EL 17/2007 "Dunns"
Annual Report for the Period
24th October 2008 to 23rd October 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. Interpretation of the data from the 2008 airborne VTEM (EM) survey identified numerous conductors associated with mapped and interpreted basic/ultrabasic intrusions.

2 RC holes drilled in May 2009 targeting EM anomalies on the margins of intrusions had to be abandoned without reaching target as the RC rig could not handle large amounts of water.

Recent clear felling activity in the vicinity of SRRC 2 has exposed another basic/ultrabasic intrusion associated with a magnetic high.

KEYWORDS

Tasmania North West, Smithton, EM(VTEM) Survey, magnetics, 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.

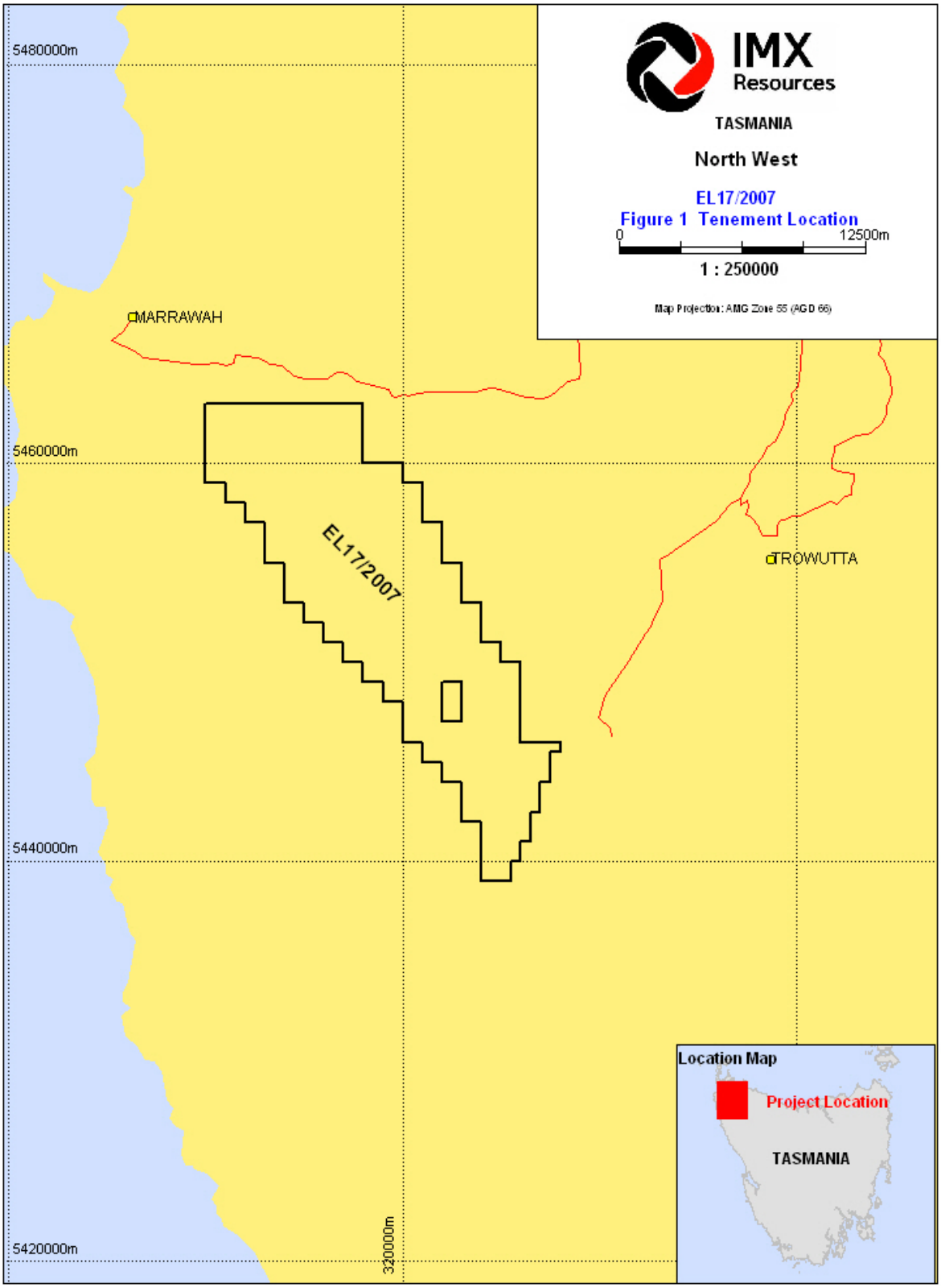
2.0 TENURE

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.

