EL 17/2007 "Dunns"
Annual Report for the Period
24th October 2010 to 23rd October 2011.

Volume 1 of 1

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ABSTRACT

36 MMI samples were collected to compliment encouraging MMI results from a previous field season. All samples contained high Cr and Ti, and some samples showed anomalous Zr, Nb, Li, Pd, Sn and U. Further MMI sampling is planned to locate drill targets.

Heavy mineral concentrates were obtained from three sites, one of which contained chromites with high Cr and/or high ZnO.

Three rock chip samples were collected from mafic outcrops.

Petrology of a sample from drillhole SRDH03 (drilled in 2010) showed the rocks were highly altered alkaline basic / ultrabasic.

Total expenditure for the reporting period was **$28,976.**

KEYWORDS

Tasmania North West, Nelson Bay and Hunter 100,000 map sheets, Smithton, geochemistry, Ni-Cu sulphide mineralisation, MMI sampling, HMC, rock chip sampling, petrology

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1.0 INTRODUCTION

The following report details work conducted at IMX Resources Ltd's ('IMX') EL17/2007 – 'Dunns' during the period 24th October 2010 to 23rd October 2011. The tenement is located 30km south west of Smithton, NW Tasmania (Figure 1).

1.1 Exploration Rationale

EL17/2007 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 siliciclastic rocks (Forest Conglomerate), a carbonate -chert-shale unit (Black River Dolomite) dated at 750-650 Ma, rift tholeiite and associated volcaniclastic units (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- Paleozoic sequence is locally overlain by Tertiary basalts occurring mainly as hill cappings. Basalt compositions range from basanite through alkali olivine basalts to tholeiite.

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. Possible sulphur sources for Ni sulphide 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) 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 reducing the licence to 127.54 km^2. In July 2011, an adjustment was made to the northern boundary to close a gap between this licence and a new licence application made using the MGA94 datum. This boundary shift increased the licence area to 128.6km2. Table 1 summarises the licence's history.

Table 1: Licence Details

Licence	Period		Year	Area
	From	To		
EL17/2007	24th October 2007	24th October 2008	1	165 km^2
	24th October 2008	24th October 2009	2	165 km^2
	24th October 2009	24th October 2010	3	127.54 km^2
	24th October 2010	24th October 2011	4	128.6 km^2

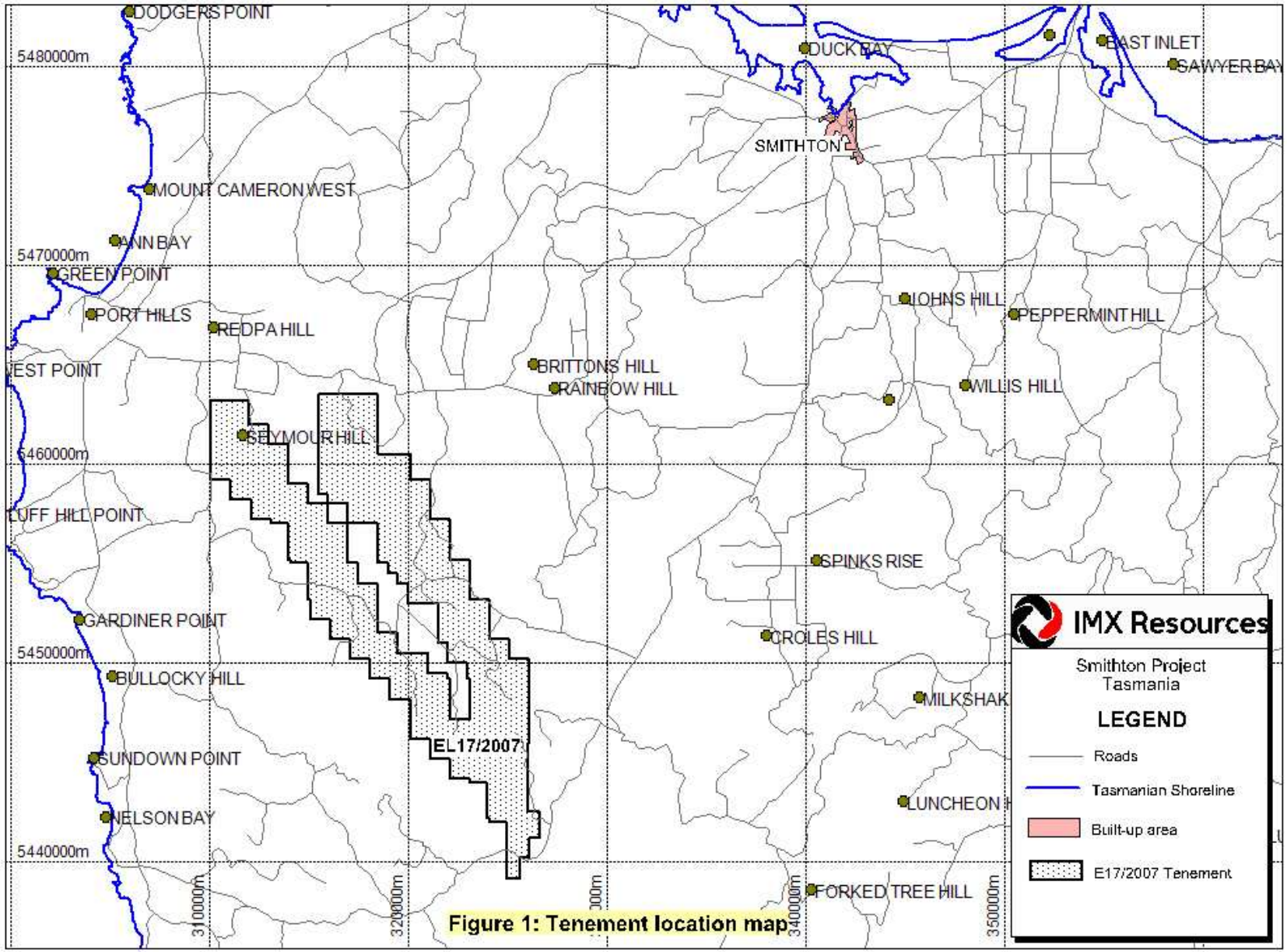

Figure 1: Tenement location map

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 (Reid 1998).

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

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 included the completion of an airborne EM survey by Geotech Airborne Pty Ltd (Barrett et al, 2008).

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 (Chai, 2009).

