

international resource
H O L D I N G S

**NOTICE OF GENERAL MEETING
EXPLANATORY STATEMENT**

23 September 2009 at 9.30am (Perth Time)

INTERNATIONAL RESOURCE HOLDINGS LIMITED

(ACN 118 710 508)

NOTICE OF GENERAL MEETING EXPLANATORY STATEMENT

DATE AND TIME OF MEETING

23 September 2009 at 9.30am (Perth Time)

VENUE

Seminar Room 3

The University Club of Western Australia, Off Hackett Drive, Crawley, Perth, Western Australia

These documents should be read in their entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor.

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of the members of International Resource Holdings Limited (“IRH” or “the Company”) will be held in Seminar Room 3, The University Club of Western Australia, off Hackett Drive, Crawley, Perth, Western Australia, at 9.30 am (Perth Time) on 23 September 2009.

The Explanatory Statement that accompanies and forms part of this Notice of General Meeting describes in more detail the matters to be considered.

BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following resolutions:

1. Resolution 1: Participation of Director in February 2009 Placement

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 10.11 and for all other purposes, approval is given for the issue to Scott Douglas or his respective nominee, of up to 6,333,333 Shares and 3,166,666 free attaching \$0.10 Options, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 1

For the purposes of ASX Listing Rule 10.13.6, the Company will disregard any votes cast on Resolution 1 by Scott Douglas and any of his associates. However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast 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.

2. Resolution 2: Conversion of Debt to Equity – Non Related Parties

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

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 2,334,556 Shares at an issue price of \$0.019 each on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 2

For the purposes of ASX Listing Rule 7.3, the Company will disregard any votes cast on Resolution 2 by any person who may participate in the proposed issue or who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates. However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast 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.

3. Resolution 3: Conversion of Debt to Equity – Related Parties

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

“That for the purposes of section 208(1) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the issue of 15,547,895 Shares at an issue price of \$0.019 each on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 3

For the purposes of ASX Listing Rule 10.13.6 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 3, by any person who may participate in the proposed issue or who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates, unless:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast 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.

4. Resolution 4: Disposal of Main Undertaking to Substantial Shareholder of Company

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

“That for the purposes of ASX Listing Rule 10.1 and 11.2 and for all other purposes, Shareholders approve the disposal of the Company’s main undertaking, namely Thrace Resources EOOD to Omax International Limited, which for the purposes of ASX Listing Rule 10.1.3 is a substantial holder of the Company.”

Voting Exclusion Statement – Resolution 4

The Company will disregard any votes cast on Resolution 4 by any person who is a party to the transaction and/or anyone who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates. However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast 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.

5. Resolution 5: Issue of Convertible Note – Omax International Limited

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue the 2009 Convertible Note at a deemed issue price of \$169,806.93 to Omax International Limited on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 5

For the purposes of ASX Listing Rule 10.13.6 of the Corporations Act, the Company will disregard any votes cast on Resolution 5, by any person who may participate in the proposed issue or who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates, unless:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast 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.

6. Resolution 6: Issue of Shares on Conversion of CGE Convertible Notes

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

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue up to 30,666,665 Shares on the conversion of CGE Convertible Notes on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion – Resolution 6

For the purposes of ASX Listing Rule 7.3, the Company will disregard any votes cast on Resolution 6 by any person who may participate in the proposed issue or who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates. However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast 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.

7. Resolution 7: Issue of Shares on Conversion of July Convertible Notes

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

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue up to 11,822,222 Shares on the conversion of July Convertible Notes on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion – Resolution 7

For the purposes of ASX Listing Rule 7.3, the Company will disregard any votes cast on Resolution 7 by any person who may participate in the proposed issue or who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates. However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast 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.

8. Resolution 8: Issue of CGE Convertible Notes to Related Parties

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 2,666,667 CGE Convertible Notes to related parties of the Company at an issue price of \$0.015 each on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 8

For the purposes of ASX Listing Rule 10.13.6 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 8, by any person who may participate in the proposed issue or who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates, unless:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast 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.

9. Resolution 9: Change in Nature and Scale of Activities of the Company

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

“That, subject to Resolutions 10 to 22 (inclusive) being passed and in accordance with ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities as set out in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 9

In accordance with ASX Listing Rule 7.3.8, the Company will disregard any votes cast on Resolution 9 by:

- a person who may obtain a benefit, except a benefit solely in its capacity as a holder of securities, if the resolution is passed; and
- an associate of that person.

However, the Company need not disregard a vote if:

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

10. Resolution 10: Issue of Consideration Shares to Non Related CGE Vendors

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

“That, subject to Resolution 9 and Resolutions 11 to 22 (inclusive) being passed and in accordance with ASX Listing Rule 7.1, and for all other purposes, approval be and is hereby given to the issue of 154,594,965 Consideration Shares to the Non Related CGE Vendors, as part consideration for the Company acquiring 100% of the issued capital of Clean Global Energy, further details of which are contained in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 10

In accordance with ASX Listing Rule 7.3.8, the Company will disregard any votes cast on Resolution 10 by:

- a person who may participate in the proposed issue of securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- an associate of that person.

However, the Company need not disregard a vote if:

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

11. Resolution 11: Issue of Consideration Shares - Related CGE Vendors

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

“That, subject to Resolutions 9 to 10 (inclusive) and Resolutions 12 to 22 (inclusive) being passed and in accordance with ASX Listing Rule 10.11 and for all other purposes, approval is given to the issue of 95,405,035 Consideration Shares to the Related CGE Vendors, as part consideration for the Company acquiring 100% of the issued capital of Clean Global Energy, further details of which are contained in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 11

For the purposes of ASX Listing Rule 10.13.6, the Company will disregard any votes cast on Resolution 11, by any person who may participate in the proposed issue or who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates, unless:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast 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.

12. Resolution 12: Issue of Facilitation Shares – Non Related Parties

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

“That, subject to Resolutions 9 to 11 (inclusive) and Resolutions 13 to 22 (inclusive) being passed and in accordance with ASX Listing Rule 7.1, and for all other purposes, approval be and is hereby given to the issue of 30 million (30,000,000) Facilitation Shares to non related parties at a deemed issue price of \$0.015, further details of which are contained in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 12

In accordance with ASX Listing Rule 7.3.8, the Company will disregard any votes cast on Resolution 12 by:

- a person who may participate in the proposed issue of securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- an associate of that person.

However, the Company need not disregard a vote if:

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

13. Resolution 13: Issue of Facilitation Shares – Related Party

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

“That, subject to Resolutions 9 to 12 (inclusive) and Resolutions 14 to 22 (inclusive) being passed and in accordance with section 208(1) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given to the issue of 20 million (20,000,000) Facilitation Shares to Domenal Enterprises Pty Ltd at a deemed issue price of \$0.015, further details of which are contained in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 13

For the purposes of ASX Listing Rule 10.13.6 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 13, by any person who may participate in the proposed issue or who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates, unless:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast 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.

14. Resolution 14: Consolidation of Share Capital

To propose, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, subject to Resolutions 9 to 13 (inclusive) and Resolutions 15 to 22 (inclusive) being passed and in accordance with section 254H of the Corporations Act, ASX Listing Rule 7.20 and the Company’s Constitution and for all other purposes, approval be and is hereby given to the consolidation of the share capital of the Company on a 1 for 4 basis as detailed in the Explanatory Statement, with any fractional entitlements being rounded down to the nearest whole number.”

15. Resolution 15: Issue of New Shares pursuant to the Capital Raising

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

“That, subject to Resolutions 9 to 14 (inclusive) and Resolutions 16 to 22 (inclusive) being passed and in accordance with ASX Listing Rule 7.1, and for all other purposes, approval be and is hereby given to the issue up to 25 million (25,000,000) New Shares at an issue price of 20 cent per New Share, further details of which are contained in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 15

In accordance with ASX Listing Rule 7.3.8, the Company will disregard any votes cast on Resolution 15 by:

- a person who may participate in the proposed issue of securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- an associate of that person.

However, the Company need not disregard a vote if:

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

16. Resolution 16: Allotment and Issue of Shares to Directors and Proposed Directors Pursuant to Capital Raising

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

“That, subject to the passing of Resolutions 9 to 15 (inclusive) and 17 to 22 (inclusive), for the purposes ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue to Directors and Proposed Directors up to 16,000,000 New Shares of the 25,000,000 New Shares to be issued as detailed in Resolution 15 on the terms set out in the Explanatory Statement accompanying this Notice.”

Voting Exclusion Statement – Resolution 16

For the purposes of ASX Listing Rule 10.13.6, the Company will disregard any votes cast on Resolution 16, by any person who may participate in the proposed issue or who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates, unless:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast 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.

17. Resolution 17: Election of Mr John Harkins

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

“That, subject to the passing of Resolutions 9 to 16 (inclusive) and Resolutions 18 to 22 (inclusive), Mr John Harkins, being eligible and having consented to act, be elected as a director of the Company on and from the date of settlement of the CGE Offer.”

18. Resolution 18: Election of Dr Michael Green

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

“That, subject to the passing of Resolutions 9 to 17 (inclusive) and Resolutions 19 to 22 (inclusive), Dr Michael Green, being eligible and having consented to act, be elected as a director of the Company on and from the date of settlement of the CGE Offer.”

19. Resolution 19: Election of Mr Domenic Martino

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

“That, subject to the passing of Resolutions 9 to 18 (inclusive) and Resolutions 20 to 22 (inclusive), Mr Domenic Martino, being eligible and having consented to act, be elected as a director of the Company on and from the date of settlement of the CGE Offer.”

20. Resolution 20: Election of Ms Alison Coutts

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

“That, subject to the passing of Resolutions 9 to 19 (inclusive) and Resolutions 19 to 22 (inclusive), Ms Alison Coutts, being eligible and having consented to act, be elected as a director of the Company on and from the date of settlement of the CGE Offer.”

21. Resolution 21: Election of Mr Paul Hubbard

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

“That, subject to the passing of Resolutions 9 to 20 (inclusive) and Resolution 22, Mr Paul Hubbard, being eligible and having consented to act, be elected as a director of the Company on and from the date of settlement of the CGE Offer.”

22. Resolution 22: Change of Company Name

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

“That subject to the passing of Resolutions 9 to 21 (inclusive) and in accordance with section 157(1) of the Corporations Act, and for all other purposes, the Company change its name from “International Resource Holdings Limited” to “Clean Global Energy Limited”.

23. Resolution 23: Approval of Employee Share Option Plan

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

or the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Directors to adopt, and to issue, securities pursuant to the International Resource Holdings Limited Employee Share Option Plan, a summary of which is set out in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 23

For the purposes of ASX Listing Rule 10.13.6 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 23, by any person who may participate in the proposed issue or who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates, unless:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast 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.

PROXIES

1. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of the member. If two proxies are appointed, and a member does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes. A proxy need not be a member of the Company.
2. In order to vote on behalf of a company that is a Shareholder of IRH, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.
3. Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged at the Company's Registry at Security Transfer Registrars Pty Limited, 770 Canning Highway, Applecross, Western Australia 6153 or sent by facsimile to the Registry on +61 (08) 9315 2233, not less than 48 hours before the time of the Meeting or resumption of the adjourned Meeting at which the person named in the instrument proposes to vote.
4. An instrument appointing a proxy:
 - (a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;

- (b) may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the Resolution except as specified in the instrument;
 - (c) shall be deemed to confer authority to demand or join in demanding a poll; and
 - (d) shall be in such form as the Directors determine and which complies with Section 250A of the Corporations Act.
5. Proxies appointing the Chairman which do not specify the way in which the proxy is to vote on a particular resolution will be recorded as voting in favour of the Resolutions.

ATTENDANCE AND VOTING ELIGIBILITY

For the purpose of regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that Shares held at 9.30 am (Perth Time) on 21 September 2009 will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.

ENQUIRIES

All enquiries in relation to the contents of the Notice of General Meeting or Explanatory Statement should be directed to the Company Secretary, Mr Mark Clements.

BY ORDER OF THE BOARD

Scott Douglas
Director

Dated: 11 August 2009

EXPLANATORY STATEMENT

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of International Resource Holdings Limited in connection with Resolutions 1 to 23 to be considered at the General Meeting of members to be held in Seminar Room 3, The University Club of Western Australia, off Hackett Drive, Crawley, Perth, Western Australia, at 9.30 am (Perth Time) on 23 September 2009.

This Explanatory Statement should be read in conjunction with the accompanying Notice of General Meeting. Please refer to Section 20 of this Explanatory Statement for a glossary of terms.

1. RESOLUTION 1: PARTICPATION OF DIRECTOR IN FEBRUARY 2009 PLACEMENT

1.1 Background to Resolution 1

As announced on 27 February 2009, the Company completed a placement raising \$338,600. The Company has issued 21,883,333 Shares at an issue price of \$0.012 per Share, together with 10,941,666 free attaching \$0.10 Options on a 1:2 basis, as approved by Shareholders at the Company's Annual General Meeting held on 26 November 2008 (**Placement**).

Of the 8,333,333 Shares subscribed for by entities associated with Mr Scott Douglas, Executive Director, 2,000,000 Shares and 1,000,000 \$0.10 Options were issued (as approved by Shareholders on 26 November 2008), with the balance of 6,333,333 Shares and 3,166,666 \$0.10 Options to be issued subject to Shareholder approval.

Resolution 1 seeks approval for Mr Scott Douglas (or his respective nominee), to subscribe for 6,333,333 Shares and 3,166,666 free attaching \$0.10 Options under the Placement. If Resolution 1 is approved, the Shares and Options issued to Mr Douglas (or his nominee) will be issued on identical terms and conditions, including price, as those issued to unrelated and non-associated investors under the Placement.

Shareholder approval is not being sought pursuant to Part 2E of the Corporations Act because the non interested Directors (those that did not participate in the Placement) consider that the proposed issue of Shares and Options is on arms length terms as they will be issued on the same terms, including the same price as those issued to the non-related parties under the Placement.

The ASX Listing Rules set out a number of regulatory requirements which must be satisfied in connection with the proposed issued of securities to the Directors. These are summarised below.

1.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party of that company.

If Resolution 1 is passed, Mr Douglas (or his nominee) will be entitled to subscribe for 6,333,333 Shares and 3,166,666 free attaching \$0.10 Options each under the Placement. Accordingly, prior approval for the proposed issue of Shares to Mr Douglas under the Placement is required pursuant to ASX Listing Rule 10.11.

ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not issue during a 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the total ordinary shares on issue at the commencement of that 12 month period. The Shares proposed to be issued pursuant to Resolution 1 will not be included in the Company's 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 1:

- (a) the maximum number of securities which may be issued to Mr Douglas is 6,333,333 Shares and 3,166,667 free attaching \$0.10 Options;
- (b) the Shares will be issued at a price issue price of \$0.012 per Share, being the same price as the Shares issued under the Placement. The \$0.10 Options will be issued as free attaching Options on a one-for-two basis for no additional consideration;

- (c) the Shares and \$0.10 Options will be allotted and issued no later than one month after the date of this General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Shares will rank equally with the existing fully paid Shares on issue.
- (e) The \$0.10 Options have an exercise price of \$0.10 and an expiry date of 30 November 2011. The Options are otherwise issued on the terms and conditions set out below in section 1.3 of the Explanatory Statement; and
- (f) the funds raised under the placement facility will be used for working capital and to fund the Company's ongoing exploration activities.

As approval of Shareholders is being sought in respect of Resolution 1 pursuant to ASX Listing Rule 10.11, under exception 14 to ASX Listing Rule 7.2, Shareholder approval under ASX Listing Rule 7.1 is not required.

1.3 \$0.10 Option Terms

- (a) Each \$0.10 Option entitles the holder to subscribe for a Share in the Company at the exercise price of \$0.10.
- (b) The \$0.10 Options are exercisable on and from the date of issue and expire at 5pm WST on 30 November 2011 ("expiry date"). Any \$0.10 Options not exercised on or before the expiry date will automatically lapse.
- (c) All Shares in the Company allotted on the exercise of \$0.10 Options will rank equally in all respects with the then existing Shares.
- (d) The \$0.10 Options are not transferable and no application will be made to ASX for quotation of the \$0.10 Options. The Company must apply for quotation of all Shares in the Company allotted pursuant to the exercise of \$0.10 Options no later than 10 Business Days after the date of allotment.
- (e) Holders may only participate in new issues of securities to holders of Shares in the Company if the \$0.10 Options have been exercised and Shares allotted in respect of the \$0.10 Options before the record date for determining entitlements to the issue. The Company must give to holders at least 7 business days notice of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- (f) There will be no change to the exercise price of the \$0.10 Options or the number of Shares over which the \$0.10 Options are exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
- (g) If there is a bonus issue ("Bonus Issue") to the holders of Shares in the Company, the number of Shares over which the \$0.10 Options are exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as the date of issue of the Bonus Shares.
- (h) If prior to the expiry date, there is a reorganisation of the issued capital of the Company, the \$0.10 Options are to be treated in the manner set out in the ASX Listing Rules.

