



EL17/2007 “Dunns” Partial Relinquishment Report

Volume 1 of 1

Holder/ Operator: IMX Resources Ltd

**Level 2, 100 Railway Road, Subiaco, WA 6008
PO Box 879, Subiaco, WA 6904**

Compiled by: A.Chai

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SUMMARY

Exploration Licence 17/2007 was granted to IMX Resources Ltd on 24th October 2007. The licence is located in the districts of Wellington and Russell as part of a Ni-Cu sulfide exploration project.

EL17/2007 is considered to have potential to host Ni-Cu sulfide mineralisation in subvolcanic basic-ultrabasic intrusions. Assessment of targets over the past two years has resulted in a decreased prospectivity for parts of the original licence area. A partial relinquishment of 37.46 km² is made for the licence area.

The area surrendered is on the margins and inside of the existing EL17/2007 licence and is not considered prospective for Ni-Cu sulfide mineralisation. This report covers activities conducted solely on the partially relinquished portion of the licence.

KEY WORDS

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

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DIGITAL FILES (ON REPORT CD)

EL17_2007_2009_Partial Relinquishment Report.pdf

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Table 1 Licence Details

1.0 INTRODUCTION

This report details all exploration work undertaken on the surrendered portion of Exploration Licence 17/2007, 'Dunns' during the reporting period 24th October 2007 to 23rd October 2009.

Dunns is located districts of Wellington and Russell vicinity of Salmon River.

