

# Quarterly Report

Period ending 30 June 2013



## ASX Code: AIV

## Issued Capital

357,022,846 ord shares (AIV)

3,550,000 unlisted options

## Market Capitalisation

\$5.3M (30 June 2013, \$0.015)

## Directors

Doug Young (MD)

Min Yang (NED)

Grant Thomas (NED)

Geoff Baker (NED)

Paul Crawford (NED, Secretary)

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## About ActivEX

ActivEX Limited is a Brisbane based mineral exploration company committed to the acquisition, identification and delineation of new resource projects through active exploration.

The ActivEX portfolio is focused on copper and gold projects, with substantial tenement packages in eastern Queensland and particularly in the Cloncurry district of northwest Queensland.

The Company also has an advanced potash project in Western Australia where it is investigating optimal methods of extraction of the potash through a scoping study.

## ActivEX Limited

ABN 11 113 452 896

ASX Release – 31 July 2013

## Highlights

### Barambah Project

- Detailed geological mapping completed. Revised interpretations.
- Ready to drill

### Esk Trough Project

- Niton soil geochemistry program completed over Blairmore-Demonbanga, assists definition of alteration zones

### Selwyn East Project

- MMI soil geochemistry program completed
- Highly anomalous soil geochemistry results – Mo-Cu-Au-rare earth anomalies
- Geochemical anomalies coincident with geophysical anomalies - expected to define drill targets
- Rock sampling extends gossan zone to south-west

### Corporate

- Takeover bid from ASF Gold & Copper Pty Ltd
- 3 for 5 non-renounceable entitlements issue completed – 76% acceptances
- Takeover bid from ASF closes with ASF holding 42.7%
- Requisition for general shareholders meeting to spill board positions
- Requisition withdrawn
- Board changes

## OVERVIEW

### Corporate

On 16 April 2013 ASF Copper and Gold Pty Ltd (a 100% subsidiary of ASF Group Limited) (ASF) announced an Expression of Interest for an off-market conditional takeover of all the shares in ActivEX Limited not already owned at a price of \$0.02 per share. On 1 May 2013 ActivEX announced it had received the Bidders Statement in relation to the takeover bid from ASF.

On 1 May 2013 ActivEX announced a new non-renounceable 3 for 5 entitlements offer to shareholders to raise up to \$1.76M by the issue of up to 146.9 million new shares at an issue price of \$0.012 with Patersons being appointed Lead Manager to the issue.

On 6 May 2013 announced that it had received a notice from ASF under section 249D of the Corporation Act requisitioning a general meeting of shareholders to consider the removal of three directors of ActivEX; Messrs Keevers, Daymond and Crawford. On 8 May 2013 ActivEX announced that the non-associated directors of ActivEX had reached agreement with ASF to support the entitlements issue and subscribe to its full entitlement on condition that no take up in addition to shareholders entitlement would be allowed and that no shortfall of shares would be placed. Also on 8 May 2013 ASF announced its withdrawal of the requisition for a general meeting of shareholders.

On 13 May 2013 ASF announced that it was withdrawing its off-market conditional takeover bid. Also on 13 May 2013 ASF announced a new on-market unconditional bid for all the shares not owned by ASF (including any entitlements shares issued) at a price of \$0.015 per share. ActivEX announced receipt of the second Bidders Statement on 13 May 2013.

On 14 May 2013 ActivEX despatched the Offer Document to all eligible shareholders for the 3 for 5 non-renounceable entitlements issue.

On 27 May 2013 ActivEX released its Target's Statement in relation to the second takeover bid with a recommendation to reject the offer.

On 30 May 2013 ActivEX completed its 3 for 5 non-renounceable entitlement issue and announced that there was a take up of 112,191,945 new shares representing a take up of 76.4% with proceeds from the issue totalling \$1,346,303. No shortfall shares were placed.

On 18 June 2013 ASF announced to ActivEX shareholders that the takeover bid would not be extended or increased and would close on 28 June 2013.

On 19 June 2013 ActivEX released a supplementary Independent Expert Report to shareholders clarifying points of query in the Target's Statement. The valuation and recommendation was unchanged.

On 28 June 2013 the takeover bid by ASF was completed with ASF holding 42.7% of the issued share capital of ActivEX.

On 5 July 2013 ASF gave notice to ActivEX to requisition a general meeting of shareholders to remove directors Keevers, Daymond and Crawford and to appoint Grant Thomas as an independent director.

On 29 July 2013 Chairman R.E. Dick Keevers and non-executive director Ian Daymond resigned from the board of directors. Mr Grant Thomas was appointed non-executive director. Also, Alan Humphris resigned as alternate director to Min Yang.

On 30 July 2013 ASF gave notice to ActivEX withdrawing the requisition for a general meeting of shareholders.

## Operations

Field activities continued in the Barambah, Esk Trough and Cloncurry districts.

No OHS or lost time injuries occurred during operations for the quarter.