Table 1 Licence Details

Licence	Granted	Expiry	Year	Area
EL17/2007	24th October 2007	24th October 2012	5	165 km^2

A partial relinquishment of 37.46 km^2 was made during this period and is reported separately. The licence now covers 127.54 km^2.


IMX Resources
TASMANIA
North West
EL17/2007
Figure 1 Tenement Location
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Map Projection: AMG Zone 55 (AGD 66)
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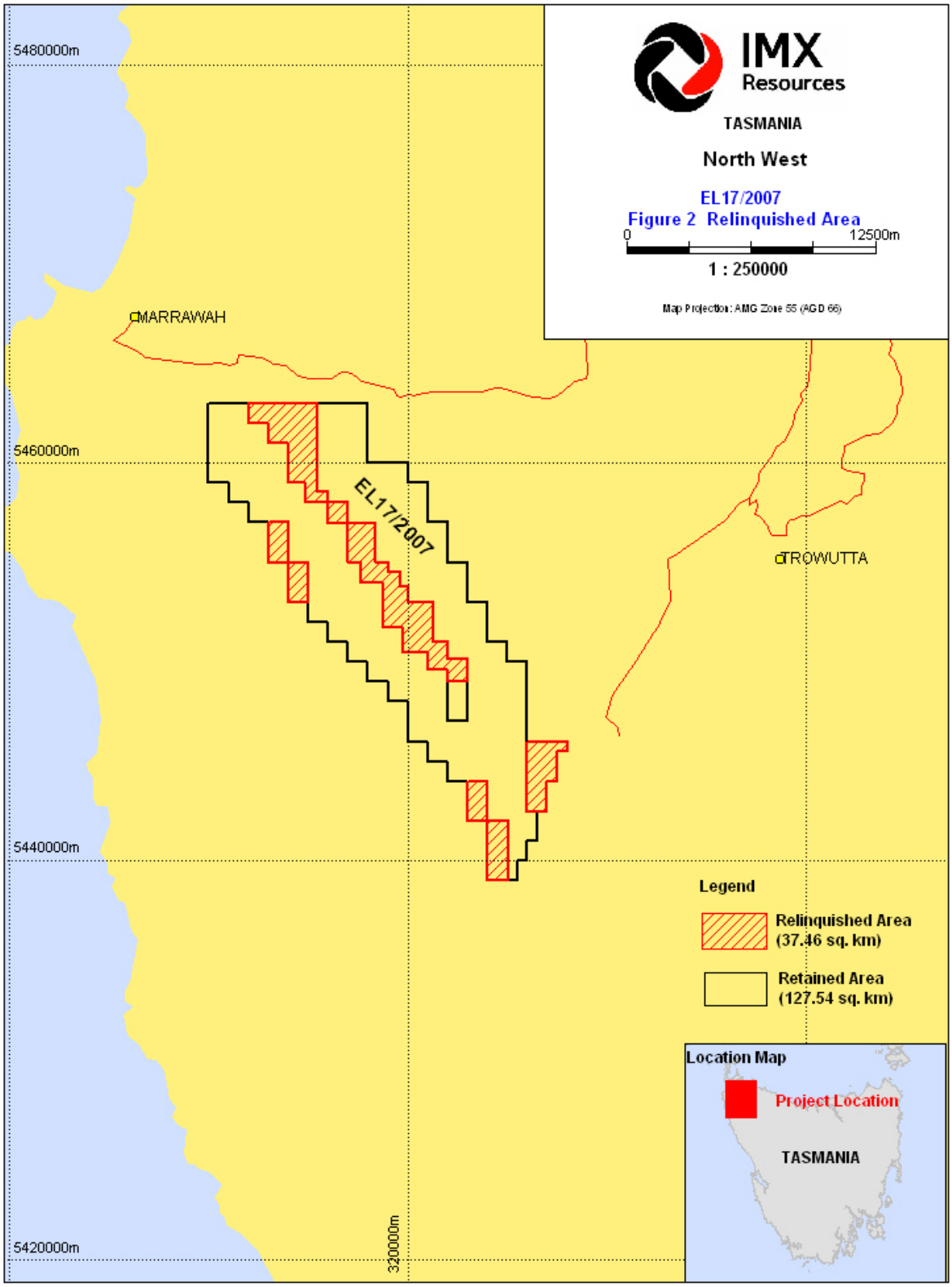
MARRAWAH
TROWUTTA
EL17/2007
Location Map
Project Location
TASMANIA


