IMX Resources
PERTH | TANZANIA

19 November 2014

Dear Shareholder

I would like to take this opportunity to provide some important information for the benefit of IMX shareholders ahead of the Company's Annual General Meeting on 26 November 2014.

Changes to Executives' and Directors' Remuneration and Board Composition

Since the completion of the Annual Report for the 2014 financial year, which includes the Remuneration Report, IMX has implemented a number of significant changes to the remuneration of its executives and Directors and to the composition of the Board of Directors (**Board**).

These changes reflect the recent shift in the focus of our activities from mining and processing to exploration at our Nachingwea Property in Tanzania, with an overall reduction in salary levels implemented together with a restructure of remuneration packages so that they comprise a smaller portion of cash and a greater portion of equity.

The equity portion is governed by the introduction of the 2014 Performance Rights and Share Appreciation Rights Plan (the **Plan**).

In determining the detail of this restructure, the Board, on recommendation from the Nomination and Remuneration Committee, obtained independent advice from executive search companies on salary benchmarking and from PWC on the design, implementation and operation of the Plan.

Executive and Director Salaries

With respect to salary levels, all executives have had their salary reduced by a minimum of 10%, with certain executives electing to take a more significant reduction in salary. The salary benchmarking exercise confirmed that salary levels for executives were in the bottom quartile prior to the reductions taking effect.

As a result, the Board awarded Performance Rights to the executives for an amount commensurate with the salary foregone and the additional proportion of salary at risk. These Performance Rights do not vest until 1 July 2015 and the shares issued on vesting are subject to certain disposal restrictions, including a requirement to obtain approval of the Board.

The Nomination and Remuneration Committee recently conducted a review of remuneration of our non-executive Directors, following which the Board has approved a restructure of non-executive Director remuneration that involves a significant reduction in the annual retainer and a grant of Performance Rights (subject to shareholder approval) that vest on 1 July 2015, as set out in Table 1.

Key changes to the annual retainer paid to non-executive directors include:

- A reduction in the retainer paid to the Chairman from $80,000 to $72,000;
- A reduction in the retainer paid to non-executive Directors from $55,000 to $49,500; and
- The abolition of separate payment to the chair of the Audit and Risk Management Committee and Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is expected to carry out a further review of Directors' remuneration during the first quarter of 2015. The table below shows the revised salaries and corresponding award of Performance Rights through to 30 June 2015.

Table 1. Restructure of executive salaries' and Directors' retainers

Executive / Director	Position	Salary at 30 June 2014 (A$)[1]	Revised Salary (A$)[1]	No. Performance Rights Granted
Phil Hoskins	Acting Chief Executive Officer	272,200	220,000	2,587,088
Stuart McKenzie	General Manager Commercial and Company Secretary	210,000	104,000	4,771,096
Nick Corlis	Executive Director	250,000	225,000	1,407,043[2]
Derek Fisher	Non-executive Director, Chairman	80,000	72,000	450,3691[2]
Kellie Benda	Non-executive Director	55,000	49,500	309,629[2]
Robert Sun	Non-executive Director	55,000	49,500[3]	309,629[2]

1. Salaries quoted are inclusive of superannuation.
2. Grant of Performance Rights is subject to shareholder approval.
3. Mr Sun is expected to resign following completion of the recently announced entitlement offer.

Performance Rights and Share Appreciation Rights Plan

The introduction of the Plan serves to place a larger portion of an executive's remuneration at risk and more closely tie executive remuneration with long-term shareholder value generation.