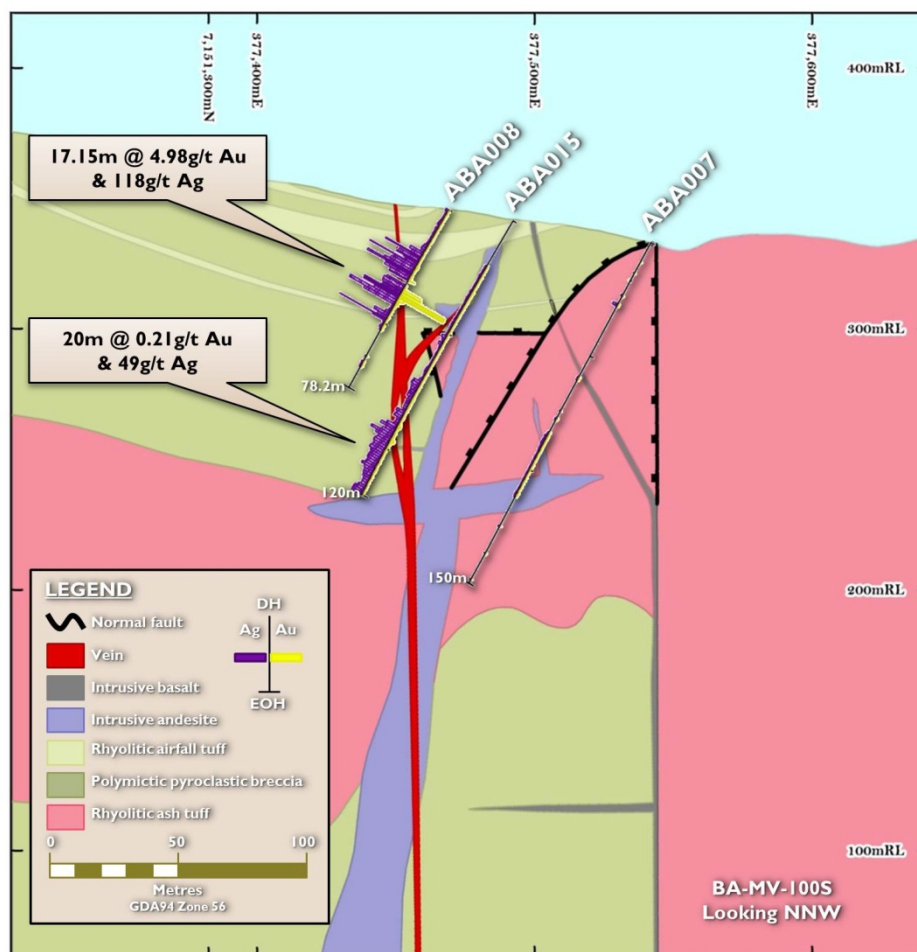
## Cash

At the end of the quarter the Company held \$1.19M in cash and receivables.

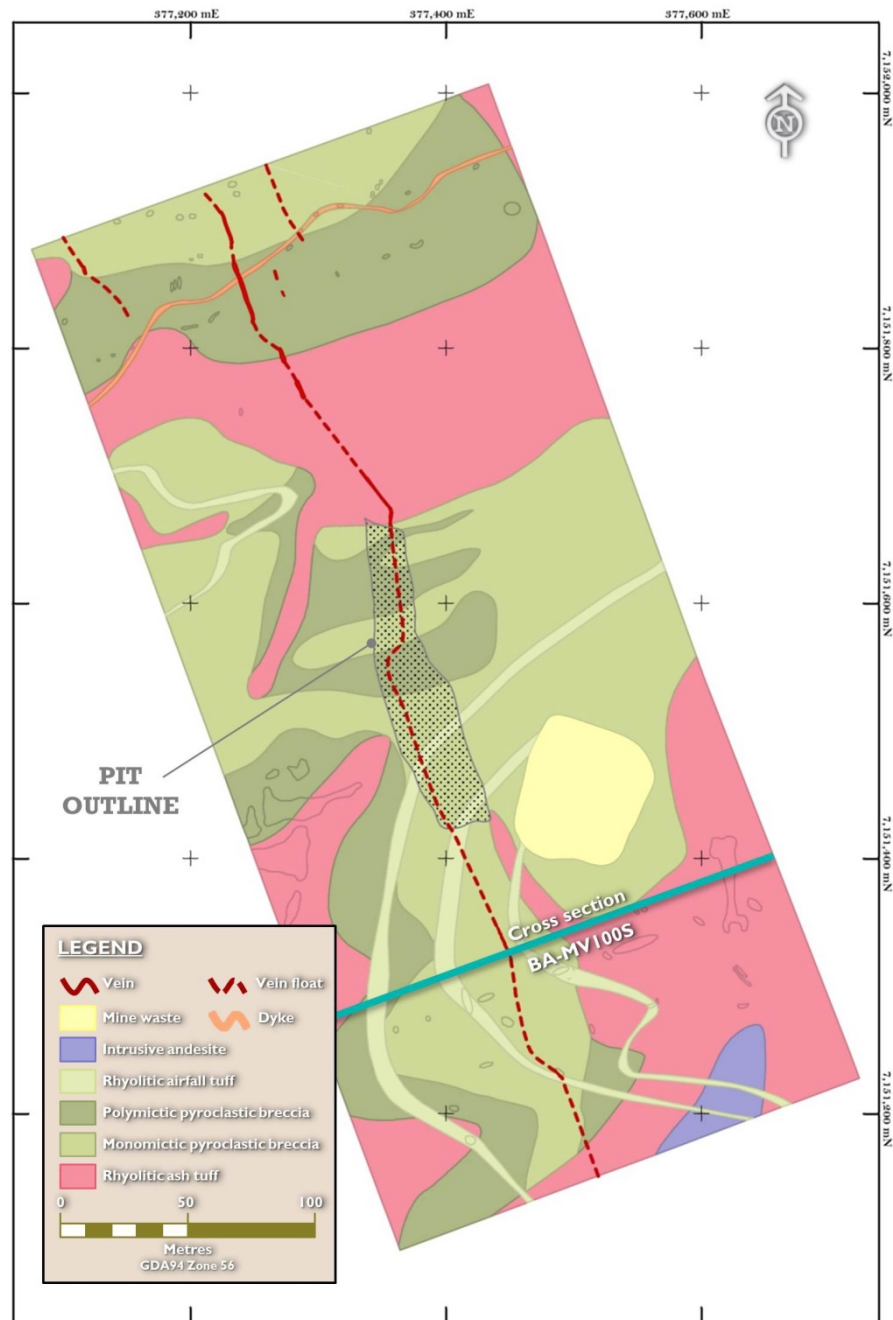
## BARAMBAH PROJECT – South East Queensland

