sorry folks, I figured it out. I was using wrong SDL image and mixer libs...
I changed to use these:
 http://www.libsdl.org/projects/SDL_mixer/release/SDL_mixer-d evel-1.2.12-VC.zip
 http://www.libsdl.org/projects/SDL_image/release/SDL_image-d evel-1.2.12-VC.zip
and it successfully builds and starts now:)
 g6b0r