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## **March 2008 Quarterly Activities Report**

### **QUARTER HIGHLIGHTS**

- **Drilling results at Prospect Creek** – first-pass drilling at Prospect Creek – results were below expectations
- **Drilling to commence at Boobyjan** – drilling contractors are expected to be onsite at Boobyjan in April to commence drilling at Boobyjan and Sefton prospects
- **CSAMT surveys completed at Barambah** – interpretations show resistivity anomaly 500m south of the open pit coincident with elevated gold and silver values and outcropping vein structure
- **Field activities commence at Florence Creek Project** – initial field inspections identify copper gold potential in skarns in the Trump area and IOCG potential at three prospect locations.

### **OVERVIEW**

During the quarter the Company completed:-

- A drilling program at Prospect Creek with holes completed at Prairie Creek prospect and Gossans West prospect
- CSAMT surveys at Barambah
- Initial field activities at Florence Creek
- Lodgment of new applications (competing) for two EPMs in the Cloncurry district.

Drilling contractors are expected onsite in April to commence drilling at Boobyjan.

No activities of significance were carried out at Lake Monduran, Pentland and Westwood during the quarter.

### **Cash**

At the end of the quarter the Company held \$1.03 million in cash.

## PROSPECT CREEK

*(EPMs 14121 and 15980 - ActivEX 100%)*

During the quarter a first-pass drilling program has been completed at Prospect Creek.

At **Prairie Creek Prospect**, mapping and sampling of quartz epidote veining and silica flooding in several areas returned anomalous gold results which are targeted in the current program. The targets are along strike to the north and northeast of previous drilling by CRA Exploration which recorded significant gold intercepts (e.g. 52 m @ 2.1g/t Au).

Two holes were drilled at Prairie Creek:-

Hole_ID	Depth (m)	Dip	Azimuth	Easting	Northing
PCKH01	175	-60	170	230836	7280687
PCKH02	109	-60	220	231050	7280199

Results of the holes were below expectations with significant gold values recorded in one hole only, the best zone being 2m @ 0.93g/t Gold in PCKH01 (56-58m). Both holes intersected zones of quartz veining but in general the gold values were low. Elevated gold values such as the zone quoted coincided with increased quartz epidote veining densities.

At **Gossans West Prospect**, alteration pipes over multiple centres with widespread, significant alteration caps and epithermal quartz textures are targeted. Drilling was aimed to test anomalous zones of low level gold, arsenic and mercury interpreted to sit above high grade bonanza-style epithermal targets.

Six holes were drilled at Gossans West at three alteration pipes:-

Hole_ID	Depth (m)	Dip	Azimuth	Easting	Northing
GOWH01	157	-60	180	235362	7281070
GOWH02	120	-60	000	235365	7281060
GOWH03	175	-60	225	235310	7281000
GOWH04	127	-60	170	235330	7281000
GOWH05	193	-60	070	235365	7280965
GOWH06	133	-60	035	232912	7283070

Despite intersecting significant silica-clay alteration and pyrite (iron sulphide) mineralisation in the holes, the assay results of the Gossans West drilling recorded no significant gold values.. This suggests that deeper drilling may be required to target the mineralised zone.

## BOOUBYJAN

*(Booubyjan Joint Venture EPM 14476, 14979 - ActivEX 100%, Minotaur earning 51% and Mitsubishi companies earning 24%)*

Drilling is due to start in April on this project. The planned program consists of 7 holes at Booubyjan, 4 holes at Sefton and 4 holes at Dadamarine for approximately 3,400m. The holes are designed to test a variety of geophysical targets, mostly IP and resistivity anomalies and magnetic targets or combinations of both.

## **BARAMBAH**

*(Barambah Joint Venture EPM 14937 - ActivEX earning 50% with the right to earn 75%)*

In January, ActivEX completed a CSAMT survey at Barambah. The survey consisted of seven lines of CSAMT (controlled source audio magneto tellurics). CSAMT is an electrical geophysical method used to define resistivity responses at depth, in this case targeting the Barambah epithermal vein system below the open pit and extensions, north and south of the high grade gold-silver vein system. Modelling of the resultant data has found only poor or non-existent resistivity responses from the vein structure in the area of the open pit and to the north of the open pit. On one line, 500m south of the open pit (the southern most line of the CSAMT survey) a resistivity anomaly was identified which is associated with vein outcrops and anomalous gold in soils.