(Barambah Joint Venture EPM 14937 – ActivEX 75% and earning, Norton Gold Fields 25% and diluting; EPM 18732 – ActivEX 100%)

A high detail geological mapping program has been completed over the Barambah Main Vein prospect building on improved interpretations following the previous drill program. The mapping highlights the complexity of the fossil volcanic field and has allowed detailed geological interpretation to be carried out at depth. A key finding of the interpretations is a coincidence of local fragmental units and portions of the vein with significant mineralisation. The dominant mechanism behind the interpretation is the contrast in fragility between the immediate host rock lithologies, allowing the more friable fragmental units to develop favourable dilation structures for mineralisation.



**Figure 1:** Barambah cross-section 100S (for cross section location see Figure 2) – showing drill holes, intersections and interpreted mineralised structures



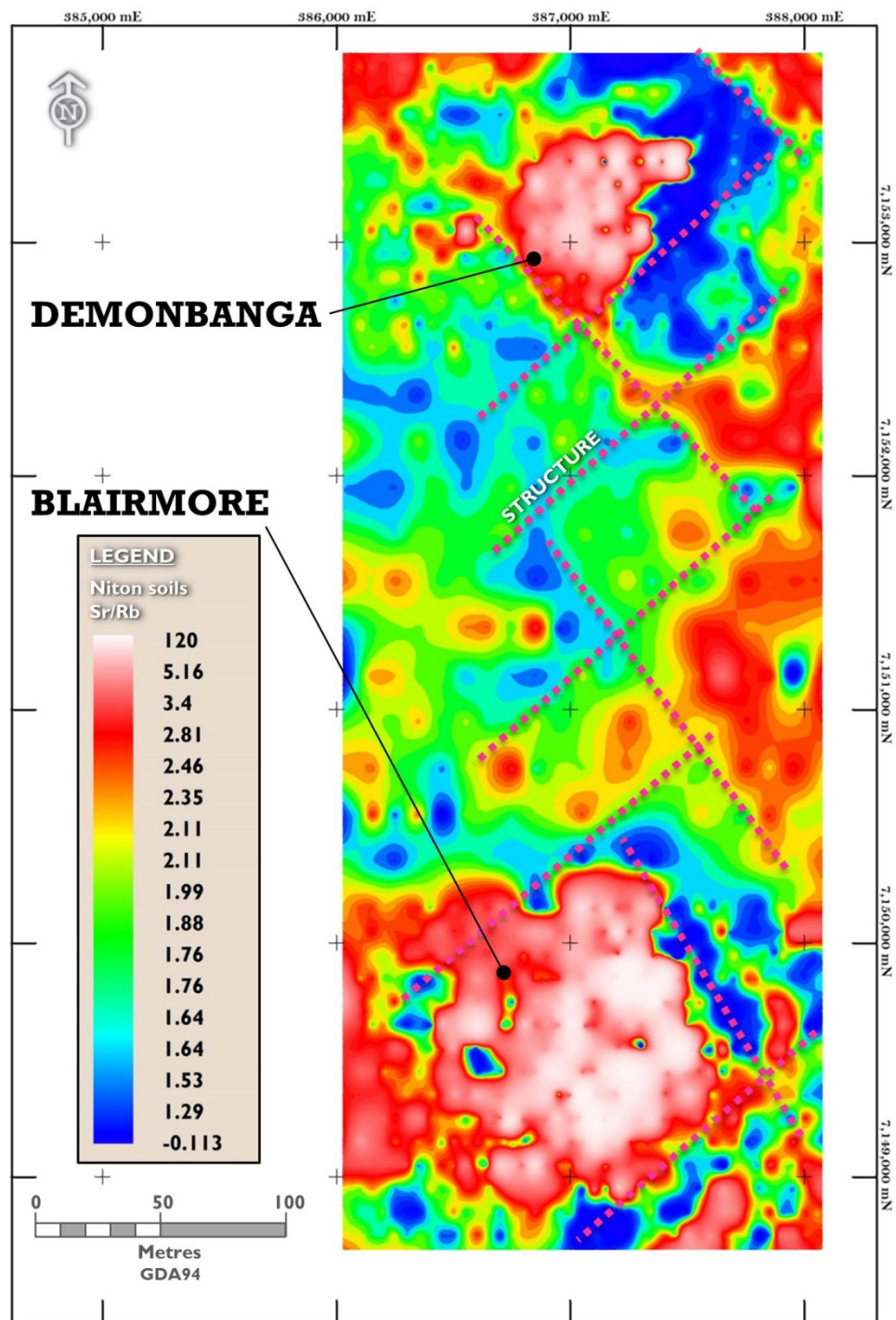
**Figure 2:** Barambah detailed geology plan (showing cross section location shown in Figure 1)

## ESK TROUGH PROJECT – South East Queensland

(EPM 14476, 14979, 16265, 16327, 18717 – ActivEX 100%)

A 5km by 2km Niton soil survey over the Blairmore and Demonbanga prospects has been carried out to assess whether alteration could be geochemically detected using a field portable XRF analyser (Niton) and the distribution of alteration around the intrusive centre. The results show a clear delineation of alteration using Sr/Rb ratios which is coincident with alteration detected during a PIMA survey previously conducted by ActivEX. Sr/Rb ratios have also aided in defining NW and NE conjugate structures which could have allowed the migration of alteration-inducing fluid as well as any porphyry insurgence at depth. The results have also highlighted a strong correlation of As with the delineated alteration system.





