Security holder approval</li> <li>• Receipt of a draft class ruling from the Australian Taxation Office confirming the availability of Demerger Relief</li> <li>• Graphex receiving subscriptions for an issue of fully paid ordinary shares in the amount of at least \$4.25 million pursuant to a prospectus lodged by Graphex</li> <li>• Graphex obtaining a conditional admission letter from ASX on terms satisfactory to the Graphex directors, acting reasonably</li> </ul>
2.2	<p><b>Approvals</b></p> <p><i>Select appropriate approval from drop down box as applicable. More than one approval can be selected. This question refers only to events which take place before business day 0 of the timetable. The purpose of the question is to confirm that relevant approvals are received prior to ASX establishing an ex market in the <sup>+</sup>securities. The "Date for determination" is the date that you expect to know if the approval is given for example the date of the <sup>+</sup>security holder meeting in the case of <sup>+</sup>security holder approval or the date of the court hearing in the case of court approval. If the entity wishes to disclose approvals or conditions which are to be resolved at a later date it should use Part 5 "Further information". Please note that Listing Rules 7.19.1-7.19.3 set time limits for the notification of court approval, the proposed date for lodgement of court order with a regulatory authority and confirmation that the court order has been lodged with the regulatory authority.</i></p>	

*Approval/ condition	*Date for determination	*Is the date estimated or actual?	**Approval received/ condition met?  <i>Only answer this question when you know the outcome of the approval – please advise on or before <sup>+</sup>business day 0 of the relevant Appendix 6A or Appendix 7A timetable.</i>	Comments
<sup>+</sup> Security holder approval	20 April 2016	<input type="checkbox"/> Estimated <b>OR</b> <input checked="" type="checkbox"/> Actual	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Court approval		<input type="checkbox"/> Estimated <b>OR</b> <input type="checkbox"/> Actual	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Lodgement of court order with <sup>+</sup> ASIC		<input type="checkbox"/> Estimated <b>OR</b> <input type="checkbox"/> Actual	<input type="checkbox"/> Yes <input type="checkbox"/> No	
ACCC approval		<input type="checkbox"/> Estimated <b>OR</b> <input type="checkbox"/> Actual	<input type="checkbox"/> Yes <input type="checkbox"/> No	
FIRB approval		<input type="checkbox"/> Estimated <b>OR</b> <input type="checkbox"/> Actual	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Draft class ruling from the ATO	Received 20 May 2016	<input type="checkbox"/> Estimated <b>OR</b> <input checked="" type="checkbox"/> Actual	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Graphex receiving subscriptions for at least \$4.6 million	Offer closed on 11 May 2016 with subscriptions of \$7.0 million after scale back	<input type="checkbox"/> Estimated <b>OR</b> <input checked="" type="checkbox"/> Actual	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Graphex obtaining a conditional admission letter from ASX on terms satisfactory to Graphex directors	Obtained on 23 May 2016	<input type="checkbox"/> Estimated <b>OR</b> <input checked="" type="checkbox"/> Actual	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

2.3	*Is the return of capital a selective reduction of capital  <i>If “yes” please answer Q2.2a and 2.2b, if “no” go to Part 3.</i>	N
2.4	*Date of lodgement of <sup>+</sup> security holder resolution approving the return of capital with <sup>+</sup> ASIC  <i>Please provide the estimated or actual date of lodgement of <sup>+</sup>security holder resolution approving the return of capital with <sup>+</sup>ASIC. If estimated date is provided please provide the actual date by way of an update to this form when the resolution has been lodged with <sup>+</sup>ASIC.</i>	22 March 2016  Actual
2.5	*Date that is fourteen days after date of lodgement of <sup>+</sup> security holder resolution approving the capital return with <sup>+</sup> ASIC	5 May 2016