35 MMI, 19 soil, 2 stream sediment and 7 rock chip samples were collected in 2010. The MMI produced surprising results apparently providing better geochemical contrast than traditional soil sampling methods hitherto used. Three diamond drill holes were completed for 174m. SRDH03 returned deeply weathered, highly alkaline rocks (Chai and Barrett, 2010).

4.0 EXPLORATION COMPLETED DURING THE REPORT PERIOD

4.1 Surface Sampling

Three rock chip, three heavy mineral concentrate (HMC) and 36 mobile metal ion (MMI) soil samples were collected in EL17/2007 during the reporting year. Figure 2 shows the location of all samples and assay data are presented in Appendix 1 (MMI and rock chip samples only) and Appendix 2 (HMC analyses only).

4.1.1 MMI

Due to a combination of strong leaching of surface rocks due to acid ground waters and to cover by Tertiary alluvial sediments and basalt, geochemical sampling has only been used to a minor extent in IMX's exploration prior to 2011. A decision was made to trial MMI sampling to overcome the problems encountered in earlier conventional sampling programmes.

Two phases of MMI sampling were conducted for a combined total of 36 samples collected (SMM049-053, SMM060-077 and SMM082-094). The results of the first phase, conducted in February, gave sufficient impetus to carry out a second phase of reconnaissance MMI sampling over magnetic highs (mapped as basalt) during regional mapping.

The samples sieved to -80 mesh and submitted to SGS laboratory in Newburn WA where they were pulverised to -75µ and analysed for a suite of elements common to typical MMI analysis via fire assay/MS finish or 4-acid attack (including hydrofluoric, nitric, perchloric and hydrochloric acids) with OES finish.

All samples contained high Cr and Ti, and some samples showed anomalous Zr, Nb, Li, Pd, Sn and U.

4.1.2 HMC

ANZECO (1972) carried out heavy mineral sampling throughout much of EL17/2007 and located numerous anomalous sites with high Cr and/or Sn. Both the Cr and the Sn were interpreted to have originated a long distance up-stream in the drainage to the Arthur River, deposited in alluvial terraces within the tenement, and later reworked into present-day streams. However as some of the minerals observed in the alluvial terraces show no signs of long distance transport and as the Cr- Sn- rich samples are in drainages off magnetic "basalts", a small HMC programme was carried out.

Three HMC samples (316041-43) were collected using a hand magnet from three creeks, of which one contained chromite grains. The samples were submitted to Dr Greg Pooley for grain separation and analysis. The samples were washed and passed through a magnetic separator, then any chromite grains extracted were submitted for major and minor element analysis by x-ray spectroscopy via electron microprobe. Table 2 summarises the results of the chromite grain analyses (full analyses are presented in

Appendix 2). Chromite crystals with high Cr, Ti or Zn were deemed to be of interest, while the remainder were probably of basaltic origin.

Table 2: Chromite grain analyses

Sample	Easting*	Northing*	Chromite	High Cr Cr2O3>55%	High Ti	High Zn	High Ni
316041	316822	5453481	Yes	3 of 42	2 of 42	1 of 42	1 of 42
316042	319572	5450535	no magnetic fraction				
316043	320085	5453628	no magnetic fraction				

*co-ordinates are referenced to GDA94 (MGA94 zone 55)

4.1.3 Rock chip sampling

Three rock chip samples (316038-40) were collected within E17/2007 and submitted to Genalysis for processing and analysis. The samples were pulverised to -75µ and analysed by 4-acid digest / MS finish, 4-acid digest / ICPOES finish or fire assay / MS finish, returning peaks of 1039ppm Cr, 118ppm Cu, 172ppm Nb, 17ppb Pd, 6ppb Pt, 72ppm Ni, 145ppm Zn, 11,527ppm Ti, 4.13ppm U and 440ppm V.

All were collected from meta-basic outcrops.

5.0 DRILLHOLE SRDH03: PETROLOGY

5.1 Petrology

Petrology of a sample from drillhole SRDH03 (drilled in 2010) at 55.5m showed the rocks were highly altered alkaline basic / ultrabasic with strong leaching and silicification (Appendix 3: Petrographic Report).

A Cu- Sb alloy – Soreite - was detected in one sample and probably explains the positive correlation between Cu and Sn in the MMI samples. Soreite occurs in gold/PGE placer deposits derived from sulphide-poor clinopyroxene-gabbro intrusions (Greg Pooley, pers. comm.).

