EL 17/2007 "Dunns"
Annual Report for the Period
24th October 2009 to 23rd October 2010.

Volume 1 of 1

Holder/ Operator: **IMX Resources Ltd**

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Date: **13th Sept 2010**

Distribution: MRT- *(1 hardcopy, 1 digital)*
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ABSTRACT

35 soil samples were taken in March 2010 for Mobile Metal Analyses by SGS laboratory. Total of 3 Diamond holes drilled with 22 core samples taken and 7 rockchips samples taken. Diamond hole SRDH3 intersected weathered highly alkaline basic rock.

MMI sampling resulted in unexpected results and sites have been resampled at the end of June 2010 and comparison with the 2 set of data to check whether MMI does provide information not obtainable by other methods.

19 Additional soil samples were taken at the Dunns sites and analysed by AT/ICPMS by Genalysis Laboratory. 2 stream samples were taken for probe analyses.

Total expenditure for the reporting period was **$104,139**

KEYWORDS

Tasmania North West, Smithton, geochemistry, Ni-Cu sulfide mineralisation

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1.0 INTRODUCTION

The Rocky Cape region of northwest Tasmania consists of thick weakly metamorphosed deformed Neoproterozoic sedimentary and volcanic successions (Calver 1998). The oldest exposed succession consists of orthoquartzites, siltstone and minor carbonate (the Rocky Cape Group) that underlies the Togari Group. The Rocky Cape Group is younger than 1200Ma. An angular unconformity separates the Rocky Cape Group from the Togari Group which occupies the Smithton Synclinorium in far northwest Tasmania. The Togari Group (Everard et al. 2007) consists of siliciclastics (Forest Conglomerate), a carbonate - chert-shale unit (Black River Dolomite) dated at 750-650 Ma, rift tholeiites and associated volcaniclastics (Kanunnah Subgroup) and dolostone (Smithton Dolomite) dated at 580-545 Ma. The Smithton Dolomite is overlain by Middle to Late Cambrian sandstone and shale, the Scopus Formation. On older maps e.g. the 1: 50 000 SMITHTON sheet all carbonates and dolostones are shown as Smithton Dolomite.

Dolerite dykes dated at 600-588 Ma and differentiated basic- ultrabasic intrusions related to the tholeiitic sequence were emplaced into the sequence below the Kununnah Group. The Proterozoic- Paleozoic sequence is locally overlain by Tertiary basalts occurring mainly as hill cappings. Basalt compositions range from basanite through alkali olivine basalts to tholeiites.

Both the Rocky Cape Group and the Togaru Group were deformed during the Cambrian and the Devonian.

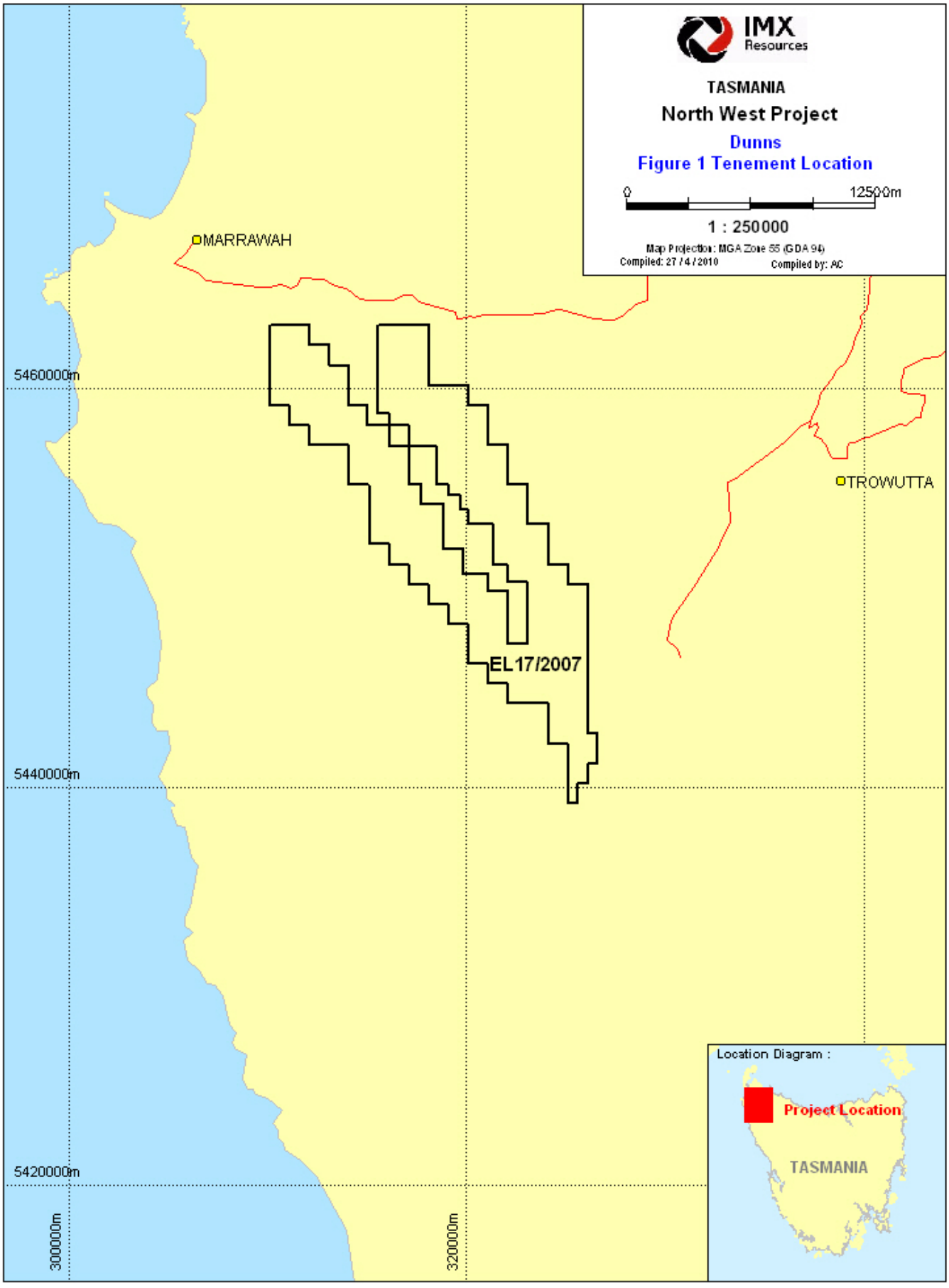
The presence of subvolcanic basic-ultrabasic intrusions in a sequence of sulfide bearing sedimentary rocks, imply that the region has potential for Ni- Cu sulfide deposits. Possible sulfur sources for Ni sulfide deposits are present in the Cowrie Siltstone (Rocky Cape Group) and in shales of the Black River Dolomite.

