



IMX Resources

EL 48/2006 “Mt Lileah” Annual Report for the Period 10th July 2010 to 9th July 2011.

Volume 1 of 1

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ABSTRACT

EL48/2006 'Mt Lileah' was granted to IMX Resources Ltd for a period of 5 years commencing 10 July 2007 with the intention to explore for mafic-hosted Ni-Cu sulphide mineralisation.

Following interpretation in 2009 of VTEM data collected in 2008, a MMI geochemical survey was conducted in areas where conductivity indicated potential intrusion sites in 2010.

One Zn MMI anomaly was detected. Follow up was underway at the time of writing. A line of MMI samples near Spinks Creek did not show any values likely to be associated with mineralisation. Ultrabasic rocks are unlikely to be present along the MMI line.

Expenditure for the reporting period is \$25,748.89.

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DIGITAL FILES (ON REPORT CD)

EL482006_201106_01_report.pdf

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Sample ledger: EL482006_201106_02_appendix.txt

1 INTRODUCTION

The following report details work conducted at IMX Resources Ltd's ('IMX') EL 48/2006 – 'Mt Lileah' during the period 10th July 2010 to 9th July 2011. The tenement is located 13km south of Smithton, in the Land District of Wellington and vicinity of Lileah (Figure 1).

1.1 Exploration Rationale

EL48/2006 is considered to have potential for Ni-Cu sulphide mineralisation in subvolcanic basic-ultrabasic intrusions.

1.2 Geological Setting

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 orthoquartzite, 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 tholeiite and associated volcanoclastics (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 Kununnah Group. The Proterozoic- Palaeozoic sequence is locally overlain by Tertiary basalts occurring mainly as hill cappings. Basalt compositions range from basanite through alkali olivine basalt to tholeiite (Everard et al, 2007).

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

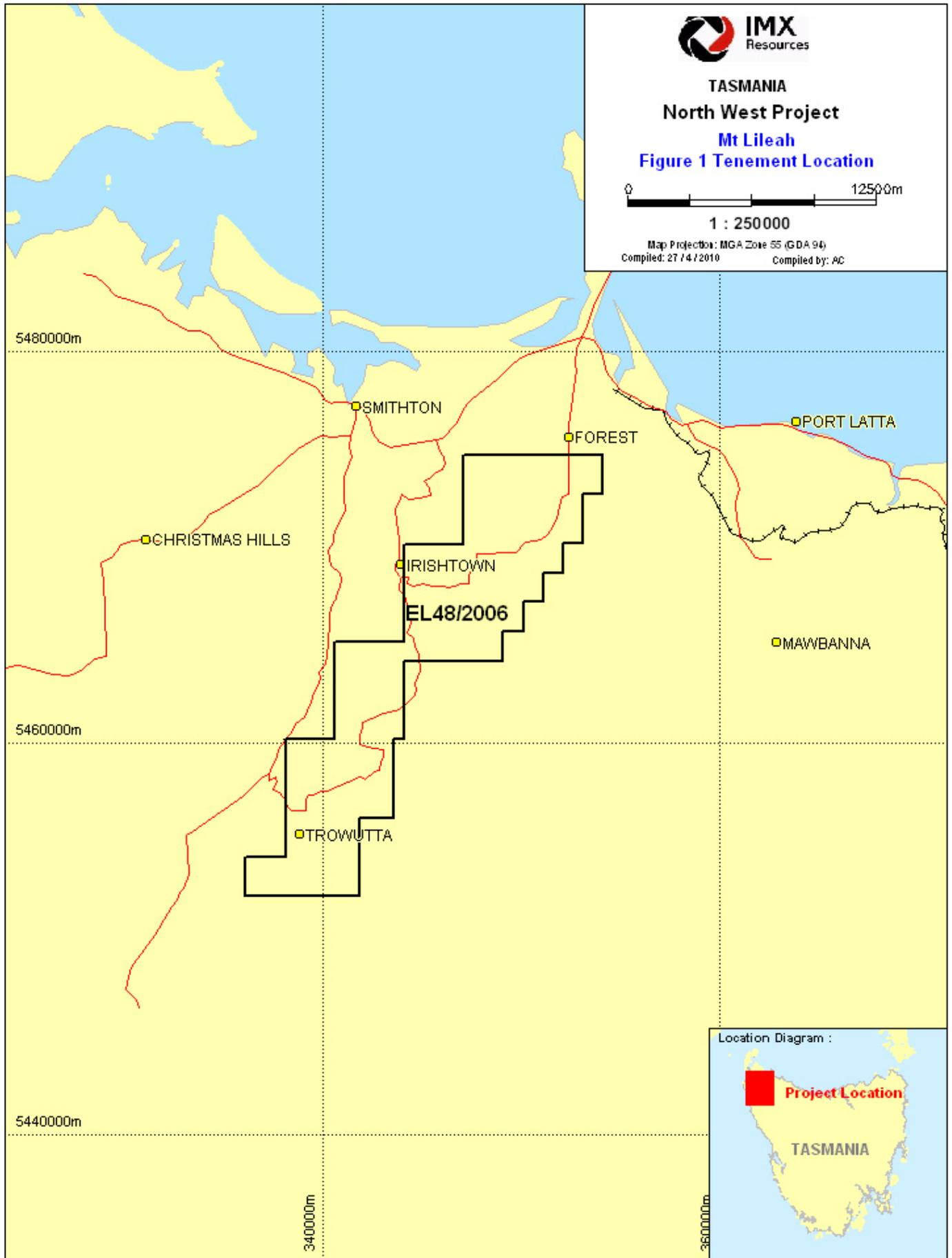
The presence of subvolcanic basic-ultrabasic intrusions in a sequence of sulphide bearing sedimentary rocks, imply that the region has potential for Ni-Cu sulphide deposits. On published maps ultramafics in the South Forest Area are shown as dolerite (Brown, 1989). Possible sulphur sources for Ni sulfide deposits are present in the Cowrie Siltstone (Rocky Cape Group) in shales of the Black River Dolomite and in Keppel Creek Formation.

