EL 49/2006 'West Montagu'
Annual Report for the Period
10th July 2008 to 9th July 2009.

Volume 1 of 1

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ABSTRACT

Subvolcanic intrusions associated with the Neoproterozoic Spinks Creek Volcanics are considered targets for Ni exploration. Drilling to test bed rock conductors had to be abandoned without reaching targets, due to excess water.

KEYWORDS

Tasmania North West, Smithton, EM(VTEM) survey, magnetics, geochemistry, Ni-Cu sulfide mineralisation

TABLE OF CONTENTS

DIGITAL FILES (ON REPORT CD)

EL49_2006_2008_A_01_ReportBody.pdf

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

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 Black River Dolomite contains stromatolites and probably had evaporitic affinities. 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 Kanunnah Group. The Proterozoic- Palaeozoic sequence is locally overlain by Tertiary basalts occurring mainly as hill cappings. Basalt compositions range from basanite through alkali olivine basalts to tholeiites. For a detailed description of the geology see Everard et al. (2007)

Both the Rocky Cape Group and the Togari 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), in shales of the Black River Dolomite and in siltstones of the Keppel Creek Formation.

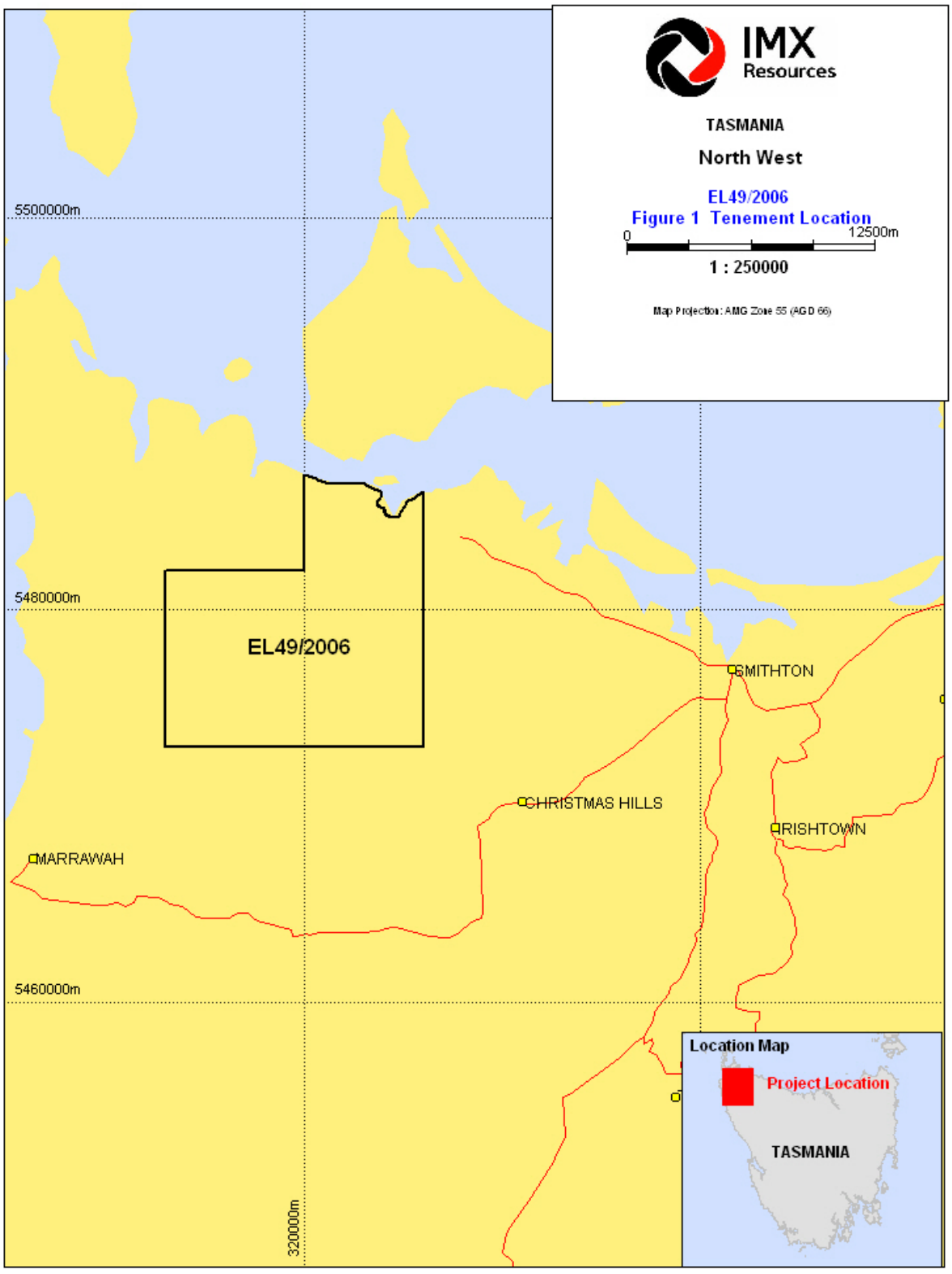
2.0 TENURE

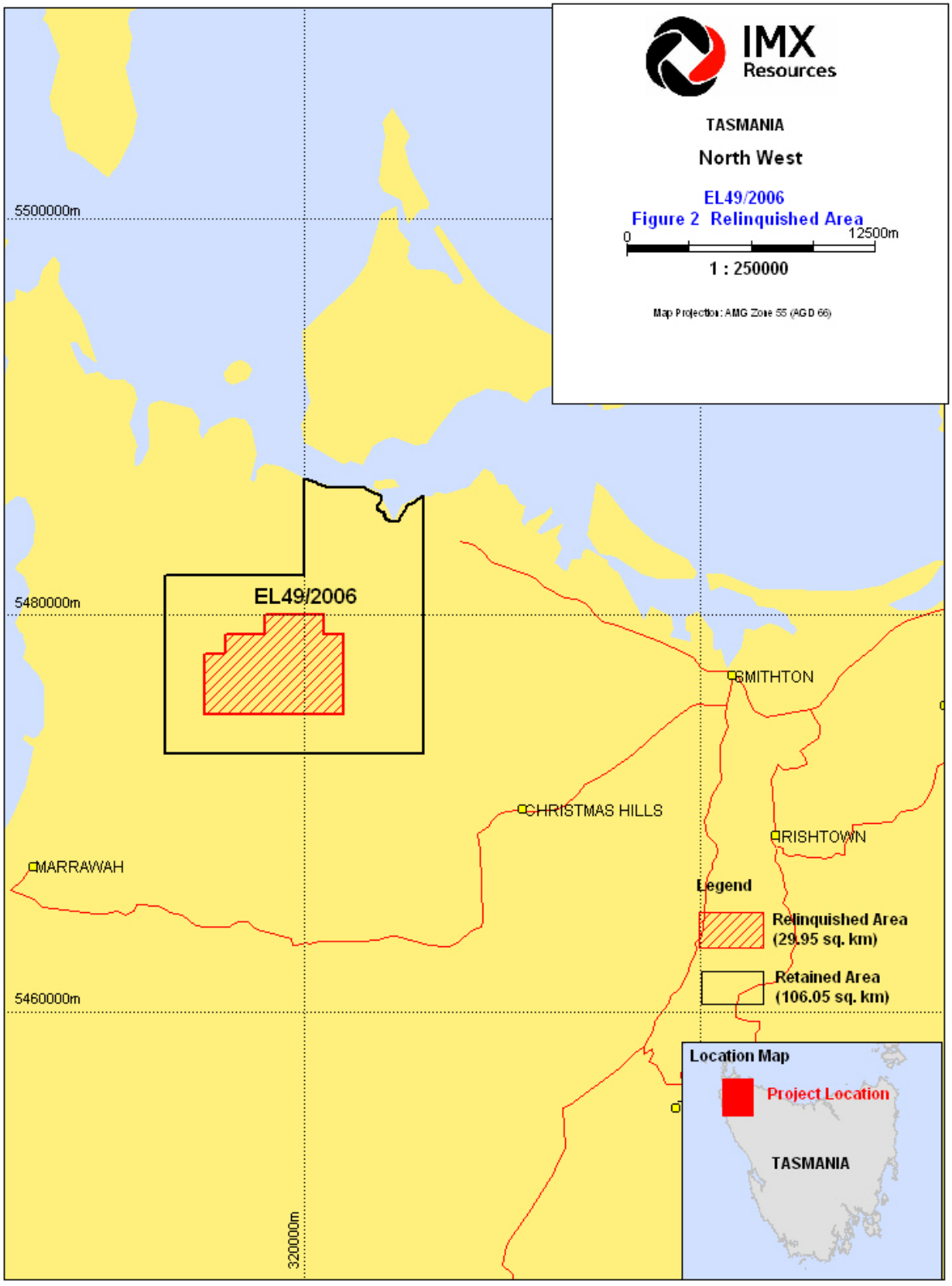
Exploration Licence 49/2006 granted to Goldstream Mining NL (now IMX Resources Ltd) and covers an area of approximately 136 km^2 in the Land District of Wellington vicinity of West Montagu for a term of 5 years from the 10th July 2007.

