

IMAGE RESOURCES NL
ABN 57 063 977 579

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

AND

PROXY FORM

Date of Meeting

28 November 2014

Time of Meeting

2:00 pm

Place of Meeting

The Celtic Club
48 Ord Street
West Perth

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

The **2014 Annual Report** may be viewed on the Company's website at www.imageres.com.au

IMAGE RESOURCES NL
ABN 57 063 977 579
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Image Resources NL (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 28 November 2014 at 2:00 pm (**Meeting**) for the purpose of transacting the following business.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

2014 Financial Statements

To receive the financial statements of the Company for the year ended 30 June 2014, consisting of the annual financial report, the Directors' report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2014 Annual Report be and is hereby adopted."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (**the voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 – Re-election of George Sakalidis as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That George Sakalidis, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, is re-elected a Director of the Company."

Resolution 3 – Election of John Jones as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 69.2 of the Constitution and for all other purposes, John Jones, who was appointed to the Board since the previous annual general meeting of the Company, retires as a Director, and being eligible, having offered himself for re-election, is re-elected as a Director."

Resolution 4 – Election of Jeffery Williams as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 69.2 of the Constitution and for all other purposes, Jeffery Williams, who was appointed to the Board since the previous annual general meeting of the Company, retires as a Director, and being eligible, having offered himself for re-election, is re-elected as a Director."

Resolution 5 – Ratification of Allotment and Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 3,769,230 Shares to parties who are not related parties to the Company, for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person 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 6 – Ratification of Allotment and Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 3,230,770 Shares to parties who are not related parties to the Company, for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person 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 7 – Ratification of Allotment and Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 10,434,806 Shares to parties who are not related parties to the Company, for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast:

- (c) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (d) by the person 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 – Amendment to the Company's Constitution

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"THAT for the purposes of section 136 of the Corporations Act 2001 (Cth) and for all other purposes, the following amendments to the Company's Constitution be approved:

- i) *that rule 107 be deleted and the following rule substituted:*

107. CIRCULAR RESOLUTIONS

- 107.1. *The board may pass resolutions by written instrument in accordance with the terms of this Rule 107.*
- 107.2. *In this Rule 107 a reference to "all the Directors" means a majority of those of the Directors remaining (and where there is one only then that director) after excluding each director that: (i) at a meeting of Directors, would not be entitled to vote on the resolution; (ii) expressly indicates (whether on the document containing the resolution or otherwise and whether in person or by alternate) in writing abstention from voting on the matter; (iii) could not reasonably have been given written notice, via facsimile, email or mobile telephone, during the period of 48 hours prior to all of the Directors signing the document evidencing the resolution.*
- 107.3. *Subject to and in accordance with the remaining provisions of this Rule 107, if all the Directors sign a document containing a statement that they are in favour of a resolution of the Directors in the terms set out in the document, a resolution in those terms is deemed to have been passed at a meeting of the Directors duly convened and held on the day and at the time at which the document was signed by the last of all the Directors.*
- 107.4. *Reasonable efforts must have been made to give each Director (other than a Director against whom privilege is claimed) a copy of the document(s) proposed to evidence a resolution under this Rule.*
- 107.5. *For the purposes of this Rule 107, 2 or more separate documents containing statements in identical terms each of which is signed by 1 or more Directors (in person or by alternate) are deemed together to constitute 1 document containing a statement in those terms signed by those Directors on the respective days and times on and at which they signed the separate documents.*
- 107.6. *Each copy of the document proposed to be signed under this Rule 107 must make provision enabling each Director (other than a Director against whom privilege is claimed) to signify if the Director is abstaining from voting (and whether as a result of disqualification or otherwise) in respect of or voting in favour or against the resolution.*
- 107.7. *A facsimile, email or similar means of communication addressed to or received by the Company and purporting to be signed by a Director for the purpose of this Constitution is deemed to be a document in writing signed by that Director.*
- 107.8. *Save to the extent necessary to keep a matter from being disclosed to a Director against whom privilege is claimed, every resolution passed under this Rule 107 must as soon as practicable be entered in the minutes of the Directors' meetings and circulated by the Company Secretary to each Director.*

- ii) *that rule 131.1 be deleted and the following rule substituted:*

131. DISTRIBUTION OF DIVIDENDS

- 131.1. *Subject to the rights of persons (if any) entitled to shares with special rights as to dividends and this rule 131.1, all dividends will be paid on each share as if fully paid (irrespective of whether the shares are fully or partly paid)."*

Resolution 9 – Adoption of Proportional Takeover Provisions

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purposes of Section 136 of the Corporations Act and for all other purposes, the Constitution be amend by adding Schedule 1 in the following form.