2. RESOLUTION 2: CONVERSION OF DEBT TO EQUITY – NON RELATED PARTIES

2.1 Background to Resolution 2

The Company has agreed with a number of creditors of the Company to issue Shares at an issue price at \$0.019 per Share in consideration for the satisfaction of outstanding amounts owed for services provided as follows:

- (a) 607,895 Shares are to be issued to Azalea Consulting Pty Ltd in relation to fees totalling \$11,550 owed by the Company relating to company secretarial services provided for the period between October and December 2008 (inclusive).
- (b) 937,187 Shares are to be issued to Resource Generation Limited in relation to amounts totalling \$17,806.55 owed by the Company for office leasing arrangements and related office expenses.
- (c) 789,474 Shares are to be issued to RM Corporate Pty Ltd in relation to fees totalling \$15,000 owed by the Company for services provided by Mr Mark Maine during the period he was a director of the Company. Mr Maine resigned as a director of the Company on 18 October 2007.

Accordingly, the Company seeks shareholder approval pursuant to Resolution 2 for the issue of up to 2,334,556 Shares at \$0.019 per share.

2.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

Shareholder approval is being sought pursuant to Resolution 2 for the issue of 2,334,556 Shares for the purposes of ASX Listing Rule 7.1. The Shares proposed to be issued pursuant to Resolution 2 will not be included in the Company's 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.3 sets out a number of matters which must be included in a Notice of Meeting proposing an approval of an issue of securities under ASX Listing Rule 7.1. For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the maximum number of securities to be issued by the Company under Resolution 2 is 2,334,556 Shares;
- (b) the Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the Shares will be issued at a price of \$0.019 per Share;
- (d) the Shares rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (e) the allottees in respect of Resolution 2 are as follows:

Allottee	Number of Shares
Azalea Consulting Pty Ltd	607,895
Resource Generation Ltd	937,187
RM Corporate Pty Ltd	789,474
Total	2,334,556

None of the allottees are related parties or associates of the Company.

- (f) no funds will be raised from the issue of the Shares. The Shares will be issued to extinguish debt.

3. RESOLUTION 3: CONVERSION OF DEBT TO EQUITY – RELATED PARTIES

3.1 Background to Resolution 3

The Company has agreed, subject to Shareholder approval to issue a total of 15,547,895 Shares at an issue price at \$0.019 per share to a number of related parties of the Company in satisfaction of outstanding amounts owed for services provided.

Since 30 June 2008, the Directors of the Company have deferred their director fees with the Company focused upon reducing corporate overheads and managing the Company's cash reserves. Accordingly, it is proposed that subject to Shareholder approval, the following number of Shares will be issued in lieu of director fees for such services provided:

- (a) 10,412,368 Shares are to be issued to Satomi Pty Ltd, an entity associated with Mr Scott Douglas, Executive Director in relation to director and consulting fees totalling \$197,835 owed by the Company to Mr Douglas for the services provided and to be provided for the period between July 2008 and September 2009 (inclusive).
- (b) 1,736,842 Shares are to be issued to Mr Michael Hunt in relation to director fees totalling \$33,000 owed by the Company to Mr Hunt for the services provided and to be provided for the period between October 2008 and September 2009 (inclusive).
- (c) 2,408,421 Shares are to be issued to Trident Capital Pty Ltd in relation to director fees totalling \$45,760 owed by the Company to Mr Parker for services provided and to be provided between the period of July 2008 and September 2009 (inclusive). Mr Andrew Parker, director of the Company and Mr Adam Sierakowski (alternative director for Mr Parker) are directors and shareholders of Trident Capital Pty Ltd.
- (d) 815,789 Shares are to be issued to Mr Noel Taylor, a previous director of the Company in relation to annual leave entitlements totalling \$15,500 owed by the Company to Mr Taylor prior to his resignation on 21 November 2008 (inclusive).

In addition, it is proposed that 174,474 Shares are to be issued to Price Sierakowski Lawyers in relation to legal fees totalling \$3,315 owed by the Company for legal services provided. Mr Adam Sierakowski (alternative director for Mr Parker) is a director and shareholder of Price Sierakowski Lawyers.

Accordingly, Resolution 3 seeks Shareholder approval for the issue of a total of 15,547,895 Shares to Satomi Pty Ltd, Mr Hunt, Trident Capital Pty Ltd, Mr Taylor and Price Sierakowski Lawyers.

3.2 Section 208 of the Corporations Act

Section 208(1) of the Corporations Act prohibits a company from giving a financial benefit to a related party without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

A “related party” for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director’s family. It also includes an entity over which a director maintains control and an entity that at a particular time believes or has reasonable grounds to believe that it is likely to become a related of the public company.

A “financial benefit” for the purposes of the Corporations Act is also widely defined and includes the issue of securities or the grant of an option to acquire securities in a public company.

3.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that except in certain circumstances (which do not apply in the present case), the issue of securities to a “related party” of the Company is required to be approved by Shareholders. The term “related party” is defined for these purposes to include a related party within the meaning of section 208 of the Corporations Act and a person whose relationship with the entity or a related part is, in ASX’s opinion, such that approval should be obtained.

3.4 Shareholder Approval

The Company is seeking the approval of Shareholders under section 208 of the Corporations Act and ASX Listing Rule 10.11 in respect of the Shares proposed to be issued to Satomi Pty Ltd, Trident Capital Pty Ltd, Mr Hunt, Mr Noel Taylor and Price Sierakowski Lawyers as “related parties” for the purposes of those provisions.

Accordingly, the following information is provided in accordance with section 219 of the Corporations Act and ASX Listing Rule 10.13 to enable Shareholders to assess the merits of Resolution 3.

(a) The Company will issue:

- 10,412,368 Shares to Satomi Pty Ltd;
- 2,408,421 Shares to Trident Capital Pty Ltd;
- 1,736,842 Shares to Mr Michael Hunt;
- 815,789 Shares to Mr Noel Taylor; and
- 174,474 Shares to Price Sierakowski Lawyers,

as soon as practicable after the date of this Meeting, but in any event no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).

(b) The Shares proposed to be issued under Resolution 3 will be issued at \$0.019 per Share. The Shares will rank equally with all other Shares on issue. On 21 January 2009, the non-interested directors of IRH independently resolved to authorise the allotment of fully paid ordinary shares in the Company at \$0.019 per share to the parties in (a) above in lieu of payment of outstanding amounts due as this was the price at close of trading on ASX on 20 January 2009. The non-interested directors determined in the circumstances that the issue price of the shares was commercial and reasonable having regard to the situation of the Company.

(c) The issue of the Shares pursuant to Resolution 3 will be offset against and in consideration for the extinguishment of debts owed by the Company to Satomi Pty Ltd, Trident Capital Pty Ltd, Mr Hunt, Mr Taylor and Price Sierakowski Lawyers. Accordingly, no funds will be raised by the Company in respect of the issue of Shares pursuant to Resolution 3.

(d) the Directors decline to make a recommendation to Shareholders in relation to Resolution 3 due to their material personal interest in the outcome of the Resolution.

(e) As noted above, since 30 June 2008, the Directors of the Company have deferred their fees with the Company focused upon reducing corporate overheads and managing the Company’s cash reserves. However, as a Director of the Company, Mr Douglas is due payments of \$143,800 per annum which are director and consultancy fees paid to him as Executive Director, Mr Hunt is due payments of \$36,000 per annum which are fees paid to him as Chairman, Mr Parker (and his alternate director Mr Sierakowski), together are due payment of \$36,000 per annum which are

fees paid as non-executive directors. Prior to his resignation as a Director on 21 November 2008, Mr Taylor to receive payments of \$180,000 per annum as director fees.

As approval of Shareholders is being sought in respect of Resolution 3 pursuant to ASX Listing Rule 10.11, under exception 14 to ASX Listing Rule 7.2, Shareholder approval under ASX Listing Rule 7.1 is not required.

4. RESOLUTION 4: DISPOSAL OF MAIN UNDERTAKING TO SUBSTANTIAL SHAREHOLDER

4.1 Background to Resolution 4

The Company has entered into a share sale agreement with Martern EOOD (**Martern**) and Omax International Limited (**Omax International**) to sell its wholly owned subsidiary Thrace Resources EOOD (**Thrace**), a company registered in Bulgaria to Omax International (**Thrace Sale Agreement**). Thrace is the registered holder of two Bulgarian mining projects, namely Breznik and Rakitovo.

Omax International is a substantial shareholder of the Company currently holding 9 million shares representing 12.88%. Martern is a wholly owned subsidiary of Omax International.

Pursuant to the terms of the Thrace Sale Agreement, Martern will pay the Company A\$169,806.92, being an amount equal to 50% of the funds invested by Martern under the Convertible Note entered into between the Company and Martern in December 2008 (**2008 Convertible Note**). This amount is to be set off against the funds advanced by Martern pursuant to the 2008 Convertible Note. The 2008 Convertible Note will be cancelled with a new convertible note entered into on the same terms with Omax International, with a new face value of A\$169,806.92 (**2009 Convertible Note**).

In addition, an amount of approximately US\$30,000 will also be payable to the Company for the reimbursement of the environmental bonds held by the Company in respect of the Thrace licences.

The acquisition and Thrace Sale Agreement is conditional on the Shareholders of Company passing all resolutions that are deemed as being required under the ASX Listing Rules and the Corporations Act to give effect to the sale as contemplated by the parties.

4.2 ASX Listing Rule Requirements

For the purposes of ASX Listing Rule 10.1.3, Omax International is considered to be a substantial holder (holding greater than 10% of the voting securities in the Company). Accordingly, Shareholder approval is required under ASX Listing Rule 10.1.

As Thrace constitutes the Company's main undertaking for the purposes of the ASX Listing Rules, Shareholder approval is also required for the disposal under ASX Listing Rule 11.2.

Accordingly, the Company is seeking Shareholder approval under Resolution 4 for the sale of Thrace for the purposes of ASX Listing Rules 10.1 and 11.2.

ASX Listing Rule 10.10 provides that an independent expert's report on the transaction must be provided to Shareholders. Refer to Section 4.9 of this Explanatory Statement for further details.

4.3 Directors' interest in the Thrace Sale Agreement

No Director has an interest in Omax International and will not receive any payment or benefit of any kind under the Thrace Sale Agreement, other than as a Shareholder of the Company.

4.4 Use of Funds

Pursuant to the terms of the Thrace Sale Agreement, the purchase price of A\$169,806.92 will be set off against the funds advanced by Martern pursuant to the 2008 Convertible Note, being an amount equal to 50% of the funds invested by Martern under the 2008 Convertible Note.

In addition, an amount of approximately US\$30,000 will also be payable to the Company by Martern for the reimbursement of the environmental bonds held by the Company in respect of the Thrace licences.

The Board advises that it is likely that the net cash proceeds will be held as cash or cash equivalents.

4.5 Pro-Forma Balance Sheet

Set out in Annexure A is a balance sheet of the consolidated entity of the Company as at 31 December 2008, together with a pro-forma balance sheet assuming amongst other things, completion of the divestment of Thrace as at 31 December 2008.

4.6 Rationale for the Sale of Thrace

Following a review of the Company's current operations, financial position and the current economic environment, the Board believes that it is not in the best interests of Shareholders to continue expending funds on the Bulgarian projects considering the viability of the projects is largely unknown.

A significant amount of additional funds would need to be expended in order to advance the projects beyond the point of a bankable feasibility study, including the requirement to obtain the discovery certificate, environmental reports and management reports. Failure by the Company to meet these requirements would potentially result in the forced surrender of the licenses.

Given the current economic environment, the Board believes that the Company is best served in attempting to preserve funds and resources, with a focus to building Shareholder wealth through the identification of alternative resource projects.

4.7 Directors' Recommendations

The Directors have a relevant interest in the securities of the Company as set out in the following table:

Director	Shares	Options
Mr Michael Hunt	2,220,000	2,100,000
Mr Scott Douglas	2,000,000	2,499,999
Mr Andrew Parker	3,305,001	2,650,000
Mr Adam Sierakowski (Alternative Director)	3,771,667	1,725,000

Each Director intends to vote their Shares in favour of the Resolution. Based on the information available, all of the Directors consider that the proposed divestment of Thrace is in the best interests of the Company and recommend that the Shareholders vote in favour of the Resolution. The Directors have approved the proposal to put the Resolution to Shareholders.

4.8 Independent Expert's Report

As the purchaser of Thrace is a substantial holder of the Company for the purposes of ASX Listing Rule 10.1.3 (by way of holding greater than 10% of the voting securities in the Company), ASX Listing Rule 10.10.2 provides that a report on the transaction by an independent expert must be provided to Shareholders (**Report**). The Report must state whether the transaction is fair and reasonable to Shareholders whose votes will not be excluded in accordance with the Notice of Meeting.

The Board has appointed HLB Mann Judd to produce the Report. The Report is enclosed with this Notice of Meeting. HLB Mann Judd has concluded that the sale of Thrace in accordance with the Thrace Sale Agreement is not fair but reasonable to the independent Shareholders.

The Board urge all Shareholders to carefully read and consider the Report in reaching a voting decision.

5. RESOLUTION 5: ISSUE OF CONVERTIBLE NOTE TO OMAX INTERNATIONAL LIMITED

5.1 Background to Resolution 5

As set out in Section 4.1 above, pursuant to the terms of the Thrace Sale Agreement, the Company will issue the 2009 Convertible Note to Omax International with a face value of A\$169,806.92 as part consideration for the sale of Thrace.

Omax International is a substantial shareholder of the Company currently holding 9 million Shares representing 12.88%.

Accordingly, Resolution 5 seeks Shareholder approval for the issue of the 2009 Convertible Note to Omax International on the terms set out below.

5.2 Shareholder Approval

The Company is seeking the approval of Shareholders under section 208 of the Corporations Act and ASX Listing Rule 10.11 in respect of the 2009 Convertible Note to be issued to Omax International as a "related party" for the purposes of those provisions.

The legal requirements in relation to ASX Listing Rule 10.11 are set out in sections 3.2 and 3.3 of the Explanatory Statement respectively.

The following information is provided in accordance with section 219 of the Corporations Act and ASX Listing Rule 10.13 to enable Shareholders to assess the merits of Resolution 5.

The Company will issue the 2009 Convertible Note to Omax International with a face value of A\$169,806.92 as soon as

- (a) practicable after the date of this Meeting, but in any event no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (b) The terms of the 2009 Convertible Note are set out in Section 5.3.
- (c) The 2009 Convertible Note is to be issued as part consideration for the sale of Thrace. Accordingly, no funds will be raised by the Company in respect of the issue of Shares pursuant to Resolution 5.
- (d) None of the Directors have an interest in the outcome of Resolution 5. All Directors unanimously recommend that Shareholders vote in favour of Resolution 5 to allow the Company to complete the issue of the 2009 Convertible Note to Omax International.
- (e) The Directors believe there is no other information that is reasonably required by Shareholders to make a decision on whether or not to pass Resolution 5 that is not otherwise provided in this Notice of Meeting and Explanatory Statement.

As approval of Shareholders is being sought in respect of Resolution 5 pursuant to ASX Listing Rule 10.11, under exception 14 to ASX Listing Rule 7.2, Shareholder approval under ASX Listing Rule 7.1 is not required.

5.3 Terms of the 2009 Convertible Note

The material terms of the 2009 Convertible Note are as follows:

- (a) **Issue Price** – The 2009 Convertible Note will be issued with a face value of A\$169,806.92.
- (b) **Conversion Price** – The 2009 Convertible Note is convertible into Shares at a conversion price of 5 cents per share.
- (c) **Conversion Period** – The 2009 Convertible Note is convertible within 24 months from the date of issue.
- (d) **Interest** – Until the 2009 Convertible Note is converted into Shares, the 2009 Convertible Note will earn a fixed rate of interest of 10% per annum. There is no requirement for the interest to be paid within the conversion period with unpaid interest to be converted at the time of conversion. In addition, the parties have acknowledged that an unpaid interest amount of A\$1,415.06 per month has accrued (on a loan amount equal to the face value of the 2009 Convertible Note) from 10 December 2008 until the date of the 2009 Convertible Note (**Accrued Interest**). Any Accrued Interest will also be converted at the time of conversion of the 2009 Convertible Note.
- (e) **Ranking on Conversion** – Each Share issued on conversion will rank equally with all existing Shares then on issue.
- (f) **Reconstruction of Capital** – In the event of a reconstruction such that the Shares in the capital of the Company are reconstructed, consolidated or divided into a lesser or greater number of securities, the basis for conversion of the 2009 Convertible Notes will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on the 2009 Convertible Noteholder.

Information set out in Section 219 as required in relation to resolutions under Section 208 is provided above in relation to the 2009 Convertible Note.

6. RESOLUTION 6: ISSUE OF SHARES ON CONVERSION OF CGE CONVERTIBLE NOTES

6.1 Background to Resolution 6

On 13 May 2009, the Company announced to ASX that it had successfully raised \$500,000 pursuant to a convertible note raising (**CGE Convertible Note Raising**). Subject to the approval of Shareholders, the CGE Convertible Notes will be converted into 33,333,332 Shares at a deemed issue price of \$0.015 per Share.

The total capital raised includes the participation of \$40,000 from Directors, with the issue of the associated 2,666,667 CGE Convertible Notes (representing 2,666,667 Shares) subject to Shareholder approval pursuant to Resolution 8.

The Company has received confirmation from the non-related noteholders under the CGE Convertible Note Raising that they will convert the CGE Convertible Notes upon the passing of Resolution 6.

