



IMX Resources

EL 49/2006 “West Montagu” Annual Report for the Period 10th July 2011 to 9th July 2012.

Volume 1 of 1

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ABSTRACT

EL49/2006 'West Montagu' 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. From work carried out in EL17/2007 to the south, it is known that many magnetic highs are associated with alkaline volcanics/subvolcanic intrusions. These rocks are anomalous in a large range of elements. MMI sampling over magnetic highs on the western and northern margin of the Montagu West Dome suggest different lithologies from those causing the magnetic highs along the eastern margin.

Following interpretation in 2009 of VTEM data collected in 2008, and MMI sampling in 2010, 7 stream sediment and 151 MMI soil samples were collected in areas where magnetic highs indicated potential intrusion sites.

Several significant results were returned, including Pd of 81 ppb in sample SMM347 that also showed anomalous Ni, Cu, Cr, As, Li, Sn, Th, Zr, Zn, Ti, Fe. Several other sites showed similar but lesser anomalies.

Expenditure for the reporting period is \$49,588.

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EL492006_201206_01_report.pdf

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Sample ledger: EL492006_201206_02_appendix.txt

1 INTRODUCTION

The following report details work conducted at IMX Resources Ltd's ('IMX') EL 49/2006 – 'West Montagu' during the period 10th July 2011 to 9th July 2012. The tenement is located 15km west of Smithton, in the Land District of Wellington and vicinity of West Montagu (Figure 1).

1.1 Exploration Rationale

EL49/2006 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. 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 (Calver, 1998; 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 carbonate and dolostone is shown as Smithton Dolomite (Brown, 1989).

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 Togari Group were deformed during the Cambrian and the Devonian.

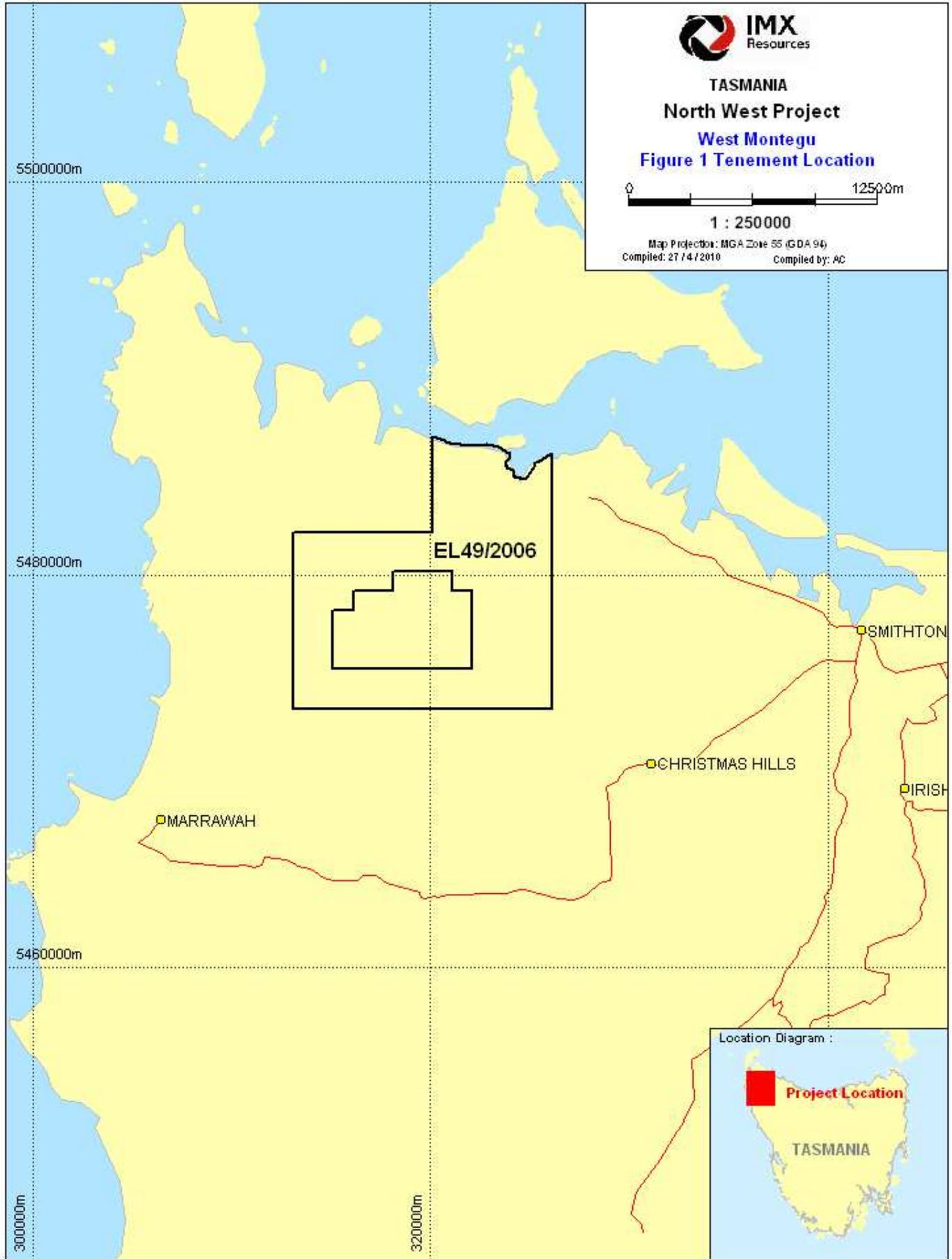
The presence of subvolcanic basic-ultrabasic intrusions in a sequence of sulphide bearing sedimentary rocks, imply that the region has potential for Ni-Cu sulphide deposits. Possible sulphur sources for Ni sulphide deposits are present in the Cowrie Siltstone (Rocky Cape Group) in shale of the Black River Dolomite and in siltstone of the Keppel Creek Formation.