Table 1 Licence Details

Licence	Granted	Expiry	Year	Area
EL49/2006	10th July 2007	9th July 2012	5	136 km^2

A partial relinquishment of 29.95 km^2 was made during this period and is reported separately. The licence now covers 106.05 km^2.


IMX Resources
TASMANIA
North West
EL49/2006
Figure 1 Tenement Location
0
12500m
1 : 250000
Map Projection: AMG Zone 55 (AGD 66)
5500000m
5480000m
5460000m
320000m
EL49/2006
SMITHTON
CHRISTMAS HILLS
RISHTOWN
MARRAWAH
Location Map
Project Location
TASMANIA


IMX Resources
TASMANIA
North West
EL49/2006
Figure 2 Relinquished Area
0
12500m
1 : 250000
Map Projection: AMG Zone 55 (AGD 66)
5500000m
5480000m
5460000m
320000m
EL49/2006
SMITHTON
CHRISTMAS HILLS
RISHTOWN
MARRAWAH
Legend
Relinquished Area
(29.95 sq. km)
Retained Area
(106.05 sq. km)
Location Map
Project Location
TASMANIA

3.0 REVIEW OF PREVIOUS WORK

Relatively little exploration has been carried out in EL 49/2006. The earliest work involved heavy mineral exploration but no significant concentrations were located. However small amounts of Sn in samples from Ann Bay along the northwest coast and a perceived similarity to the geology of King Island led Geopeko to explore a large area of NW Tasmania including the Montague Area for dolomite hosted Sn- W mineralisation during 1981-84. The work involved an airborne magnetic survey, auger drilling and geochemical sampling. A magnetic low surrounded by magnetic highs over basalts was interpreted as a concealed granite. It is now considered more likely that the magnetic low is due to nonmagnetic Rocky Cape rocks.

No significant Sn-W anomalies were located, but the program identified elevated levels of Ni and Cr both in metasediments and in basic volcanics. The Ni and Cu levels are similar to those in subvolcanic picritic intrusions on King Island. The program was stopped due to the closure of Geopeko's Tasmania Office. Geopeko's work was continued by Savage Resources who found anomalous Ni and Cr in auger drilling at a stratigraphic level just below the basalts.