Accordingly, Shareholder approval is being sought pursuant to Resolution 6 for the issue of 30,666,665 Shares to unrelated parties for the purposes of ASX Listing Rule 7.1.

6.2 ASX Listing Rule 7.1

The Shares proposed to be issued pursuant to Resolution 6 will not be included in the Company's 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.3 sets out a number of matters which must be included in a Notice of Meeting proposing an approval of an issue of securities under ASX Listing Rule 7.1. For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) the maximum number of securities to be issued by the Company under Resolution 6 is 30,666,665 Shares;
- (b) the Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the Shares will be issued at a price of \$0.015 per Share;
- (d) the Shares rank equally in all respects with the existing fully paid ordinary shares of the Company on issue;
- (e) the allottees in respect of Resolution 6 are as follows:

Allottee	Number of Shares
Bayonet Investments Pty Ltd <Southpoint A/C>	3,333,333
Blu Bone Pty Ltd	3,333,334
Carnethy Evergreen P/L < Carnethy Evergreen Fund>	1,000,000
Charles A Truijens	666,666
Delmace Pty Ltd <R&C Super Fund A/C>	1,333,333
Filmrim Pty Ltd <Majufe Super A/C>	2,000,000
Impact Nominees Pty Ltd <Sydney Investment Trust A/C>	4,333,333
Karriglen Nominees Pty Ltd <LTD Investment A/C>	1,333,333
Kobia Holdings Pty Ltd <The Kobia A/C>	3,333,334
Michael Foster Black & Lynette Robin Black <Perth Surgical Supply Co. Pty Ltd Atf S/F 2 A/C>	3,000,000
Mr Jason Peterson & Mrs Lisa Peterson	3,333,333
Notegrin Pty Ltd	1,333,333
Professional Payment Services Pty Ltd	333,333
SGF Property Services Pty Ltd	1,000,000
SGL Pty Ltd <SGL Unit A/C>	1,000,000
TOTAL	30,666,665

None of the allottees are related parties or associates of the Company.

- (f) no funds will be raised from the issue of the Shares. The Shares will be issued to satisfy the conversion of the 30,666,665 CGE Convertible Notes.

7. RESOLUTION 7: ISSUE OF SHARES ON CONVERSION OF JULY CONVERTIBLE NOTES

7.1 Background to Resolution 7

On 16 July 2009 the Company announced to ASX that it had successfully raised \$532,000 pursuant to a convertible note raising (**July Convertible Note Raising**). Subject to the approval of Shareholders, the July Convertible Notes will be converted into 11,822,222 Shares at a deemed issue price of \$0.045 per Share.

The Company has received confirmation from the noteholders under the July Convertible Note Raising that they will convert the July Convertible Notes upon the passing of Resolution 7.

Accordingly, Shareholder approval is being sought pursuant to Resolution 7 for the issue of 11,822,222 Shares to unrelated parties for the purposes of ASX Listing Rule 7.1.

7.2 ASX Listing Rule 7.1

The Shares proposed to be issued pursuant to Resolution 7 will not be included in the Company's 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.3 sets out a number of matters which must be included in a Notice of Meeting proposing an approval of an issue of securities under ASX Listing Rule 7.1. For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 7:

- (a) the maximum number of securities to be issued by the Company under Resolution 7 is 11,822,222 Shares;
- (b) the Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the Shares will be issued at a price of \$0.045 per Share;
- (d) the Shares rank equally in all respects with the existing fully paid ordinary shares of the Company on issue;
- (e) the allottees in respect of Resolution 7 are as follows:

Allottee	Number of Shares
Foster West Securities Pty Ltd <Spartacus A/C>	555,555
Rick Ardon	1,111,111
Daniel Paul Wise <Ark Investments A/C>	1,111,111
Flue Holdings Pty Ltd	1,111,111
Pippin Drysdale Pty Ltd <Pippin Drysdale Superfund A/C>	266,666
Phillip John Coulson	1,111,111
UBS Nominees Pty Ltd	3,333,334
UC Mondello Pty Ltd <The UC Mondello Super Fund A/C>	555,556
David Jeremy Porzig and Kylie Prozig <The Porzig Superfund A/C>	555,556
Vertex Financial Solutions Group Pty Ltd	1,111,111
Carnethy Evergreen P/L < Carnethy Evergreen Fund>	1,000,000
TOTAL	11,822,222

None of the allottees are related parties or associates of the Company.

- (f) no funds will be raised from the issue of the Shares. The Shares will be issued to satisfy the conversion of the 11,822,222 July Convertible Notes.

8. RESOLUTION 8: ISSUE OF CGE CONVERTIBLE NOTES TO RELATED PARTIES

8.1 Background to Resolution 8

As noted in Section 6.1 of the Explanatory Statement, the total capital of \$500,000 raised pursuant to the CGE Convertible Note Raising includes the participation of \$40,000 from Directors, with the issue of the associated 2,666,667 CGE Convertible Notes (representing 2,666,667 Shares) subject to Shareholder approval pursuant to Resolution 8.

Resolution 8 seeks approval for Mr Scott Douglas (or his respective nominee), to subscribe for 2,000,000 CGE Convertible Notes and Mr Michael Hunt (or his respective nominee) to subscribe for 666,667 CGE Convertible Notes.

If Resolution 8 is approved, the CGE Convertible Notes issued to Mr Douglas (or his nominee) and Mr Michael Hunt (or his nominee) will be issued on identical terms and conditions, including price, as those issued to unrelated and non-associated investors under the CGE Convertible Note Raising.

Shareholder approval is not being sought pursuant to Part 2E of the Corporations Act because the non interested Directors (those that did not participate in the CGE Convertible Note Raising) consider that the proposed issue of CGE Convertible Notes is on arms length terms and reasonable in the circumstances as they will be issued on the same terms, including the same price as those issued to the non-related parties under the CGE Convertible Note Raising.

It is proposed that following the issue of the CGE Convertible Notes pursuant to Resolution 8, these notes will be converted into 2,666,667 Shares.

8.2 ASX Listing Rule 10.11

The ASX Listing Rules set out a number of regulatory requirements which must be satisfied in connection with the proposed issue of securities to the Directors. These are summarised in Section 1.2 of this Explanatory Statement.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 8:

- (a) the maximum number of securities which may be issued to Mr Douglas and Mr Hunt are 2,000,000 CGE Convertible Notes and 666,667 CGE Convertible Notes respectively;
- (b) the CGE Convertible Notes will be issued at a price issue price of \$0.015 per note, being the same price as the notes issued under the CGE Convertible Note Raising;
- (c) the CGE Convertible Notes will be allotted and issued no later than one month after the date of this General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the terms of the CGE Convertible Notes are set out in Section 8.3 of the Explanatory Statement; and
- (e) the funds raised under the CGE Convertible Note Raising will be used for general working capital.

As approval of Shareholders is being sought in respect of Resolution 8 pursuant to ASX Listing Rule 10.11, under exception 14 to Listing Rule 7.2, Shareholder approval under ASX Listing Rule 7.1 is not required.

8.3 Terms of the CGE Convertible Notes

The material terms of the CGE Convertible Notes are as follows:

- (a) **Issue Price** – The issue price of the CGE Convertible Notes is \$0.015 per note.
- (b) **Conversion Price** – One CGE Convertible Note converts into one Share.
- (c) **Interest** – There is no interest payable on the CGE Convertible Notes.
- (d) **Term and Conversion** – The CGE Convertible Notes are to be converted upon Shareholders of the Company approving the issue of Shares in the Company to the noteholders in general meeting in accordance with the Corporations Act and the ASX Listing Rules. Notes not converted as at 1 June 2010 will result in their immediate redemption and the original subscription monies repaid within 180 days without further interest.
- (e) **Ranking on Conversion** – Each Share issued on conversion will rank equally with all existing Shares then on issue.
- (f) **Security** – The CGE Convertible Notes are unsecured.

9. RESOLUTION 9: CHANGE IN NATURE AND SCALE OF ACTIVITIES OF THE COMPANY

9.1 Background to Resolution 9

Subject to the passing of Resolutions 10 to 22 (inclusive), Resolution 9 is an ordinary resolution which seeks approval for the change of the Company's nature and scale of activities from a gold exploration company with interests in Bulgaria to a coal exploration and energy company with interests in Queensland, pursuant to the agreement reached with Clean Global Energy Pty Ltd (CGE).

As announced on 30 April 2009, the Company entered into a conditional Heads of Agreement to acquire 100% of the issued capital of CGE (**Heads of Agreement**). Under the terms of the Heads of Agreement, the Company proposed issuing 250 million Consideration Shares in consideration for the acquisition of 100% of the issued capital of CGE.

On or about 12 June 2009, the Company and the CGE Shareholders (**Vendors**) entered into the share sale agreement for the acquisition of 100% of the issued capital of CGE (**Share Sale Agreement**). In accordance with the terms of the Share Sale Agreement, the Company will issue 250 million Consideration Shares to the Vendors. The Share Sale Agreement replaces the above Heads of Agreement and is subject to and conditional upon the following:

- (a) CGE obtaining any necessary regulatory approvals as may be required by the CGE's constitution or the Corporations Act for the transfer of 100% of CGE's issued capital to the Company;
- (b) the Vendors executing or causing CGE to execute any other document or do any other matter reasonably required by the Company to give effect to the acquisition of CGE.
- (c) each of the Vendors entering into restriction agreements as required by the ASX;

- (d) The Company obtaining such Shareholder approvals or other regulatory approvals for the transaction contemplated as may be required by its Constitution, the ASX, the ASX Listing Rules, the Corporations Act, ASIC or any other regulatory body, including but not limited to:
- the approval for the issue and allotment of the Consideration Shares;
 - the approval for the issue and allotment of the Facilitation Shares;
 - approval of the shareholders of the Company under section 611 Item 7 of the Corporations Act 2001 to the issue and allotment of the Consideration Shares and the acquisition of the Company;
 - any approvals under the related party provisions of the Corporations Act 2001 or the ASX Listing Rules for the issue and allotment of the Facilitation Shares or the Consideration Shares;
 - the approval of Shareholders to a change in the nature and scale of the Company under the ASX Listing Rules;
 - The issue to Mr Scott Douglas or his nominee of up to 6,333,333 Shares and 3,166,667 Options upon terms and conditions agreed between the Company and Mr Scott Douglas;
 - the issue of up to 2,334,556 Shares to non-related parties of the Purchaser at a deemed issue price of \$0.019 pursuant to a debt to equity conversion to be agreed between such parties; and
 - the issue of 15,547,895 Shares to the directors of the Purchaser at a deemed issue price of \$0.019 in satisfaction of all of the accrued and outstanding directors fees as at the Completion Date.
- (e) The Company taking all necessary corporate action to ensure that the existing directors of the Company retire on and from Completion.
- (f) Completion occurring under the Thrace Sale Agreement and the 2008 Convertible Note being surrendered.
- (g) Matern EOOD or its nominee agreeing to convert the 2009 Convertible Note.
- (h) 100% acceptance of the CGE Offer by the Vendors and each Vendor signing the Share Sale Agreement.

9.2 Overview and Information on CGE

CGE is a private energy company with a vision of becoming a significant provider of low cost energy through converting vast sub-economic coal deposits into a cheap, useful energy in the form of Syngas. In exploiting coal deposits that are traditionally uneconomical to mine, CGE will use its proven in-situ extraction method, Underground Coal Gasification (UCG), to turn these sub economic resources into a Syngas that is suitable for feedstock for power generation, the production of chemicals and fertilizers and for use in Gas to Liquids technology that produces petrochemical product including ultra-clean diesel and aviation fuels.

The UCG Process

UCG is a process whereby coal is converted to gas in-situ and brought to the surface for further use. The UCG process has significant advantages over other methods of extracting energy from coal in that it allows coal to be processed underground, thus eliminating expensive mining operations and minimizing ground disturbance, in order to produce a low cost industrial gas. The gas can then be used in either power generation or in the further production of liquid petroleum products.

The UCG technology to be used by CGE has been developed over the last 20 years by CGE's Technical Director, Dr. Michael Green and proven most recently in a successful European UCG trial conducted in Spain between 1992 and 1999. Dr. Green has continued to further develop the process used in this trial from the trials conclusion to the present day.

CGE has entered into an exclusive Technology Partnership Agreement with Dr. Green, pursuant to which he agrees, amongst other things, to provide services involving delivery of his technical skills, knowledge and expertise to CGE and ultimately transfer this intellectual property to CGE. Dr Green will be appointed to the board of IRH at completion.

CGE's Coal Leases

CGE has four coal leases including EPC 1506, 1508 & 1539 located in the Clarence-Moreton Coal Basin in south-east Queensland and EPC 1507 located in the Biloela Coal Basin in Central Queensland. CGE has applied for three additional coal leases including EPCA 1592 in the Bowen Basin, EPCA 1612 in the Clarence-Moreton Basin and EPCA 1637 in the Galilee Basin. If these additional leases are granted, the seven leases will cover an area of approximately 1,895 square kilometres. The coal leases are further detailed in the GeoConsult Report enclosed with this Notice.

CGE Joint Venture Agreement

On or about 14 July 2009 CGE entered into a joint venture agreement, the details of which are summarised below.

CGE and Liberty Resources Limited (“**Liberty**”) entered into a joint venture, the principal terms of which are as follows (“**Liberty JV**”):

- Liberty is the holder of numerous coal licences throughout Queensland and has granted CGE the right to earn an interest of up to 60% in the relevant tenements by expending a total of \$750,000 on exploring the tenements for a suitable site to build a pilot UCG plant.
- Once CGE builds a UCG pilot plant CGE will earn a total 75% interest in the relevant tenement/s.
- Following the establishment of the pilot plant CGE and Liberty will enter into a joint venture arrangement whereby CGE owns 70% of the joint venture and Liberty 30%.
- The joint venture is formed to establish a commercial UCG production plant and each of Liberty and CGE will contribute to the construction and commission of the commercial plant in accordance with their respective interests.
- The Liberty JV contains terms and conditions standard for this type of agreement.

9.3 Independent Geologist Report/Competent Person’s Report

A Competent Person’s Report on the assets of CGE is enclosed with this Notice of Meeting and Shareholders should carefully read this report.

9.4 Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

On the basis that approval pursuant to Resolution 9 is obtained, the Company will seek to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules. Compliance with the admission requirement involves, amongst other things, the following:

- (a) Issuing a prospectus;
- (b) Meeting the spread requirements that is either:
 - (i) At least 500 holders each with a parcel of the main class of securities with a value of at least \$2,000; or
 - (ii) 400 holders with a parcel of securities with a value of at least \$2,000, and persons who are not related parties must hold at least 25% of securities quoted;
- (c) Meeting ASX’s profit test or assets test;
- (d) Having the entity’s quoted securities (except options) issued or sold for at least 20 cents in cash; and
- (e) Having the entity’s options exercisable for at least 20 cents in cash.

Shareholders should be aware that following the General Meeting, the Company may be suspended by the ASX until it has re-complied with Chapters 1 & 2 of the ASX Listing Rules, as summarised above. It is the Company’s intention to meet these requirements as soon as practical.

9.5 Advantages of transaction

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder’s decision on how to vote on the proposed Resolutions:

The directors of the Company believe that an investment in CGE will add significant value to the Company’s Shares;

- By approving the change in nature and scale, the Company can focus on building the business into an energy company that utilises an alternate coal extraction method to produce an industrial Syngas that may be suitable for feedstock in power generation, the production of ultra clean diesel, other petro-chemical products and fertilizers;
- The acquisition and utilisation of Underground Coal Gasification (“**UCG**”) which is a process that will allow the company to access and monetize coal deposits including those that are typically classed as stranded and/or uneconomical to mine. UCG may provide a greater advantage in monetizing coal than traditional mining methods.
- The development of CGE’s coal assets through exploration activities and the application of UCG;
- Allow the business of the company to be more closely monitored as the operations of the company will be based in Australia and not overseas;

- Reduce the geo-political risk to investors in the company as the operations and major assets of the company will be based in Australia and not overseas.

9.6 Disadvantages of transaction

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- The Company will be changing the nature of its activities to become a company focused on coal exploration activities, which may not be consistent with the objectives of all Shareholders;
- There are many risk factors associated with the change in nature of the Company's activities (these are set out further below in this Notice);
- The Share Sale Agreement and the CGE Offer will result in the issue of securities to the CGE Shareholders which will have a dilutionary effect on the current holdings of Existing Shareholders which is set out in more detail in the Explanatory Statement for Resolution 14;
- There is no guarantee that the Company's Shares will increase in value;
- Due to the change of the company's operations, the Company will be increasingly susceptible to global coal and energy prices;
- The Company must re-comply with chapters 1 and 2 of the ASX Listing Rules, there is no guarantee that the Company will successfully comply with chapters 1 and 2, or that the ASX will quote the securities of the Company upon passing of all of the Resolutions.

9.7 Risks – Change of Activities

Shareholders should be aware that if the Resolutions are approved, the Company will be changing the nature of its activities to a coal exploration and energy company which will, because of its nature, be subject to various risk factors. These risks are both specific to the Company and also relate to the general business and economic environment in which the Company will operate.

Based on the information available, the principal risks facing the Company are as follows:

Changes in Regulatory Environment

Changes to laws, regulations and accounting standards which apply to CGE from time to time could materially and adversely impact upon the operating and financial performance and cash flows of CGE and therefore the operations and performance of the Company.