1.3 Tenure

EL49/2006 was granted to Goldstream Mining NL (now IMX) for a term of 5 years from 10th July 2007 covering an area of approximately 136km². A partial relinquishment of 31km² was made during 2009 reducing the licence to 105km². The licence is in its final year of tenure. Table 1 summarises the licence history.

Table 1: Licence Details

| Licence | Period | | Year | Area |
|-----------|----------------------------|---------------------------|------|---------------------|
| | From | To | | |
| EL49/2006 | 10 th July 2007 | 9 th July 2008 | 1 | 136 km ² |
| | 10 th July 2008 | 9 th July 2009 | 2 | 136 km ² |
| | 10 th July 2009 | 9 th July 2010 | 3 | 105 km ² |
| | 10 th July 2010 | 9 th July 2011 | 4 | 105 km ² |
| | 10 th July 2011 | 9 th July 2012 | 5 | 105 km ² |



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2 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 (Large, 1982; Pemberton, 1983; Pemberton, 1984). The work involved an airborne magnetic survey, auger drilling and geochemical sampling. A magnetic low surrounded by magnetic highs over basalts was interpreted as 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 rocks logged as 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 (Reid, 1998). They collected stream sediment samples, pan concentrates, BLEG samples and rock chip samples but did not locate any significant anomaly. They reported high Cr-Ir values in one stream sediment sample from Bond Tier, but there is some ambiguity regarding the coordinates.

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

IMX contracted Southern Geoscience Consultants to interpret VTEM data collected during 2008, identifying several shallow and gently-dipping conductors below a sequence of metabasalt (Barrett et al, 2008; Chai, 2009).

A short drilling program was conducted during May 2009 targeting VTEM conductors. Both targets are very low-lying with high water flow. The RC rig couldn't handle the large amounts of water and the holes were abandoned without reaching targets. Consequently, the conductors interpreted from the VTEM survey have not been tested due to drilling problems (Chai, 2009).

In 2010, 6 rock chip and 20 mobile metal ion (MMI) samples were collected while field-checking geophysical anomalies, none of which returned significant results (Doyle and Barrett, 2011).

3 EXPLORATION COMPLETED DURING THE REPORT PERIOD

Exploration during the 2011-12 reporting year included field-checking geophysical anomalies and collecting MMI soil samples (Figure 2). A work permit for a planned RC drilling program was received from MRT, but due to restricted rig availability, drilling may not be completed before the expiry of the tenement so an extension application is currently being drafted. Land owners/ managers Forestry Tasmania and Gunns Plantations have approved the drilling program.

3.1 Sampling

In response to the success of the MMI programmes in other parts of the Smithton area, further MMI sampling of EL49/2006 was carried out in the final year of tenure in order to define drill targets before expiry. In total, 151 MMI samples were collected and, in addition, 7 Heavy Mineral Concentrates (HMC) were collected from streams during the programme. Sample ledger containing location and assays are presented in Appendix 1.