Amended 29/06/15

### Part 3 – return of capital timetable and details

Question No.	Question	Answer
3.1	<p><b>*<sup>+</sup>Record date</b></p> <p><b>ALL EVENTS:</b> <i>The <sup>+</sup>record date must be at least four <sup>+</sup>business days from the current date. This is the date on which the register is closed to determine entitlements to the return of capital and is one <sup>+</sup>business day after the effective date. This date will determine the pre-population of the other fields in the below timetable. Please note that the <sup>+</sup>record date and effective date cannot be changed (even to postpone it or cancel it) any later than 12 noon Sydney time on the day before the previous effective date advised.</i></p> <p><b>COURT APPROVAL:</b> <i>This is <sup>+</sup>business day 2 in the timetable</i></p> <p><b>NO COURT APPROVAL SELECTIVE RETURN OF CAPITAL:</b> <i>This is <sup>+</sup>business day 3 in the timetable.</i></p> <p><b>NO COURT APPROVAL OTHER CAPITAL RETURNS:</b> <i>This is <sup>+</sup>business day 3 in the timetable.</i></p>	6 June 2016
3.2	<p><b>*Does the entity have quoted options on issue</b></p> <p><i>If “yes”, please answer Q3.2a, 3.4a, 3.5a &amp; b and 4.1-4.7. If “no” go to 3.3.</i></p>	N
3.2a	<p><b>Last day for trading in pre-return of capital quoted options</b></p> <p><b>ALL EVENTS:</b> <i>This only applies if the entity has quoted options in which case the exercise price will change and new holding statements will be issued to option holders.</i></p> <p><b>COURT APPROVAL:</b> <i>This is the day that the entity lodges the court order with <sup>+</sup>ASIC and tells ASX. This is <sup>+</sup>business day 0 in the timetable</i></p> <p><b>NO COURT APPROVAL SELECTIVE RETURN OF CAPITAL:</b> <i>This is the <sup>+</sup>business day after the entity tells ASX that it is fourteen days after the entity lodged the resolution with <sup>+</sup>ASIC or the date that ASX agrees to. This is <sup>+</sup>business day 1 in the timetable.</i></p> <p><b>NO COURT APPROVAL OTHER CAPITAL RETURNS:</b> <i>This is the <sup>+</sup>business day after <sup>+</sup>security holder approval. This is <sup>+</sup>business day 1 in the timetable.</i></p>	

<p>3.3</p>	<p><b>*Effective date</b></p> <p>Trading in the re-organised <sup>+</sup>securities on an “ex return of capital” basis commences. If the entity has quoted options, trading in the quoted options commences on a <sup>+</sup>deferred settlement basis.</p> <p><b>ALL EVENTS:</b> Please note that the <sup>+</sup>record date and effective date cannot be changed (even to postpone it or cancel it) any later than 12 noon Sydney time on the day before the previous effective date advised.</p> <p><b>COURT APPROVAL:</b> This is the next <sup>+</sup>business day after advice that the court order confirming the return of capital has been lodged with <sup>+</sup>ASIC or a date ASX agrees to. This is <sup>+</sup>business day 1 in the timetable. If the <sup>+</sup>entity has quoted options the options will commence trading on a <sup>+</sup>deferred settlement basis while the <sup>+</sup>ordinary securities will trade on an “ex return of capital” T+2 basis.</p> <p><b>NO COURT APPROVAL SELECTIVE RETURN OF CAPITAL:</b> This is the second <sup>+</sup>business day after the entity tells ASX that it is fourteen days after the <sup>+</sup>entity lodged the resolution with <sup>+</sup>ASIC or the date that ASX agrees to. This is <sup>+</sup>business day 2 in the timetable. If the entity has quoted options the options will commence trading on a <sup>+</sup>deferred settlement basis while the <sup>+</sup>ordinary securities will trade on an “ex return of capital” T+2 basis.</p> <p><b>NO COURT APPROVAL OTHER CAPITAL RETURNS:</b> This is the second <sup>+</sup>business day after <sup>+</sup>security holder approval. This is <sup>+</sup>business day 2 in the timetable. If the entity has quoted options the options will commence trading on a <sup>+</sup>deferred settlement basis while the <sup>+</sup>ordinary securities will trade on an “ex return of capital” T+2 basis.</p>	<p>3 June 2016</p>
<p>3.4</p>	<p><b><sup>+</sup>Record date</b></p> <p>Same as Q3.1 above.</p> <p><b>ALL EVENTS:</b> This is the date on which the register is closed to determine entitlements to the return of capital and is one <sup>+</sup>business day after the effective date. Same as Q3.1 above.</p> <p><b>COURT APPROVAL:</b> This is <sup>+</sup>business day 2 in the timetable.</p> <p><b>NO COURT APPROVAL SELECTIVE RETURN OF CAPITAL:</b> This is <sup>+</sup>business day 3 in the timetable.</p> <p><b>NO COURT APPROVAL OTHER CAPITAL RETURNS:</b> This is <sup>+</sup>business day 3 in the timetable.</p>	<p>6 June 2016</p>