Economic and Government Risk

- There is a risk that the price of Shares and returns to Shareholders may be affected by changes in:
- local and world economic conditions;
- interest rates;
- levels of tax, taxation law and accounting practice;
- government legislation or intervention;
- inflation or inflationary expectations; and
- natural disasters, social upheaval or war in Australia or overseas,
- as well as other factors beyond the control of the Company.

Commodity Prices

CGE plans that any future revenue of its business will be derived mainly from the sale of gas, electricity, diesel or other liquid fuel products. Consequently, CGE's financial position, operating results and future growth will closely depend on the market price of each of these commodities. Market prices of diesel, liquid fuel products and electricity are subject to large fluctuations in response to changes in global and domestic demand and/or supply of crude oil and to a lesser extent natural gas and various other factors.

These changes can be the result of uncertainty or several industry and macroeconomic factors beyond the control of the Company, including actions taken by OPEC, political instability, governmental regulation, forward selling by producers,

climate, inflation, interest rates and currency exchange rates. If market prices of the commodities sold by the Company were to fall below production costs for these products and remain at that level for a sustained period of time, the Company would be likely to experience losses, having a material adverse effect on the Company.

Political Risks

War, terrorist attacks or hostilities anywhere in the world can result in a decline in economic conditions worldwide or in a particular region, which could produce an adverse effect on the business, financial position and financial performance of the Company.

Acquisition and Title to Tenements

There is a risk that the Company may not be able to acquire or may lose title to mining tenements if conditions attached to licenses are changed or not complied with.

Native Title

It is possible that a form of native title reflecting the entitlement of indigenous inhabitants to traditional lands may exist on the Company's tenements. In such cases exploration and/or mining restrictions may be imposed or claims for compensation could be forthcoming.

Exchange Rates

The Company may be exposed to rapid and material movements in exchange rates, in particular the A\$/US\$ exchange rate. Adverse movements in exchange rates relating to either equity investments or commodities or project operating costs, or increased price competitiveness in response to movements in exchange rates may materially adversely impact the operational and financial performance and cash flows.

Future Capital Needs

While Directors are satisfied that upon completion of the CGE Acquisition the Company will have sufficient capital to meet its stated objectives, further funding of projects may be required to support ongoing activities and operations. There can be no assurance that alternative funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance. A failure to meet expenditure obligations may, if not remedied, result in forfeiture of the Company's tenements.

Exploration, Development, Mining and Processing Risks

Mining operations may be hampered by a variety of circumstances, which may or may not be within the control of the Company. Exploration is a speculative endeavour, which may not result in finding resources of economic value. The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- the timing of revenues;
- the discovery and/or acquisition of economically recoverable reserves and resources;
- successful conclusions to bankable feasibility studies;
- access to adequate capital for project development;
- design and construction of efficient mining and processing facilities within capital expenditure budgets;
- obtaining consents and approvals necessary for the conduct of mining and exploration;
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced operators, employees, contractors and consultants; and
- adverse weather conditions over a prolonged period can adversely affect exploration and mining operations.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of UCG operations and the ability to use UCG Syngas as feedstock for power, GTL and chemical plants.

Factors including costs, actual revenues, consistency and reliability of revenue quality and commodity prices affect successful project development and mining operations. The resource industry has become subject to increasing environmental and occupational health and safety responsibility and this potential liability is a constant risk.

Regulatory Licenses, Approvals and Applicable Laws

The Company will from time to time require various government regulatory approvals for its operations and must comply with those approvals and applicable laws, regulations and policies. In particular, the Company may require licenses and approvals in relation to mining activities, environmental matters and the manufacture and supply of gas and electricity.

There is a risk that the Company may not obtain or there may be delay in obtaining the necessary licenses and approvals or that stringent conditions may be imposed on such licenses and approvals. This may affect the timing and scope of work that can be undertaken. Further, a failure to comply with a license, approval or applicable law may affect the timing and scope of work that can be undertaken.

Reliance on Key Management

The responsibility of overseeing the day to day operations and the strategic management of the Company is substantially dependent upon its management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one, or a number of these employees cease their employment. The future success of the Company also depends upon its continuing ability to attract and retain highly qualified personnel. The ability to attract and retain the necessary personnel could have a material effect upon the Company's business, results of operations and financial condition.

Exploration Costs Risk

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimated and assumptions. Accordingly, no assurance can be given that the cost estimate and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

Environmental Risks

There is the potential for the UCG operations to result in:

- groundwater contamination;
- surface subsidence; and
- productive soil contamination.

If any of these issues were to arise this could have a detrimental effect on the Company's operations.

Operational and Technical Risks

The successful implementation of the Company's business plan and objectives could be adversely affected by the following factors:

- Insufficient coal reserves;
- Inconsistent gas quality;
- Variable gas quantity;
- Interruption in gas supply due to underground processing problems; and
- Breach of a supply contract due to inconsistent product production.

In addition, there is a risk that the Syngas produced by UCG may not be able to be successfully used as feedstock for power, GTL and chemical plants acquired by CGE. If this occurs, CGE may require additional capital to purchase further plant and equipment to clean up the Syngas in order to allow it to be used as feedstock for GTL plants. There is no guarantee that such additional expenditure will achieve the intended result. Further, as the process of combining UCG and GTL has not previously been attempted on the scale which CGE intends to undertake, there may be unforeseen technical obstacles to successfully producing liquid fuels and electricity using UCG Syngas.

Industry operating risks include fire, explosions, and breakdowns of plant machinery and equipment. The occurrence of any of these risks could result in legal proceedings being instituted against the Company and substantial losses due to injury or loss of life, damage to or destruction of property, natural resources, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties may give rise to claims by third parties.

Compliance and Tenement Maintenance Risk

The Company has acquired an interest in various mining tenements. Title to these tenements is subject to the Company, as tenement holder, complying with the terms and conditions of each tenement, including any minimum annual expenditure commitments. There is a risk that if the Company does not comply with the terms and conditions of each tenement, it may lose its interest in the relevant tenement.

The Company has commissioned a legal report, which has yet to be completed, and has conducted thorough due diligence regarding legal ownership and rights that comprise the proposed project. The Company is not aware of any circumstances that have occurred that may affect the Company's legal rights and ability to conduct and develop the project.

The Company has developed appropriate policies and practices to mitigate the risk that the terms and conditions attaching to all of the assets it has acquired an interest in will not be complied with.

Share Market Conditions

The price of Shares when quoted on ASX will be influenced by international and domestic factors affecting conditions in equity, financial and commodity markets. These factors may affect the general level of prices for listed securities of mining and exploration companies quoted on ASX.

Settlement Risks

The agreement with the shareholders of CGE Shareholders to acquire 100% of the issued capital of CGE is conditional upon a number of conditions being met as set out in section 9.1 of this Explanatory Statement. There is a risk that these conditions may not be met.

The Company is not aware of any circumstances that have occurred to affect the satisfaction of the above conditions and it is the expectation of the Directors that following the passing of all Resolutions contained in the Notice the Share Sale Agreement will become unconditional.

9.8 ASX Listing Rule 11.1

Listing Rule 11.1 provides that if an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must obtain the approval of its shareholders and it must set out in detail the terms of the proposed transaction.

9.9 Pro-forma statement of financial position

Set out in Annexure A is an unaudited statement of financial position of the Company as at 31 December 2008, together with the pro-forma statement of financial position following completion of the CGE Offer and the Acquisition of CGE.

9.10 Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

10. RESOLUTION 10: ISSUE OF CONSIDERATION SHARES – NON RELATED CGE VENDORS

10.1 Background to Resolution 10

Subject to the passing of Resolution 9 and Resolutions 11 to 22 (inclusive), Resolution 10 is an ordinary resolution which seeks approval for the issue of 154,594,965 Consideration Shares to the Non Related CGE Vendors as part consideration for the acquisition of 100% of the issued capital of CGE as summarised in section 9 of the Explanatory Statement.

10.2 Shareholder Approval – ASX Listing Rule 7.1

Shareholder approval is being sought pursuant to Resolution 10 for the issue of 154,594,965 for the purposes of ASX Listing Rule 7.1. The Consideration Shares proposed to be issued pursuant to Resolution 10 will not be included in the Company's 15% calculation for the purposes of ASX Listing Rule 7.1.

The legal requirements in respect of ASX Listing Rule 7.1 are set out in section 2.2 of the Explanatory Statement.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 10:

- (a) the maximum number of securities to be issued by the Company under Resolution 10 is 154,594,965 Consideration Shares;

- (b) the 154,594,965 Consideration Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the 154,594,965 Consideration Shares will be issued at a deemed price of \$0.015 per Share;
- (d) the Consideration Shares rank equally in all respects with the existing fully paid ordinary shares on issue;
- (e) the 154,594,965 Consideration Shares will be issued to the Non Related CGE Vendors on a pro-rata basis as set out in Annexure B. None of the allottees are related parties or associates of the Company; and
- (f) no funds will be raised from the issue of the 154,594,965 Consideration Shares. The Shares will be issued to as part consideration for the acquisition of 100% of the issued capital of CGE.

The Valuation derived by IRH for the acquisition of CGE is based on the two main assets of CGE being the UCG Technology and the Coal Tenements.

Technology

Principally based on the company's exclusive agreement with Dr Michael Green and a consideration of \$2.5m paid by CGE to acquire his proprietary technology. CGE's Controlled Retractable Injection Point "CRIP" technology is globally recognised as the most proven and tested in the UCG sector.

Coal Tenements

CGE's EPC's cover approximately 2,538 sqkm's are prospective for coal suitable for UCG. The primary projects are not subject to overlap issues with competing interests. A value attributed to the coal tenements was approximated by applying \$0.005/t to the mid-point of the target range potential, of 250mt, which worked out to be \$1.25m.

The total consideration paid for CGE (excluding the facilitation fees of 50m IRH shares) was 250m @ \$0.015 per share which was the approximate share price at the time and the directors determined that this price is a commercial and reasonable price to pay for CGE.

11. RESOLUTION 11: ISSUE OF CONSIDERATION SHARES – RELATED CGE VENDORS

11.1 Background to Resolution 11

Subject to the passing of Resolutions 9 to 10 (inclusive) and Resolutions 12 to 22 (inclusive), Resolution 11 is an ordinary resolution which seeks approval for the issue of 95,405,035 Consideration Shares to the Related CGE Vendors as part consideration for the acquisition of 100% of the issued capital of CGE as summarised in section 10 of the Explanatory Statement.

The Related CGE Vendors are related parties of the Company. Issuing the Related CGE Vendors with Consideration Shares constitutes giving a financial benefit to a related party. It is the view of the Directors that the exception set out in Section 210 of the Corporations Act (arms length transaction) applies in the current circumstances. Accordingly, Shareholder approval is not being sought under section 208 of the Corporations Act for the issue of the 95,405,035 Consideration Shares to the Related CGE Vendors.

11.2 Shareholder Approval – ASX Listing Rule 10.11

The Company is seeking the approval of Shareholders under Listing Rule 10.11 in respect of the 95,405,035 Consideration Shares to be issued to the Proposed Directors and their associates and Andrew Parker <The Three P A/C>. The Proposed Directors are related parties as defined in section 228(6) of the Corporations Act and Mr Andrew Parker is a Director of the Company and therefore a "related party" for the purposes of these provisions.

The legal requirements in relation to ASX Listing Rule 10.11 are set out in section 3.3 of the Explanatory Statement.

The following information is provided in accordance with ASX Listing Rule 10.13 to enable Shareholders to assess the merits of Resolution 11.

- (a) the maximum number of Consideration Shares which may be issued under Resolution 11 is 95,405,035 shares;
- (b) the 95,405,035 Consideration Shares will be issued at a deemed price of \$0.015 per Share;
- (c) the 95,405,035 Consideration Shares will be allotted and issued no later than one month after the date of this General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Consideration Shares rank equally in all respects with the existing fully paid ordinary shares on issue;

- (e) the 95,405,035 Consideration Shares will be issued to the Related CGE Vendors on a pro-rata basis as set out in Annexure C; and
- (f) no funds will be raised from the issue of the 95,405,035 Consideration Shares. The 95,405,035 Consideration Shares will be issued as part consideration for the acquisition of 100% of the issued capital of CGE.

As approval of Shareholders is being sought in respect of Resolution 11 pursuant to ASX Listing Rule 10.11, under exception 14 to ASX Listing Rule 7.2, Shareholder approval under ASX Listing Rule 7.1 is not required.

The Valuation derived by IRH for the acquisition of CGE is based on the two main assets of CGE being the UCG Technology and the Coal Tenements.

Technology

Principally based on the company's exclusive agreement with Dr Michael Green and a consideration of \$2.5m paid by CGE to acquire his proprietary technology. CGE's Controlled Retractable Injection Point "CRIP" technology is globally recognised as the most proven and tested in the UCG sector.

Coal Tenements

CGE's EPC's cover approximately 2,538 sqkm's are prospective for coal suitable for UCG. The primary projects are not subject to overlap issues with competing interests. A value attributed to the coal tenements was approximated by applying \$0.005/t to the mid-point of the target range potential, of 250mt, which worked out to be \$1.25m.

The total consideration paid for CGE (excluding Facilitation Shares) was 250,000,000 @ \$0.015 per share which was the approximate share price at the time and the directors determined that this price is a commercial and reasonable price to pay for CGE.

The related parties under this Resolution were not involved in the decision to issue the Consideration Shares to the Related CGE Vendors.

12. RESOLUTION 12: ISSUE OF FACILITATION SHARES – NON RELATED PARTIES

12.1 Background to Resolution 12

Resolution 12 is an ordinary resolution which seeks approval for the issue of 30 million Facilitation Shares to non related parties.

Pursuant to the terms of the Share Sale Agreement, the Company agreed to issue 50 million Facilitation Shares to parties who assisted the Company in relation to the facilitation of the acquisition of CGE. The 30 million Facilitation Shares will be issued pursuant to Resolution 12 and 20 million Facilitation Shares will be issued to a related party of the Company under Resolution 12. The Facilitation Shares will rank equally in all respects with the currently issued Existing Shares in the Company.

12.2 Shareholder Approval – ASX Listing Rule 7.1

Shareholder approval is being sought pursuant to Resolution 12 for the issue of 30 million Facilitation Shares for the purposes of ASX Listing Rule 7.1. The Shares proposed to be issued pursuant to Resolution 12 will not be included in the Company's 15% calculation for the purposes of ASX Listing Rule 7.1.

The legal requirements in respect of ASX Listing Rule 7.1 are set out in section 2.2 of the Explanatory Statement.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 12:

- (a) the maximum number of securities to be issued by the Company under Resolution 12 is 30 million Facilitation Shares;
- (b) the 30 million Facilitation Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the Facilitation Shares rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Facilitation Shares will be issued to the following allottees under Resolution 12:

Allottee	Number of Shares
Celtic Capital Pty Ltd	20,000,000
Seamist Enterprises Pty Ltd	10,000,000
Total	30,000,000

None of the allottees are related parties or associates of the Company.

- (e) no funds will be raised from the issue of the Facilitation Shares. The 30 million Facilitation Shares will be issued in consideration for facilitation services provided by Celtic Capital Pty Ltd and Seamist Enterprises Pty Ltd in relation to the CGE acquisition.

13. RESOLUTION 13: ISSUE OF FACILITATION SHARES – RELATED PARTY

13.1 Background to Resolution 13

As set out in section 12.1 above, pursuant to the terms of the Share Sale Agreement, the Company agreed to issue 50 million Facilitation Shares to parties who assisted the Company in relation to the facilitation of the acquisition of CGE. 30 million Facilitation Shares will be issued pursuant to Resolution 12 to non related parties and 20 million Facilitation Shares will be issued pursuant to Resolution 13, to Domenal Enterprises Pty Ltd, an entity associated with Mr Domenic Martino. Mr Martino is one of the Proposed Directors and is therefore a related party of the Company as defined in Section 228(6) of the Corporations Act.

Accordingly, Resolution 13 seeks Shareholder approval for the issue of 20 million Facilitation Shares to Domenal Enterprises Pty Ltd.

13.2 Shareholder Approval

The Company is seeking the approval of Shareholders under section 208 of the Corporations Act and ASX Listing Rule 10.11 in respect of the 20 million Facilitation Shares to be issued to Domenal Enterprises Pty Ltd as a “related party” for the purposes of those provisions.

The legal requirements in relation to section 208 of the Corporations Act and ASX Listing Rule 10.11 are set out in sections 3.2 and 3.3 of the Explanatory Statement respectively.

The following information is provided in accordance with section 219 of the Corporations Act and ASX Listing Rule 10.13 to enable Shareholders to assess the merits of Resolution 13.

- (a) the maximum number of Facilitation Shares which may be issued to Domenal Enterprises Pty Ltd is 20 million shares;
- (b) the 20 million Facilitation Shares will be allotted and issued no later than one month after the date of this General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the Facilitation Shares will rank equally with the existing fully paid Shares on issue;
- (d) no funds will be raised from the issue of the Facilitation Shares. The 20 million Facilitation Shares will be issued in consideration for facilitation services provided by Domenal Enterprises Pty Ltd in relation to the CGE acquisition. These Facilitation Shares are issued at the same price as to the unrelated parties, and the directors have determined that the issue of these shares is on a commercial basis and reasonable in the circumstances;
- (e) Each of the Directors recommends that Shareholders approve Resolution 13 to be put to the General Meeting;
- (f) Other than as set out in this Explanatory Statement, there is no further information which the Shareholders would reasonably require in order to decide whether or not it is in the Company's interests to pass Resolution 13.