3.2 RC Drilling

Numerous samples returned anomalous geochemistry. Two areas with elevated geochemistry were selected as RC drill targets (Table 2). Southern Geoscience Consultants were contracted to model magnetic data to define depths to fresh rock to improve drill targeting accuracy. Edrill Pty Ltd was engaged to carry out the drilling. It is anticipated the drilling will commence shortly, before expiry of the licence in July. A portable XRF machine (NITON) will be used to give a preliminary geochemical assessment. Ni, Cu, Ti, Zr, Sn are readily analysed by NITON in concentration ranges that may be of economic interest. Samples for Pd and Pt analysis will be selected based on Ni, Cu NITON analysis. The element suite to be analysed will be decided after inspection of NITON results for all drill holes.

Table 2: Character of drill hole targets

| MMI Sample | Depth (m) | Target |
|------------|-----------|---|
| SMM347 | 100 | Narrow multi-element anomaly. Anomalous in As, Ba, Bi, REE, Li, Mg, Mo, Nb, Pd, Rb, Sb, Sn, Th, W, Zr, Co, Cr, Cu, Fe, K, P, Mn, Ni, Ti, U, Pb, Zn. |
| SMM280-81 | 150 | Anomalous in Ba,REE, Li, Pd, Rb, Sr, Zr, Ni, Ti, Zn. |