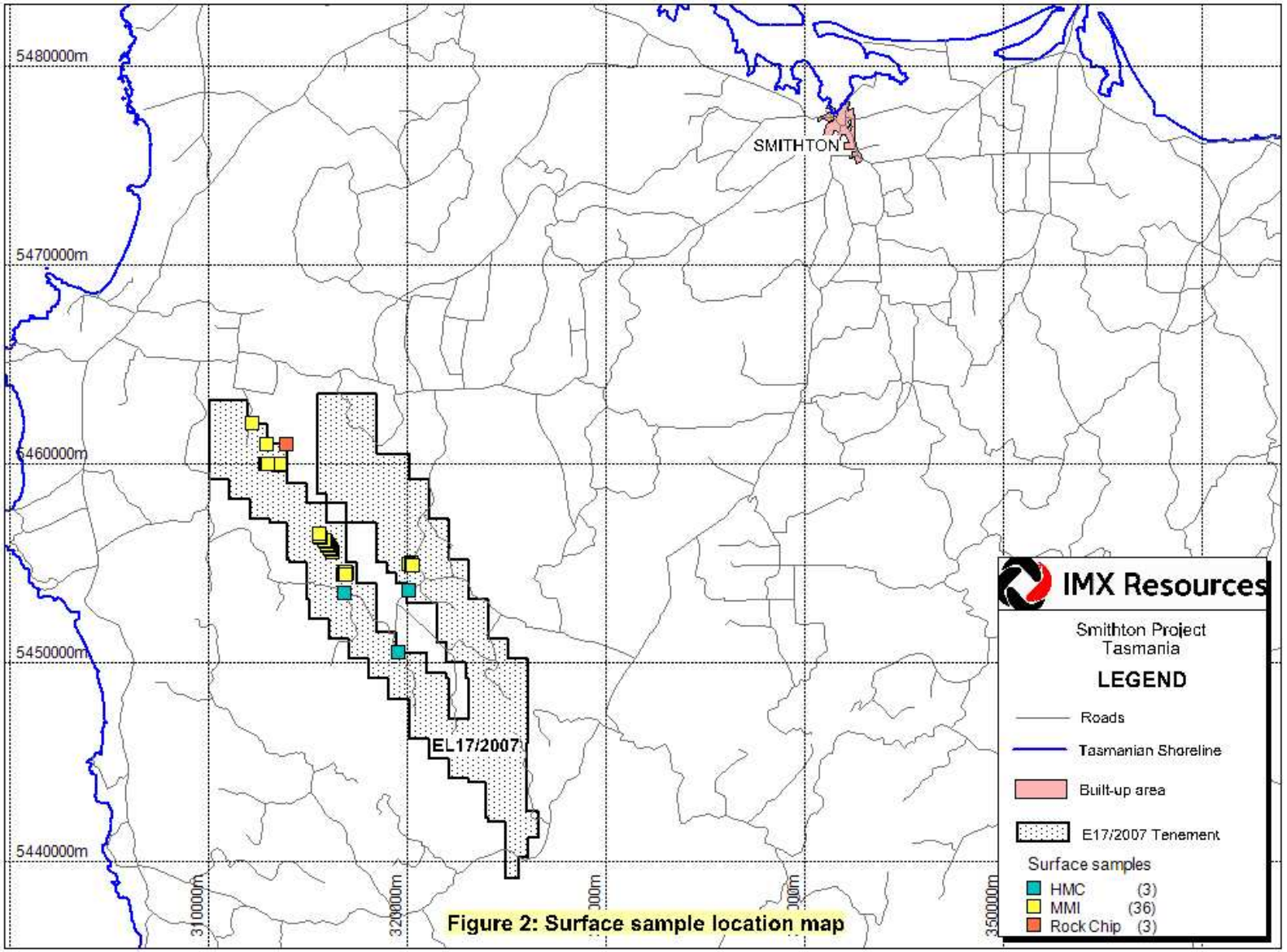

Figure 2: Surface sample location map

6.0 DISCUSSION OF RESULTS

The MMI sampling showed that alkaline rocks rich in Cr and Ti are widespread and anomalous values for Zr, Nb, Li, Pd, Sn and U were obtained from the same samples. The widespread occurrence of Pd rather than Pt probably indicates that Cu-(Ni) sulphides are present, as Pd is normally sulphide-associated whereas Pt is often associated with refractory alloys.

As MMI analyses only indicate the presence of easily soluble minerals fresh rocks are required to determine the nature of the alkaline rocks.

7.0 CONCLUSIONS

The work done during 2011 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 SRDH03 to get fresh samples of the alkaline rocks. Drilling of other alkaline/ picritic rocks within the tenement is recommended. Further MMI sampling is required to locate drill targets

Alkaline rocks with unusual compositions appear to be widespread and should be checked by further MMI sampling.

8.0 ENVIRONMENT

No ground-disturbing activities were carried out during the reporting year so no rehabilitation took place.

9.0 EXPENDITURE

Expenditure for Dunn EL17/2007 for the reporting period is listed in Table 3. This summary includes all expenses accrued up the end of July 2011.

Total expenditure for the reporting period was **$28,976.**

Table 3: Expenditure 2010 to 2011.

Assaying	**$682**
Soil Sampling	**$5,310**
Geological Salaries (recharge - staff S & W)	**$2,004**
Field Supplies	**$195**
Geological Consultants	**$6,000**
Data Entry / Drafting	**$2,500**
Petrology / Mineralogy	**$465**
Tenement Administration	**$1,683**
Tenement Rentals	**$5,182**
Vehicles - Fuel	**$163**
Light Vehicle Hire	**$146**
Computer Software	**$1,329**
Communication	**$225**
Travel & Accommodation - Domestic	**$458**
Overheads (10%)	**$2,634**
TOTAL EXPENDITURE	**$28,976**

10.0 REFERENCES

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

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APPENDICES

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

APPENDIX 1

Surface Sample Data

Metadata

H01	Tenement Holder	IMX Resources Ltd	
H02	Tenement Name	EL17/2007	
H03	Activity	Mobile Metal Ion soil samples	
H04	Location of the data	EL172007_201109_02_appendix1.txt	
H05	Date created	1/02/2011	
H06	Date modified	31/08/2011	
H07	Parameters of data acquisition/processing	-80# size fraction sampled	
H08	Contractor	SGS Laboratory	
H09	Translation Parameters		
H10	Equipment	Fire Assay/MS; 4-acid attack/OES	
H11	Original data format	.csv	
H12	Codes	RCHIP	Rock chip sample
H13	Codes	STREAM	Stream sediment sample: heavy mineral concentrate
H14	Codes	SOIL	Soil sample: MMI

APPENDIX 2

Chromite Sample Analysis

Metadata

H01	Tenement Holder	IMX Resources Ltd		
H02	Tenement Name	EL17/2007		
H03	Activity	Heavy mineral concentrate stream sediment sampling		
H04	Location of the data	EL172007_201109_02_appendix1.txt		
H05	Date created	1/02/2011		
H06	Date modified	31/08/2011		
H07	Parameters of data acquisition/processing	Samples washed and passed through magnetic separater		
H08	Contractor	Dr Greg Pooley: Diatech Heavy Mineral Services		
H09	Translation Parameters	Conversion from AMG66_55 to MGA94_55 required		
H10	Equipment	Energy-dispersive X-ray spectroscopy analysis by Electron Microprobe		
H11	Original data format	excel datasheet		
H12	Codes	Mineral	SP	Spinel
H13	Codes	Description	1	grain number within sample