As approval of Shareholders is being sought in respect of Resolution 13 pursuant to ASX Listing Rule 10.11, under exception 14 to ASX Listing Rule 7.2, Shareholder approval under ASX Listing Rule 7.1 is not required.

14. RESOLUTION 14: CONSOLIDATION OF CAPITAL

Resolution 14 is an ordinary resolution. It is proposed that the issued capital of the Company be altered by consolidating the existing securities on a 1 for 4 basis. The date for determining the consolidation of capital will be the date of the Meeting at which the Resolution is passed. Any fractional entitlements as a result of holdings not being evenly divisible by 4 will be rounded down to the nearest whole number.

Section 254H of the Corporations Act enables a company to convert all or any of its shares into a smaller number of shares by a resolution passed at a general meeting. The conversion proposed by Resolution 14 is permitted under section 254H of the Corporations Act.

The consolidation will not result in any change to the substantive rights and obligations of Existing Shareholders of the Company. The purpose of the consolidation of the existing issued capital of the Company is to reduce the number of existing securities on issue. For example, a Shareholder currently holding 20,000 Existing Shares, will as a result of the consolidation, hold 5,000 New Shares.

Existing Options will also be consolidated on a 1 for 4 basis and the exercise price will be increased accordingly to four (4) times the current exercise price for the existing Options.

The Company's net assets and tax position will remain unaltered as a result of the consolidation.

Existing Shares and Options on Issue

As at the date of this Explanatory Statement, the Shares on issue in the Company are as shown in the following table:

Shares on Issue	Number
Fully paid ordinary shares	69,861,575

As at the date of this Explanatory Statement, the Options on issue in the Company are as shown in the following table:

Options on Issue	Number
\$0.10 Unlisted Options Exp. 11/2011	10,941,666
\$0.15 Unlisted Options Exp. 11/2011	500,000
\$0.20 Unlisted Options Exp. 10/2010	500,000
\$0.25 Listed Options Exp. 08/2009	23,743,500
\$0.25 Unlisted Options Exp. 08/2011	5,000,000
\$0.25 Unlisted Options Exp. 11/2011	1,500,000
TOTAL	42,185,166

Revised Capital after Resolutions 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, and 13 Pre-Consolidation

If Resolutions 1, 2, 3, 6, 7, 9, 10, 11, 12 and 13 are approved, then the Shares on issue in the Company will be as shown in the following table:

Shares on Issue	Number	%
Existing Shares on Issue	69,861,575	15.91%
Director Participation in February 2009 Placement	6,333,333	1.44%
Conversion of Debt to Equity – Non Related Parties	2,334,556	0.53%
Conversion of Debt to Equity – Related Parties	15,547,895	3.54%
Conversion of CGE Convertible Notes – Non Related Parties	30,666,665	6.98%
Conversion of July Convertible Notes	11,822,222	2.69%
Issue and Conversion of CGE Con Note – Related Parties	2,666,667	0.61%
Issue of Consideration Shares to Non Related CGE Vendors	154,594,965	35.20%
Issue of Consideration Shares to Related CGE Vendors	95,405,035	21.72%
Issue of Facilitation Shares – Non Related Parties	30,000,000	6.83%
Issue of Facilitation Shares – Related Party	20,000,000	4.55%
TOTAL	439,232,913	100.00%

If Resolutions 1, 2, 3, 6, 7, 9, 10, 11, 12 and 13 are approved, then the Options on issue in the Company will be as shown in the following table:

Options on Issue	Number
Existing \$0.10 Options on Issue	10,941,666
Issue of \$0.10 Options to Director – Resolution 1	3,166,666
\$0.15 Unlisted Options Exp. 11/2011	500,000
\$0.20 Unlisted Options Exp. 10/2010	500,000
\$0.25 Listed Options Exp. 08/2009	23,743,500
\$0.25 Unlisted Options Exp. 08/2011	5,000,000
\$0.25 Unlisted Options Exp. 11/2011	1,500,000
TOTAL	45,351,832

Revised Capital after Resolutions 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 Post Consolidation

If Resolutions 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 are approved, then the Shares on issue in the Company (post consolidation) will be as shown in the following table:

Shares on Issue	Number	%
Existing Shares on Issue	17,465,394	12.96%
Director Participation in February 2009 Placement	1,583,333	1.17%
Conversion of Debt to Equity – Non Related Parties	583,639	0.43%
Conversion of Debt to Equity – Related Parties	3,886,974	2.88%
Conversion of CGE Convertible Notes	7,666,666	5.69%
Conversion of July Convertible Notes	2,955,556	2.19%
Issue and Conversion of CGE Con Note – Related Parties	666,667	0.49%
Issue of Consideration Shares to Non Related CGE Vendors	38,648,741	28.67%
Issue of Consideration Shares to Related CGE Vendors	23,851,259	17.69%
Issue of Facilitation Shares – Non Related Parties	7,500,000	5.56%
Issue of Facilitation Shares – Related Party	5,000,000	3.71%
Issue of Capital Raising Shares	25,000,000	18.54%
TOTAL	134,808,228	100.00%

If Resolutions 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 are approved, then the Options on issue in the Company (post consolidation) will be as shown in the following table:

Options on Issue	Number
Existing \$0.40 Options on Issue	2,735,417
Issue of \$0.40 Options to Director – Resolution 1	761,667
\$0.60 Unlisted Options Exp. 11/2011	125,000
\$0.80 Unlisted Options Exp. 10/2010	125,000
\$1.00 Listed Options Exp. 08/2009	5,935,875
\$1.00 Unlisted Options Exp. 08/2011	1,250,000
\$1.00 Unlisted Options Exp. 11/2011	375,000
TOTAL	11,337,958

It is anticipated that the consolidation will occur in accordance with the following timetable:

Date	Action
25/09/2009	Deferred Trading Commences
1/10/2009 @ 5.00 pm	Record Date for Shares to be consolidated

Dilution

Existing Shareholders should be aware of the dilutionary effect that all of the Resolutions passing will have on their shareholding. The tables above show the percentage effect that the Resolutions passing will have on Existing Shareholders and in the opinion of the Directors the rights of Existing Shareholders are not unreasonably affected.

Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 14.

15. RESOLUTION 15: ISSUE OF SHARES PURSUANT TO THE CAPITAL RAISING

15.1 Background on Resolution 15

Resolution 15 is an ordinary resolution which seeks approval for the issue of up to 25,000,000 New Shares under the proposed capital raising of up to \$5.0 million under the Prospectus.

15.2 Shareholder Approval – ASX Listing Rule 7.1

Shareholder approval is being sought pursuant to Resolution 15 for the issue of 25,000,000 New Shares for the purposes of ASX Listing Rule 7.1. The New Shares proposed to be issued pursuant to Resolution 15 will not be included in the Company's 15% calculation for the purposes of ASX Listing Rule 7.1.

The legal requirements in respect of ASX Listing Rule 7.1 are set out in section 2.2 of the Explanatory Statement.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 15:

- (a) the maximum number of securities to be issued by the Company under Resolution 15 is 25,000,000 New Shares;
- (b) the New Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) it is intended that allotment of the New Shares will occur on one date;
- (d) the New Shares will be issued at a price of \$0.20 per New Share;
- (e) the New Shares rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (f) the Company intends to use the funds raised from the issue of the New Shares for geological, drilling and exploration works, site analysis, design and pre-engineering works in respect of the proposed UCG pilot plant, working capital and costs of the Capital Raising;
- (g) the New Shares will be allotted to parties that are not known to the Company at this stage but will be those who subscribe for New Shares under the Capital Raising.

Further details on the use of funds will be set out in the Prospectus that will be issued in respect of the Capital Raising.

16. RESOLUTION 16: ALLOTMENT AND ISSUE OF SHARES TO DIRECTORS AND PROPOSED DIRECTORS PURSUANT TO CAPITAL RAISING

16.1 Background on Resolution 16

The Company wishes to allow each of the Directors and Proposed Directors the opportunity to participate in the Capital Raising, subject to each Director and Proposed Director being entitled to subscribe for no more than \$400,000 of New Shares (**Subscription Cap**).

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The Directors and Proposed Directors are related parties of the Company. Accordingly, Shareholder approval is sought for the purposes of ASX Listing Rule 10.11 for the Directors and Proposed Directors to subscribe to the Capital Raising subject to the Subscription Cap.

It is noted that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act. The Directors and Proposed Directors are related parties of the Company. Issuing the Directors and Proposed Directors with Shares under the Capital Raising constitutes giving a financial benefit to a related party. It is the view of the Directors that the exception set out in Section 210 of the Corporations Act (arms length transaction) applies in the current circumstances. Accordingly, Shareholder approval is not being sought under section 208 of the Corporations Act for the Directors and Proposed Directors to participate in the Capital Raising.

16.2 Shareholder Approval - ASX Listing Rule 10.11

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue:

- (a) the maximum number of New Shares to be issued to each Director and Proposed Director is 2,000,000;
- (b) the maximum number of New Shares to be issued amongst all the Director and Proposed Directors is 16,000,000 New Shares, assuming each of the three Directors and five Proposed Directors subscribe for 2,000,000 New Shares;
- (c) the New Shares will be issued to the Directors and Proposed Directors no later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the New Shares will be issued on one date;
- (d) the New Shares will be issued for consideration of \$0.20 per New Share. Accordingly a maximum of \$3,200,000 will be raised, which will comprise part of the Capital Raising and be dealt with as per the other funds raised from the Capital Raising as discussed in section 15.2 of this Explanatory Statement;
- (e) the New Shares issued will rank equally with the Company's current issued Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the New Shares to the Directors and Proposed Directors as approval is being obtained under ASX Listing Rule 10.11.

17. RESOLUTIONS 17 – 21: ELECTION OF DIRECTORS

The Share Sale Agreement provides that with effect from completion of the CGE Offer the current Board of the Company will be replaced by the Proposed Directors.

In accordance with the Constitution and the Corporations Act, the appointment of Directors must be made by resolution passed in a general meeting. Resolutions 17, 18, 19, 20 and 21 seek the election of the Proposed Directors.

Set out below is a summary of the backgrounds of each the Proposed Directors that will be appointed to the Board following completion of the CGE Offer.

Mr John Harkins

Prior to Mr Harkins joining the Board of CGE, he was Senior Vice President of a US based company involved in gasification technology. Prior to moving to the US he was Executive Director/General Manager of Linc Energy Ltd, having steered that company through its successful IPO in May 2006 and the commencement of its business plan, which included the use of UCG and GTL technologies. Prior to this he was CEO of Care Super, one of Australia's largest pension funds.

Dr Michael Green

Dr Michael Green is an underground coal gasification specialist who has developed intellectual property, technical skills, knowledge and know how in relation to all aspects of UCG. He has 32 years experience in energy related engineering research and holds a PhD in Chemical Engineering from Imperial College, London.

Mr Domenic Martino

Mr. Martino was the Chief Executive Officer of Deloitte Touche Tohmatsu in Australia from 2001 to 2003. Prior to taking up this position he was the Managing Partner of Deloitte Touche Tohmatsu's New South Wales operations from 1998 to 2001. Mr Martino is a Director and Non-Executive Chairman of Australasian Resources Ltd, a Director and Chairman of Computercorp Limited, and a director of AIM/TSX listed Gladstone Pacific Nickel Ltd. He was a founding Director and former Chairman of coal bed methane companies Sydney Gas Limited and Blue Energy Limited (formerly Energy Investments Limited). He is also a Director of Waratah Coal Limited.

Ms Alison Coutts

Ms Coutts has a degree in Chemical Engineering and a Masters degree in Business Administration. Ms Coutts has over 25 years experience in international engineering project management, strategic consulting and executive search. Since the mid 1990's, Ms Coutts has been involved in the financial markets in venture capital, stockbroking and investment banking.

Mr Paul Hubbard

Mr Hubbard holds a Bachelor of Arts and a Bachelor of Education with experience in the teaching, training, human resources and motivational sectors. Mr Hubbard was an executive with Woolworths then BHP where he was involved in training and development for a broad range of employees. Mr Hubbard established and implemented many of today's foundational corporate practices during his time with these companies.

18. RESOLUTION 22: CHANGE OF COMPANY NAME

Resolution 22 is a special resolution which seeks approval for the Company to change its name.

Consistent with the new focus and direction of the Company, the Company proposes to change its name from "International Resource Holdings Limited" to "Clean Global Energy Limited" This change will not, in itself, affect the legal status of the Company or any of its assets or liabilities.

Shareholder approval is required for Resolution 22 under section 157 of the Corporations Act by special resolution.

The Company will make an application to the ASIC for the change of name to Clean Global Energy Limited. The new name will take effect upon a new certificate of registration being issued.

Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 22.

19. RESOLUTION 23: APPROVAL OF ISSUES UNDER EMPLOYEE SHARE OPTION PLAN

19.1 Background

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under than plan as an exception to ASX Listing Rule 7.1.

Resolution 23 seeks Shareholder approval for the Company to issue Plan Options under the "International Resource Holdings Limited Employee Share Option Plan" (**Option Plan**) as an exception to ASX Listing Rule 7.1 in accordance with ASX Listing Rule 7.2 (Exception 9).

The Option Plan is designed to incentivise and reward management and staff of the Company and to attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

As at the date of this Notice, no Plan Options have been issued under the Option Plan.

The full terms and conditions of the Option Plan may be obtained free of charge by contacting the Company. A summary of the terms and conditions of the Option Plan is set out below.

Terms of the Option Plan

(a) Maximum Number of Plan Options

The Directors shall not offer or issue Plan Options to any Eligible Person in accordance with the Option Plan if the total number of shares the subject of Plan Options, when aggregated with:

- (i) the number of shares in the same class which would be issued were each outstanding offer or invitation or option to acquire unissued shares in the Company, being an offer or invitation made or Plan Option acquired pursuant to the Option Plan or any other employee or executive share plan extended only to Eligible Persons, to be accepted or exercised (as the case may be); and
- (ii) the number of shares in the same class issued during the previous five (5) years pursuant to the Option Plan or any other employee or executive share plan extended only to Eligible Persons,

would exceed five (5) per cent of the total number of issued shares in the Company as at the time of the proposed offer or issue.

(b) Eligible Persons

The Directors will administer the Option Plan awarding Plan Options to acquire shares in the Company to eligible persons. The selection of persons to whom the shares will be offered under the Option Plan and the number of shares which may be offered to those persons will be determined wholly by the Directors in their absolute discretion.

Directors, Officers and Employees both full and part-time are eligible to participate in the Option Plan (**Eligible Person**). Eligibility to participate in the Option Plan will not involve any right to participate in the Option Plan, and participation will be solely determined by the Board.

(c) Duration of Option Plan

The initial duration of the Option Plan shall be for five (5) years. No allotment of shares shall be made pursuant to the Option Plan after that time unless the operation of the Option Plan is extended for such period(s) as the Company determines in general meeting as long as each and any extension of the Option Plan shall be for a period not greater than five (5) years.

(d) Terms and Conditions of Issue

A Plan Option must be granted on the following terms and conditions, and may be granted on such additional terms, conditions or restrictions, no being inconsistent with the Option Plan Rules or the following terms and conditions, as the Board determines either generally or in relation to particular Plan Options:

- (i) each Plan Option shall be issued free of consideration;
- (ii) each Plan Option shall entitle the holder to subscribe for one share at the price determined by the Directors in their absolute discretion and as set out in the offer, but being no less than 80% of the market price quoted for buyers of shares at the close of trading on the day immediately preceding the date of the offer (**Exercise Price**);
- (iii) each Option expires on its expiry date being the earliest of:
 - (i) 5.00 pm Eastern Standard Time in Australia on the day which is three (3) years after the date of issue of a Plan Option or as otherwise determined by the Directors in their absolute discretion and set out in the Offer;
 - (ii) 30 days (or such later date as the Company's Board determines in its sole discretion) after a person or corporation:
 - (A) makes a takeover bid (as defined in the Corporations Act) to acquire any Share and the takeover bid extends to shares issued and allotted after the date of the takeover bid; and
 - (B) becomes entitled to proceed to compulsory acquisition of the shares pursuant to section 661A of the Corporations Act;
 - (iii) 10 days (or such later date as the Company's Board determines in its sole discretion) after the Company convenes a meeting of shareholders in order to enter into a scheme of arrangement (pursuant to the provisions of the Corporations Act) which, if implemented would result in a person or corporation becoming entitled to not less than 90% of the shares, and that scheme is in fact approved; and
 - (iv) the date determined by the Company on the Eligible Person's cessation of employment with the Company in accordance with rules of the Option Plan (**Expiry Date**).
- (iv) subject to the ASX Listing Rules the Plan Options shall not be transferred or assigned by the holder except that the holder may at any time transfer all or any of his Plan Options to his spouse or to a company the majority of the issued shares in which are beneficially owned by him or to any trust that the holder is a beneficiary;
- (v) there are no participating rights or entitlements inherent in the Plan Options and Plan Option holders will not be entitled to participate in any new issue or bonus issue of shares which may be offered to members of the Company from time to time prior to the Expiry Date;
- (vi) in the event of any reorganisation (including consolidation, subdivision, reduction or cancellation) of the issued capital of the Company, the Plan Options are to be reorganised in a manner required by ASX Listing Rules on a reorganisation of capital;
- (vii) Shares allotted and issued pursuant to the exercise of Plan Options will be allotted and issued not more than ten (10) business days after receipt of both a properly executed Plan Option exercise notice and the relevant subscription monies;
- (viii) No application will be made to the ASX for Official Quotation of the Plan Options;

- (ix) all shares issued upon exercise of any Plan Option will rank pari passu in all respects with the Company's then issued shares. The Company will apply for Official Quotation with the ASX for all shares issued upon exercise of any Plan Option;
- (x) no Plan Options shall be issued under the Option Plan until an Application approved by the Directors has been received by the Company; and
- (xi) the Company shall allot the Plan Options and deliver a certificate or certificates for the Plan Options to the participant within ten (10) business days of the Application Date.