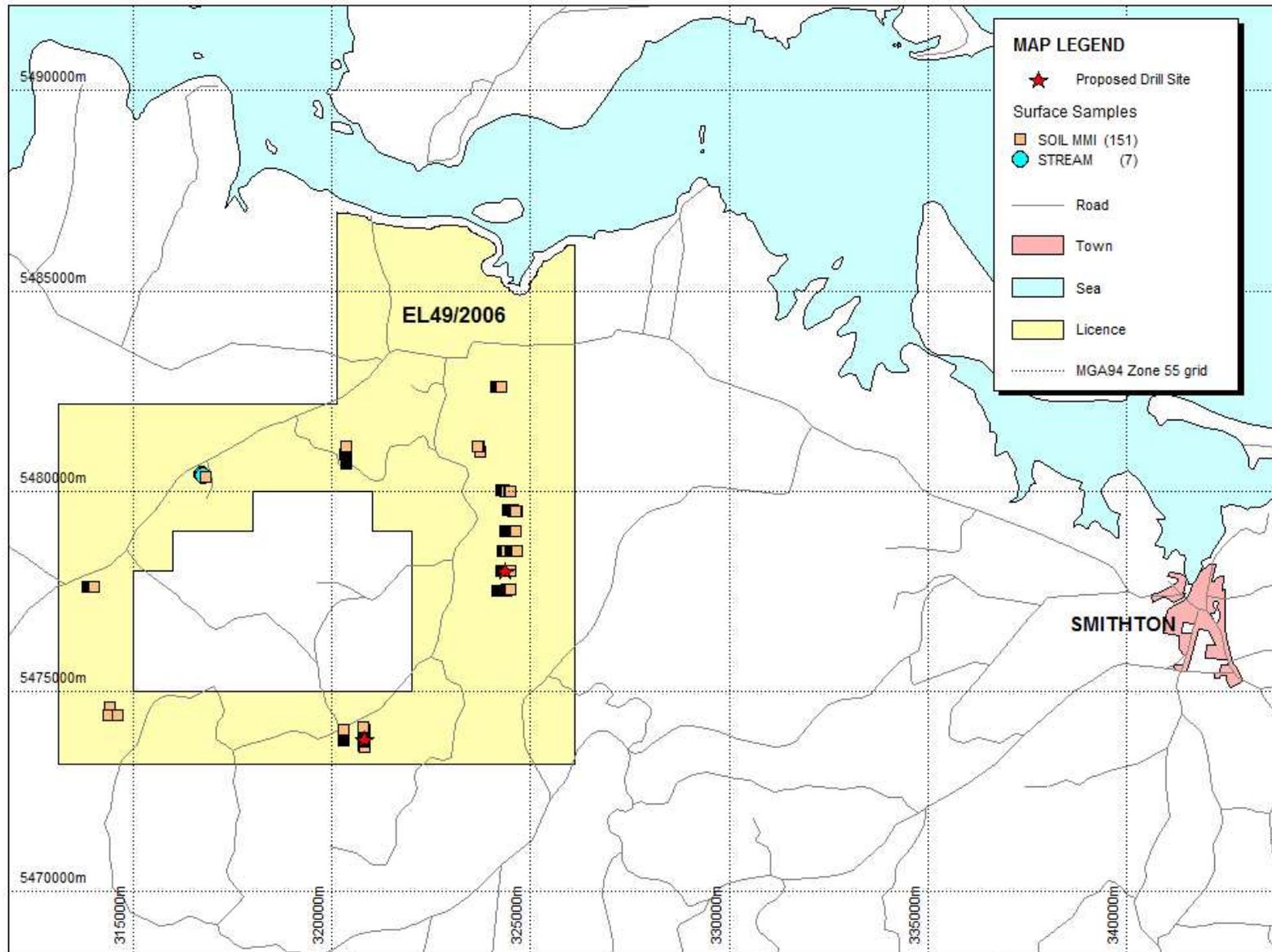


Figure 2: Exploration Activity Map

4 DISCUSSION OF RESULTS

Reconnaissance 25 m spaced MMI sampling showed that many of the magnetic highs along the eastern margin of the Montagu Dome structure are related to alkaline basic/ ultrabasic rocks that do not outcrop well but are represented by green- yellow clays. Many of the interpreted basalts shown on the published maps seem to be alkaline rocks based on the MMI results. In addition to the target elements Ni-Cu-Cr-Pd, they are commonly also anomalous in Fe, Ti, As, Li, Sn, Zr, Zn.

As MMI results are partial analyses it is important to drill test a few to assess the concentrations in fresh bed rock. Two sites SMM347 (320800E, 5473800N) and SMM280 (324301E, 5478000N) have been selected for drill testing based on a combination of magnitude of anomaly and ease of access. The sites are located in plantations managed by Gunns.

Magnetic modelling (Mutton 2011) showed that the stratigraphy dips east at site SMM280 which agrees with the geological interpretation. For site SMM347 the magnetic dip evidence is ambiguous, so the geological interpretation of a south dipping stratigraphy has been used in siting the hole.

While the geochemical anomalies are hosted by magnetic rocks, there is no reason to believe any mineralisation associated with the anomalies are particularly magnetic so the most magnetic rocks would not necessarily be the best drill targets.

The MMI sampling (SMM304-312, 447-448, 584-591) suggests that the magnetic anomalies along the northern and western margin of the dome structure are likely to be caused by Tertiary Volcanics rather than alkaline rocks.

HMCs were collected from a deep dewatering channel at Casey's Road (316049-55) and the chromite grains are all high-Al and moderate-Cr consistent with an origin in basaltic rocks.

5 CONCLUSIONS

The MMI sampling showed a very consistent pattern from yellow- green clay over alkaline basics/ ultrabasics. Two of the targets will be drill tested as soon as a RC rig becomes available. If any of the drill holes intersect economic concentrations of any of the anomalous elements a systematic MMI sampling program over magnetic highs will be carried out followed by drill testing where appropriate.

5 ENVIRONMENT

No activities requiring rehabilitation were carried out during the reporting year.

6 EXPENDITURE

As financial figures for the reporting period were not finalised by the time of writing, expenditure for EL49/2006 is presented for the year ending 30 April 2012 (Table 3). Total expenditure is \$49,588.

Table 3: Expenditure 2011 – 2012

| | |
|---|-----------------|
| Assaying | \$2,258 |
| Soil Sampling | \$7,454 |
| Geological Salaries (recharge - staff S & W) | \$12,242 |
| Field Supplies | \$374 |
| Geological Consultants | \$11,364 |
| Geophysical Consultants | \$629 |
| Data Entry / Drafting | \$1,297 |
| Heritage & Native Title | \$275 |
| Tenement Administration | \$396 |
| Tenement Rentals | \$4,851 |
| Vehicles - Fuel | \$85 |
| Computer (and IT support) | \$99 |
| Computer Software | \$2,311 |
| Communication | \$61 |
| Travel & Accomodation - International | \$266 |
| Travel & Accommodation - Domestic | \$294 |
| Food & Messing | \$824 |
| | |
| Overheads (10%) | \$4,508 |
| TOTAL EXPENDITURE | \$49,588 |

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7 KEYWORDS

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