2.0 TENURE

Exploration Licence 17/2007 was granted to Goldstream Mining NL (now IMX Resources Ltd) and covers an area of approximately 165 km^2 in the Land District of Wellington & Russell vicinity of Salmon River for a term of 5 years from the 24th October 2007. A partial relinquishment of 37.46 km^2 was made during 2009 and the licence now covers 127.54 km^2.

Table 1 Licence Details

Licence	Granted	Expiry	Year	Area
EL17/2007	24th October 2007	24th October 2008	1	165 km^2
EL17/2007	24th October 2008	24th October 2009	2	165 km2
EL17/2007	24th October 2009	24th October 2010	3	127.54 km2


IMX Resources
TASMANIA
North West Project
Dunns
Figure 1 Tenement Location
0
12500m
1 : 250000
Map Projection: MGA Zone 55 (GDA 94)
Compiled: 27 / 4 / 2010
Compiled by: AC
MARRAWAH
TROWUTTA
EL17/2007
5460000m
5440000m
5420000m
300000m
320000m
Location Diagram :
Project Location
TASMANIA

3.0 REVIEW OF PREVIOUS WORK

Very limited exploration has been carried out within EL17/2007. ANZECO (Kinnane 1972) carried out stream sediment sampling and located sites with very high Sn (max 1.08%) and Cr (max. 33%) in heavy mineral concentrates. Subsequent work revealed that the high Cr and Sn contents originated in widespread alluvial terraces related to Arthur River.

Similar terraces are also widespread further north in the Montagu Swamp Area, and all the terraces have been investigated for their Cr contents e.g. BHP (1998). While the Cr grades may be high in small samples the tonnages are orders of magnitude too low for a Cr deposit.

The chromites form 2 populations with one possibly originating in the local volcanic and subvolcanic intrusions, whereas the main population are more likely to originate in rocks similar to the Cambrian basic-ultrabasic complexes further south. The origin of the alluvial chromites is also discussed by Everard et al. (2007)

Pacific Nevada carried out stream sediment sampling, rock chip sampling and a combined airborne EM a magnetic survey exploring for sediment hosted base metal deposits in the southern part of E17/2007, but the project was terminated after one season as the results were not promising.

Imdex (2005) has explored for silica flour over silicified carbonates, and a silica flour mine is being developed near the Arthur River.

A detailed aeromagnetic survey with 200m line spacing flown by AGSO/ MRT in 1996 has been valuable in locating intrusions due to the generally poor outcrop.

2008 Exploration include the completion of an airborne EM survey by Geotech Airborne Pty Ltd.

2 RC holes drilled in 2009 targeting EM anomalies had to be abandoned without reaching target as the RC rig could not handle large amounts of water and scheduled to be redrilled as diamond holes in 2010.

4.0 EXPLORATION COMPLETED DURING THE REPORT PERIOD

Three diamond drill holes were completed to check VTEM anomalies and to get lithological and geochemical information from a deeply leached basic /ultrabasic intrusion.

SRDH01
This hole was drilled to test a moderate VTEM target close to a magnetic high interpreted as a mafic/ ultramafic intrusion. The interpretation was supported by the presence of deeply weathered mafic rocks with high Ni and Cr backgrounds. The hole intersected a

sequence of dolomites and calcareous and carbonaceous siltstones/ shales. The rocks were very fractured and drilling was very slow. Carbonaceous pyrite rich (12.5% S) highly fractured siltstones were interpreted as representing a fault zone, and the presence of carbonaceous material and pyrite would explain the VTEM anomaly. The mafic/ ultramafic intrusion would be at least 100m further down the hole, and as drilling progress was very slow, it was decided to abandon the hole and drill a stratigraphic hole SRDH3 collared close to the contact.

A narrow zone with sphalerite crystals up to 1 cm diameter was intersected at 22.4 m, suggesting the Black River Dolomite could have potential for Zn-Pb mineralisation.

SRDH02

This hole was drilled to test the moderate VTME anomaly S1C5 and was collared in yellow-brown clays after siltstone. To improve the stability of the hole the first 50m was drilled with a rock roller bit and no core was recovered. There was no obvious variation in rock type during the 50m. From 78m to bottom of hole at 85.8m there is a gradual change from grey siltstone to calcareous and carbonaceous siltstone with minor pyrite.