Schedule 1 - Proportional Takeover Bid Approval**1. Definitions**

In this Schedule:

"Approving Resolution" means a resolution to approve a proportional takeover bid in accordance with this Schedule.

"Deadline" means the 14th day before the last day of the bid period for a proportional takeover bid.

"Voter" means a person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

2. Refusal of Transfers**2.1 Requirement for an Approving Resolution**

- (a) *The Company must refuse to register a transfer of Shares giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this Schedule 5.*
- (b) *This Schedule 5 ceases to apply on the 3rd anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.*

2.2 VOTING ON AN Approving RESOLUTION

- (a) *Where offers are made under a proportional takeover bid, the Directors must, call and arrange to hold a meeting of Voters for the purpose of voting on an Approving Resolution before the Deadline.*
- (b) *The provisions of this Constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under paragraph 1.1.1(a).*
- (c) *Subject to this Constitution, every Voter present at the meeting held under paragraph 1.1.1(a) is entitled to one vote for each Share in the bid class securities that the Voter holds.*
- (d) *To be effective, an Approving Resolution must be passed before the Deadline.*
- (e) *An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.*
- (f) *If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this Schedule, to have been passed in accordance with this Schedule."*

EXPLANATORY MEMORANDUM

The accompanying Explanatory Memorandum forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in this Notice and the Explanatory Memorandum.

PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company;
- a member may appoint a body corporate or an individual as its proxy; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. To be valid, properly completed Proxy Forms must be received by the Company's Share Registry no later than 2:00 pm (WST) on 26 November 2014:

1. by post to Security Transfer Registrars Pty Ltd, PO Box 535, Applecross, Western Australia 6953; or
2. by facsimile to Security Transfer Registrars Pty Limited at (08) 9315 2233 (International: +61 8 9315 2233).

VOTING ENTITLEMENTS

For the purposes of Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm on 27 November 2014. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Annual General Meeting.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Annual General Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

By order of the Board.



Dennis Wilkins
Company Secretary
Date: 27 October 2014

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Image Resources NL ABN 57 063 977 579 (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia, on 28 November 2014 commencing at 2:00 pm.

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice. This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

Financial and Other Reports

In accordance with Section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the financial report, the Directors' report and the auditor's report for the financial year ended 2014.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered a reasonable opportunity to:

- discuss the Annual Report which is available online from the Company's website www.imageres.com.au;
- ask questions about, or comment on, the management of the Company; and
- ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- the content of the auditor's report; and
- the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

Resolution 1 – Remuneration Report

1.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' report contains the Remuneration Report, which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

The Remuneration Report has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's web site www.imageres.com.au.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011*, which came into effect on 1 July 2011, amended the Corporations Act to provide that Shareholders will have the opportunity to remove the whole Board (except the managing director) if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2013 annual general meeting. Accordingly, a Spill Resolution is not relevant for this Annual General Meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2015 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

1.2 Voting on the Remuneration Report

In accordance with the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of either the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies how the proxy is to vote on this Resolution; or
- (b) the voter is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

Resolution 2 – Re-election of George Sakalidis as a Director

2.1 Introduction

Mr George Sakalidis was appointed as a Director on 13 May 1994.

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM. Accordingly, Mr Sakalidis will retire by rotation and, being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's Biography

George Sakalidis is an exploration geophysicist with over 25 years' industry experience, during which time his career has included extensive gold, diamond, base metals and mineral sands exploration. He has been involved in a number of significant mineral discoveries, including the Three Rivers and Rose gold deposits in Western Australia and the tenement applications over the Silver Swan nickel deposit. He was also instrumental in the design of the magnetic surveys and exploration drilling program that led to the discovery of the large mineral sands resources at Magnetic Minerals Limited's Dongara Project. He is an executive director of this company, Image Resources NL (director since 13 May 1994, managing director during the period 13 June 2007 to 24 May 2012), Magnetic Resources NL (since incorporation on 23 August 2006), executive director and now non-executive director of Meteoric Resources NL (since incorporation on 13 February 2004) and non-executive director of Potash West NL (since incorporation on 12 November 2010), each of which is ASX listed.