IMX Resources
TASMANIA
North West
EL17/2007
Figure 2 Relinquished Area
0
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Map Projection: AMG Zone 55 (AGD 66)
5480000m
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5420000m
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MARRAWAH
TROWUTTA
EL17/2007
Legend
Relinquished Area
(37.46 sq. km)
Retained Area
(127.54 sq. km)
Location Map
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.

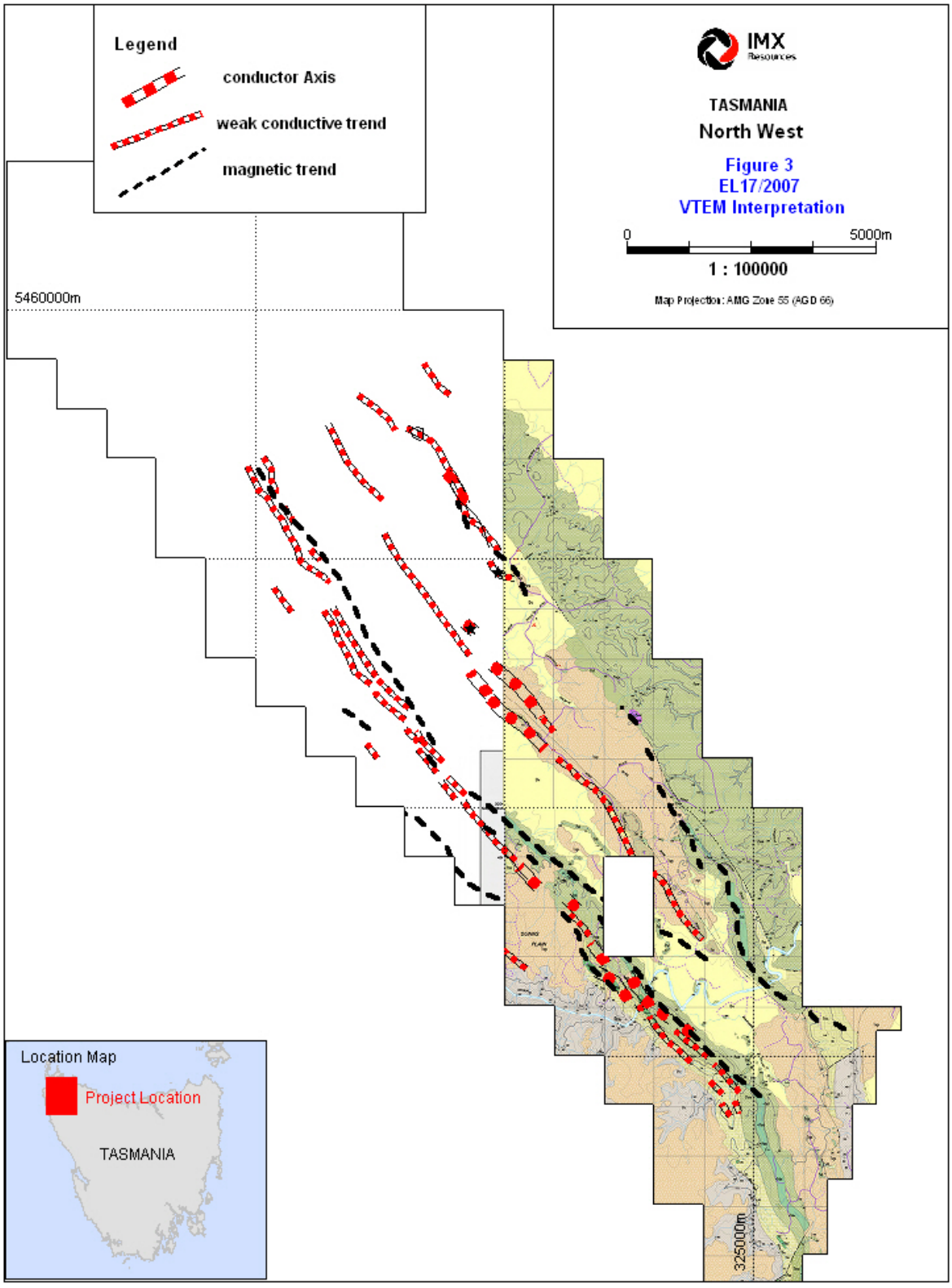
A detailed aeromagnetic survey with 200m line spacing flown by AGSO/ MRT in 1996 has been valuable in locating intrusions due to the generally poor outcrop.