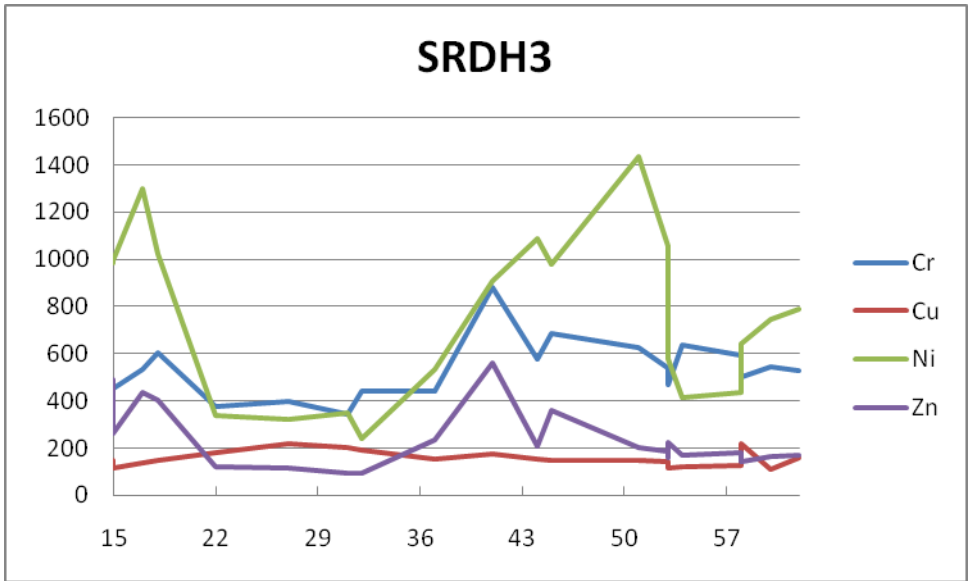
The hole was drilled at a low angle(10-20) to core axis which indicate the sediments are dipping steeply to the NE, whereas the VTEM anomaly is dipping to the SW, suggesting the cause is a carbonaceous sulphide bearing structure and not a stratigraphic layer or a layer of disseminated / matrix sulphides in an intrusion.

SRDH03

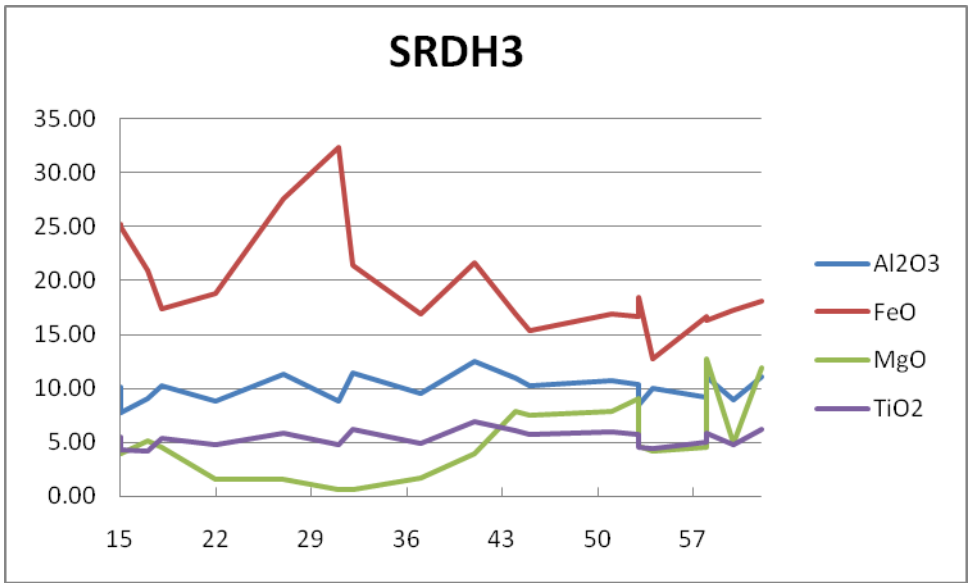
This hole was collared on the contact to the mafic/ ultramafic intrusion .It was expected that fresh rocks would be intersected at depths less than 10m, however the hole was terminated at 62.4m still in deeply weathered rocks. Due to the deep weathering rock identifications are somewhat uncertain, but possible mesh textures after serpentinised olivines were observed. Some fragmentation and coarse layering were observed. No signs of mineralisation were noted and only minor S and Cu were present.

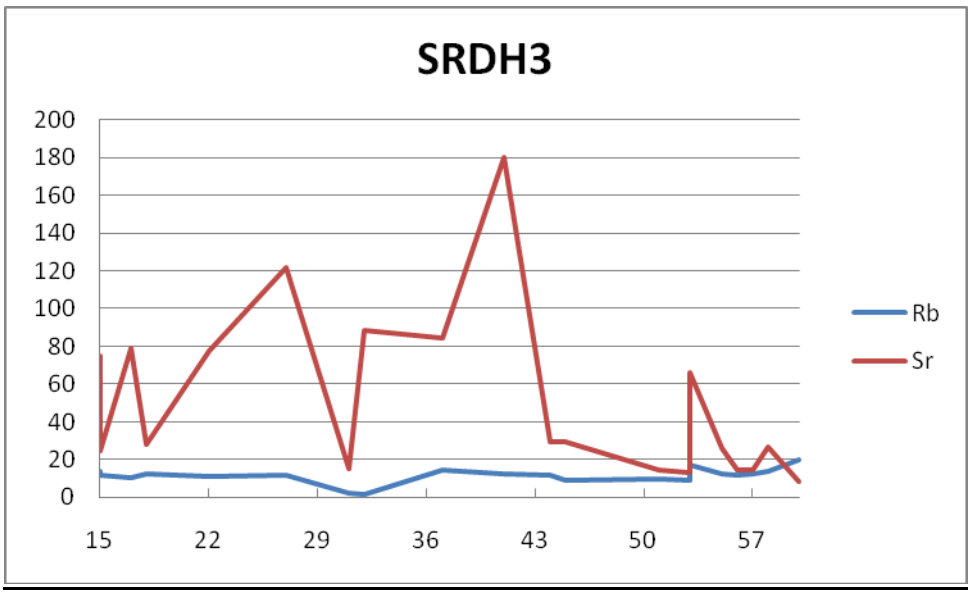
The hole was sampled at approximately every 5 meters and the samples analysed. Major and trace element data show:

1. Likely leaching of Na, K, Rb, Ca and Mg, and possibly of Cu and PGEs.
2. Broad lithological layering with Cr and Ni enrichment around 18m and at 40-52m.
3. All the rocks are unusually rich in Ti. In some samples this is manifested by brookite grains along grain boundaries.
4. For basic and ultrabasic rocks the concentration of incompatible elements like Ce, La, Th, U and Nb is extremely high. Monazite is common in sample 316008 selected for microprobe analyses. This sample also contains gold grains, whereas analysed samples are low in gold and PGEs.
5. The sequence is enriched in Zn (max 563 ppm). There is a strong correlation between Zn and Cr.