2.3 Directors' Recommendation

All the Directors, except Mr Sakalidis, recommend that Shareholders vote in favour of Resolution 2.

Resolution 3 – Election of John Jones as a Director**3.1 General**

Mr John Jones was appointed as a Director on 24 June 2014.

In accordance with ASX Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. The Company's Constitution also requires that any director appointed during the year to fill a casual vacancy automatically retires at the next AGM, but is eligible for re-election at that meeting.

Accordingly, Mr Jones, who was appointed by the Directors, now retires, and, being eligible, offers himself for election as a Director.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

3.2 Director's Biography

Mr Jones is a well-known and respected mining identity who has been associated with a number of successful mining corporations in his 30 years of business. Mr Jones has a strong prospecting instinct, clear strategic vision and a desire for exploration, mining and corporate success.

3.3 Directors' Recommendation

All the Directors, except Mr Jones, recommend that Shareholders vote in favour of Resolution 3.

Resolution 4 – Election of Jeffrey Williams as a Director**4.1 General**

Mr Jeffrey Williams was appointed as a Director on 24 June 2014.

In accordance with ASX Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. The Company's Constitution also requires that any director appointed during the year to fill a casual vacancy automatically retires at the next AGM, but is eligible for re-election at that meeting.

Accordingly, Mr Williams, who was appointed by the Directors, now retires, and, being eligible, offers himself for election as a Director.

Resolution 4 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

4.2 Director's Biography

Mr Williams has over 43 years' industry experience with 16 years' experience as a professional mining engineer in Australia and seven years in the stockbroking industry. He is a Fellow of the Australasian Institute of Mining and Metallurgy with mining experience ranging from mine planning, underground management and feasibility studies through to mine development.

4.3 Directors' Recommendation

All the Directors, except Mr Williams, recommend that Shareholders vote in favour of Resolution 4.

Resolution 5 – Ratification of Allotment and Issue of Shares**5.1 General**

The Company issued 3,769,230 Shares on 18 June 2014 at an issue price of \$0.13 per Share under its 15% placement capacity and now seeks, pursuant to Resolution 5 of the Notice, to ratify the allotment and issue of those Shares.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

The Company proposes Resolution 5 to ratify a previous issue of Shares in accordance with Listing Rule 7.4. The Company confirms that the allotment and issue of the Shares the subject of Resolution 5 did not breach Listing Rule 7.1.

5.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 3,769,230 Shares were allotted and issued by the Company.
- (b) The issue price per Share was \$0.13.
- (c) The Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue.
- (d) The Shares were allotted as a private placement to sophisticated and professional investors who are not related parties of the Company.
- (e) The funds raised have been applied towards developing the Company's projects and for general working capital purposes.
- (f) A voting exclusion statement is included in the Notice.

5.3 Directors' Recommendation

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 6 – Ratification of Allotment and Issue of Shares**6.1 General**

The Company issued 3,230,770 Shares on 31 July 2014 at a deemed issue price of \$0.13 per Share under its 15% placement capacity and now seeks, pursuant to Resolution 6 of the Notice, to ratify the allotment and issue of those Shares.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

The Company proposes Resolution 6 to ratify a previous issue of Shares in accordance with Listing Rule 7.4. The Company confirms that the allotment and issue of the Shares the subject of Resolution did not breach Listing Rule 7.1.

6.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (g) 3,230,770 Shares were allotted and issued by the Company.
- (h) The deemed issue price per Share was \$0.13.
- (i) The Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue.
- (j) The Shares were allotted as satisfaction for drilling services to Wallis Drilling who is not a related party of the Company.
- (k) No funds were raised from the issue of these shares.
- (l) A voting exclusion statement is included in the Notice.

6.3 Directors' Recommendation

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 7 – Ratification of Allotment and Issue of Shares**7.1 General**

The Company issued 10,434,806 Shares on 5 September 2014 at an issue price of \$0.115 per Share under its 15% placement capacity and now seeks, pursuant to Resolution 7 of the Notice, to ratify the allotment and issue of those Shares.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

The Company proposes Resolution 7 to ratify a previous issue of Shares in accordance with Listing Rule 7.4. The Company confirms that the allotment and issue of the Shares the subject of Resolution 7 did not breach Listing Rule 7.1.

7.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 10,434,806 Shares were allotted and issued by the Company.
- (b) The issue price per Share was \$0.115.
- (c) The Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue.
- (d) The Shares were allotted as a private placement to sophisticated and professional investors who are not related parties of the Company.
- (e) The funds raised have been applied towards developing the Company's projects and for general working capital purposes.
- (f) A voting exclusion statement is included in the Notice.