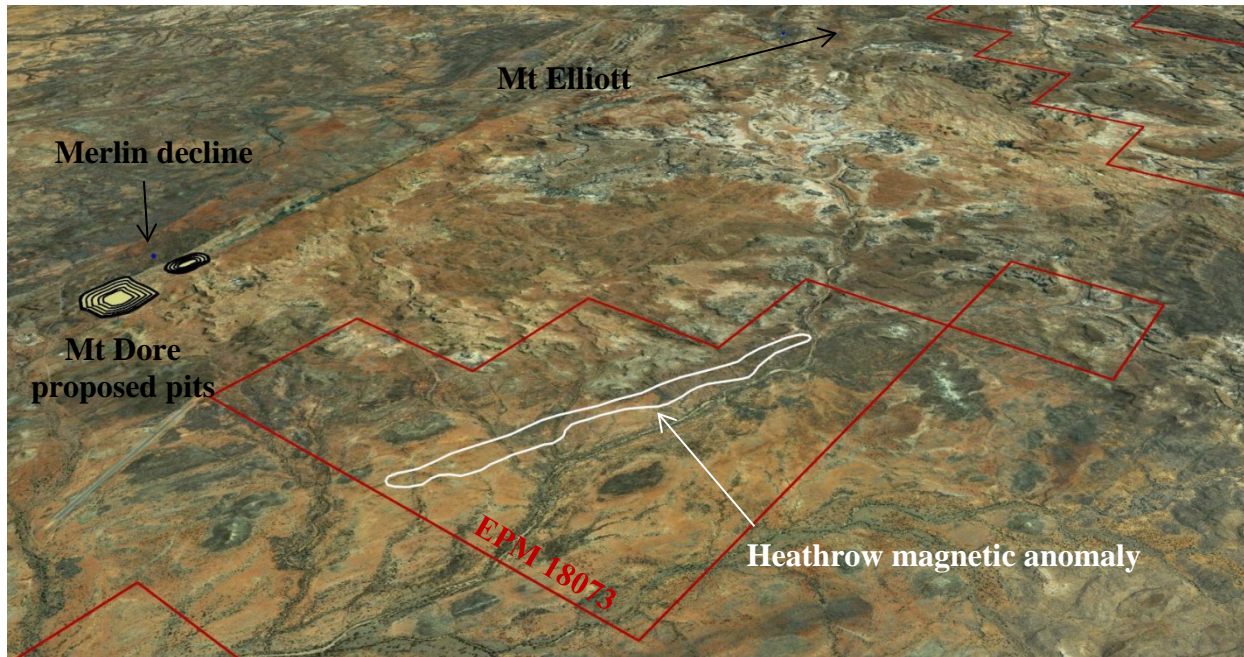
**Figure 3:** Blairmore-Demonbanga intrusive zone - showing Rb/Sr ratios and structural interpretation

## CLONCURRY DISTRICT – North West Queensland

### Selwyn East Project – Cloncurry District

(EPM 18073, EPMa 25192, 25194 – ActivEX 100%)

During the quarter ActivEX carried out sampling and released the results of a Mobile Metal Ion (MMI) soil geochemical survey at Selwyn East (EPM 18073) in the Cloncurry district. The survey followed the positive results from a trial program carried out at the Heathrow prospect in late 2012. In conjunction with this work further prospecting and rock sampling was also carried out.