Despite the clear evidence for major and minor element leaching and silicification in some samples, the Cr, Ni, Ti and PGE values indicate the rocks are igneous basic and ultrabasic rocks. This is supported by the analysis of a single small chrome spinel grain in sample 316008 which shows a composition compatible with a picrite origin. The chromite also contain 0.96% ZnO which could indicate country rock assimilation




SRDH3
200
180
160
140
120
100
80
60
40
20
0
15
22
29
36
43
50
57
Rb
Sr

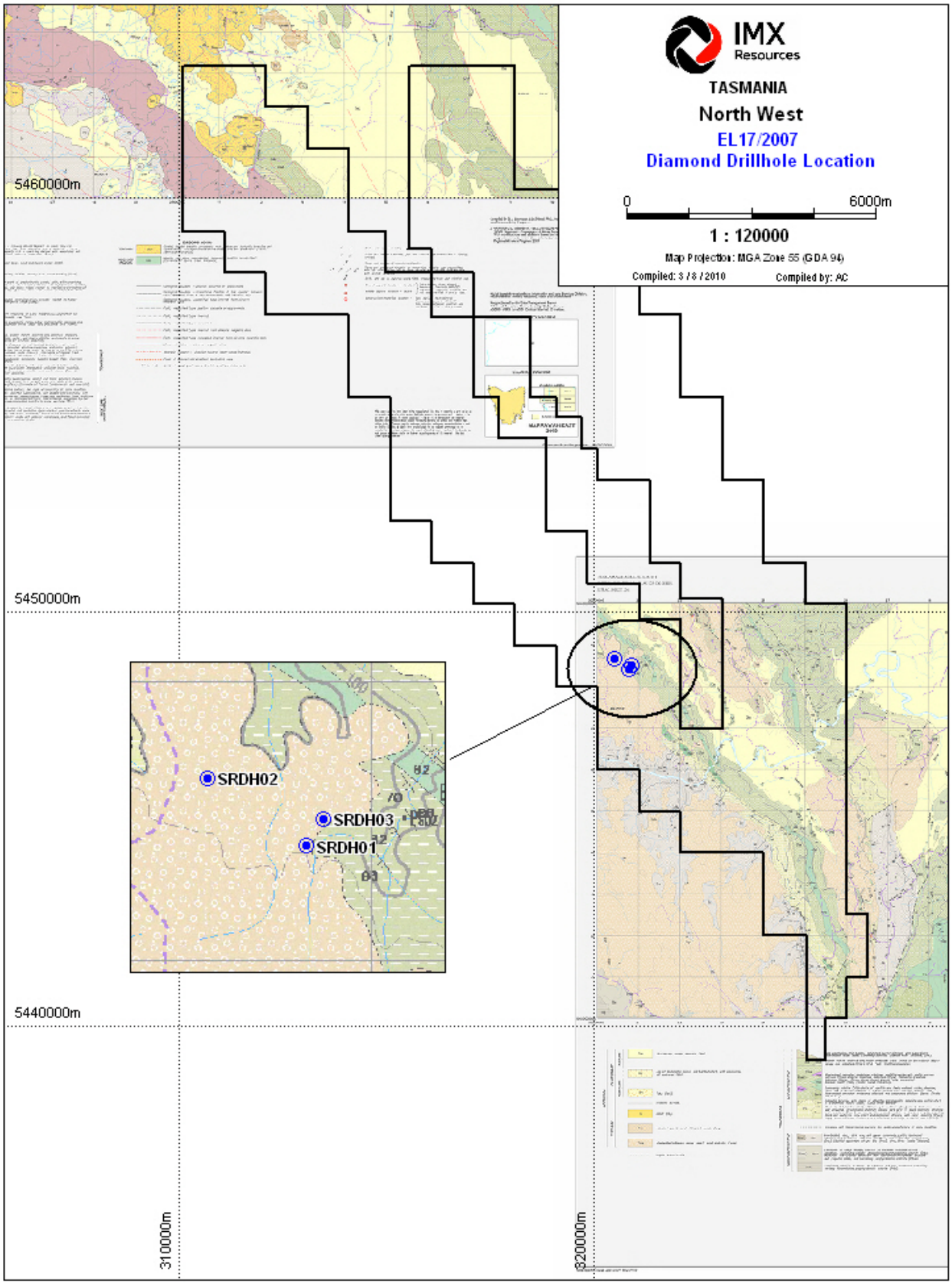


Figure 2 Diamond drillholes location

Figure 3. Drillrig at Dunns

MMI SAMPLING

Due to a combination of strong leaching of surface rocks due to acid ground waters and to cover by Tertiary alluvial sediments and basalts geochemical sampling has only been used to a minor extent in IMX exploration until now. To test a possible way to overcome these problems four lines of MMI reconnaissance sampling were carried out.

S1C13

The samples were collected from featureless yellow-brown clays over a NW trending magnetic high and associated weak VTEM anomaly.