(d) Conditions of Exercise

The Plan Options may only be exercised on or after the first anniversary of the date of issue of the Plan Options, or such other date as determined by the Directors in their absolute discretion and set out in the Offer. However if, in the opinion of the Board, a change of control event (as defined in the Option Plan) has occurred, or is likely to occur, the Board may declare an Plan Option to be free of any conditions of exercise and Options which are so declared may be exercised at any time on or before the Expiry Date and in any number.

(e) Cessation of Employment

Any Plan Options issued pursuant to the Option Plan will be allotted on the condition that the whole of the Plan Options issued to a participant automatically lapse and are forfeited (except that the participant may retain any Plan Options which he is already entitled to exercise) if the Eligible Person:

- (i) voluntarily resigns from employment with the Company otherwise than to take up employment with a Related Body Corporate of the Company;
- (ii) is dismissed from employment with the Company for any one or more of the following reasons:
 - (A) wilful misconduct bringing disrepute on the Company or a Related Body Corporate;
 - (B) repeated disobedience, after prior written warning;
 - (C) incompetence in the performance of any duties for which the Eligible Person was employed, after prior written warning;
 - (D) fraud or any other dishonesty in respect of the property or affairs of the Company or a Related Body Corporate;
or
 - (E) any other reason, based on which the Directors believe is fair and reasonable to warrant the lapsing and forfeiture of the Plan Options.

Plan Options issued to a Participant will not lapse and be forfeited where the Eligible Person ceases employment with the Company in the following circumstances:

- (i) death or total permanent disability (as that term is recognised by Statute);
- (ii) retirement;
- (iii) redundancy; and
- (iv) any other reason, based on which the Directors believe is fair and reasonable to warrant the Eligible Person or its Associate maintaining his/her right to exercise the Plan Options.

(f) Dividends and Voting Rights

Participants who are holding a Plan Option issued pursuant to the Option Plan have no rights to dividends and no rights to vote at meetings of the Company until that Plan Option is exercised.

(g) Exercise of Plan Options

A Plan Option is only exercisable by completing an option exercise notice in the form provided on the reverse of the option certificate and delivering the same to the Company. An option exercise notice must specify the number of Plan Options being exercised and must be delivered to the Company together with payment of the exercise price for those Plan Options, and the option certificate covering the Plan Options being exercised.

The giving of an option exercise notice for part only of the number of Plan Options held by any participant from time to time does not prevent the participant at any time thereafter subject to the Option Plan rules, during the term of those Plan Options from exercising all or part of the balance of such Plan Options in whole or in part.

If a participant exercises less than the total number of Plan Options referred to in the option certificate then that participant must surrender the option certificate to the Company and the Company will cancel that option certificate and re-issue an option certificate to the participant for the unexercised balance of the Plan Options.

(h) ASX Listing Rules

The terms and conditions of the Option Plan must at all times comply with the ASX Listing Rules. If there is any inconsistency between the terms and conditions of the Option Plan and the ASX Listing Rules then the ASX Listing Rules will prevail.

20. GLOSSARY OF TERMS

In this Explanatory Statement the following terms have the meaning set out below:

ACN	Australian Company Number.
Annexure A	Annexure A to this Explanatory Statement.
ASX	ASX Limited trading as the Australian Securities Exchange (ACN 008 624 691).
ASX Listing Rules or Listing Rules	The Official Listing Rules of ASX as amended from time to time.
Company or IRH	International Resource Holdings Limited (ACN 118 710 508).
Capital Raising	The proposed raising of up to \$5 million under the Prospectus.
CGE or Clean Global Energy	Clean Global Energy Pty Ltd (ACN 132 011 879)
CGE Convertible Notes	The convertible notes issued pursuant to the CGE Convertible Note Raising
CGE Convertible Note Raising	The Company's convertible note capital raising of \$500,000 the details of which are set out in Section 6 of the Explanatory Statement.
CGE Offer	The acquisition by the Company of all of the shares in CGE in return for the issue of securities in the Company to the Vendors in accordance with the details set out in Section 8 of the Explanatory Statement.
CGE Shareholder	A holder of ordinary shares in CGE.
Consideration Shares	An ordinary share in the Company issued as consideration for the acquisition of CGE.
Constitution	The Company's constitution.
Corporations Act	The Corporations Act 2001 (Commonwealth).
Director	An existing director of IRH.
Existing Share	A fully paid ordinary share in the capital of the Company existing as at the date of this Notice of Meeting.
Existing Shareholders	The Shareholders set out on the Company's register of Shareholders as at 9.30 am (WST) on 21 September 2009.
Facilitation Shares	The ordinary shares in the Company issued as consideration for the facilitation of the acquisition of CGE at a deemed issue price of \$0.015 per share.
February 2009 Placement	The Company's share placement raising \$338,600 during February 2009.
GTL	GTL means Gas to Liquids.
July Convertible Notes	The convertible notes issued pursuant to the July Convertible Note Raising

July Convertible Note Raising	The Company convertible note raising of \$532,000 the details of which are set out in Section 7 of the Explanatory Statement.
Martern	Martern EOOD, a company registered in Bulgaria
Meeting	The General Meeting of the Company to be held on 23 September 2009.
New Shares	A post-consolidation (under Resolution 15 of this Notice of Meeting) Share.
Non Related CGE Vendors	The Vendors who are not related parties of the Company
Notice of General Meeting	The notice convening the Meeting, which accompanies this Explanatory Statement.
Omax International	Omax International Limited, a Canadian company listed on the TSX Venture Exchange
Option	An option to acquire a Share.
Plan Option	An option issued under the Option Plan
Proposed Directors	Proposed Directors means collectively John Harkins, Dr Michael Green, Domenic Martino, Alison Coutts and Paul Hubbard.
Prospectus	The prospectus to be issued by the Company for the purposes of the Capital Raising and offering the CGE Offer.
Related CGE Vendors	The Vendors who are related parties of the Company
Resolutions	The resolutions set out in the Notice of General Meeting.
Share	A fully paid ordinary share in the capital of the Company prior to the consolidation under Resolution 14 of this Notice of Meeting.
Share Sale Agreement	The share sale agreement entered into between the Company and the Vendors dated on or about 11 June 2009.
Shareholder	The registered holder of a Share.
Thrace	Thrace Resources EOOD, a company registered in Bulgaria
Thrace Sale Agreement	The Share Sale Agreement between the Company, Martern EOOD and Omax International to sell its wholly owned subsidiary Thrace Resources EOOD as set out in section 4.1 of the Explanatory Statement.
UCG	Underground Coal Gasification
Vendors	The shareholders of CGE which have entered into the Share Sale Agreement.
\$0.10 Option	An option to acquire a Share with an exercise price of \$0.10 and an expiry date of 30 November 2011 issued on the terms and conditions set out in section 1.3 of the Explanatory Statement.
2008 Convertible Note	The Convertible Note with a face value of \$339,613.84 entered into between the Company and Martern in December 2008 as set out in section 4.1 of the Explanatory Statement.
2009 Convertible Note	The Convertible Note with a face value of \$169,806.92 to be entered into between the Company and Omax International as set out in section 4.1 of the Explanatory Statement.

ANNEXURE A

Pro forma Balance Sheet

Set out below is the audited balance sheet of the consolidated entity as at 31 December 2008 together with the Proforma balance sheet on the basis of the assumptions set out below.

Pro forma Balance Sheet

Set out below is the audited balance sheet of the consolidated entity as at 31 December 2008 together with the Proforma balance sheet on the basis of the assumptions set out below.

	Balance Sheet as at 31 December 2008 \$	Pro forma Balance Sheet after transaction \$
CURRENT ASSETS		
Cash and cash equivalents	301,990	6,506,026
Trade and other receivables	57,593	67,561
Total current assets	359,583	6,573,587
NON-CURRENT ASSETS		
Exploration and evaluation	170,000	909,659
Development costs	-	407,014
Property, plant and equipment	13,012	19,600
Intangibles	-	619
Total non current assets	183,012	1,336,892
TOTAL ASSETS	542,595	7,910,479
CURRENT LIABILITIES		
Trade and other payables	307,142	(4,280)
Total current liabilities	307,142	(4,280)
NON-CURRENT LIABILITIES		
Convertible note	339,614	169,807
Deferred tax liability	-	195,686
Other	120,000	-
Total non current liabilities	459,614	365,493
TOTAL LIABILITIES	766,756	361,214
NET (LIABILITIES)/ASSETS	(224,161)	7,549,265
EQUITY		
Contributed equity	5,771,892	7,768,498
Reserves	263,560	-
Accumulated losses	(6,259,613)	(219,233)
TOTAL (DEFICIENCY IN EQUITY)/ EQUITY	(224,161)	7,549,265

NOTES:

IRH Balance Sheet as at 31 December 2008 has been consolidated with CGE's Balance Sheet as at 31 March 2009.

Assumptions include:

- Divestment of Thrace Resources EOOD
- Completion of equity placement which raised \$338,600 as announced on 26 February 2009
- Conversion of a total of \$339,767 from debt to equity as at 30 September 2009
- Issue of a Convertible Note at a deemed issue price of \$169,806 to Omax International Limited
- Capital Raising of \$500,000 through 33,333,332 convertible notes issued at \$0.015 per note announced on 13 May 2009
- Capital Raising of \$532,000 through 11,822,222 convertible notes issued at \$0.045 per note announced on 16 July 2009.
- Acquisition of CGE by the issue 300 million shares at a deemed issue price of \$0.015 per share
- Capital Raising of \$5,000,000 by the issue of 20 million shares at an issue price of \$0.20 per share

ANNEXURE B**NON RELATED CGE VENDORS**

NON RELATED CGE VENDORS	Shares
Benedict Richard McCarthy	800,000
Daniel Mensik	600,000
Nicholas Eskild Colin	400,000
Realcal Pty Limited	700,000
Leo Alexander Birch	200,000
Sabreline Pty Ltd	450,000
Point Nominees Pty Ltd	600,000
Carnethy Evergreen Pty Ltd	750,000
Celtic Capital Pty Ltd	1,500,000
Talex Investments Pty Ltd	1,500,000
Nefco Nominees Pty Ltd	1,500,000
Monancan Nominees Pty Ltd	600,000
Third Reef Pty Ltd	300,000
Pointdale Pty Ltd	3,000,000
Surpion Pty Ltd	1,500,000
Andrew Paul Donnelly and Kimberley James Hanson	900,000
David Alan Dunoon and Lynette Mary Dunoon	20,925,528
Brian McMichael	100,000
Kathleen Louise McDonnell	400,000
WMAC Pty Ltd	42,136,654
Peter Hubbard	20,000
Pauline Kerr	20,000
Graeme Parkinson	20,000
Universal Power and Oil Limited	16,666,400
Immanuel Mensik	19,159,005
Catherine Punton	1,000,000
Kim Todhunter	1,000,000
Maria Perriman	1,000,000
CTL Global LLC	36,757,378
Kestrel Capital Pty Ltd	90,000
TOTAL	154,594,965

ANNEXURE C

RELATED CGE VENDORS

Related CGE Vendor	Shares
Domenal Enterprises Pty Ltd	1,500,000
John Charles Harkins	19,159,004
Alison Coutts	5,333,329
Paul Hubbard	5,273,329
Impact Nominees Pty Ltd	5,000,000
Uzes Holdings Pty Ltd	33,294,035
Dr Michael Green	25,545,338
Andrew Parker <The Three P A/C>	300,000
TOTAL	95,405,035

Preliminary Results & Comments:

for
International Resource Holdings Limited
Level 24, St Martins Tower
44 St Georges Terrace
PERTH WA 6000

EPC Tenements And Applications (Clean Global Energy Pty Ltd)

The following document has been prepared by GeoConsult Pty Ltd (GeoConsult)
on behalf of Clean Global Energy Pty Ltd (CGE).

Clean Global Energy- UCG Tenements

The following are comments based on an initial investigation into data collated by GeoConsult in May 2009. Figure 1 shows the location of the Clean Global Energy EPC tenements and applications.

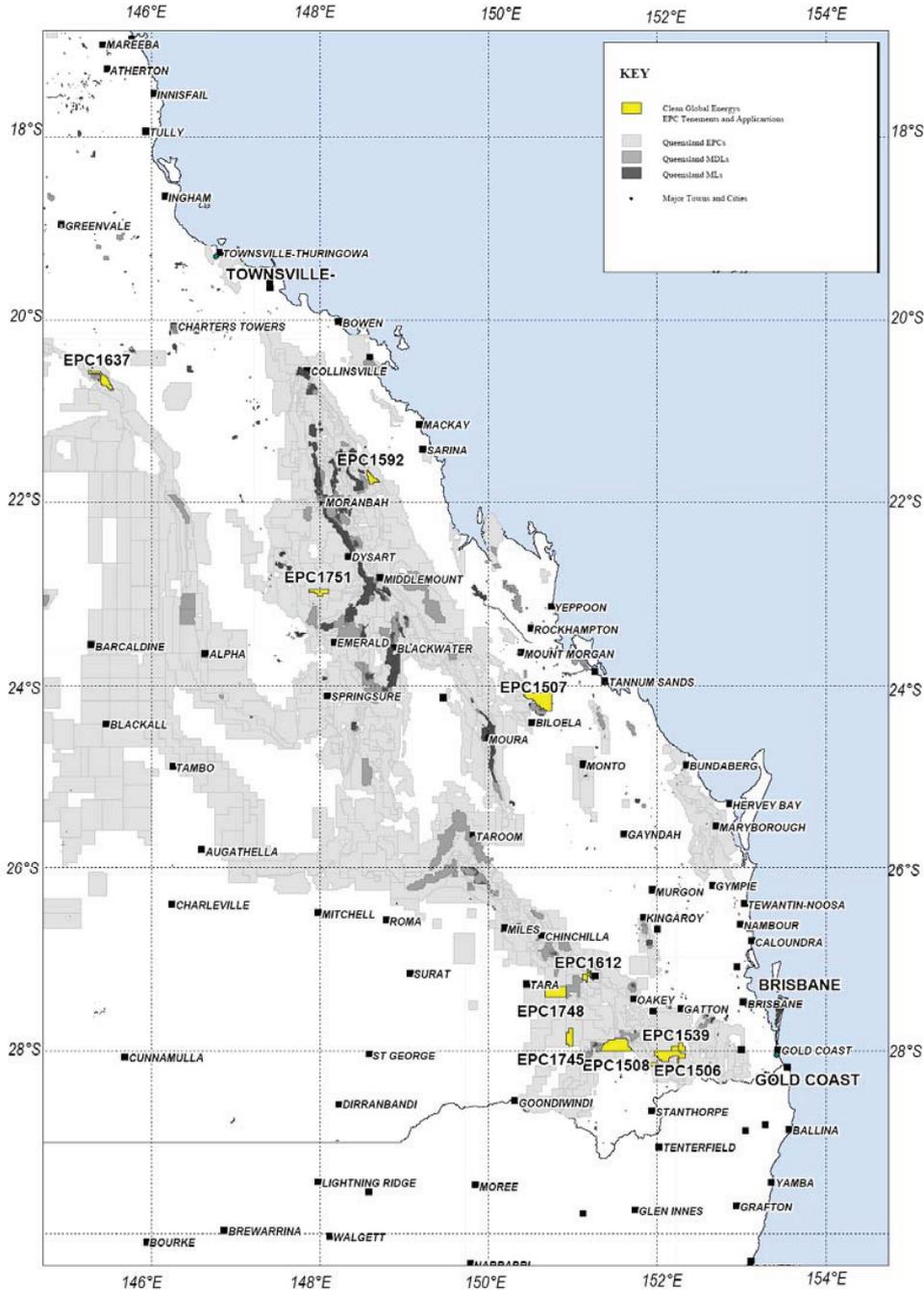


Figure 1 - Tenement Location Plan

EPC 1508

Located ESE of Millmeran in the Clarence-Moreton Basin (Figure 1).