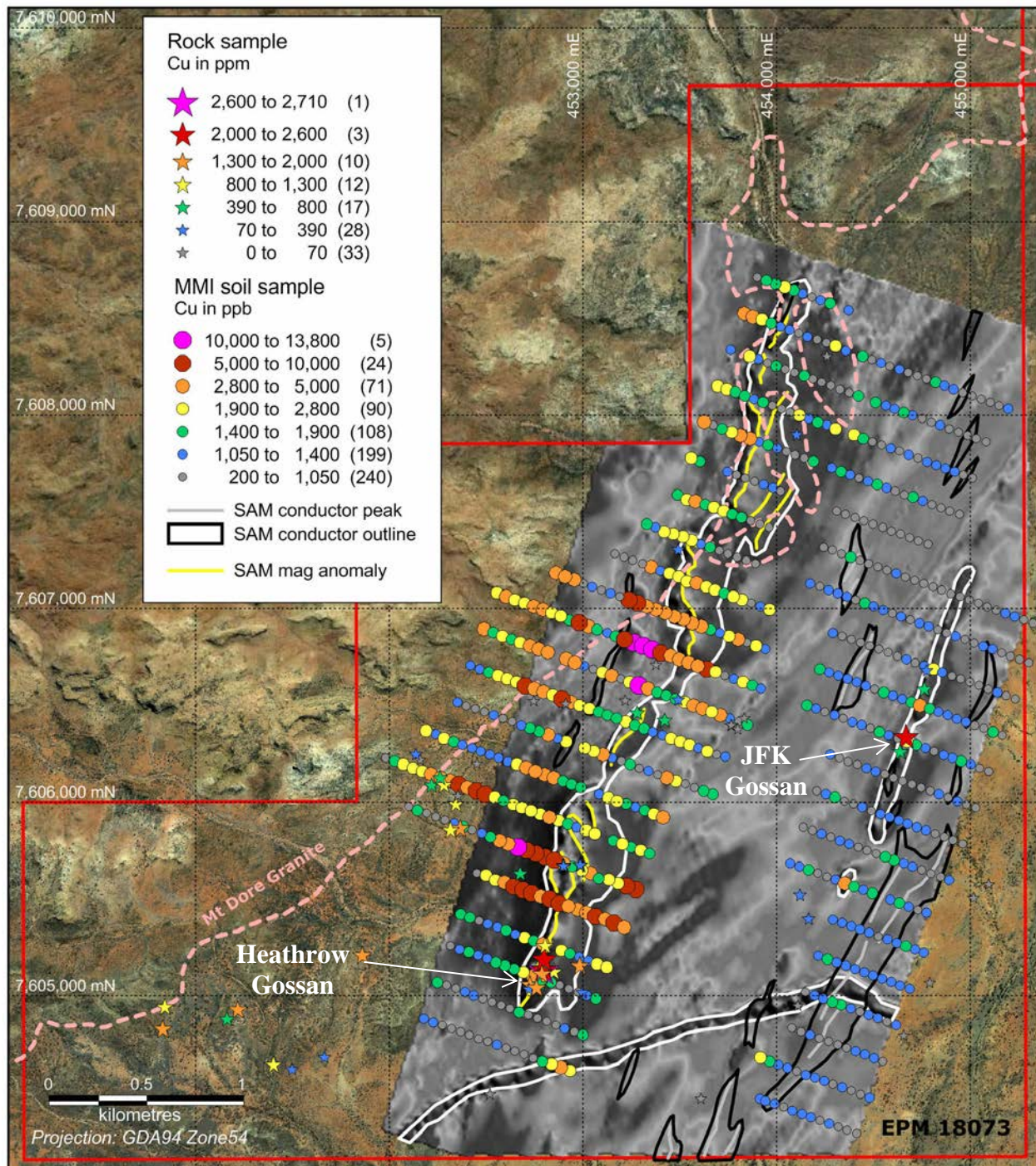
**Figure 4:** Oblique view of Selwyn East, EPM 18073, showing the Heathrow prospect aeromagnetic anomaly and location of Merlin decline, proposed Mt Dore open pits and other facilities

### MMI Soil Geochemistry

The **Heathrow prospect** consists of outcropping, sulphide-bearing gossans over 800 metres of strike length. These are associated with dolerite intrusions which present as a significant magnetic anomaly over 4.5km long (see Figure 4). Results of the MMI geochemical program indicated anomalous metal values, in particular copper and molybdenum over the known skarn and gossan outcrops with anomalous molybdenum and copper also showing up over several of the buried conductors defined by the SAM survey.

Results from the MMI soil survey show a clear association between copper (see Figure 5) and both Heathrow and JFK Gossans in outcrop. However the geochemical survey also shows highly anomalous copper values adjacent to the magnetic anomaly over approximately two kilometres of strike in close proximity to the granite contact.