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

4.0 EXPLORATION COMPLETED DURING THE REPORT PERIOD

While the most extensive VTEM anomalies in Area 1 was considered to be caused by sedimentary sulphides and/or graphites several conductors were interpreted that were associated with magnetic highs and with mapped basic- ultrabasic sub-volcanic intrusions, and 2 of these (S1C6 and S1C7) were chosen for drill testing.

The choice of drill sites was also influenced by the need to keep clearing of old growth forest to a minimum. Fortunately both S1C6 and S1 C7 could be tested from sites within recently logged areas of the forest, and drill pads could be constructed by excavator causing only minor damage as pads were adjacent to existing tracks.


Legend
conductor Axis
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magnetic trend
IMX Resources
TASMANIA
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Figure 3
EL17/2007
VTEM Interpretation
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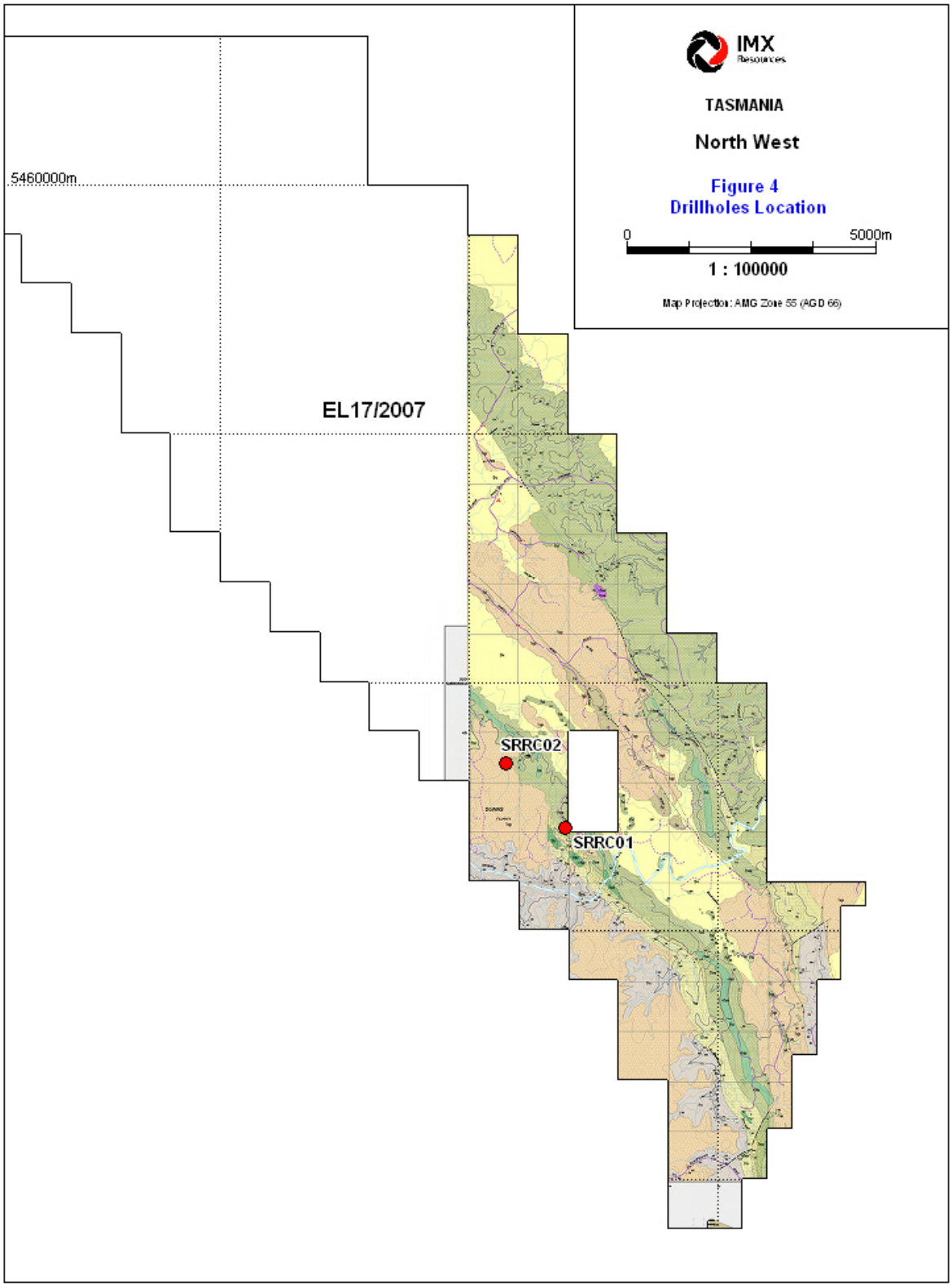
1 : 100000
Map Projection: AMG Zone 55 (AGD 66)
5460000m
325000m
Location Map
Project Location
TASMANIA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TASMANIA
North West
Figure 4
Drillholes Location
0
5000m
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Map Projection: AMG Zone 55 (AGD 66)
5460000m
EL17/2007
SRRC02
SRRC01