A drilling program is proposed to test the down dip extensions of the vein system in the vicinity of the open pit and should be carried out following the Booubyjan program. Drilling of the CSAMT target south of the open pit will be considered during this program.

## **ESK TROUGH PROJECTS**

*(EPM 15770, 16265, 16327, Applications 16817, 16993 and 17092 - ActivEX 100%)*

Work has continued on the Esk Trough research project with initial compilation of geochemical data, geophysical data and imagery and initial structural analysis complete.

Internationally regarded consultant, Dr Greg Corbett will assess the data and project areas commencing in April.

Work, consisting of infill stream sampling, geological mapping and sampling on the Mt Miner EPM has been completed over the last year. Due to insufficient encouragement from this work it has been decided to relinquish this EPM 15770.

## **FLORENCE CREEK**

*(EPM 15285 - ActivEX 100%)*

Assignment of this EPM to ActivEX has been completed and field activities commenced with an inspection of the whole area and locations of known mineralisation.

Initial investigations have shown the area is prospective for two style of mineralisation: -

- skarn style copper-gold-uranium targets similar to Mary Kathleen uranium and Ivanhoe's Mt Elliott/Swan copper gold deposits at Selwyn.
- IOCG (iron-oxide-copper-gold-uranium) deposits similar to the Starra deposits at Selwyn and to the large (Xstrata owned) Ernest Henry deposit near Cloncurry.

Skarn targets in the EPM are represented at Trump and Dandy, Florence Bore, Emerald Well and Wallaces Hill prospects. These areas have been targeted in the past by shallow drilling programs aimed principally at magnetic targets in the skarn zones. The drilling intersected significant copper – gold mineralisation at the Trump and at Florence Bore prospect and copper gold uranium mineralisation has been identified at Wallaces Hill.

Significant intersections of copper-gold mineralisation have including:-

- 4m @ 3% Cu and 0.3g/t Au at **Florence Bore**

- 12m @ 2.9% Cu and 0.38g/t Au from the **Trump** line of lode (note parts of this drilling program occurred on a small 12 hectare Mining Lease which is excised from EPM 15285).
- Rock samples from Wallaces Hill recorded up to 8% copper and 256 ppm uranium.

ActivEX is carrying out a review of aeromagnetic and radiometric data in this area to refine skarn style target areas prior to more detailed field work in the area.

IOCG styles of mineralisation have been recognised, outcropping at three locations in the EPM at Pokara, Ironclad and WC Prospects. In these areas copper mineralised haematitic granite breccias occur on structures and associated with areas of intense red rock alteration within the granite. No drilling has been carried out on these prospects in the past.



*Haematitic granite breccia with associated copper mineralisation, WC Prospect*

ActivEX has planned a gravity program in the area which should commence in April. Gravity and magnetics are the key tools in the search for IOCG deposits.



*Haematitic granite breccias at Ironclad Prospect, Florence Creek EPM, copper workings occur along strike*

## **EPM APPLICATIONS**

ActivEX has applied for two additional areas in the Cloncurry district. In both cases the applications are competitive with other companies. One of the areas adjoins the Florence Creek EPM and contains extensions of the prospective zone surrounding the Wimberu Granite. The other area, south of Cloncurry, is prospective for gold and zinc mineralisation.

## **PLANNED WORK PROGRAMS**

Activities scheduled for the next six months:-

- **Booubyjan JV** – drilling contractors are expected on site in April
- **Barambah JV** – drilling contractors to carry out a program to test around the open pit and the southern extensions of the gold-silver vein system after completing drilling program at Booubyjan
- **Lake Monduran** – cultural heritage and forestry clearances are being undertaken for all drill sites and drilling will follow the clearances
- **Florence Creek** – gravity program to commence in April, review of aeromagnetic data in progress
- **Pentland** – funding proposals for the drilling program are being considered
- **Esk Trough** – consultant review in April.

For further information contact Managing Director Doug Young or Company Secretary Paul Crawford on (07) 3236-4188

*The information in this report that relates to exploration results is based on information compiled by Mr D. I. Young, who is a Fellow of the Australian Institute of Geoscientists and a full-time employee of ActivEX Limited. Mr Young has sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and the activities which he is undertaking to qualify as a Competent Person as defined by the most recent Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Young consents to the inclusion of his name in this report and to the issue of this report in the form and context in which it appears.*