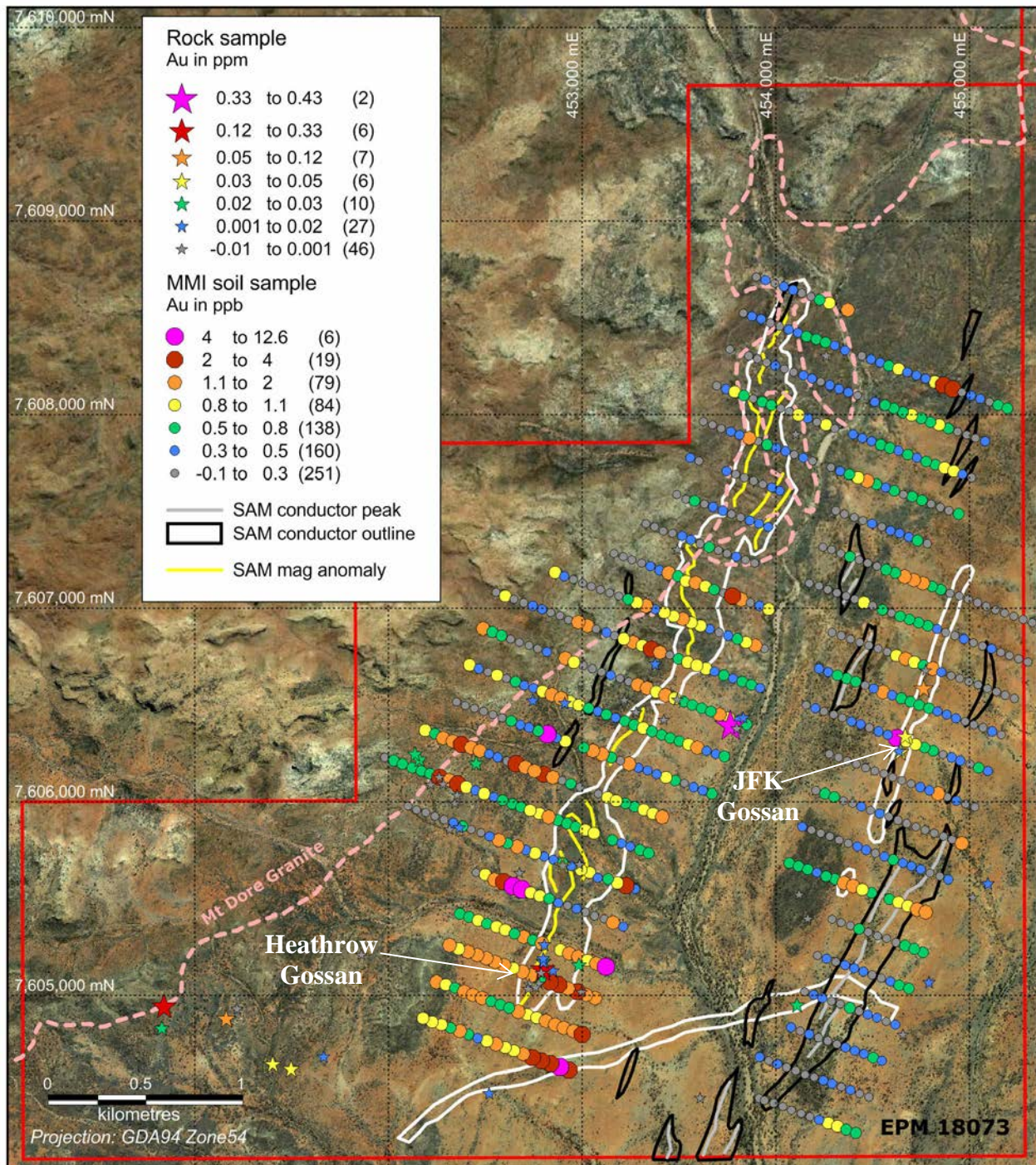




**Figure 5:** MMI soil sampling and rock chip sampling results at Heathrow prospect, showing copper over SAM magnetic data (greyscale), location of Heathrow and JFK Gossan. Note: highly magnetic responses appear as dark grey, weakly magnetic responses appear light grey.

The distribution of gold values (see Figure 6) and uranium (see Figure 7) is similar to the copper distribution in this area (between the magnetic anomaly and the granite contact) further supporting the anomalous nature of this zone. Anomalous gold values are also strongly developed immediately south-east of Heathrow Gossan.