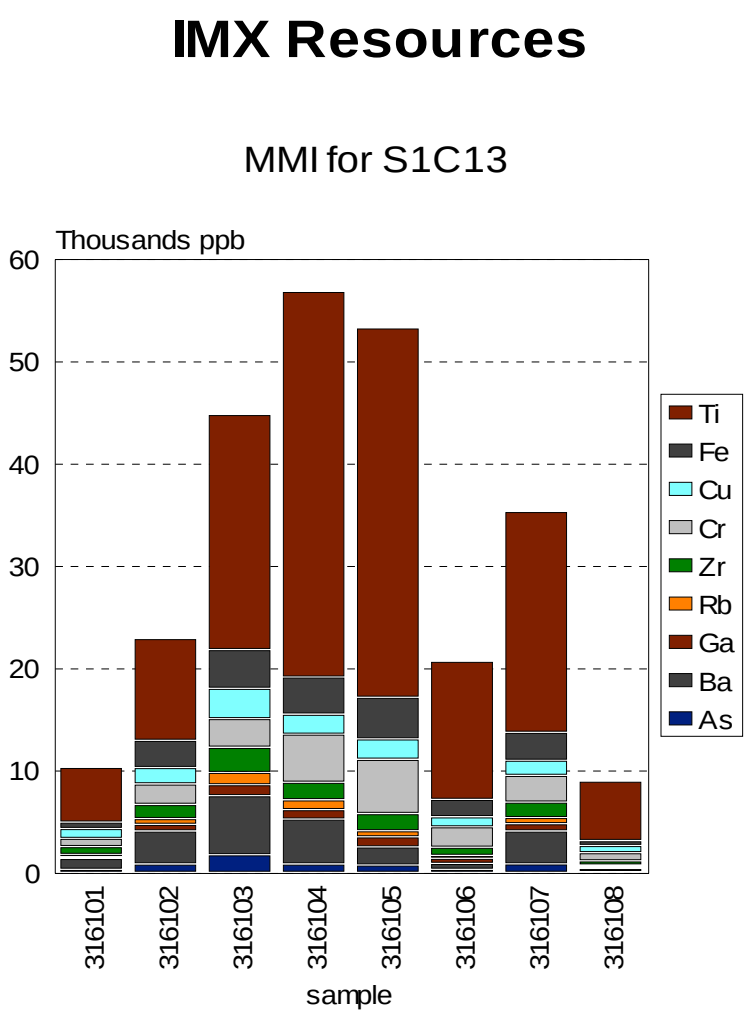
	Easting	319247	319232	319213	319190	319171	319149	319130	319100
	Northing	5455981	5455980	5455980	5455986	5455995	5456005	5456008	5456010
	Sample	316101	316102	316103	316104	316105	316106	316107	316108
As	PPB	300	810	1710	810	720	300	820	80
Ba	PPB	1060	3240	5780	4390	1760	570	3230	300
Bi	PPB	4	7	11	5	5	3	6	X
Cd	PPB	1	2	6	3	3	2	4	2
Cs	PPB	89.5	238	506	368	230	116	237	63.8

Dy	PPB	10	20	49	21	21	11	20	10
Er	PPB	5.9	12.2	29.6	14.8	14.6	7.6	13.4	5
Eu	PPB	2.9	5.7	17	7.7	6	2.4	6.8	1.9
Ga	PPB	166	641	1070	929	996	505	712	162
Gd	PPB	9	18	53	21	18	9	21	7
Hg	PPB	X	X	X	X	X	X	X	X
In	PPB	1.1	3.5	6.1	3.8	4.7	2.8	3.6	1
La	PPB	47	131	386	172	140	46	162	21
Li	PPB	38	124	178	199	195	113	131	58
Mg	PPM	25	71	74	83	39	31	55	14
Mo	PPB	162	255	729	356	347	127	334	31
Nb	PPB	17.5	30.6	69.2	75.9	81.9	33.8	52.9	13.6
Pd	PPB	8	21	44	26	27	12	21	6
Pr	PPB	14	33	99	43	31	11	41	6
Pt	PPB	X	X	1	X	X	X	X	X
Sb	PPB	13	25	52	16	20	10	23	3
Rb	PPB	233	570	1200	966	592	287	598	177
Sc	PPB	136	348	686	691	738	323	434	197
Sm	PPB	11	23	61	26	18	8	24	6
Sn	PPB	14	50	78	66	73	39	53	15
Sr	PPB	350	560	590	610	430	280	530	370
Ta	PPB	3	4	9	8	9	4	6	2
Tb	PPB	2	3	8	3	3	2	4	1
Te	PPB	X	X	X	X	X	X	X	X
Th	PPB	246	419	678	268	318	193	325	58.9
Tl	PPB	1	2.8	5.3	4.2	2.3	1.3	2.6	0.6
W	PPB	3	7	11	7	7	3	6	2
Y	PPB	60	128	307	152	155	80	140	54
Yb	PPB	5	11	27	14	15	7	12	5
Zr	PPB	759	1380	2460	1710	1680	793	1510	406
Au	PPB	0.4	0.8	0.9	0.5	0.3	0.3	0.4	0.3
Ca	PPM	88	61	33	44	63	61	63	52
Ce	PPB	73	188	567	258	186	60	234	33
Co	PPB	7	26	21	24	25	16	18	10
Cr	PPB	800	2000	2800	4700	5300	2000	2600	800
Cu	PPB	960	1610	2970	1950	2000	980	1480	700
Fe	PPM	626	2656	3775	3636	4068	1697	2742	471
K	PPM	31.6	92.6	180	144	122	52.9	93.9	22.8
P	PPM	2.9	5.1	5.3	6.1	6.5	4.9	5.8	2.5
Mn	PPB	2810	3130	1530	1370	1430	1540	1690	530
Ni	PPB	149	231	208	322	364	223	221	179
Ti	PPB	5360	9940	23000	37700	36100	13500	21600	5810
U	PPB	31	68	136	81	83	51	61	19
Pb	PPB	350	830	730	690	650	530	530	410
Zn	PPB	140	360	390	370	350	200	300	100

Many element shows considerable contrast across the line with significant enrichment of many elements in samples 316003-05. It is highly unusual that all elements are enriched in the same samples, and it is highly unusual that elements like Cr, Pd, U, Th, Sn, Ti and Mo are enriched in the same rock. Ca is the only element showing an opposite trend. Ultimately the concentrations of all the trace elements are controlled by the abundance of the minerals hosting the trace elements. If the MMI analyses are correct most of the trace elements analysed must be hosted in minor phases, as they do not seem to be affected by the closed sum problem. There are many similarities with the highly alkaline rocks in SRDH3.