APPENDIX 3

PETROLOGICAL DESCRIPTION AND MICROPROBE ANALYSIS REPORT

Sample 316008

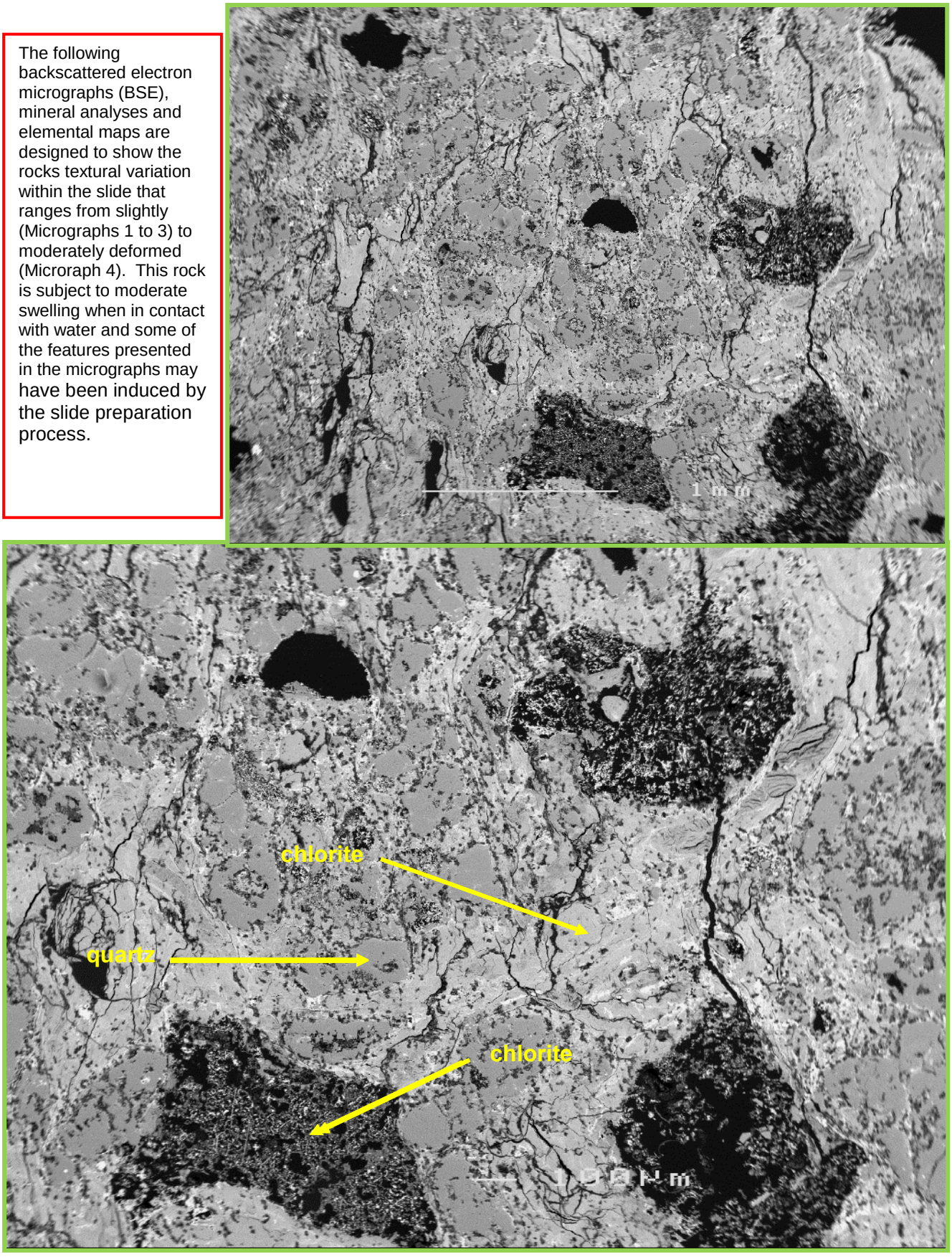
Drill hole SRDH03

Depth 55.5m 5448697mN 320937mE MGA94 Zone55

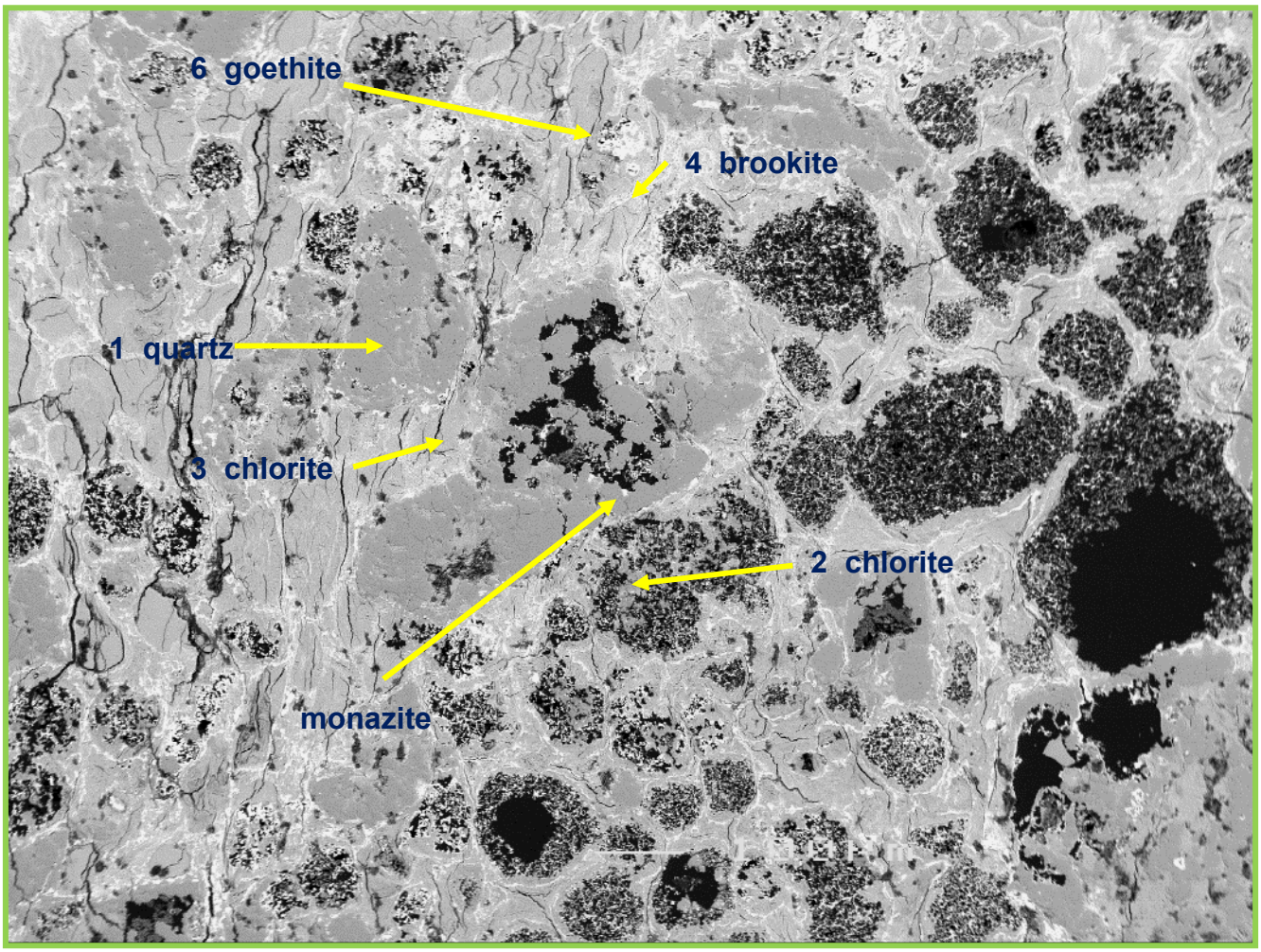
Greg Pooley 2010

‘GREEN ROCK’ Sample 316008

The following backscattered electron micrographs (BSE), mineral analyses and elemental maps are designed to show the rocks textural variation within the slide that ranges from slightly (Micrographs 1 to 3) to moderately deformed (Microraph 4). This rock is subject to moderate swelling when in contact with water and some of the features presented in the micrographs may have been induced by the slide preparation process.



Micrograph 1.



Micrograph 2.

Notes:

This is a monazite bearing Ti-rich, quartz - chlorite rock. The rock has a weak fabric consisting of ahedral to sub-anhedral grains of chalcedonic quartz (1) and Fe-rich chlorite (2) in a matrix of slightly more Fe-rich chlorite (3). In addition very small grains of chromian spinel in quartz and ilmenite in chlorite are also present. Numerous grains of gold were also located - the largest (~100 microns) appeared to be contained in a micro-brecciated zone associated with quartz.

- ⇨ Fe-rich chlorite (2) grains often form pools associated with very fine intergrowths of ?siderite (8 and 9) and hydrated Mg silicate which enclose the Fe-rich chlorite. Brookite (4) forms a myriad of anastomosing microveinlets throughout the sample. Scattered