The most reliable geological information for the area comes from one drillhole. This is Ipswich RM2 which is located in the centre of the EPC (recorded names for the well also include; RM2 Leyburn, GSQ Leyburn RM2, St Clare 2 and St.C2). No lithological or geophysical log has been viewed for this hole but references from Geol Survey Report 1984/7 state that the hole intersected Carboniferous/Devonian Texas Block sediments at 233m. Overlying this basement is the Marburg Formation which appears to extend to the surface and hence the overlying Walloon Coal Measures are absent. Complete lithological and geophysical logs are yet to be located

Coal exploration over the area was conducted on EPC203C tenement in 1978 by AMAX Iron Ore Corporation to follow up on coal intersection recorded in GSQ drillhole Ipswich RM2. Drill hole Ipswich RM2 reportedly intersected 0.61m of coal below 109.7 m and 1.52m of coal below 121.0m. AMAX conducted a 5 drillhole program comprising CRO77, CRO78, CRO81, CRO100 and CRO101. Carbonaceous and coaly intersections were recorded in CRO100 and CRO101 at approximately 110m. AMAX relinquished the area concluding that; 1) Marburg Formation outcropping extensively over the area did contain occasional coal occurrences (shown in Ipswich RM2 and CRO101) but they were considered to be of limited lateral extent and thickness. 2) The Walloon Coal Measures are virtually totally eroded from their relinquished area, and the lowest section of the Walloon Coal Measures present recorded no carbonaceous sediments (demonstrated on CRO81). Complete descriptions of their findings are recorded in QDEX report CR06825.

There are very thin coal intersections (<1m) recorded in 4 water bores elsewhere in the EPC, locations are yet to be established, however these intersections are less than 75m in depth and have probably been noted by water bore drillers.

In the south of the EPC the Texas Block basement sediments outcrop and underlie the Jurassic sediments within the EPC. The Marburg Formation has been mapped extensively, within the EPC, on the Ipswich and Dalby 1:250000 sheets. However it is expected that thin sections of the Walloon Coal Measures will occur at shallow depth in some areas, be relatively flat lying and be overlain by Tertiary volcanics and Quaternary sediments.

Bora Creek 1, a CSG hole and Millmeran 1, a petroleum well, are the nearest holes outside the EPC but both these holes appear to lie in the Surat Basin across the Kumberilla High. They both intersect substantial thicknesses of Walloon Coal Measures. The nearest exploratory holes to the east and north should be the next point of investigated.

EPC 1507

Located NE of Biloela and north of the Callide coal mine (Figure 1).

Exploration hole data is still being compiled as is data for the numerous water bores within the EPC. There are three petroleum wells near the EPC. Jambin 1 and 2 investigated a small closed structure 15km to the west of the EPC. Non coal bearing Permian sediments were intersected. Monto 5 was drilled into a Tertiary sub-basin 25km WNW of the EPC.

Coal exploration over key south western margin of the area has been conducted by the Callide coal mine pre-1995 when it was part of EPC188. In 1995 Callide coal mine relinquished sub-blocks 151j, 151p, 152x, 224e and submitted the relinquishment report CR27253 to QDEX. Detailed post-graduate mapping of the areas was conducted by T. O'Sullivan (1977) and D. Lumley (1985). Drillholes F0003, F0006, R1205 are recorded within the area. F0003 intersected Callide Coal Measures seams N11, N12, N21, N31, N32, N41, N42 with a net coal intersection of 5.05m down to basement at 29m. The area was relinquished because; 1) Callide Coal Measures are thin and range from 0 to 30m thick, 2) the contained coal seams are thinner, and of inferior quality to the coal in the current mining areas, 3) the coal is affected by weathering and oxidation due to proximity to the surface, 4) they were not prospective for mining at the time.

On the basis of the Monto 1:250000 sheet the area consists primarily of Permian stocks and Carboniferous and Lower Permian flows, pyroclastics and marine sediments. This complex is largely separated from the Callide coal basin to the south west by the Rainbow Creek Fault. The Callide coalfields occupy a north west trending synclinal basin. Within the basin gently dipping Triassic and Jurassic sediments unconformably overlie structurally complex Upper and Lower Permian volcanics, tuffs and clastic sediments. The Triassic Callide Coal Measures are approximately 130m thick and the thickest seam is the Callide seam, up to 23m thick.

The 1:250000 sheet indicates that the coal basin sediments encroach on the EPC south western border in the centre & far south. The structurally complex Lower Permian volcanic and associated sediments occur on both sides of the Rainbow Creek Fault in the centre and north of the EPC. No Triassic or Upper Permian beds are mapped in these areas. The Upper Permian Rainbow Creek beds crop out to the south east of the coal basin but no Upper Permian Baralaba Coal Measures have been mapped in this area or within the EPC. A small outlier of Lower Triassic Muncon Volcanics has been mapped in the far north east of the EPC. From data available no Callide Coal Measures have been recorded in this area.

EPCs 1506, 1539

Located 20kms north east of Warwick (Figure 1).

The EPCs lie within the Clarence-Moreton Basin. The Jurassic sediments of the Marburg Subgroup and overlying Walloon Coal Measures dip gently to the east and are overlain unconformably by Tertiary flows, pyroclastics and sediments. The Marburg Formation consists of sandstones and conglomerates and is non-coal bearing. The Walloon Coal Measures is the principal coal bearing formation in the Surat and Clarence-Moreton Basins.

An interpreted section on the Warwick 1:250000 sheet shows the Jurassic Ripley Road Sandstone and underlying conformable Triassic sediments underlying the Marburg Subgroup. Within the Triassic sequence is the Ipswich Coal Measures.

At this stage drill hole data is being assessed and may reveal the thickness and lateral extent of coal seams within the EPC for each of the coal bearing sequences. Petroleum exploration well Swan Creek 1 is located approximately 10km to the south of EPC1506. The well completion report records shale and coal within the “evergreen shale” between 238m and 246m.

Coal exploration over the area occurred during the 1970s and 1980s. Previous EPC tenements overlapping the area included EPC104, EPC144, EPC145, EPC170, EPC203 and EPC293. QDEX exploration reports over from these tenements are currently being assessed for drillhole information.

The occurrence of the subcropping Walloon Coal Measures is limited in the western portion of the EPC and to the west the Marburg Subgroup outcrops and onlaps the basement Texas Beds of the Texas Block.

EPC 1592

Located 10km WSW of Nebo (Figure 1).

The EPC lies on the eastern margin of the Bowen Basin and covers outcropping Upper to Lower Permian sediments and the Lower Permian fault bounded basement volcanics and volcanoclastic sediments of the Lizzie Creek Volcanics. The Permian sediments are steeply dipping to the west and form the eastern margin of the Nebo Synclinorium tectonic unit. They are partially overlain by Tertiary medium to basic volcanic flows, proclastics and sediments and Quaternary sediments.

The marine Lower Permian sediments are, in stratigraphically descending order, the Blenheim Formation, Gebbie Formation and the Tiverton Formation. The Gebbie Formation is the Collinsville Coal Measures correlative but, as for the other formations, does not contain coal.

The Blenheim Formation is overlain by the Back Creek Group which contains the major coal measures in the Bowen Basin. Coal development on the eastern side of the basin is subdued compared to development in the west. The Back Creek Group consists of the Moranbah Coal

Measures, the Fort Cooper Coal Measures and the Rangal Coal Measures in stratigraphically ascending order. Within the EPC it is likely that the Permian sediments will contain steeply dipping thin seams of the Moranbah and Fort Cooper Coal Measures however historical drill hole data has yet to be examined.

Previous EPC tenements overlapping the area included EPC3, EPC446, and EPC658. QDEX exploration reports for these tenements are currently being assessed for drillhole information.

EPC 1612

Located 10km west of Dalby (Figure 1).

The EPC lies near the western margin of the Clarence-Moreton Basin, adjacent to the Kumbarilla Ridge. The sediments within the EPC dip gently to the east.

The area is covered by Quaternary sediments but the subcropping Middle Jurassic sediments are Walloon Coal Measures. The Middle to Lower Jurassic sediments underlying the Walloon Coal Measures are, in stratigraphically descending order, the Hutton Sandstone, the Evergreen Formation and the Precipice Sandstone. These sediments are, in general, not coal bearing but minor coal has been intersected in petroleum well Yarrala No. 1 in the Hutton Sandstone and the Evergreen Formation contains carbonaceous mudstones. The Precipice Sandstone unconformably overlies the Carboniferous Texas Beds basement. The Jurassic sediments have been deposited under fluvial and lacustrine conditions.

The Walloon Coal Measures is the principal coal bearing formation in the Surat Basin. It is divided into two coal bearing sequences, the Taroom Coal Measures, the lower unit, and the Juandah Coal Measures, the upper unit. The seams are lenticular and the coal is interbedded with mudstone, siltstone and tuffaceous claystone. The coal is typically perhydrous and high in vitrinite and liptinite.

Petroleum well Yarrala No. 1 has been drilled within the EPC and has intersected the above formations. Basement was intersected at approximately 850m and the base of Walloon Coal Measures was intersected at approximately 300m.

QDEX exploration reports over the area are currently being assessed for drillhole information.

EPC 1637

Located 15km SSE of Pentland (Figure 1).

The EPC lies on the north east periphery of the Koburra Trough in the Galilee Basin. Sediments of the Upper Permian coal bearing Betts Creek Beds crop out along and onlap the Cambrian high grade metamorphics which represent the basement in the area. The Betts Creek Beds are overlain by the Triassic Warang Sandstone which consists of terrestrial mudstones, sandstones and conglomerates. The section on the Hughenden 1:250000 sheet interprets the Betts Creek Beds as

being underlain unconformably by the Carboniferous to Lower Permian Boonderoo Beds which is a correlative of the Jochmus Formation further south. The sediments are described principally as sandstones, partially carbonaceous siltstones and minor coal.

The Betts Creek Beds and the Lower Permian Aramac Coal Measures are the principal coal bearing formations and have been recorded over most of the northern Galilee Basin. The Betts Creek Beds consist of interbedded fluviatile sandstone, siltstone, mudstone and coal. The coal along the eastern margin of the Koburra trough is subhydrous, high volatile bituminous C, steam coal.

The sediments dip gently south east into the Koburra Trough.

QDEX exploration reports over the area are currently being assessed for drillhole information.

EPC 1751

Located 13km north of Capell (Figure 1)a.

The EPC lies on the Collinsville Shelf on the western side of the Bowen Basin. The Clermont and Emerald 1:250000 sheets indicate that sediments of the Blenheim Formation subcrop beneath Tertiary Basalt flows and onlaps the Permian/Carboniferous basement of the Anakie Metamorphics to the west. The Lower to Middle Permian Blenheim Formation is largely marine and is described as quartzose sandstone, carbonaceous shale and minor coal. The sediments appear to dip gently to the east.

The Upper Permian principal coking coal formation, the German Creek Coal Measures, crop out 40km ESE of Capella but no occurrence of these sediments has been recorded north of Capella.

The Lower Permian, coal bearing Reids Dome Beds may underlie the Blenheim Formation. This non-marine formation commonly fills grabens in the Denison Trough and a northern extension of this tectonic unit trends to the NNW and west of Capella. The Reids Dome Beds occur in a fault bounded block 30km to the south west of Capella and contain the Capella deposit coals. These coals are high in reactives and have an Rvmax of approximately 0.77%.

QDEX exploration reports over the area are currently being assessed for drillhole information.

EPC 1745

Located 29km west of Millmeran (Figure 1).

The EPC lies in the Surat Basin and covers outcropping Upper Jurassic to Lower Cretaceous Kumberilla Beds. This unit consists of sandstones, siltstones, mudstones and conglomerate. These sediments dip gently to the west off the Kumberilla High which lies to the east of the EPC. Underlying these sediments is the Middle Jurassic Walloon Coal Measures which is the principal coal bearing formation in the Surat Basin. The Dalby 1:250000 sheet section indicates that the

Walloon Coal Measures are underlain by the Hutton Sandstone and the Evergreen Formation. Neither of these formations are coal-bearing but the Evergreen Formation contains carbonaceous mudstones. The Evergreen Formation overlies the Texas Beds which represent the basement in this area. The Surat Basin sediments are essentially fluvial and lacustrine.

The Walloon Coal Measures have been subdivided into two coal bearing sequences, the Taroom Coal Measures, the lower unit, and the Juandah Coal Measures, the upper unit. The seams are lenticular and the coal is interbedded with mudstone, siltstone and tuffaceous claystone. The coal is typically perhydrous and high in vitrinite and liptinite.

QDEX exploration reports over the area are currently being assessed for drillhole information.

EPC 1748

Located 52km ESE of Dalby (Figure 1).

The EPC lies in the Surat Basin and covers outcropping Upper Jurassic to Lower Cretaceous Kumbarilla Beds. This unit consists of sandstones, siltstones, mudstones and conglomerates. The Dalby 1:250000 sheet indicates a broad anticline, the Kogan Anticline, striking north-south through the centre of the EPC. The Kumbarilla Beds dip gently to the east and west off the anticlinal crest. The sediments shallow to the east towards the Kumbarilla Ridge which is the structural division between the Surat and Clarence-Moreton Basins.

Underlying the Kumbarilla Beds is the Middle Jurassic Walloon Coal Measures which is the principal coal bearing formation in the Surat Basin. The Dalby 1:250000 sheet section indicates that the Walloon Coal Measures are underlain by the Hutton Sandstone and the Evergreen Formation. Neither of these formations are coal-bearing but the Evergreen Formation contains carbonaceous mudstones. The Evergreen Formation overlies the Texas Beds which represent the basement in this area. The Surat Basin sediments are essentially fluvial and lacustrine.

The Walloon Coal Measures have been subdivided into two coal bearing sequences, the Taroom Coal Measures, the lower unit, and the Juandah Coal Measures, the upper unit. The seams are lenticular and the coal is interbedded with mudstone, siltstone and tuffaceous claystone. The coal is typically perhydrous and high in vitrinite and liptinite.

QDEX exploration reports over the area are currently being assessed for drillhole information.

Qualifications & Declarations

Report Description

Clean Global Energy Pty Ltd (“**CGE**”) has four coal tenements, EPC’s 1506, 1508 & 1539 located in the Clarence-Moreton Coal Basin in south-east Queensland and EPC 1507 located in the Callide Coal Basin in Central Queensland (“**EPC Tenements**”). **CGE** has applied for three additional coal tenements, EPCA 1592 in the Bowen Basin, EPCA 1612 in the Clarence-Moreton Basin and EPCA 1637 in the Galilee Basin (“**Applications**”).

Geo Consult Pty Ltd has been engaged by **CGE** to prepare a report on the **EPC Tenements** and **Applications** (“**Report**”) for the purposes of inclusion in the Notice of General Meeting and Explanatory Memorandum - June 2009 in relation to the acquisition of **CGE** by International Resource Holdings Limited.

Statement

I, Warwick Smyth confirm that:

- I have read and understood the requirements of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“2004 JORC Code”).
- I am a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of *The Australasian Institute of Mining and Metallurgy* or the *Australian Institute of Geoscientists* or a ‘Recognised Overseas Professional Organisation’ (“ROPO”) included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

- I am a consultant working for **Geo Consult Pty Ltd** and have been engaged by **CGE** to prepare a report on the **EPC Tenements and Applications** for the purposes of inclusion in the Notice of General Meeting and Explanatory Memorandum in relation to the acquisition of **CGE** by International Resource Holdings Limited.

I verify that the Report is based on and fairly and accurately reflects, in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results, Mineral Resources and/or Ore Reserves.



20th day of August 2009

Signature of Competent Person:

Date:

AusIMM; AIG

#111636; #2458

Professional Membership:
(insert organisation name)

Membership Number:

Independent Expert's Report - 2 July 2009

**International Resource Holdings
Limited**



Mann Judd Corporate (WA) Pty Ltd
ACN 008 878 555

Licensed Investment Adviser

FINANCIAL SERVICES GUIDE

Dated 1 March 2009

1. HLB Mann Judd Corporate (WA) Pty Ltd

HLB Mann Judd Corporate (WA) Pty Ltd ABN 69 008 878 555 ("HLB Mann Judd Corporate" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our **Australian Financial Services Licence, Licence No. 250903**;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- securities;
- interests in managed investment schemes excluding investor directed portfolio services;
- superannuation; and
- debentures, stocks or bonds issued or proposed to be issued by a government

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product and there is no statutory exemption relating to the matter, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

HLB Mann Judd Corporate (WA) Pty Ltd AFSL 250903

Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.
Email: hlb@hlbwa.com.au. Website: <http://www.hlb.com.au>

HLB Mann Judd Corporate (WA) Pty Ltd is a member of  HLB International, a world-wide organisation of accounting firms and business advisers

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither HLB Mann Judd Corporate, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by us

HLB Mann Judd Corporate has no employees. All personnel who complete reports for HLB Mann Judd Corporate are either partners or staff of HLB Mann Judd (WA Partnership). None of either those partners or staff is eligible for bonuses directly or indirectly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

HLB Mann Judd Corporate is wholly owned by HLB Mann Judd (WA Partnership). Also, our directors are partners in HLB Mann Judd (WA Partnership). Ultimately the partners of HLB Mann Judd (WA Partnership) own and control HLB Mann Judd Corporate.

From time to time HLB Mann Judd Corporate or HLB Mann Judd (WA Partnership) may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1. *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints must be in writing, addressed to The Complaints Officer, HLB Mann Judd Corporate (WA) Pty Ltd, 2nd Floor, 15 Rheola Street, West Perth WA 6005.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within **7 days** and investigate the issues raised. As soon as practical, and not more than **one month** after receiving the written complaint, we will advise the complainant in writing of the determination.