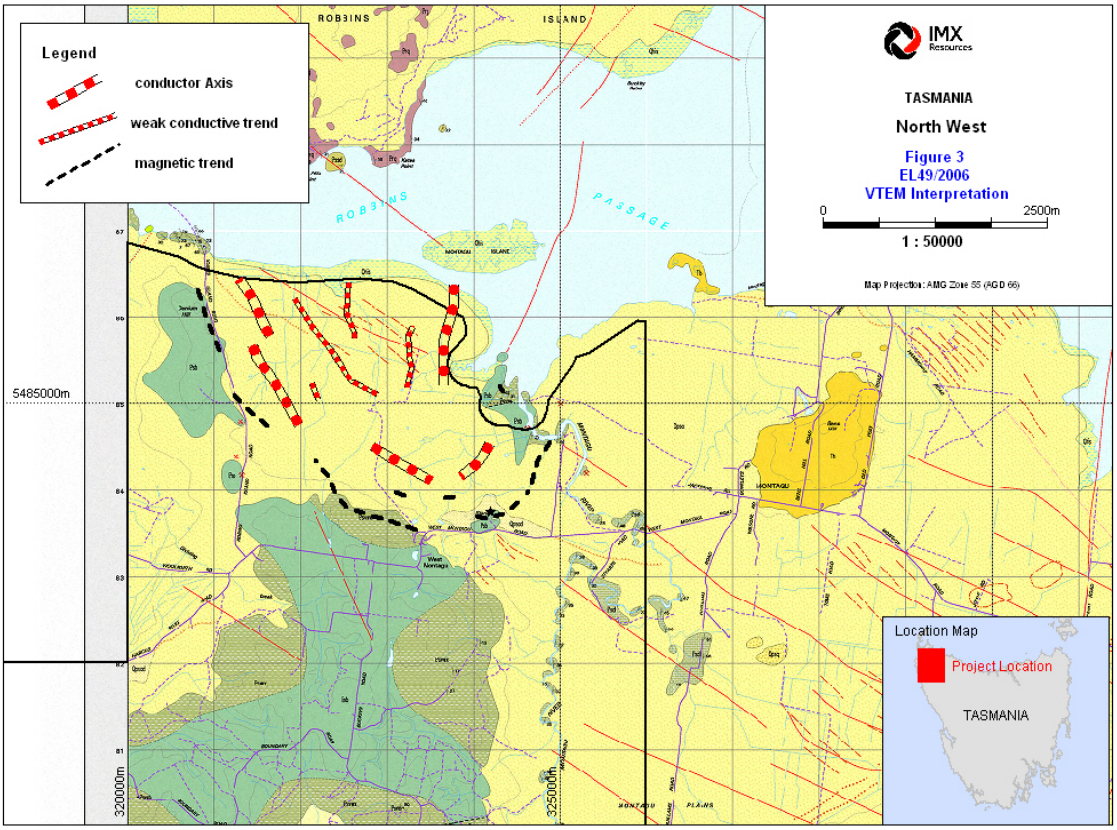
During 1998 Pacific Nevada explored most of the Smithton Synclinorium for Au or Cu/ Au in Proterozoic Iron formations or for Proterozoic sediment hosted Cu. They collected stream sediment samples, pan concentrates, BLEG samples and rock chip samples but did not locate any significant anomaly.

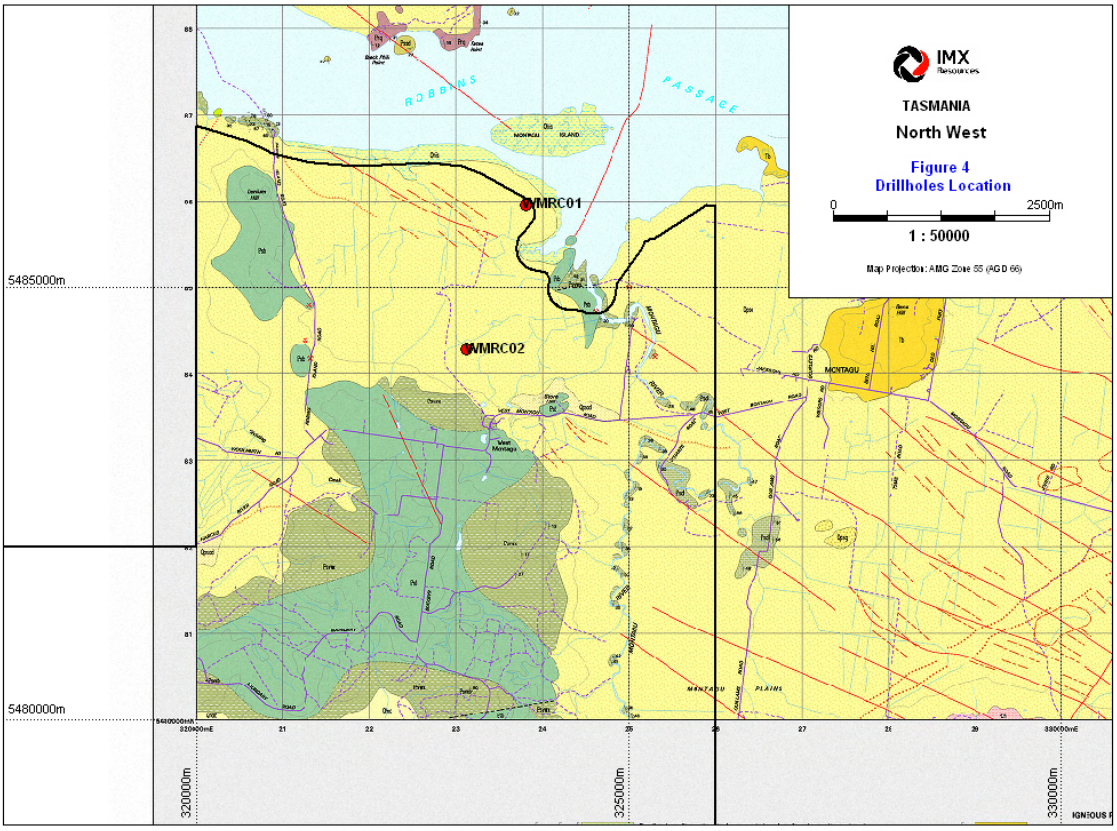
A detailed aeromagnetic survey with 200 m line spacing was flown over the tenement by AGSO/ MRT in 1996.