3.4a	<p>If the entity has quoted options, first day for the <sup>+</sup>entity to send notice to each <sup>+</sup>security holder, register <sup>+</sup>securities on a post-return of capital basis and send holding statements.</p> <p><b>ALL EVENTS:</b> <i>This only applies if the entity has quoted options.</i></p> <p><b>COURT APPROVAL:</b> <i>This is one <sup>+</sup>business day after the <sup>+</sup>record date – <sup>+</sup>business day 3 in the timetable.</i></p> <p><b>NO COURT APPROVAL SELECTIVE RETURN OF CAPITAL:</b> <i>This is one <sup>+</sup>business day after the <sup>+</sup>record date – <sup>+</sup>business day 4 in the timetable.</i></p> <p><b>NO COURT APPROVAL OTHER CAPITAL RETURNS:</b> <i>This is one <sup>+</sup>business day after the <sup>+</sup>record date – <sup>+</sup>business day 4 in the timetable.</i></p>	
3.5	<p><sup>*</sup>Issue date</p> <p>If the <sup>+</sup>entity has quoted options, <sup>+</sup>deferred settlement market in options ends. Last day for entity to send notices to <sup>+</sup>security holders for quoted options they hold. Last day for entity to register quoted options on a post-reorganised basis</p> <p><b>ALL EVENTS:</b> <i>This is the date on which the entity will enter the <sup>+</sup>securities being distributed into holdings of holders entitled to the return of capital. This is five <sup>+</sup>business days after the <sup>+</sup>record date. If the entity has quoted options last day for entity to send notices to each option holder. Please note that the <sup>+</sup>issue date cannot be changed any later than 12 noon Sydney time on the previous <sup>+</sup>issue date advised.</i></p>	7 June 2016
3.5a	<p>If the entity has quoted options, trading in the options starts on a normal T+2 basis</p> <p><b>ALL EVENTS:</b> <i>This is the date on which normal T+2 trading in quoted options commences. This is the <sup>+</sup>business day after <sup>+</sup>issue date.</i></p> <p><b>COURT APPROVAL:</b> <i>This is <sup>+</sup>Business day 8 in the timetable.</i></p> <p><b>NO COURT APPROVAL SELECTIVE RETURN OF CAPITAL:</b> <i>This is <sup>+</sup>Business day 9 in the timetable.</i></p> <p><b>NO COURT APPROVAL OTHER CAPITAL RETURNS:</b> <i>This is <sup>+</sup>Business day 9 in the timetable.</i></p>	



3.5b	<p>If the entity has quoted options, first settlement of trades conducted on a <sup>+</sup>deferred settlement basis and on a normal T+2 basis</p> <p><b>ALL EVENTS:</b> This is the date upon which first settlement of normal T+2 trading in quoted options and settlement of <sup>+</sup>deferred settlement trading occurs. This is three <sup>+</sup>business days after <sup>+</sup>issue date.</p> <p><b>COURT APPROVAL:</b> This is <sup>+</sup>Business day 10 in the timetable.</p> <p><b>NO COURT APPROVAL SELECTIVE RETURN OF CAPITAL:</b> This is <sup>+</sup>Business day 11 in the timetable.</p> <p><b>NO COURT APPROVAL OTHER CAPITAL RETURNS:</b> This is <sup>+</sup>Business day 11 in the timetable.</p>	
3.6	<p>*Is the entity in which <sup>+</sup>securities are being distributed listed on ASX</p> <p><i>If "yes", please answer Q3.6a and 3.6b. If "no", go to Q3.6C.</i></p>	N - however, it is expected to list shortly after completion of the return of capital
3.6a	<p>*ASX name and issuer code of entity in which <sup>+</sup>securities are being distributed</p> <p><i>Please provide this detail if applicable and known OR Please advise the issuer code of the entity in which <sup>+</sup>securities are being distributed</i></p>	ASX issuer code: Issuer Name:
3.6b	<p>*ASX <sup>+</sup>security code and description for return of capital</p> <p><i>Please provide details if known.</i></p>	ASX <sup>+</sup> security code: Security description:
3.6c	<p>*Name of entity in which <sup>+</sup>securities are being distributed</p>	Graphex Mining Limited
3.6d	<p>*Registration no and registration no type, of entity in which <sup>+</sup>securities are being distributed</p> <p><i>One of ABN/ARSN/ARBN/ACN or other registration type and number. If "other" please specify the type of registration number.</i></p>	ACN 610 319 769
3.6e	<p>*Description of <sup>+</sup>security being distributed</p> <p><i>For example fully paid <sup>+</sup>ordinary shares.</i></p>	Fully paid ordinary shares