9.2. *Referral to external disputes resolution scheme*

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("**FOS**"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry. HLB Mann Judd Corporate is a member of FOS (member number 11791).

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001

Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details at the foot of page 1 of this FSG.



Mann Judd Corporate (WA) Pty Ltd
ACN 008 878 555

Licensed Investment Adviser

0905 IRH015 REP

2 July 2009

The Directors
International Resource Holdings Limited
Level 4, St Martin's Tower
44 St Georges Terrace
PERTH WA 6000

Dear Sirs

INDEPENDENT EXPERT'S REPORT - INTERNATIONAL RESOURCE HOLDINGS LIMITED

1. INTRODUCTION

HLB Mann Judd Corporate (WA) Pty Ltd ("HLB") has been approached by the directors of International Resource Holdings Limited ("IRH" or the "Company") to prepare an Independent Expert's Report ("Report") to determine the fairness and reasonableness of the transaction referred to in Resolution 4 ("Resolution") as detailed in the Notice of General Meeting of IRH shareholders ("the Notice") for the general meeting to be held on or about 23 September 2009. The Resolution relates to the sale of the Company's wholly owned subsidiary Thrace Resources EOOD ("Thrace") to Omax International Limited ("Omax"), a substantial shareholder of IRH (the "Acquirer") for the sum of \$169,806.92, pursuant to a conditional sale agreement ("Sale Agreement").

A summary of the terms of the Sale Agreement which are material in the context of this Report is set out at section 4 of this Report, with a full explanation of the Sale Agreement's principal terms contained in Section 4 of the Explanatory Statement.

This Report has been divided into the following sections:

1. Introduction
 2. Purpose of the Report
 3. Summary of Opinion
 4. Sale Agreement
 5. Future Direction of International Resource Holdings Limited
 6. Basis of Evaluation
 7. Assessment as to Fairness
 8. Assessment as to Reasonableness
 9. Conclusion
- Appendices

2. PURPOSE OF THE REPORT

HLB has been engaged by the directors of the Company to prepare this Report to accompany the Notice and Explanatory Statement to be sent to shareholders in connection with the proposed disposal of its wholly owned subsidiary, Thrace.

Our report has been prepared solely for the purpose of assisting the non-associated shareholders of IRH in considering the Resolution, details of which are included in the Explanatory Statement and summarised in section 4 of this report.

We note that there are other resolutions to be put before the shareholders. This report does not address the impact of any other resolutions (other than Resolutions 2 and 3) as they are considered to be independent of Resolution 4, which is the subject of this report.

For the purposes of Australian Securities Exchange ("ASX") Listing Rule 10.1.3, the Acquirer and its associates are considered to be substantial shareholders as they hold more than 10% of the voting securities in the Company. Accordingly, shareholder approval is required under ASX Listing Rule 10.1. Additionally, as Thrace constitutes the Company's main undertaking, shareholder approval is required to be sought under ASX Listing Rules.

ASX Listing Rule 10.10 provides that an independent expert's report on the transaction must be provided to shareholders and that this Report must state whether the transaction is fair and reasonable to non-associated shareholders.

This report is to be included with the Notice and Explanatory Statement to assist the Company's non-associated shareholders in their consideration of the Resolution.

3. SUMMARY OF OPINION

We have considered the terms of the Sale Agreement between the Company and the Acquirer and have concluded that the transaction is *not fair but reasonable* to the non-associated shareholders of the Company.

A summary of our analysis in forming this opinion is provided below.

Fairness

Due to the factors outlined in section 7 of this Report, the transaction is deemed to be *not fair* to the non-associated shareholders.

Reasonableness

We have considered the analysis in section 8 of this Report, in terms of the advantages and disadvantages of approving the transaction and the position of non-associated shareholders if the transaction does not proceed.

The respective advantages and disadvantages considered are summarised below:

Advantages and Disadvantages of Approving the Transaction:

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> ▪ Debt reduction ▪ Economic potential of the assets are largely unproven ▪ Reduction of political and sovereign risk ▪ Access to capital may improve ▪ Allows focus on the future of the company ▪ Lack of an alternative higher offer 	<ul style="list-style-type: none"> ▪ Determined to be not fair ▪ Leaves the Company without an ongoing business asset, subject to the consideration of other resolutions to be put to the shareholders ▪ Company has a need to raise funds regardless of whether or not the transaction occurs.

In our opinion, the position of non-associated shareholders if the transaction proceeds is more advantageous than the position if the transaction does not proceed. Accordingly, we believe that the transaction is reasonable to the non-associated shareholders of the Company.

4. SALE AGREEMENT**4.1 Material terms of the Sale Agreement**

The Company has entered into a conditional Sale Agreement with Marten EOOD ("Marten") and Omax to sell its wholly owned subsidiary Thrace Resources EOOD, a company registered in Bulgaria to Omax. Marten is a wholly owned subsidiary of Omax. Thrace is the registered holder of two Bulgarian mining projects. The material terms of the Sale Agreement are as follows:

- (a) Marten will pay the Company A\$169,806.92, being an amount equal to 50% of the funds invested by Marten under the Convertible Note agreement entered into between the Company and Marten in December 2008; and
- (b) An amount of approximately USD\$30,000 will also be payable to the Company for the reimbursement of the environmental bonds held by the Company in respect of the Bulgarian mining projects.

The transaction is conditional upon the shareholders of the Company passing all resolutions that are deemed to be required under ASX Listing Rules and the Corporations Act.

A full explanation of the principal terms of the Convertible Note Deed is contained in Section 4 of the Explanatory Statement.

5. FUTURE DIRECTION OF INTERNATIONAL RESOURCE HOLDINGS LIMITED

We have been advised by the directors of IRH that:

- (i) Following a review of the Company's current operations, financial position and the current economic environment, the Board believes that it is not in the best interests of the shareholders to continue expending funds on the Bulgarian projects considering the viability of the projects is largely unknown;
- (ii) In order to advance the projects beyond the point of a bankable feasibility study, including the requirement to obtain the discovery certificate, environmental reports and management reports, a significant amount of funds will be required to be obtained and expanded prior to the expiry of the licenses. Failure by the company to meet these requirements would potentially result in the forced surrender of the licenses;

- (iii) Given the current economic environment, the Board believes that the Company is best served in attempting to preserve funds and resources, with a focus to building shareholder wealth through the identification of alternative resource projects; and
- (iv) Upon settlement of the transaction, the Board will pursue opportunities for the Company which will have the potential to create shareholder value.

6. BASIS OF EVALUATION

In determining whether the transaction is fair and reasonable, we have referred to Regulatory Guides 111 and 112 issued by the Australian Securities & Investments Commission ("ASIC").

Regulatory Guide 111 requires that we should identify the advantages and disadvantages of the transaction to security holders not associated with the transaction, as well as providing an opinion on whether the advantages of the transaction outweigh the disadvantages.

We have satisfied the requirements of Regulatory Guide 111 by completing the following comparisons:

- A comparison of the value of the consideration being given up by the Company and the value of assets being acquired (see section 7 of our Report, "Assessment as to Fairness"); and
- An analysis of the reasonableness of the transaction by reference to the advantages and disadvantages of the proposal (see section 8 of our Report, "Assessment as to Reasonableness").

In determining the fairness of the transaction, we have considered the following methodologies:

6.1 Capitalised Maintainable Earnings/Discounted Cash Flow

IRH currently does not have a reliable cash flow or profit history from a business undertaking. Therefore, we do not believe that this methodology is appropriate to use for the purposes of this Report. IRH's primary operational focus is on mining exploration activities.

6.2 Takeover Bid

We have been advised by the directors of IRH that they do not believe that there would be a likelihood of a takeover bid for the Company. To the best of our knowledge, there are no current bids in the market place for the shares in IRH.

6.3 Market Price of IRH Shares

We set out below a summary of IRH's share prices between 9 April 2008 and 28 May 2009.



IRH's share price has been falling steadily since June 2008 due to factors including the general decline in share prices as a result of the global economic downturn. The Company's share price on the day prior to the announcement of the Sale Agreement was 1.5 cents with no trades occurring in the month following the announcement and has been in the range of 1.5 – 4.0 cents since the end of October 2008, until the announcement of the proposed acquisition of Clean Global Energy. During this period, trading has been very thin with only 378,800 shares traded. As a result, this reduces the reliability of the ASX market price valuation and its impact on our assessment on the value of IRH's shares. We note that there has been a significant increase in volumes traded following the announcement of the proposed acquisition of Clean Global Energy.

6.5 Adjusted Net Asset Backing

A summary of the unaudited, but reviewed consolidated balance sheet of IRH as at 31 December 2008 is presented below, together with a proforma balance sheet comprising the balance sheet at 31 December 2008 adjusted for changes in the valuations of certain assets and liabilities we considered appropriate for the purposes of this Report.

Based on our assessment, the following valuation adjustments are required as at 31 December 2008:

- i) Conversion of \$300,788 worth of debt to equity, resulting in the issue of approximately 15,830,978 ordinary shares, \$163,904 of which is included in the balance sheet as at 31 December 2008 ;
- ii) The issue of 21,883,333 shares at an issue price of \$0.012 raising \$338,600 as announced on 26 February 2009, \$120,000 of which was received prior to 31 December 2008; and
- iii) The incurring of cash expenses of approximately \$120,000 in the period from January 2009 to May 2009.

	<i>Reviewed 31 Dec 2008</i>	<i>Adjustments</i>	<i>Valuation</i>
	\$	\$	\$
Current Assets			
Cash and cash equivalents	301,990	98,600	400,590
Trade and other receivables	57,593	-	57,593
Total Current Assets	359,583	98,600	458,183
Total Non-Current Assets			
Property, plant and equipment	13,012	-	13,012
Exploration and evaluation	170,000	-	170,000
Total Non-Current Assets	183,012	-	183,012
Total Assets	542,595	98,600	641,195
Trade and other payables	307,142	(163,904)	143,238
Total Current Liabilities	307,142	(163,904)	143,238
Non-Current Liabilities			
Other	120,000	(120,000)	-
Convertible note - Marten	339,614	-	339,614
Total Non-Current Liabilities	459,614	(120,000)	339,614
Total Liabilities	766,756	(283,904)	482,852
Net Assets	(224,161)	382,504	158,343
			Number
Fully paid shares on issue	47,978,242	37,714,311	82,692,595
Fair market value per share			0.19 cents

6.6 Summary

The following values (per ordinary share) have been determined from the above information:

	Value
Market value over past 3 months (prior to the announcement of the proposed acquisition of Clean Global Energy)	1.5 - 1.9 cents
Completion of placement	1.2 cents
Conversion of debt to equity (proposed)	1.9 cents
Adjusted net asset backing	0.19 cents

Based on the above, we consider that the underlying net asset value of a share in IRH to be in the range of 0.19 to 1.9 cents. This ignores the value of any non-booked tax benefits.

7. ASSESSMENT AS TO FAIRNESS

7.1 Comparison of Asset Value given up to consideration

7.1.1 Valuation of Thrace projects

The Thrace projects that are to be disposed of were written down to \$170,000 for the purposes of the 31 December 2008 half year report, on the basis that this was the director's best estimate of their expected recoverable value.

No independent valuations have been prepared on these mineral projects.

Additionally, we note that it is not the present intention of the Directors of IRH to liquidate the Company and therefore any theoretical value based upon wind up value, or adjusted net book value is just that, theoretical.

Given the thinly traded stock, the inconsistency of the adjusted net asset backing and the inherent unreliability of other valuation methodologies discussed in section 6 of this Report, we are of the opinion that no reliable valuation can be placed on the projects.

As noted in the 2008 Annual Report of the Company, the Thrace project consists of the Breznik and Ravkito licences. The Breznik licence has an inferred and indicated JORC compliant resource of 109,000 ounces of gold and 335,000 ounces of silver. The Ravkito licence was written down at 30 June 2008, due to the uncertainty surrounding its security of tenure.

As we are unable to determine a reliable valuation for the projects, the transaction is deemed to be not fair to the non-associated shareholders.

7.1.2 *Value of consideration to be received:*

Consideration:	\$A
▪ Convertible note "forgiven"	169,807
▪ Environmental bonds (USD\$30,000 converted at 0.793)	37,826
Total	\$207,633

7.2 Assessment of Fairness of the Transaction

Based on the above assessment, the transaction is considered to be *not fair* to the non-associated shareholders of the Company.

8. ASSESSMENT AS TO REASONABLENESS

ASIC Regulatory Guide 111 considers an offer to be reasonable if:

- the offer is fair; or
- despite not being fair, but considering other significant factors, shareholders should approve the transaction in the absence of any superior offer.

Our conclusion that the transaction is not fair has caused us to consider whether it is reasonable. In doing so, we have considered the advantages and disadvantages of the transaction.

8.1 Advantages

- Reduction in the level of convertible note debt from \$339,614 to \$169,807;
- The viability of the Thrace projects is largely unknown and its development into a profitable mining operation is uncertain and unlikely.

A significant amount of additional funds would need to be expended in order to advance the projects beyond the point of a bankable feasibility study, including the requirement to obtain the discovery certificate, environmental reports and management reports. The time frame required in obtaining the discovery certificate has been estimated at approximately 4 months, after which time it will still not be clear whether the Company would be in a position to exploit the projects;

- There is risk (political risk and sovereign risk) attached to the Bulgarian assets that has the potential to reduce the attractiveness of the projects.

We are advised that due to the uncertain nature of the regulators and government within Bulgaria, the commercial aspects of the projects are uncertain and that risks associated with the operating environment within Bulgaria potentially outweigh the commercial benefit of the projects;

- the Company has also faced considerable difficulty in its attempt to raise further capital funding for the Bulgarian projects, largely as a result of the deficiency in investor knowledge regarding Bulgaria;
- Divestment of the Thrace project will allow the directors and management to focus solely on evaluating new opportunities; and
- There does not exist or likely to exist a higher alternative offer.

8.2 Disadvantages

- The transaction is considered to be not fair for the reasons stated in section 7.1.1 of this Report;
- The disposal of the entire operations of the Company will leave the Company without a major asset and needing to establish (within a six month period) that the Company is in compliance with ASX Listing Rule 12.3 and that not more than 50% of its assets is held in cash or readily convertible to cash, we note however that resolutions to effect the acquisition of Clean Global Energy are also to be put to shareholders at the same time as the resolution to disposal of the Thrace investment; and
- Regardless of whether the transaction proceeds or not the Company will need to raise additional funds to continue to operate.

8.3 Assessment of Reasonableness of the Transaction

Based on the above assessment, the transaction is considered to be reasonable to the non-associated shareholders of the Company.

9. CONCLUSION

Based on the foregoing, we are of the opinion that the transaction is not fair but reasonable to the non-associated shareholders of the Company.

Yours faithfully

HLB MANN JUDD CORPORATE (WA) PTY LTD
Licensed Investment Advisor (AFSL Licence number 250903)



N G NEILL
Authorised Representative

APPENDIX 1 SOURCES OF INFORMATION

In preparing this Report we have had access to the following principal sources of information:

- IRH'S annual report for the year ended 30 June 2008 and half- year financial report for the half year ended 31 December 2008;
- Share Sale Agreement between Omax International Limited and Marten EOOD and Thrace Resources EOOD and International Resource Holdings Limited dated 8 June 2009;
- Convertible Note Term Sheet between IRH and Marten dated 10 December 2008;
- Draft Notice of General Meeting and Explanatory Statement which this Report will accompany;
- Discussions with, and information provided by, the directors and management of IRH; and
- Announcements to the ASX by IRH during the 2008 and 2009 years.

APPENDIX 2 QUALIFICATIONS, DECLARATIONS AND CONSENTS

HLB, which is a wholly owned entity of HLB Mann Judd (WA Partnership), is a Licensed Investment Adviser and holder of an Australian Financial Services Licence under the Corporations Act ("Act") and its authorised representative is qualified to provide this Report. The authorised representative of HLB responsible for this Report has not provided financial advice to IRH.

Prior to accepting this engagement, HLB considered its independence with respect to IRH with reference to ASIC Regulatory Guide 112. In HLB's opinion, it is independent of IRH.

This Report has been prepared specifically for the shareholders of IRH. It is not intended that this Report be used for any other purpose other than to accompany the Notice of General Meeting and Explanatory Statement to be sent to the IRH shareholders. In particular, it is not intended that this Report should be used for any purpose other than as an expression of the opinion as to whether or not the transaction is fair and reasonable to the non-associated shareholders of IRH. HLB disclaims any assumption of responsibility for any reliance on this Report to any person other than those for whom it was intended, or for any purpose other than that for which it was prepared.

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this Report, HLB has relied on and considered information believed, after due inquiry, to be reliable and accurate. HLB has no reason to believe that any information supplied to it was false or that any material information has been withheld.

HLB has evaluated the information provided to it by IRH and other parties, through inquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially misstated or would not provide a reasonable basis for this Report. HLB has not, nor does it imply that it has, audited or in any way verified any of the information provided to it.

In accordance with the Act, HLB provides the following information and disclosures:

- HLB will be paid its usual professional fees (estimated to be \$10,000 plus GST) based on time involvement at normal professional rates, for the preparation of this Report.
- Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.
- HLB, nor any of its directors or associates, have any interest in IRH or Marten.
- Neither HLB nor HLB Mann Judd (WA Partnership) has had any relationship with IRH or any associate of IRH or Marten.