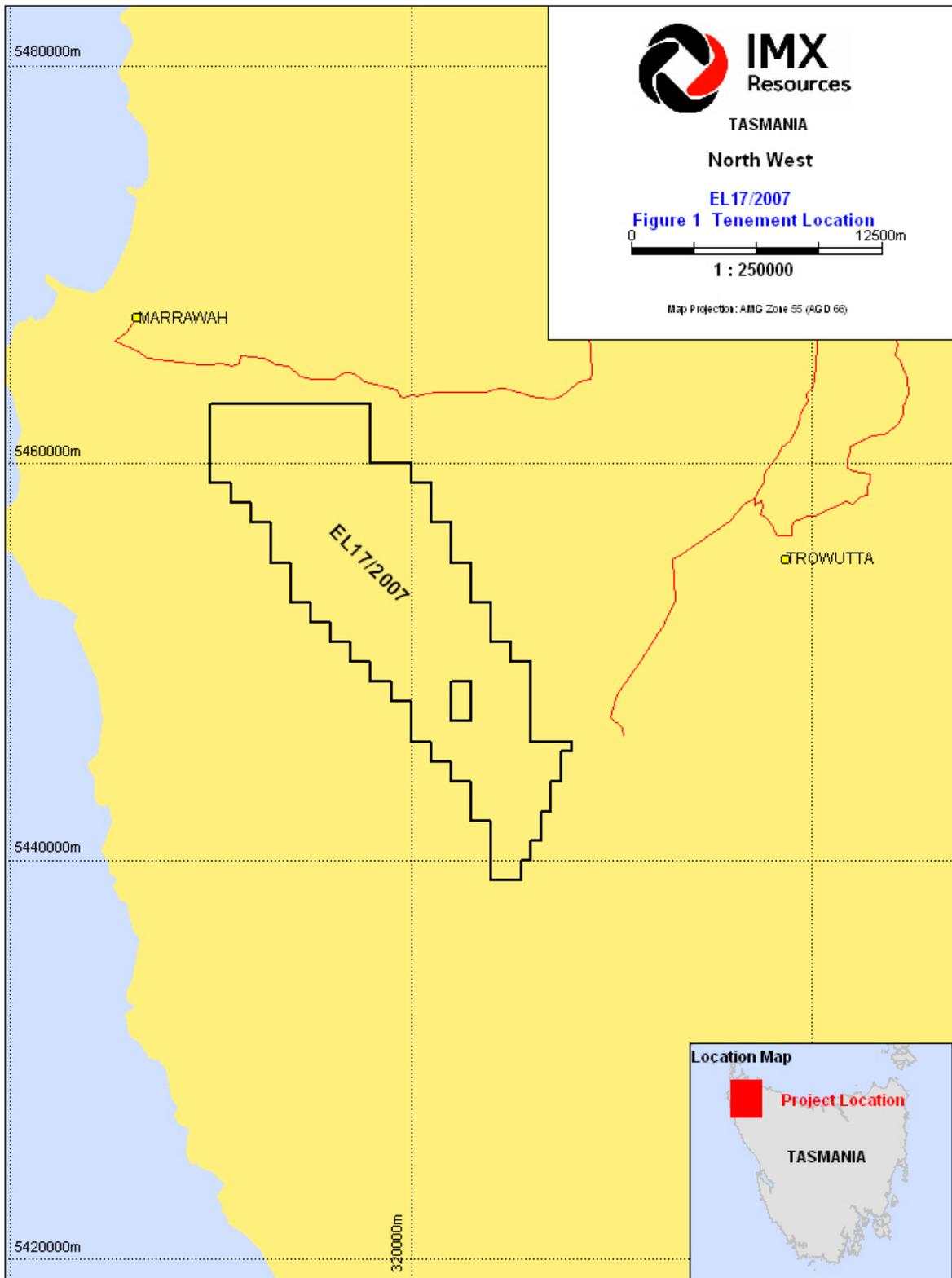
2.0 TENURE

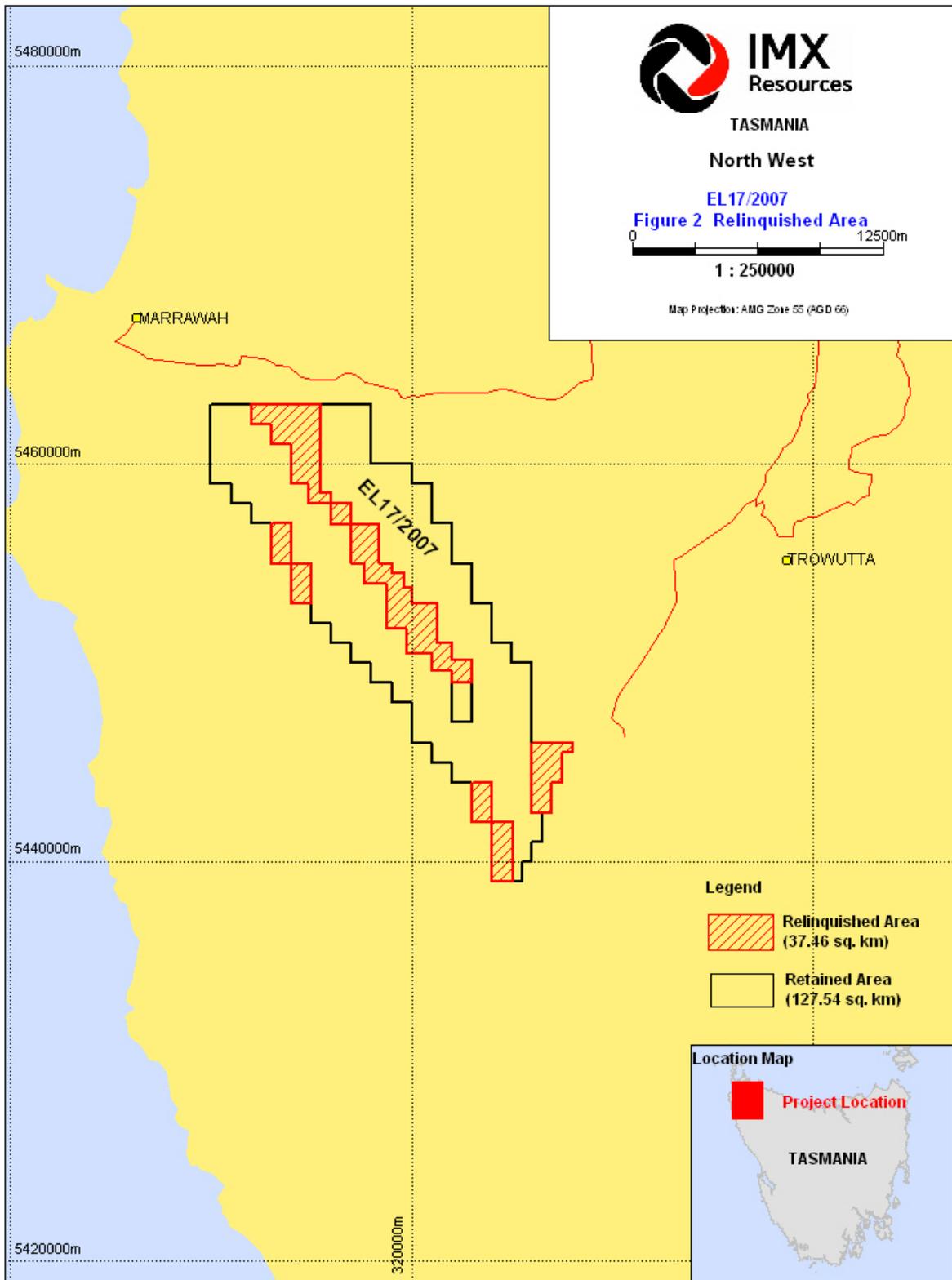
Exploration Licence 17/2007 was initially granted to Goldstream Mining NL (now IMX Resources Ltd) and covers an area of approximately 165 km² in the Land District of Wellington and Russel vicinity of Salmon River for a term of 5 years from the 24th October 2007.

The licence initially covered an area of 165 km² and has been reduced in the current period by 37.46 km² to 127.54 km².

Table 1 Licence Details

Licence	Granted	Expiry	Year	Area
EL17/2007	24 th October 2007	23 rd October 2012	5	165 km ²
EL17/2007	TBA	Partial Surrender		37.46 km ²





3.0 REGIONAL GEOLOGY

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 Synclorium 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 volcanoclastics (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 Duck River Dolomite.

4.0 PREVIOUS EXPLORATION

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.

5.0 EXPLORATION ACTIVITIES

No field activities were undertaken in the surrendered portion of EL17/2007 during the report period.

Exploration activities conducted included an open file data review public datasets including EM, magnetics and geochemistry. Topographic and geological maps were purchased and landholder information sourced to enable field activities.

6.0 CONCLUSIONS AND RECOMMENDATIONS

An assessment of the prospectivity of the EL17/2007 licence resulted for an area of 37.46km² to be relinquished. The area surrendered is on the margins of the existing EL17/2007 licence and is not considered prospective for Ni-Cu sulphide mineralisation exploration.

7.0 REFERENCES

Barrett, F., Manzi, M., Chai, A. 2008. EL17/2007 "Dunns" Annual Report for Period 24th October 2007 to 23th October 2008. IMX Resources Ltd.