throughout the chlorite groundmass are very small grains of monazite (Ce, La and Nd rich). Small anhedral often porous masses and micro-veinlets of goethite (6 and 9) are also present. Please see backscattered electron micrographs, mineral analyses and elemental maps presented below.

- ⇨ *quartz and chlorite micro-phenocrysts in chlorite groundmass containing a myriad of anastmosing microveinlets of brookite* .

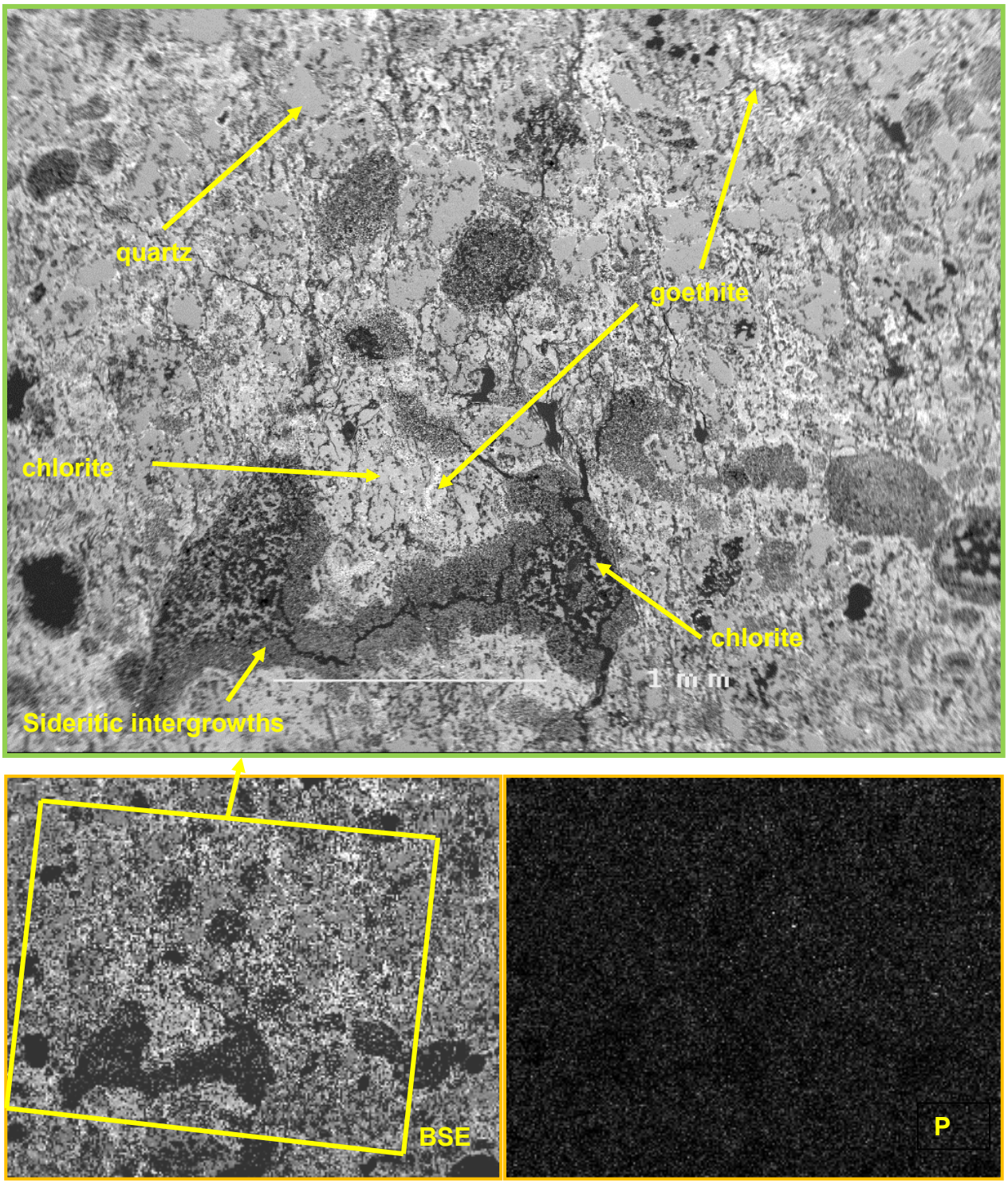
This is a highly altered rock. The nature of the fabric – essentially phenocrystal, indicates that the rock may be have once been an intermediate to acid volcanic containing micro-phenocrysts of quartz and ferromagnesians (now chlorite; 2) in a glassy groundmass (now chlorite; 3). However, depending on field geology, if this rock is part of a mafic – ultramafic pile then it may represent an extremely altered ultramafic rock where olivine has been altered to quartz via serpentine + magnetite, and ferromagnesians (pyroxene(s) +/- amphiboles) and/or plagioclase have been transformed to Fe-rich chlorite. The myriad of anastomosing microveinlets of Ti oxide (presumably brookite) is the result of the complete breakdown of ilmenite during alteration. The presence of chromian spinel (7) in a quartz pseudomorph after ?olivine and Ni associated with sideritic intergrowths (9) and chlorite after ?ferromagnesians would support this notion.
Otherwise It may represent a lens of highly altered contact or metasomatised rock.