It is surprising that elements like Zr and Sn that are normally hosted in very stable minerals are detectable by MMI. Zr is present in relatively large amounts (see report by Mann for more details and plots).

To better understand the geology/ geochemistry a small number of conventional soil samples will be collected adjacent to the MMI sites.

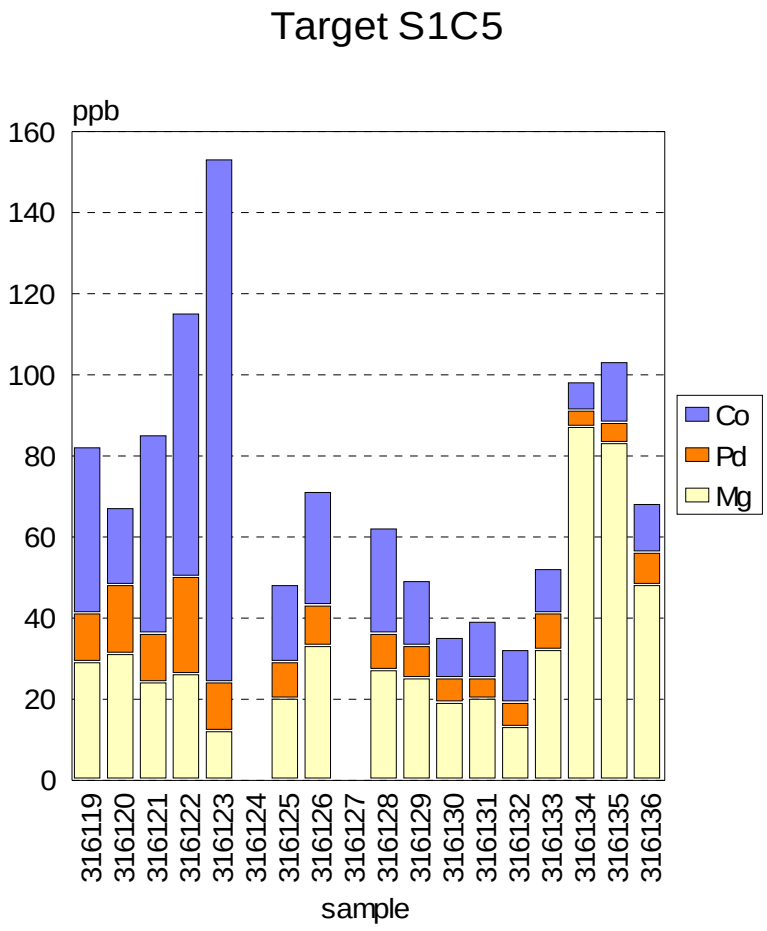


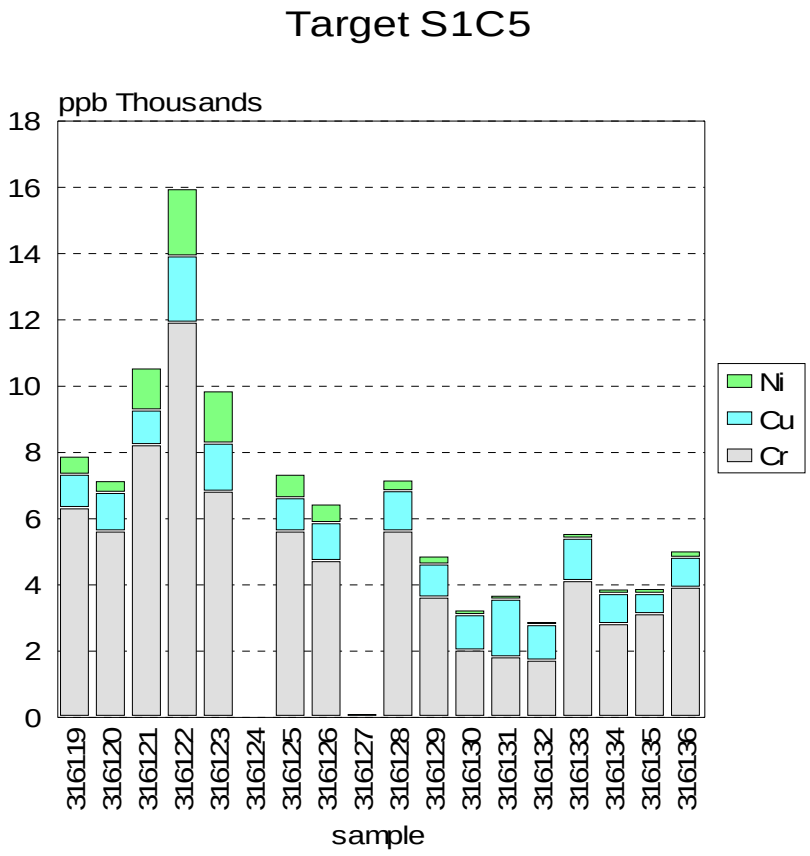
S1C5
This line covers a deeply weathered basic/ ultrabasic intrusion partly tested by drill hole SRDH3. A smaller number of elements were analysed, as it was assumed the line would mainly cover basic/ ultrabasic rocks.