7.3 Directors' Recommendation

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 8 – Amendment to the Company's Constitution

8.1 General

Resolution 8 seeks shareholder approval to amend the Constitution in accordance with Section 136 of the Corporations Act. Resolution 8 is a special resolution which means that a vote to pass this Resolution is decided on a 75% majority of the votes cast by members entitled to vote. The Board undertook a review of the current Constitution, which was adopted in 2004, and determined that it should be brought up to date with the current provisions of the Corporations Act and Listing Rules and into line with current market practice for ASX listed companies.

The Board does not consider that the differences between the new Constitution and the current Constitution materially alter the position of the Company's shareholders in general.

The proposed amendments have been approved by ASX as required under the Listing Rules.

Schedule 1 (proportional takeover approval) will only be adopted if Resolution 9 is passed.

8.2 Summary of Key Differences

A summary of the amendments are set out in Annexure A to this Notice and Explanatory Memorandum. The amendments will become effective from the close of the Meeting. A copy of the amendments will be sent to any Shareholder upon request and available for inspection at DWCorporate Pty Ltd, Ground Floor, 20 Kings Park Road, West Perth 6005 during normal business hours prior to the Meeting and available for inspection at the Meeting.

8.3 Directors Recommendation

The Board believes that Resolution 8 is in the best interests of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of it.

Resolution 9 – Adoption of Proportional Takeover Provisions

9.1 Background

Resolution 9, if passed, would add Schedule 1 to the Constitution regarding proportional takeover approval under Section 648D of the Corporations Act. The adoption of Schedule 1 would operate for three years, and would then cease to apply unless renewed by a further special resolution of Shareholders.

If Resolution 9 is passed, then for 21 days after the meeting the holders of 10% of the Company's Shares have the right to apply to the court to have the Resolution set aside. The court may set aside the Resolution if the court is satisfied in all the circumstances that it is appropriate to do so.

The Corporations Act requires certain information to be included in a notice of meeting where a company seeks the approval of its members to adopt proportional takeover provisions. This information is set out below.

9.2 Proportional takeover bid

A proportional takeover bid is a takeover bid that is sent to all shareholders in a class, offering to purchase only a specified proportion of each shareholder's shares. If a shareholder accepts, the shareholder disposes of that specified portion and retains the balance.

9.3 Effects of the proportional takeover provisions

The effects of the proportional takeover provisions are that:

- (a) if a bidder makes a proportional takeover bid for any class of shares in the Company, the Directors must ensure that a meeting of members of that class is convened where a resolution to approve the proportional takeover bid is voted upon. The vote is decided on a simple majority. The bidder and its associates are excluded from voting on that approving resolution;
- (b) the meeting and the vote on the approving resolution must take place more than 14 days before the last day of the bid period;
- (c) if the approving resolution is rejected before the deadline, the bid cannot proceed and the offer will be taken to have been withdrawn. Any transfers giving effect to takeover contracts for the bid will not be registered and all offers under the takeover bid are taken to be withdrawn and all takeover contracts must be rescinded;
- (d) if the approving resolution is not voted on, the bid will be taken to have been approved; and
- (e) if the approving resolution is passed (or taken to have been approved), the transfers must be registered (subject to other provisions of the Corporations Act and the Company's constitution). The proportional takeover provisions do not apply to full takeover bids.

9.4 Reasons for the proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of not being able to exit their investment in the Company by selling their entire shareholding and consequently being left as a minority in the Company. The bidder may be able to acquire control of the Company without payment of an adequate control premium.

The Board believes that the proposed amendment is desirable to give Shareholders protection from these risks inherent in proportional takeover bids – this is protection that the Corporations Act provisions are intended to provide.

This proposed amendment allows Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any proportional takeover bid is appropriately priced.

To assess the merits of the proposed amendment, Shareholders should make a judgement as to what events are likely to occur for the Company during the three year life of proposed Schedule 1.

9.5 Potential advantages and disadvantages

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether or not an offer under a proportional takeover bid should be accepted.

The Directors note that it could be argued that proposed Schedule 1 is an advantage to them as a takeover defence mechanism that could be exploited to entrench the incumbent board. However, the Directors believe that this argument ignores the basic object of Schedule 1, which is to empower shareholders, not the Board.