S1C7 EM anomaly (SRRC01)

The site was located in new growth forest on a slight slope. It rained heavily during the drilling and both the rig and our vehicle had problems getting off site onto the forest track.

This hole was drilled to 100m through siltstones of Keppel Creek Formation, and had to be abandoned within 30m of target due to excess water and no sample return from 90m onwards. Minor amounts of pyrite was noted at several depths and S was recorded by Niton indicating the Keppel Creek Formation could be a sulphur source for mineralisation within the basic ultrabasic intrusions.

The high Fe and Ti levels and the moderate to low K concentrations suggest that there is a high basaltic tuff component in the siltstones, indicating the volcanism may have commenced before the Spinks Creek Volcanics were emplaced.

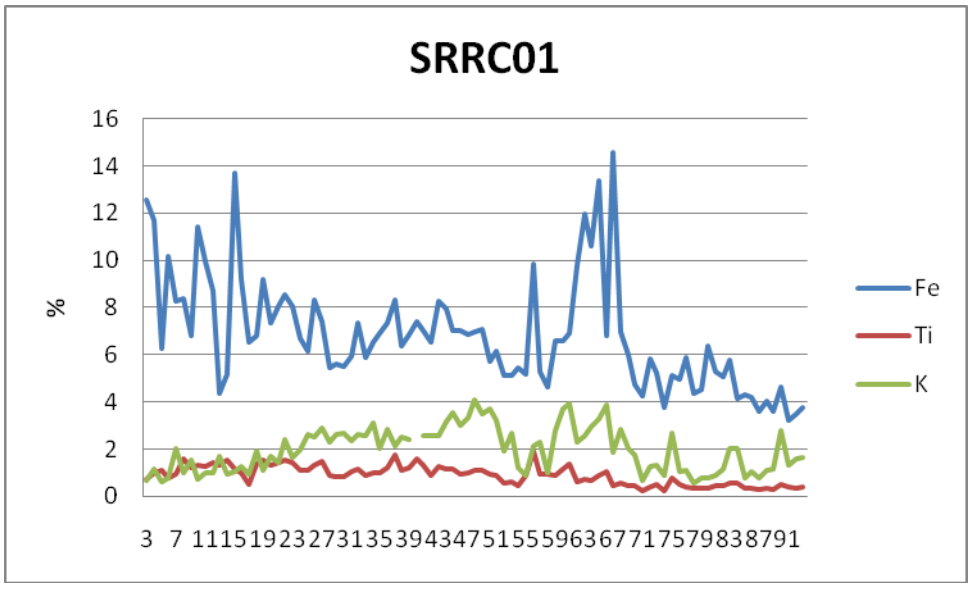

Figure 5 SRRC01 Geochemisty


Figure 6 SRRC01 site

S1C6 EM anomaly (SRRC02)

As the rig had problems handling large amounts of water the planned drill site was moved to a flat area on the margin of a recently constructed forest track, where estimated depth to target was less than 100m. No clearing was required. Heavy rain and gale force winds added to the logistics problems.

The hole was drilled to 40m in silicified carbonates and dolomites. Several large cavities were encountered until sample return was lost at 40m. The Niton readings show that the carbonates are extensively silicified until around 31 m where Ca levels increase suddenly.