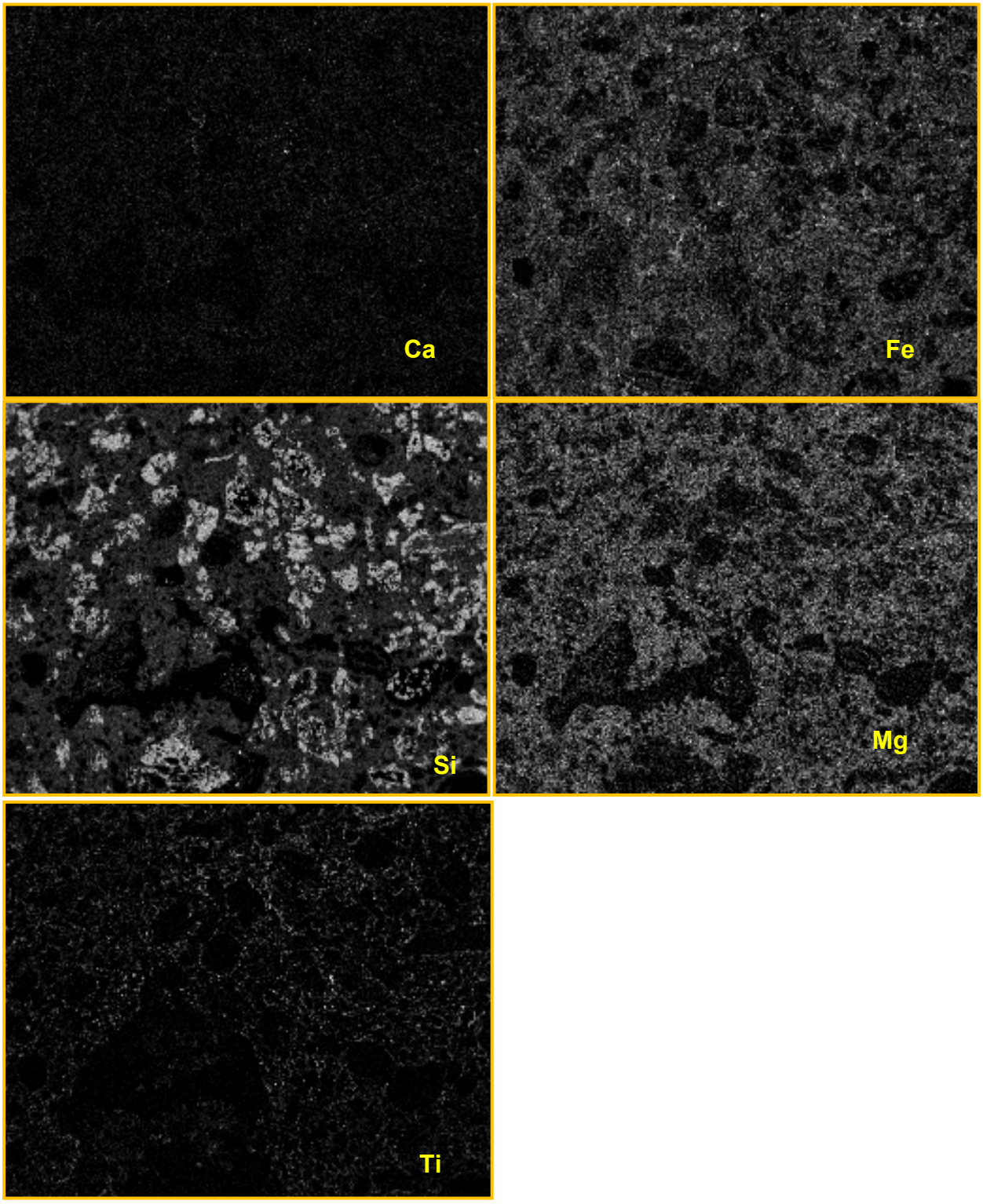
Sample	316008	316008	316008	316008	316008	316008
Description	1	2	3	4	5	6
Mineral	quartz	chlorite	chlorite	brookite'	monazite	goethite
Ox no	2	28	28	2	4	4
Na2O	0.00	0.00	0.00	0.00	Ce, La	0.36
MgO	0.00	12.24	17.24	1.01	and	0.50
Al2O3	0.83	18.72	15.36	0.94	Nd rich	10.58
SiO2	99.04	37.65	37.75	2.91		2.70
P2O5	0.00	0.00	0.00	0.00		2.52
Cl	0.00	0.14	0.00	0.00		0.08
K2O	0.14	0.00	0.13	0.00		0.00
CaO	0.00	0.62	0.53	0.17		0.14
TiO2	0.00	0.00	0.28	93.86		0.25
Cr2O3	0.00	0.00	0.00	0.00		0.38
MnO	0.00	0.00	0.00	0.00		0.32
FeO	0.37	15.29	18.51	2.19		63.37
NiO	0.00	0.00	0.00	0.00		0.00
Oxide total	100.38	84.66	89.80	101.08		81.20
Na	0.000	0.000	0.000	0.000		0.033
Mg	0.000	3.640	4.967	0.020		0.035
Al	0.010	4.403	3.498	0.015		0.587
Si	0.991	7.512	7.294	0.038		0.127
P	0.000	0.000	0.000	0.000		0.101
Cl-	0.000	0.047	0.000	0.000		0.006
K	0.002	0.000	0.033	0.000		0.000
Ca	0.000	0.132	0.110	0.002		0.007
Ti	0.000	0.000	0.041	0.928		0.009
Cr	0.000	0.000	0.000	0.000		0.014
Mn	0.000	0.000	0.000	0.000		0.013
Fe2+	0.003	2.551	2.990	0.024		2.497
Ni	0.000	0.000	0.000	0.000		0.000
Cations	1.005	18.286	18.932	1.027		3.429