4.0 EXPLORATION COMPLETED DURING THE REPORT PERIOD

Southern Geoscience Consultants interpreted the results from a VTEM survey flown by IMX Resources in March 2008 and identified several shallow and gently dipping conductors below a sequence of metabasalts (figure 3). A short drilling program was conducted during May 2009 targeting conductors S2C3 and S2C2. Both targets are very low lying and the RC rig could not handle the large amounts of water, and the holes were abandoned without reaching targets.

The start of the drilling program was delayed for 2 months due to objections from the landowner, and heavy seasonal rain immediately following the drilling precluded an attempt to change to a different drilling method.


Legend
conductor Axis
weak conductive trend
magnetic trend
ROBBINS
ISLAND
PASSAGE
IMX Resources
TASMANIA
North West
Figure 3
EL49/2006
VTEM Interpretation
0
2500m
1 : 50000
Map Projection: AMG Zone 55 (AGD 66)
5485000m
320000m
325000m
Location Map
Project Location
TASMANIA


ROBBINS
PASSAGE
IMX Resources
TASMANIA
North West
Figure 4
Drillholes Location
0
2500m
1 : 50000
Map Projection: AMG Zone 55 (AGD 66)
VMRC01
VMRC02
5485000m
5480000m
320000m
325000m
330000m

5.0 DISCUSSION OF RESULTS

The SC3 conductor was drilled as it was a strong conductor, and as Geopeko/ Savage Resources drilling suggested that shallow subvolcanic intrusions might be present. Weathered bedrock with anomalous Ni and Cr was intersected at depths of 8-10 m.

As most of the conductors identified are close to the coast it is possible, that some or all the conductors may be caused by saline water, and not by sulfides in the basement. The water intersected during the drilling was fresh, but all water used for the cattle on the farm is piped from a dam on higher ground, suggesting that brackish or salty water is present at shallow depths.

6.0 CONCLUSIONS

The conductors interpreted from the VTEM survey have not been tested due to drilling problems. A different drilling method should be used during the drier part of the year when the ground is less soft and waterlogged.

7.0 ENVIRONMENT

As both holes were drilled in grass paddocks and the rig was moved before heavy rain started no damage was done, and no rehabilitation is required. PVC collars were removed and holes backfilled before the rig left site.

8.0 EXPENDITURE

Expenditure for West Montagu, EL49/2006 for the reporting period ending 9th July 2009 is listed below. This summary includes all expenses accrued up the end of April 2009.

Total expenditure for the reporting period was **$19,302.19**

Table 2 Expenditure 2008 to 2009.

ITEM		AMOUNT
Assaying	**$**	**429**
Geological Salaries	**$**	**820**
Geological Consultants	**$**	**2,240**
Geophysical Consultants	**$**	**5,161**
Geophysical Data	**$**	**2,963**
Tenement Administration	**$**	**339**
Tenement Costs	**$**	**2,611**
Communication - Sat Phone	**$**	**95**
Computer Software	**$**	**1,607**
Legal	**$**	**100**
Travel & Accommondation - Domestic	**$**	**370**

Training		**$**	**50**
Overheads (15%)		**$**	**2,517.68**
	TOTAL EXPENDITURE	**$**	**19,302.19**

9.0 REFERENCES

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LIST OF APPENDICES

APPENDIX 1	Drillhole data	EL49_2006_2008_Appendix1_DH_collar.txt EL49_2006_2008_Appendix1_DH_survey.txt EL49_2006_2008_Appendix1_DH_lithology.txt

Appendix 1

Drillhole Data