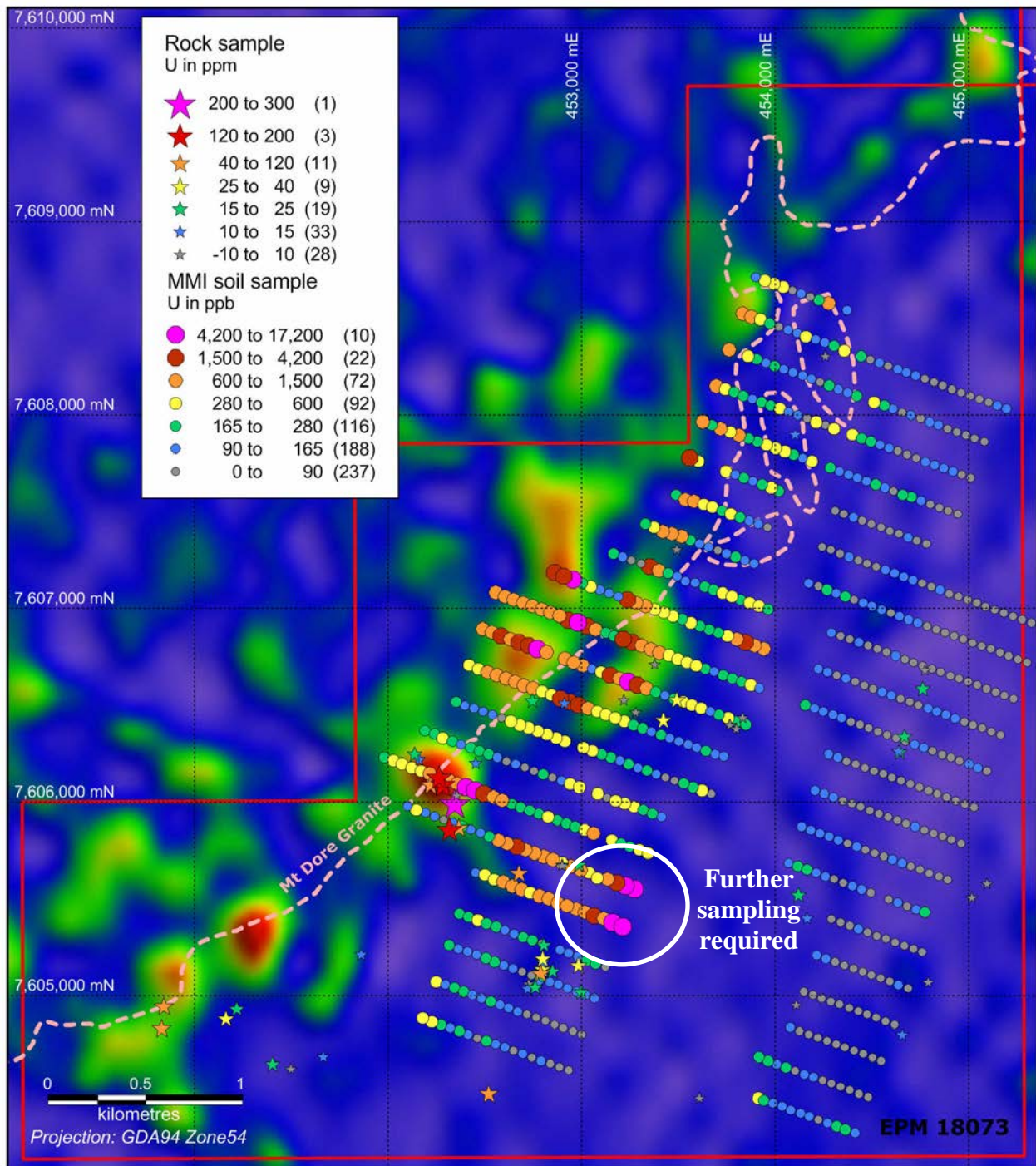




**Figure 6:** MMI soil sampling and rock chip sampling results, showing Au anomalies

Figure 7 also shows the coincidence of the uranium in soil anomalies with airborne radiometric image (ratio of uranium channel over thorium channel). The radiometric image shown was the key element in defining the splay structure south of the Mt Dore Granite which has attracted ActivEX into the area. One area of anomalous copper-uranium-rare earths, which is not coincident with the radiometrics requires follow-up sampling (see Figure 7).

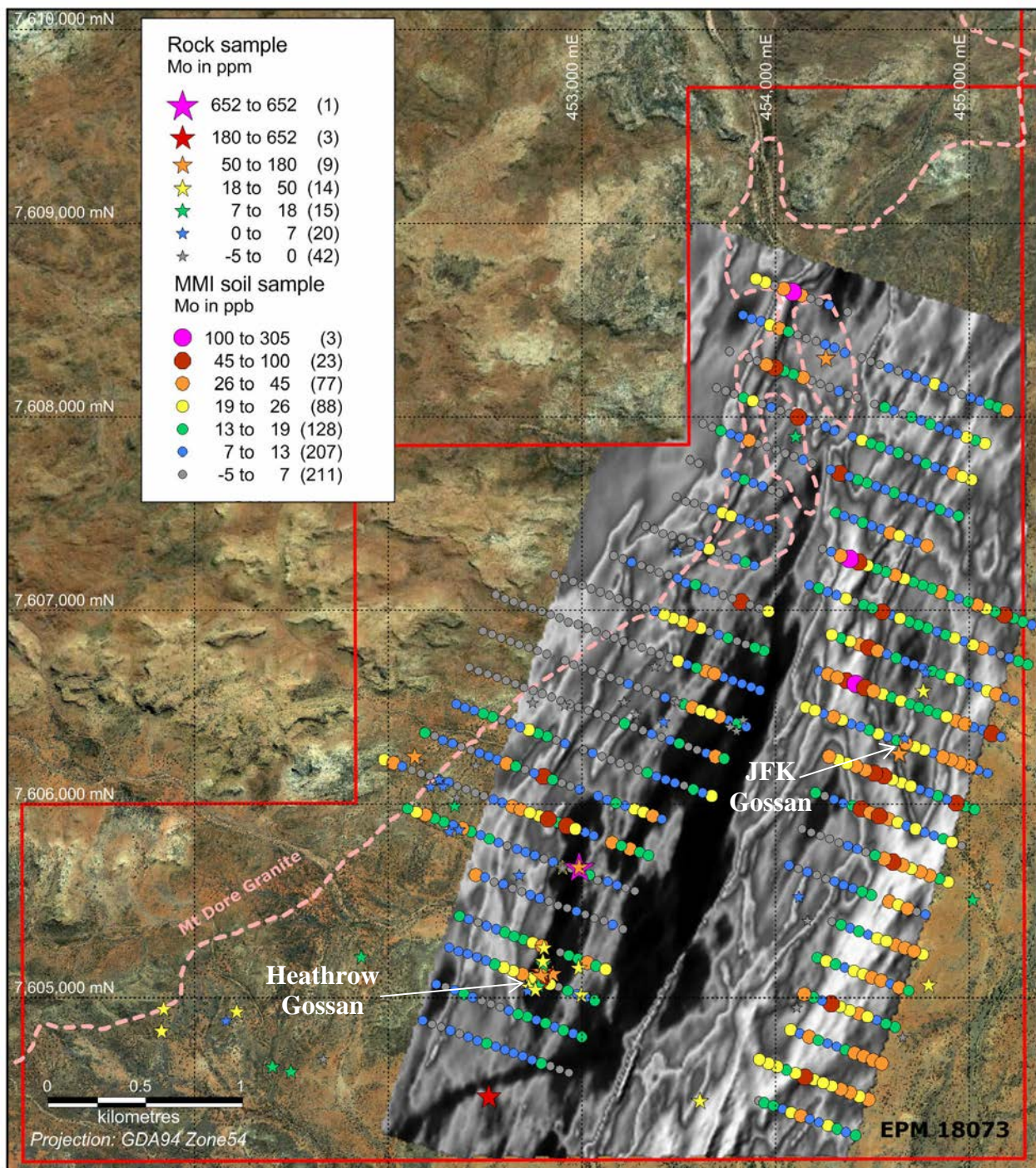




**Figure 7:** MMI soil sampling and rock chip sampling results, showing U anomalies over radiometric image showing uranium over thorium ratio

A surprising but encouraging result from the MMI soil geochemical program is a clear association between molybdenum (see Figure 8) and the Heathrow and JFK gossans but also a strong correlation of anomalous molybdenum values with conductors defined in the 2012 SAM survey. The conductors (white in Figure 8) trend NNE with interpreted cross-linking structures. Mo values are highest at these points of flexure and intersection and these locations present attractive drill targets.