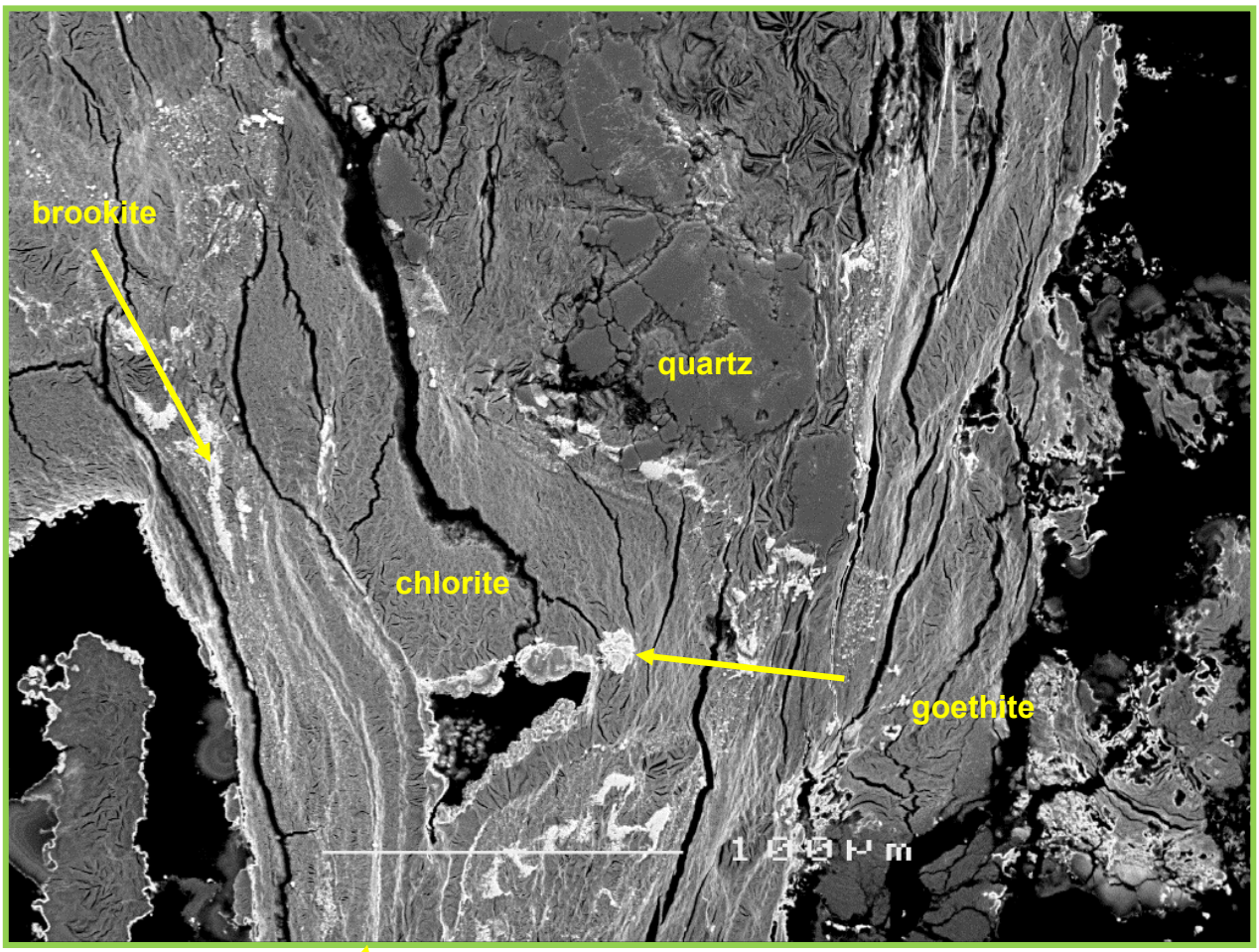
Sample Description	316008 7	Sample Description	316008 8	Sample Description	316008 9	Sample Description	316008 10
Mineral	SP	Mineral	CB	Mineral	CB	Mineral	Other
Ox no	4	Cat no	2	Cat no	2	Ox no	4
TiO2	5.70	FeCO3	90.60	FeCO3	92.09	Na2O	0.32
Al2O3	12.69	MnCO3	0.00	MnCO3	0.79	MgO	0.55
Cr2O3	26.45	MgCO3	1.46	MgCO3	1.59	Al2O3	0.47
Fe2O3	0.00	CaCO3	0.62	CaCO3	0.25	SiO2	3.64
V2O3	0.29	NiCO3	0.00	NiCO3	0.57	P2O5	0.41
FeO	49.88	SiO2	0.00	SiO2	0.00	Cl	0.00
MnO	0.00	Al2O3	0.00	Al2O3	0.00	K2O	0.00
MgO	0.46					CaO	0.00
ZnO	0.96	Carb total	92.69	Carb total	95.29	TiO2	0.43
NiO	0.00					Cr2O3	0.00
CoO	0.00	Fe2+	1.941	Fe2+	1.920	MnO	0.00
		Mn	0.000	Mn	0.017	FeO	71.28
Oxide total	96.43	Mg	0.043	Mg	0.046	NiO	0.93
		Ca	0.015	Ca	0.006		
Fe2O3*	14.60	Ni	0.000	Co	0.000	Oxide total	78.03
FeO*	36.74	Si	0.000	Ni	0.012		
Total*	97.89	Al	0.000	Zn	0.000	Na	0.035
				Si	0.000	Mg	0.046
Ti	0.154	Cations	2.000	Al	0.000	Al	0.031
Al	0.537					Si	0.205
Cr	0.751			Cations	2.000	P	0.020
Fe3+	0.395					Cl-	0.000
V	0.008					K	0.000
Fe2+	1.104					Ca	0.000
Mn	0.000					Ti	0.018
Mg	0.025					Cr	0.000
Zn	0.025					Mn	0.000
Ni	0.000					Fe2+	3.353
Co	0.000					Ni	0.042
Cations	3.000					Cations	3.750
Mg No	2.18						
Ulvospinel	15.40						
Spinel	26.87						
Chromite	37.56						
Magnetite	20.16						
100Cr/(Cr+Al)	58.30						
100Fe/(Fe+Mg)	97.80						

Two textural (backscattered electron) perspectives are shown below accompanied by elemental maps (and likely mineral representatives) - Mg (chlorite), Si (quartz), Fe (goethite, siderite and chlorite), P (monazite and apatite), Ti (brookite) and Ca (apatite). The BSE scanned area (yellow frame) is shown in relation to the high resolution backscattered electron Micrographs 3 and 4.