The high Ni, Cr and Pd in the westernmost samples confirm the presence of basic/ ultrabasic rocks. During the MIM sampling it was noted that there was a slight change in texture of the clays around sample 316130. That may correspond to a change from mainly altered ultrabasics to mainly basics.

Check sampling using conventional soil samples will be carried out in late June.

IMX Resources





S1C7

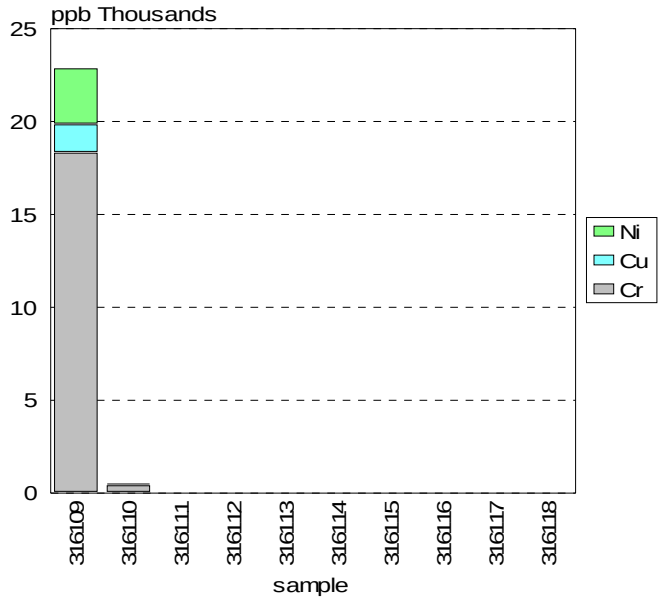
This line was sampled as only a small part of the intrusion is exposed. The western part is covered by Tertiary fluviatile sediments, and it was hoped the MMI technique would be able to "see through" the sediment cover.

Unfortunately the technique did not succeed in defining the extent of basic rocks under cover, but it confirmed that Ni, Cu, Cr, Pd are high. According to Mann the Pt value of 2ppb is one of the highest recorded by the MMI technique.

From surface sampling we know that the rocks sampled at S1C7 are similar to the alkaline rocks in SRDH3.

IMX Resources

MMI for Target S1C7



IMX Resources

MMI forTarget S1C7

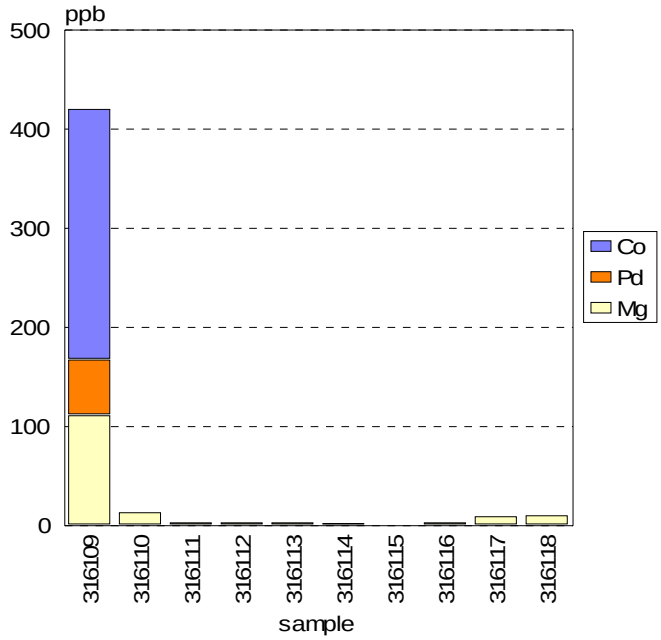
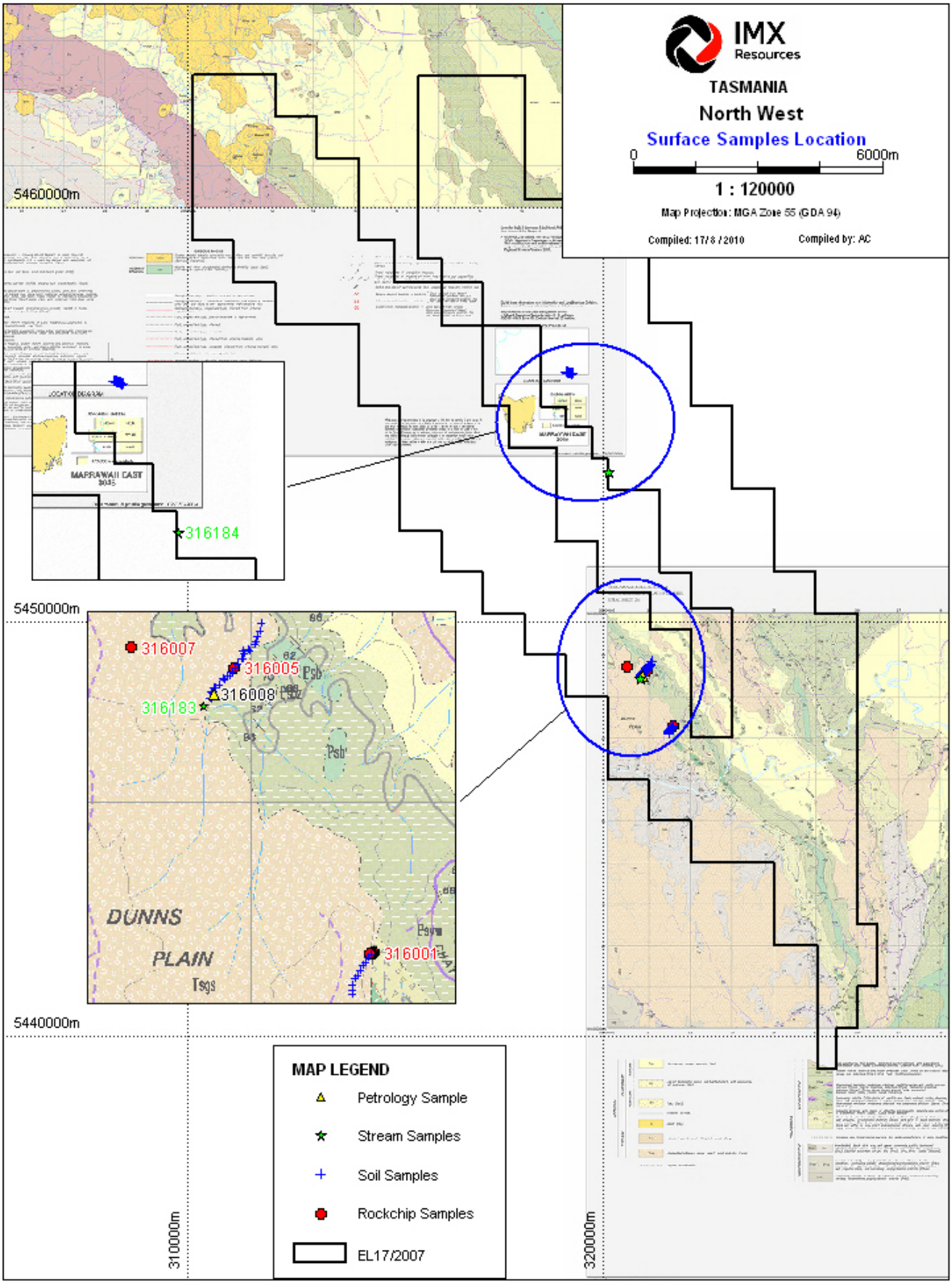