1.3 Tenure

EL48/2006 was granted to Goldstream Mining NL (now IMX) for a term of 5 years from 10th July 2007 covering an area of approximately 228km². A partial relinquishment of 100km² was made during 2009 reducing the licence to 128km². Table 1 summarises the licence history.

Table 1: Licence Details

Licence	Period		Year	Area
	From	To		
EL48/2006	10 th July 2007	9 th July 2008	1	228 km ²
	10 th July 2008	9 th July 2009	2	228 km ²
	10 th July 2009	9 th July 2010	3	128 km ²
	10 th July 2010	9 th July 2011	4	128 km ²



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2 REVIEW OF PREVIOUS WORK

Australia and New Zealand Exploration Company (ANZECO) collected stream sediment samples over much of the ground covered by EL48/2006 during 1972 as part of their regional sampling program (Kinnane, 1972). Their pan concentrates showed remarkably high values for Sn with values up to 24.2% Sn in samples from Arthur River near Kanunnah Bridge.

From 1997-2002 Morritt Holdings, Pacific Nevada and Greenstone Resources explored for epithermal gold along the Roger River Fault and over siliceous and calcareous spring mounds like Smokers Bank immediately south of Smithton (Morritt Holdings – *author unknown*, 2003; Reid, 1998; Reid and Westbrook, 1998; Westbrook, 1999). They also explored for base metal mineralisation associated with Proterozoic Iron Formations. The spring mounds were soil and stream sediment sampled and drilled using an auger, which detected low level concentrations of elements normally associated with epithermal gold but no significant gold values. Soil and rock chip sampling over ironstones at Ekberg Creek was inconclusive.

An EM survey was carried out over the Roger River Fault but no interpretations are given, and images in open file reports suggest no significant conductors were located.

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

In 2007, open file public datasets including EM, magnetics and geochemistry were reviewed and an airborne EM survey (57.96 line km) was conducted. Topographic and geological maps were purchased and landholder information sourced to enable field activities.

In 2009 Southern Geoscience Consultants (SGC) interpreted the data from the 2008 VTEM survey and the results used to find targets for soil sampling. 13 MMI soil samples were collected in March 2010 over one of the VTEM anomalies associated with an ultramafic intrusion (Chai and Barrett, 2010).

3 EXPLORATION COMPLETED DURING THE REPORT PERIOD

Exploration during the 2011 reporting year included field-checking geophysical anomalies and collecting surface samples. In total, 2 heavy mineral concentrates (HMCs) and 18 mobile metal ion (MMI) samples were collected (Figure 2).

3.1 MMI

A line of MMI samples were collected across a Pacific Nevada EM anomaly across Spinks Creek. Heavy mineral concentrates were obtained from Spinks Creek as ANZECO also identified abundant chromite at this location. The MMI samples were mainly basic rocks but no elements are strongly anomalous and no indication of mineralisation exists. No further work is planned.

Three samples were collected over a Pacific Nevada EM anomaly on the contact between basalts and dolomites off Reid Road near Trowutta. One sample over dolomite is highly anomalous in Zn, but otherwise none of the samples are anomalous. It is possible that sphalerite may be present in the dolomite, but Pb is only slightly anomalous and as sphalerite is a non-conducting sulphide the EM anomaly is unlikely to be caused by a lead-zinc occurrence. The EM anomaly could possibly be caused by clays under Tertiary Basalts extending further east than the project area. Further MMI samples have been collected over the dolomite, but results are not yet available.

3.2 HMC

2 HMCs were collected from creeks and chromite concentrates were obtained using a hand magnet. Most of the chromites probably originated in basalts/dolerites and none have compositions indicating a mineralised environment.