The potential advantages for Shareholders of the proportional takeover provisions include the following:

- (a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) they may assist Shareholders and protect them from being locked in as a minority;
- (c) they increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under a proportional takeover bid.

The potential disadvantages for Shareholders include the following:

- (a) proportional takeover bids for Shares in the Company may be discouraged;

- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium;
- (c) individual Shareholders may consider that Schedule 1 would restrict their ability to deal with their Shares as they see fit; and
- (d) the likelihood of a proportional takeover bid succeeding may be reduced.

9.6 Knowledge of any acquisition proposals

Apart from the above general considerations, the Board is not in a position to point to any special factual matters or principles as a basis for the proposal.

9.7 Board recommendation

The Board believes that proposed Schedule 1 is in the best interests of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of Resolution 9.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

AGM	means an Annual General Meeting.
Annual Report	means the Directors' report, the annual financial report and auditors report in respect of the financial year ended 30 June 2014.
Associate	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Closely Related Party	of a member of the Key Management Personnel means: ▪ a spouse or child of the member; ▪ a child of the member's spouse; ▪ a dependent of the member or the member's spouse; ▪ anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; ▪ a company the member controls; or a person prescribed by the Corporations Regulations 2001 (Cth)..
Company	means Image Resources NL ABN 57 063 977 579.
Constitution	means the Company's constitution, as amended from time to time.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
Listing Rules	means the listing rules of ASX.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Meeting	has the meaning in the introductory paragraph of the Notice.
Notice or Notice of Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Option	means an option to acquire a Share in the Company.
Proxy Form	means the proxy form attached to this Notice.
Remuneration Report	means the remuneration report of the Company outlined in the Annual Report.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

WST means Australian Western Standard Time.

ANNEXURE A

SUMMARY OF KEY DIFFERENCES BETWEEN EXISTING RULE AND PROPOSED NEW RULE

RULE AND EFFECT OF AMENDMENT	EXISTING RULE	NEW RULE
Rule 107: Circulated Resolutions of Directors Amend the approval requirement for Circulated Resolutions (of the Board) from all directors to a majority thereof.	All directors, present in Australia and those absent from Australia having has left a facsimile number to be given notice, are required to sign a document assenting to a proposed resolution	A majority of Directors (remaining after excluding those directors conflicted, indicating they wish to abstain or could not reasonably be given notice) may validly pass a circulated resolution of the Board. This may mean, after exclusions as above, a single director remains and is therefore able to pass a circular resolution on his or her own.
Rule 131.1 Distribution of Dividends Amend the distribution of Dividends such that holders of partly paid shares participate in dividends to the extent of the pro rata nominal value of their shares (i.e. regardless of the amount paid up)	All dividends are apportioned and paid proportionately to the amounts paid or credited as paid on the shares.	All dividends will be paid on each share as if fully paid (irrespective of whether the shares are fully or partly paid).



IMAGE RESOURCES NL

ABN: 57 063 977 579

REGISTERED OFFICE:

PO BOX 1075
BALCATTA WA 6914



SHARE REGISTRY:

Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

IMA

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

Online Proxy ID:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 2.00pm (WST) on Friday 28 November 2014 at The Celtic Club, 48 Ord Street, West Perth and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made. Where I/we have appointed the Chairperson as my/our proxy (or the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairperson.

RESOLUTIONS	FOR	AGAINST	ABSTAIN*	RESOLUTIONS	FOR	AGAINST	ABSTAIN*
1. Adoption of Remuneration Report	☐	☐	☐	6. Ratification of Allotment and Issue of Shares	☐	☐	☐
2. Re-election of George Sakalidis as a Director	☐	☐	☐	7. Ratification of Allotment and Issue of Shares	☐	☐	☐
3. Election of John Jones as a Director	☐	☐	☐	8. Amendment to the Company's Constitution	☐	☐	☐
4. Election of Jeffery Williams as a Director	☐	☐	☐	9. Adoption of Proportional Takeover Provisions	☐	☐	☐
5. Ratification of Allotment and Issue of Shares	☐	☐	☐				

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 2.00pm (WST) on Wednesday 26 November 2014.



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My/Our contact details in case of enquiries are:

Name:

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Number:

(

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)

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 535 Applecross WA 6953 AUSTRALIA
Street Address	Alexandrea House Suite 1, 770 Canning Highway Applecross WA 6153 AUSTRALIA
Telephone	+61 8 9315 2333
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