**Figure 8:** MMI soil sampling and rock chip sampling results at Heathrow prospect, showing molybdenum over SAM conductivity data (greyscale). Note: highly conductive responses appear as light grey, weakly conductive responses appear dark grey.

The geochemical survey also defined anomalous cadmium associated with these SAM conductors. Elevated cadmium commonly reflects black shale, which is the favourable host lithology at the nearby Merlin Mo-Re deposit, held by Ivanhoe Australia.

Other outcomes from the survey include a similar pattern of anomalism is seen in all rare earth elements.



### **Rock Chip Sampling**

Gossans are exposed on the southern part of the magnetic anomaly (see Figure 4) with little outcrop found to the north due to shallow cover of granite sands. Rock chip samples from recent sampling of the gossans returned anomalous copper (to 0.18% Cu), molybdenum (to 72 ppm Mo), gold (to 0.43ppm Au), cobalt (to 190ppm Co) and tungsten (820ppm W). Rare earth elements were slightly elevated. The rock sampling has highlighted further anomalous samples extending south west of the soil grid along the granite contact (see Figures 5, 6, 7, 8). Further work in this area is required to define the extent of these gossans.

The results of the MMI geochemical survey in conjunction with the SAM geophysical survey will provide several drill targets in the area.

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## **PLANNED WORK PROGRAMS**

Activities planned for the next six months:-

- **Barambah:**
    - Phase 2 of RC drilling to test the high grade epithermal vein system between 150m and 200m below surface
  - **Selwyn East:**
    - Check mapping of anomalous zones to refine drill targets Heathrow area
    - Follow-up of gossan zone south-west of the Heathrow soil grid
    - RC drilling of resulting targets
  - **Cloncurry:**
    - Initial field inspections – Robur and Camel Hill
    - Trial MMI soil geochemistry over FBS and FBN
  - **Esk Trough:**
    - Complete soil sampling - Stockhaven area (in progress)
  - **Mt Leyshon:**
    - Initial field inspections
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For further information contact:-

Managing Director Doug Young or Company Secretary Paul Crawford

Ph (07) 3236-4188 or visit our website at [www.activex.com.au](http://www.activex.com.au)

*The information in this report that relates to exploration results and exploration targets is based on information compiled by Mr D. I. Young, who is a Registered Professional Geoscientist (RPGeo) and a Fellow of the Australian Institute of Geoscientists (FAIG) and Ms J. J. Hugenholtz, who is a Member of the Australian Institute of Geoscientists (MAIG). Both Mr Young (Managing Director) and Ms Hugenholtz (Exploration Manager) are full-time employees of ActivEX Limited and have sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and the activities being undertaken to qualify as a Competent Person as defined by the 2012 Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Young and Ms Hugenholtz consent to the inclusion of their names in this report and to the issue of this report in the form and context in which it appears.*

## Appendix

### 2012 JORC Code Section 1 - Sampling Techniques and Data

Criteria	Explanation
<b>MMI Soil Sampling techniques - Selwyn East</b>	<ul style="list-style-type: none"> <li>• Soil samples collected with hand pick at base of organic matter, samples sieved to -2mm, collected in zip lock plastic bags.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• Location by hand held Garmin GPS system.</li> <li>• Cloncurry district - Grid system MGA94, Zone 54.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• Samples taken at 50 metres spacings on lines 200m apart, no compositing of samples.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• Assays by SGS Mineral Services, Perth laboratory using standard MMI procedures and standard laboratory checks.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>• Sample bags packed in batches into polyweave bags for transport.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• Standard laboratory procedure only.</li> </ul>

Criteria	Explanation
<b>Rock sampling - Selwyn East</b>	<ul style="list-style-type: none"> <li>• Rock samples (selected grab samples) collected with hand pick collected in calico bags.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• Location by hand held Garmin GPS system.</li> <li>• Cloncurry district - Grid system MGA94, Zone 54.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• Selected samples, no specific distribution.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• Assays by SGS Mineral Services, Perth laboratory using standard MMI procedures and standard laboratory checks, FAA303, ICP40, IMS40Q, IMS12S.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>• Sample bags packed in batches into polyweave bags for transport.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• Standard laboratory procedure only.</li> </ul>

Criteria	Explanation
<b>Niton Soil Sampling techniques – Esk Trough</b>	<ul style="list-style-type: none"> <li>• Samples were prepared by scuffing a 10cm<sup>2</sup> area with the operator's shoe to remove any light vegetation and immediate top soil. The instrument was then used to analyse the area directly. The analyser window is checked for any foreign contaminant between samples.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• Location by hand held Garmin GPS system.</li> <li>• South east Queensland - Grid system AMG84, Zone 56.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• Samples taken at variable spacings between 50 to 100 metres spacings on lines 100 to 200m apart, no compositing of samples.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• Niton soil sampling has been carried out using a Niton XL3T-500 handheld XRF analyser on 'Soil' mode, using three filters, each with a 30 second duration to give a total analysing time of 90 seconds.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• The Niton XRF analyser is checked against five or more standards of varying compositions, prior to, and after operation each working day. The instrument is calibrated annually.</li> </ul>



## Section 2 Reporting of Exploration Results

Criteria	Explanation
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"><li>• <i>Refer to project discussion.</i></li></ul>
<i>Geology</i>	<ul style="list-style-type: none"><li>• <i>Refer to project descriptions.</i></li></ul>
<i>Further work</i>	<ul style="list-style-type: none"><li>• <i>Refer to Planned Work programs.</i></li></ul>