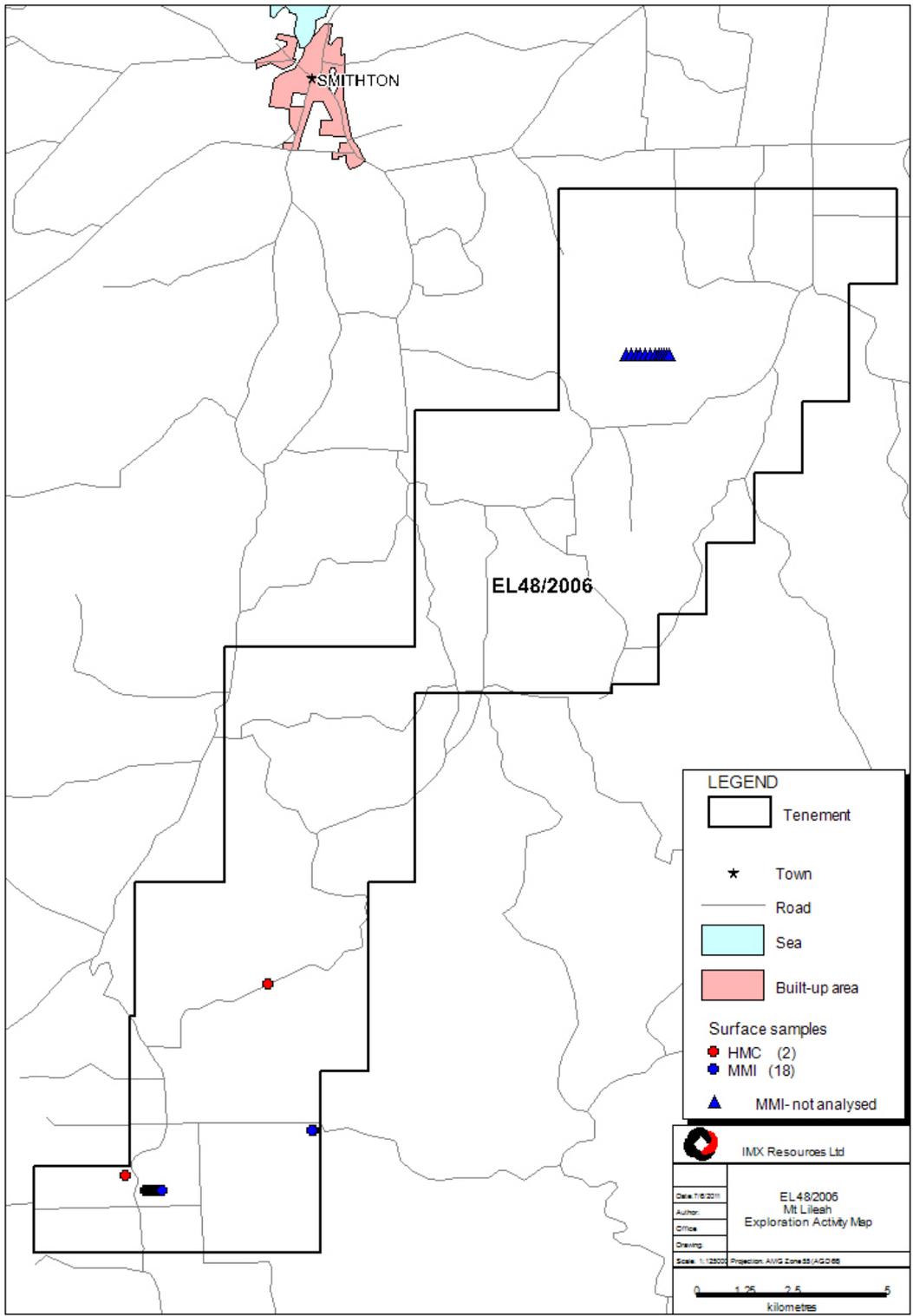


Figure 2: Exploration activity map

4 DISCUSSION OF RESULTS

The heavy mineral sampling did not produce any chromites from a mineralised environment. Follow up sampling has been carried out over the Zn anomaly but results are not yet available.

Depending on results from MMI sampling carried out during April- May 2011 near South Forest, more systematic MMI sampling may be carried out over radiometric/ magnetic anomalies associated with basic rocks.

Despite no anomalous chromites being identified during the HMC survey, the method appears promising in the deeply leached Tasmanian environment and further sampling should be carried out.

5 CONCLUSIONS

Further MMI and HM sampling should be carried out over magnetic highs.

6 ENVIRONMENT

Grass divots were replaced immediately following MMI sampling. No other ground-disturbing activities were carried out so no rehabilitation was necessary.

7 EXPENDITURE

As financial figures for the reporting period were not finalised by the time of writing, expenditure for EL48/2006 is presented for the year ending 30 April 2011 (Table 2). Total expenditure is \$25,748.89.

Table 2: Expenditure 2010 - 2011

Mt Lileah - EL 48/2006	
Assaying	\$1527.00
Soil Sampling	\$1,394.85
Geological Salaries (recharge - staff S & W)	\$5,383.50
Field Supplies	\$155.15
Geological Consultants	\$4,098.00
Data Entry / Drafting	\$500.00
Petrology / Mineralogy	\$934.00
Tenement Administration	\$205.00
Tenement Rentals	\$5,107
Vehicles - Fuel	\$36.14
Light Vehicle Hire	\$145.98
Computer Software	\$2,285.00
Communication	\$160.45
Travel & Accommodation - Domestic	\$458.27
Overheads (15%)	\$3,358.55
TOTAL	\$25,748.89

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9 KEYWORDS

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