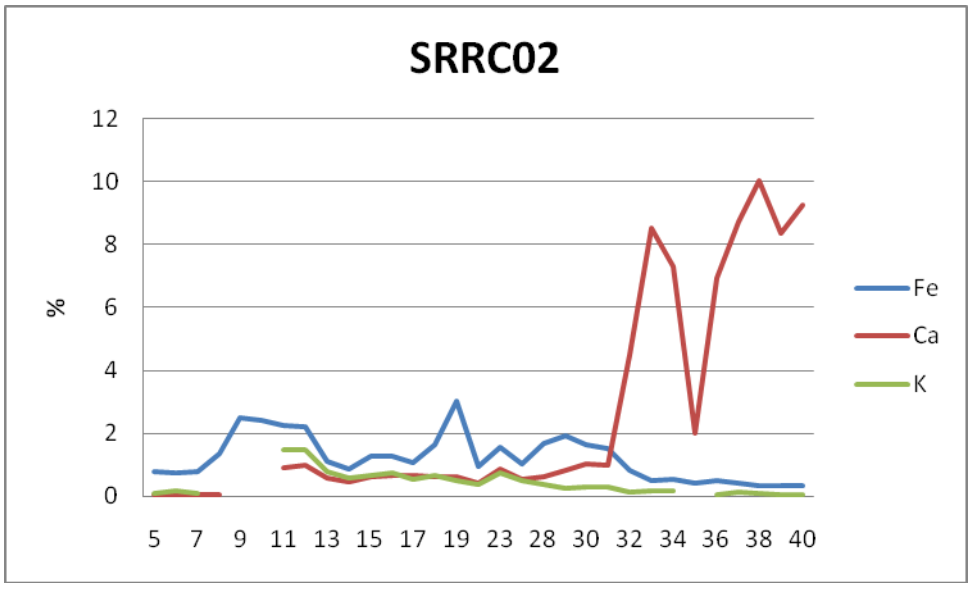

Figure 7 SRRC02 Geochemistry

Due to recent logging in the old growth forest there is a large cleared area not shown on Google images, where a Cr and Ni rich basic intrusion is exposed. As it is expected that the contact is steeply dipping holes in future drilling programs should be sited inside the intrusion drilling SW through the intrusion to test the EM anomaly along the basal contact. Drilling through the intrusion the water filled cavities in the carbonates could largely be avoided. This could not be done in May as logging and trucking operations were still in progress.

Much of the target intrusion as defined by magnetic high would be available for testing after the recent logging in the area, and site preparation and rehabilitation should be much simpler in recently logged area than in old growth forest.

Two weathered/ leached samples of the intrusion confirmed the high Ni and Cr.

Figure 8 SRRC02 site. Contact to intrusion in background is in valley below rig.

5.0 DISCUSSION OF RESULTS

Access problems with a land owner elsewhere in the project area delayed the drilling program for 3 months. Inclement weather during the drilling period made movement of rig and support vehicles difficult.

Due to the inability of the RC rig to handle large amounts of water neither of the 2 targets was reached. Recent logging in the forest has made another target around SRRC 2 easily available for testing.

6.0 CONCLUSIONS

The geophysical targets are still high priority targets, and the abandoned holes should be redrilled as diamond holes during the drier part of the year.

7.0 ENVIRONMENT

As no water courses and only minor vegetation at SRRC 1 were disturbed only minor surface rehabilitation work is required. This will be carried out when SRRC1 has been redrilled.

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 2009.

Total expenditure for the reporting period was $**46,484**

Table 2 Expenditure 2008 to 2009.

ITEM	AMOUNT
Assaying	**150**
Drilling - RC	**15,697**
Geological Salaries	**2,840**
Geological Consultants	**6,200**
Geophysical Consultants	**5,321**
Geophysical Data	**1,345**
Tenement Admin & Cost	**3,372**
Field Supplies	**1,008**
Road, Site Works, Track Cutting	**400**
Vehicle Fuel & Hire	**665**
Computer Software	**1,369**
Freight & Cartage	**50**
Travel, Accommondation & Food	**1,924**
Training	**50**
Communication	**30**
Overheads (15%)	**6,063**
TOTAL EXPENDITURE	**46,484**

9.0 REFERENCES

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APPENDICES

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

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Appendix 2	Surface Sample Data	EL17_2007_2008_Appendix2_SurfaceGeochem.txt

APPENDIX 1

Drillhole Data

APPENDIX 2

Surface Sample Data