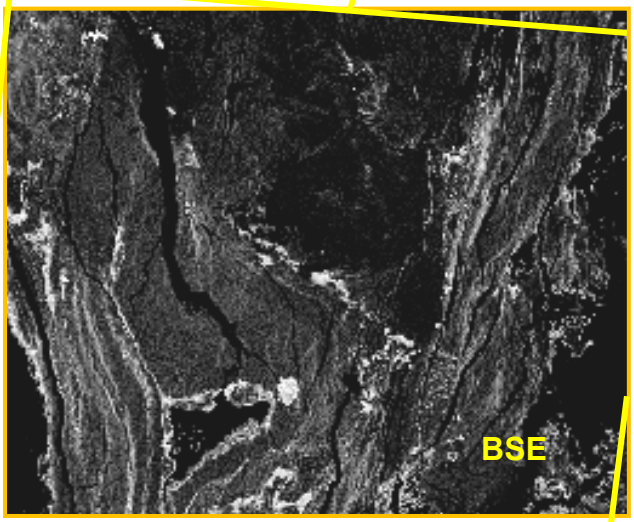
Green Zone – elemental maps **Micrograph 3 and elemental maps**

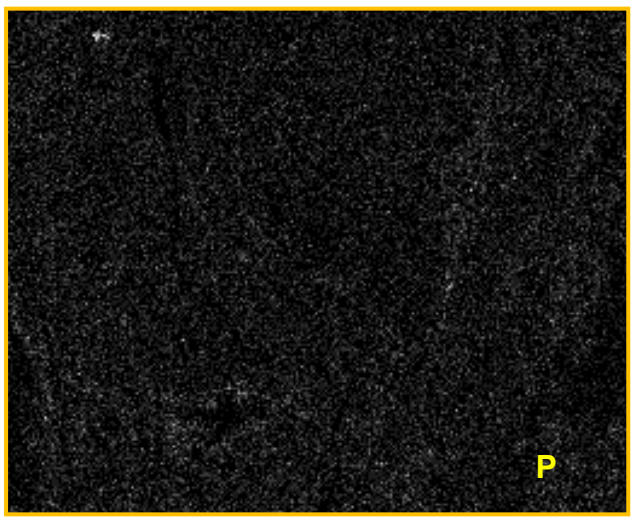


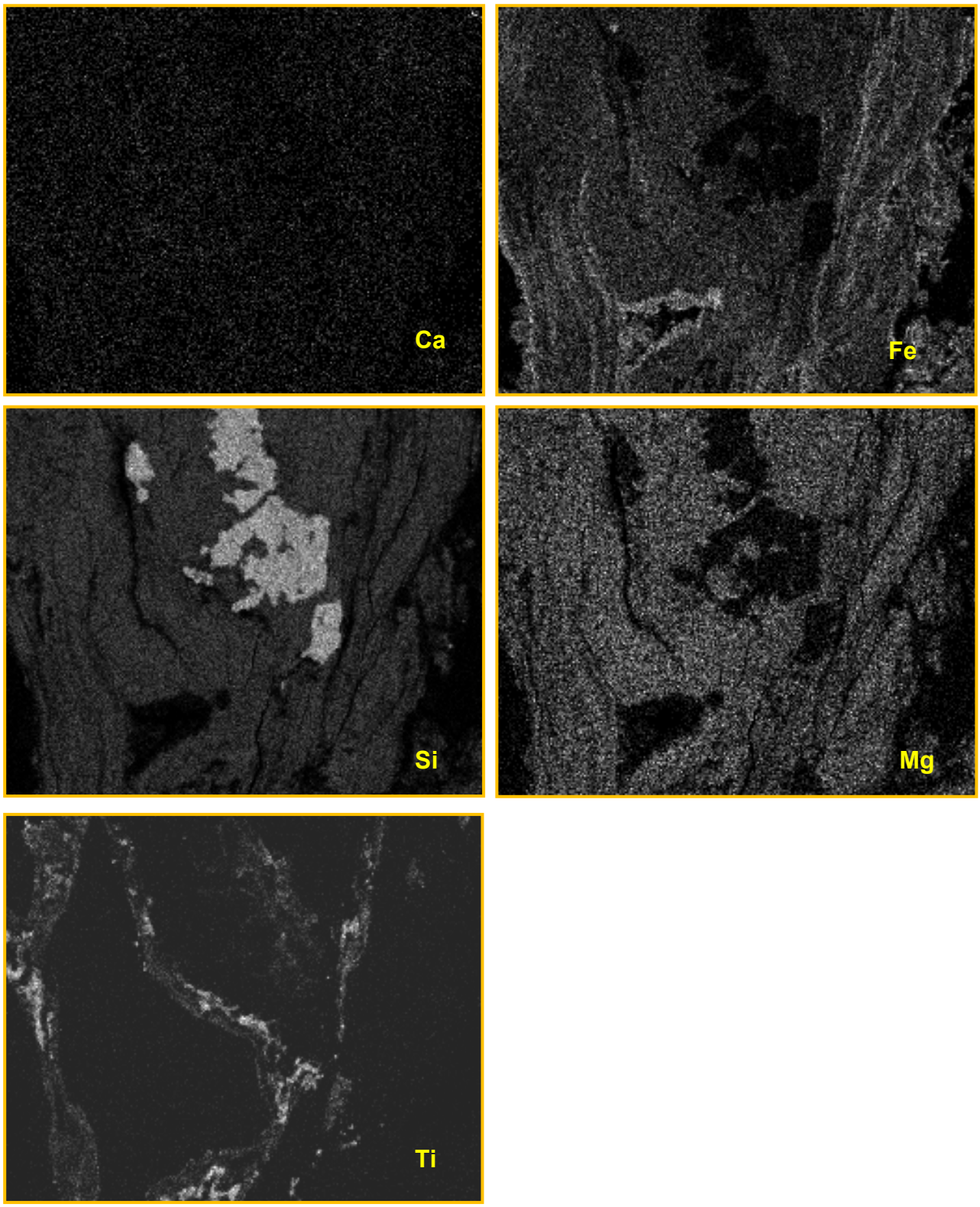

Ca
Fe
Si
Mg
Ti



Micrograph 4 and elemental maps



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