<p>3.7</p>	<p>*The capital return will be on the basis that</p> <p><i>For example where you distribute one distribution +security for every five +securities held, the answer above is every 1.00 (distribution) +security will be distributed for each 5.00 (held) +securities. To distribute two distribution +securities for every three +securities held the answer is 2.00 (distribution) +securities will be distributed for every 3.00 (held) +securities. An example of how the ratio would affect a sample +security holding can be given at item 5.2 – Further information.</i></p> <p><i>If estimated ratio given please provide actual ratio on or before +business day 0 of the relevant Appendix 6A or Appendix 7A timetable. Please note that the ratio cannot be changed any later than 12 noon Sydney time on the +record date.</i></p>	<p>ONE +security in GRAPHEX MINING LIMITED (name of entity whose +securities are being distributed) will be distributed for every 94 +securities held in IMX RESOURCES LIMITED (name of entity making the announcement)</p> <p>These ratios are Estimated</p>
<p>3.8</p>	<p>*Total number of +securities to be distributed</p> <p><i>Please provide the total number of +securities to be distributed. If an estimate is provided please provide the actual number by or on the +issue date.</i></p>	<p>16,454,000</p>
<p>3.9</p>	<p>*Rounding</p> <p><i>Please select the appropriate description of how fractions will be handled. If you do not have a rounding policy please choose "Fractions rounded down to the nearest whole number or fractions disregarded".</i></p>	<p><input checked="" type="checkbox"/> Fractions rounded up to the next whole number</p> <p><input type="checkbox"/> Fractions rounded down to the nearest whole number or fractions disregarded</p> <p><input type="checkbox"/> Fractions sold and proceeds distributed</p> <p><input type="checkbox"/> Fractions of 0.5 and over rounded up</p> <p><input type="checkbox"/> Fractions over 0.5 rounded up</p>

Amended 07/03/16

Part 4 – Changes to option pricing as a result of the return of capital

Question No.	Question	Answer			
4.1	*Will the return of capital affect the exercise price of any entity-issued options  <i>If “yes” please answer Q4.2 to 4.7, if “no” go to Part 5.</i>	Y			
4.2	Return of capital amount per <sup>+</sup> security used to adjust exercise price of options  <i>If an estimate is provided please provide the actual amount as soon as reasonably practicable, and no later than <sup>+</sup>issue date</i>	\$3,290,800  Actual			
4.3	*Exercise price of options  <i>Please confirm the exercise price of options on issue before and after the return of capital. Please provide the amount in the primary currency in dollars (or equivalent denomination for foreign currency). Listing Rule 7.22.3 governs the change in exercise price of options in a return of capital. If there is more than one <sup>+</sup>security please include the additional <sup>+</sup>securities.</i>				
ASX <sup>+</sup> security code	ASX <sup>+</sup> security description	Quoted/ unquoted	Currency	Exercise price before return of capital	Exercise price after return of capital
IXR	Stock option	Unquoted	AUD	0.2700	0.2679
IXR	Stock option	Unquoted	AUD	0.0960	0.0939
IXR	Stock option	Unquoted	AUD	0.0805	0.0784
IXR	Stock option	Unquoted	AUD	0.0170	0.0149
IXR	Stock option	Unquoted	AUD	0.012	0.0099
IXR	Stock option	Unquoted	AUD	0.03	0.0279
4.4	*If the entity has quoted options, can quoted option holders participate in the return of capital if they exercise the options by a certain date?  <i>If “yes”, please answer Q4.5-4.7. If “no” go to Part 5.</i>	Y / N			
4.5	*ASX quoted option details  <i>Please advise the quoted options which may participate in the return of capital if they exercise by the relevant date. More than one <sup>+</sup>class of options may be advised.</i>	ASX quoted option <sup>+</sup> security code ASX quoted option <sup>+</sup> security description			
4.6	*What is the date by which options must be exercised to participate in the return of capital?	2 June 2016			
4.7	Description of the date  <i>Please provide a description of the</i>	Two business days before the Record Date			

**This appendix is *not* available as an online form  
Please fill in and submit as a PDF announcement**

**Appendix 3A.5  
Notification of reorganisation of  
capital – return of capital by way of in  
specie distribution of <sup>+</sup>securities in another entity**

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	<i>date – for example, the day before <sup>+</sup>record date.</i>	
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## Part 5 – Further Information

Question No.	Question	Answer
5.1	<p>*Has the entity applied for an ATO class ruling relating to this capital return?</p> <p><i>If “yes” please answer Q5.1a, if “no” go to 5.2. If the ATO ruling is a condition of the event proceeding please include it at Q2.1 and 2.1a – Conditions.</i></p>	Y
5.1a	<p>*Please provide further information on the ATO ruling</p> <p><i>If the ATO ruling is a condition of the event proceeding please include it at item 2.1 and 2.1a – Conditions.</i></p>	A draft ruling was provided by the ATO on 20 May 2016
5.2	<p>Further information relating to this return of capital</p> <p><i>Please provide any further information relating to this return of capital.</i></p>	

Introduced 22/09/14