Under the operation of the Plan, executives may earn:

- Up to 10% of their salary as short-term incentive Performance Rights that vest on 1 July 2015, subject to achievement of certain objectives including resource definition, exploration success, shareholder return and individual performance goals;
- Up to 10% of their salary as long-term incentive Performance Rights, that vest on 1 July 2017 subject to continuous employment until 1 July 2017; and
- Up to 45% of their salary as long-term incentive Share Appreciation Rights, that vest on 1 July 2017 subject to achievement of Total Shareholder Return hurdles, as shown in Table 2 below:

Table 2. Total Shareholder Return Hurdles

Performance against TSR hurdle	Portion of Share Appreciation Rights subject to relative TSR hurdle that become performance qualified
Compound annual TSR from 1 October 2014 to 30 June 2017 is less than 20%	Nil
Compound annual TSR from 1 October 2014 to 30 June 2017 is between 20% and 35%	50% of Share Appreciation Rights
Compound annual TSR from 1 October 2014 to 30 June 2017 is between 35% and 50%	75% of Share Appreciation Rights
Compound annual TSR from 1 October 2014 to 30 June 2017 is above 50%	100% of Share Appreciation Rights

Previously, equity compensation has taken the form of the discretionary grant of unlisted stock options under the Company's Share Incentive Plan that was approved by Shareholders on 25 June 2008. No unlisted stock options have been issued to employees since August 2012, when there was a discretionary grant of out-of-the-money options to employees.

The Plan is designed to:

- Enhance alignment of executives' interests with shareholders;
- Simplify and enhance the Company's approach to Executive and senior staff remuneration;
- Reflect developments in corporate governance and market practice; and
- Provide the Company with sufficient flexibility to accommodate changes in the Company's circumstances and market practice from time to time.

The restructure of executive and Director remuneration, including the introduction of the Plan, are important elements of an overall revamp of the Company and provide an appropriate balance of cash and equity that reflects the nature of the Company's activities and the circumstances in which it operates.

Board composition

Under the terms of a 2009 Heads of Agreement between Taifeng Yuanchang International Development Co. Ltd (**Taifeng**) and the Company, as long as Taifeng retains a shareholding at or above 10% of the total issued and outstanding shares of the Company, it is entitled to appoint one Director to the Board.

Taifeng currently holds 10.53% of the total issued and outstanding shares. With the announcement of a non-renounceable entitlement offer on 17 November 2014, it is anticipated that Taifeng's shareholding will fall below 10%; should that be the case, Taifeng's representative, Mr Robert Sun, has agreed to resign from the Board.

Costs

The closure of the Cairn Hill Mine and the change in the focus of the Company's activities to exploration in Tanzania is expected to result in a significant reduction in overhead costs in general as we move forward. While this has seen staffing levels slashed, with only four Australian based employees remaining with the Company, some costs previously incurred as a result of supporting the Cairn Hill Mine and the Nachingwea Joint Venture are expected to take more time to eliminate. Examples of such costs include surplus office space in Perth and Adelaide, which the Company is currently endeavouring to sub-lease and tenement holding costs associated with the sizeable land package retained at Nachingwea, with work under way to rationalise the number of tenements at Nachingwea.

As we approach the wet season and exploration activity winds down in the coming weeks, there will be a notable reduction in ongoing costs through to March-April when the wet season comes to an end. During this transition period where the legacy costs from the scale of the Company's previous operations are unwound, Management is committing every effort to minimising costs and is leading the way with its own salary reductions.

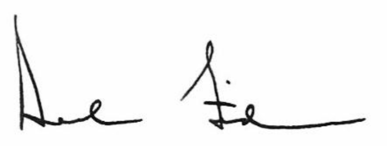
Resolutions at the 26 November Annual General Meeting

The resolutions to be put before shareholders at the Annual General Meeting on 26 November 2014 include several that relate to remuneration. If you have not yet reviewed these resolutions, please access the Notice of Meeting which is available at the Company's website (www.imxresources.com.au) under Investor Relations – Announcements.

The Board is fully aware of the changed market environment in which the Company operates and the shift in focus of our activities, both of which have given rise to a major reduction in employee numbers in both Australia and Tanzania, along with a significant restructure of executive and Board remuneration.

I ask that you support these resolutions as we strive to deliver value on our high quality assets in Tanzania.

Yours sincerely,



Derek Fisher
CHAIRMAN