Figure 4. Surface Samples Location



ROCK CHIP SAMPLING

Four samples were collected from the deeply weathered outcrop of the northern extension of an alkaline body previously mapped by MRT and from the S1C5 intrusion. All show moderate to high Ni and Cr and show similar trace element geochemistry to the SRDH3 samples despite a large variation in Mg contents. PGE values are low, but with such weathered samples it is difficult to tell whether this is due to surface leaching or reaction with sulphides or both.

5.0 DISCUSSION OF RESULTS

The intersection of highly alkaline rocks in SRDH 3 was unexpected and a review of published and open file data indicated alkaline rocks may be more widespread. Many samples – soil, stream and rock have in the past been interpreted as unrelated to basic/ ultrabasic intrusions if they had high values of the following elements: REEs, Th, U, P and Zr, and geologic bodies have also been downgraded if they showed moderately high radiometric signature. These elements can now be used as pathfinders to basic/ultrabasic intrusions, as the elements listed above are relatively immobile during weathering and alteration in stark contrast to most major elements and Ni-Cu and to a lesser extent Cr, Pt and Pd.

Heavy mineral sampling by ANZECO (Kinnane1972) and later by BHP and other companies showed that most of the streams in the Chatlee Road / Lovells Creek Road area are strongly enriched in chromites with assays of heavy mineral concentrates showing values up to 40% Cr. Unfortunately there is no information on the concentration of heavy minerals in the stream sediments. These chromite concentrations were interpreted as reworked alluvial deposits. As no known ultramafics were present in the drainage the chromites were assumed to have been brought from the ultramafic complexes that are located at least 60kms to the south–east at a time when the Arthur River flowed north to the Bass Strait rather than west to the Southern Ocean.

This interpretation is not convincing as the alluvial deposits form perched terraces with immature poorly sorted sediments comprising quartzite, chert, quartz and limestone grains/ pebbles. The chromites show euhedral to subrounded shapes suggesting that both the chromites and the rest of the sediments are locally derived, and as the high chromite concentration are largely restricted to the drainages of units mapped as basalts and picrites/ pegmatoidal dolerites on the SUMAC sheet, it is possible that these units are the source for the chromites.

6.0 CONCLUSIONS

The work done during 2010 indicated the need for further stream sediment sampling to determine the origin of the chromites in the stream sediments.

Further drilling is required around hole SRDH3 to get fresh samples of the alkaline rocks. Drilling of other alkaline/ picritic rocks within the tenement is recommended.

7.0 ENVIRONMENT

Drillsites were constructed on or adjacent to existing tracks and no new tracks were cleared. Upon completion of the drilling program, all drillsites were rehabilitated.

8.0 EXPENDITURE

Expenditure for Dunn EL17/2007 for the reporting period is listed below. This summary includes all expenses accrued up the end of July 2010.

Total expenditure for the reporting period was **$104,139**

Table 2 Expenditure 2009 to 2010.

ITEM	AMOUNT
Assaying	**$3,988**
Drilling - RC	**$70**
Drilling - Diamond	**$39,133**
Soil Sampling	**$823**
Geological Salaries	**$4,181**
Field Supplies	**$2,907**
Geological Consultants	**$20,200**
Geophysical Consultants	**$613**
Road, Site Works, Track Cutting	**$4,438**
Petrology & Mineralogy	**$430**
Tenement Rentals	**$5,155**
Tenement Rehab	**$1,269**
Vehicle (Fuel & Hire)	**$1,706**
Computer Software	**$1,469**
Courier	**$350**
Communication	**$315**
Travel & Accommodation	**$3,286**
Food & Messing	**$223**
Overheads (15%)	**$13,583**
TOTAL EXPENDITURE	**$104,139**

9.0 REFERENCES

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APPENDICES

All Appendices are attached in digital format on the report CD.

Appendix 1	Drillhole Data	EL17_2007_2009_Appendix1_DH_collar.txt EL17_2007_2009_Appendix1_DH_survey.txt EL17_2007_2009_Appendix1_DH_lithology.txt EL17_2007_2009_Appendix1_DH_assay.txt
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APPENDIX 1

Drillhole Data

APPENDIX 2

Surface Sample Data

APPENDIX 3

Reports