



ActivEX Limited
A.C.N. 113 452 896
117 Quay Street
BRISBANE QLD 4000
P.O. Box 217
PADDINGTON QLD 4064
P: (07) 3236 4188
F: (07) 3236 4288
E: admin@activex.com.au

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Rare Earths upgrade for Florence Project

Cloncurry District, north-west Queensland

- **Further testing of rock samples and drill pulps return high rare earth oxide (REO) values from previously announced copper-cobalt intersections at Florence**
- **Drill intersections from Florence Bore South prospect consistently high in rare earths**
- **Drill results sufficiently encouraging to investigate methods for extraction of rare earths**
- **Rock samples from Florence Flat EPM return up to 1% TREO (total REO)**
- **Multiple high TREO values from rock samples at Sterling prospect with up to 0.45% TREO**

ActivEX Limited (**ASX: AIV**) is pleased to announce an update for rare earth oxide (REO) analyses at its Florence Project in the Cloncurry district.

244 drill samples (pulp) from drilling campaigns in 2011 were tested for Yttrium (Y) and rare earth elements (REEs). Included in the review of pulps were 23 samples which exceeded the accuracy and precision of the laboratory method used at the time. The samples were re-assayed using a more appropriate laboratory technique which significantly upgraded the results. All samples have previously been assayed and reported for base metals and gold (release date – 5 October 2011).

In addition, 105 rock chip samples (pulp) were tested for Yttrium (Y) and rare earth elements (REEs), these rock samples were principally taken from Florence Flat (EPM 17805) and Mt Agate areas (EPM 14955 – joint venture with Carpentaria Exploration Limited, **ASX: CAP**).

On releasing the latest results, Managing Director of ActivEX, Mr Doug Young, said “This is an encouraging upgrade. These elements can significantly enhance the importance of the copper-cobalt mineralised zones and potentially provide a high value co-product if we can extract them.” He went on to say “At Florence Bore South, using current prices, the rare earths content of the intersections is worth significantly more than the copper-cobalt content. Of course, we are aware of the extreme volatility in pricing of these elements. The results however are sufficiently encouraging to progress to the next stage which is to investigate the extractability of the material.”

Drill sample results for rare earth oxides

Samples from 12 holes drilled in the 2011 campaigns were selected based on copper/cobalt and lanthanum content and re-assayed for rare earths (utilising both laboratory methods). Anomalous TREO results were returned from 8 holes.

At Florence Bore South anomalous TREOs were intersected from all 6 holes assayed. These results support the anomalous TREOs returned from the 2010 drilling. A full list of anomalous intersections is shown in Table 1 and a plan view of the Florence Bore South drilling is shown in Figure 1.



Figure 1 shows histograms of copper plus cobalt \$ values (green histogram) against TREO \$ values (purple histogram). It shows general coincidence of the high REO values with the copper-cobalt mineralised areas although complete assaying outside of the copper mineralised zones has not been completed. It also shows several highly anomalous REO zones associated with low copper-cobalt grades. In association with the copper mineralisation the mineralised zone appears to be widening to the north-east.

Further assaying outside the known mineralised zones is planned. In addition, petrological work has commenced on the higher grade zones to determine the mineral assemblages hosting the rare earth oxides. Uranium values from the Florence Bore South mineralisation are low (<50ppm) suggesting uranium should not be a deleterious element in any rare earth concentrate.

Rock sample results for rare earth oxides

Results of the rare earth rock sampling program (105 new samples) are shown in Table 2 and locations along with prospect locations are shown on Figure 2.

Multiple rock samples, anomalous in TREOs were returned from the Sterling and Florence Flat prospects. Sample FFR007 from Florence Flat returned a maximum value of 1.01% (10,199ppm) TREO and samples from the Sterling prospect returned several samples with >0.2% (2,000ppm) TREO. Both areas are dominated by light rare earths which is typical of iron oxide copper-gold (IOCG) deposits. They also contrast relatively poor rock chip results at Florence Bore South (see Figure 2) despite the encouraging results intersected in drilling there.

Drilling at Sterling is planned for early in 2012.

Notes

In calculating the value of metals the following metal prices (correct at 27-01-2012) were used. At this stage the Company has insufficient information regarding the extraction of the rare earth elements to calculate a “copper equivalent” grade.

Metal	Price USD/kg	Source
Copper	8.35	www.lme.com
Cobalt	33.50	www.lme.com
CeO2	45.00	www.mineralprices.com
Dy2O3	1500.00	www.mineralprices.com
Er2O3	175.00	www.mineralprices.com
Eu2O3	3850.00	www.mineralprices.com
Gd2O3	130.00	www.mineralprices.com
La2O3	50.00	www.mineralprices.com
Nd2O3	175.00	www.mineralprices.com
Pr6O11	150.00	www.mineralprices.com
Sm2O3	79.00	www.metalprices.com
Tb4O7	2400.00	www.mineralprices.com
Y2O3	95.00	www.mineralprices.com

For further information contact:

Mr Doug Young, Managing Director or Mr Paul Crawford, Company Secretary

Tel: (07) 3236-4188

Fax: (07) 3236-4288

Email: admin@activex.com.au

Web: www.activex.com.au

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 Ms J. J. Hugenholtz, who is a Member of the Australian Institute of Geoscientists. Both Mr Young and Ms Hugenholtz 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 most recent Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. 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.

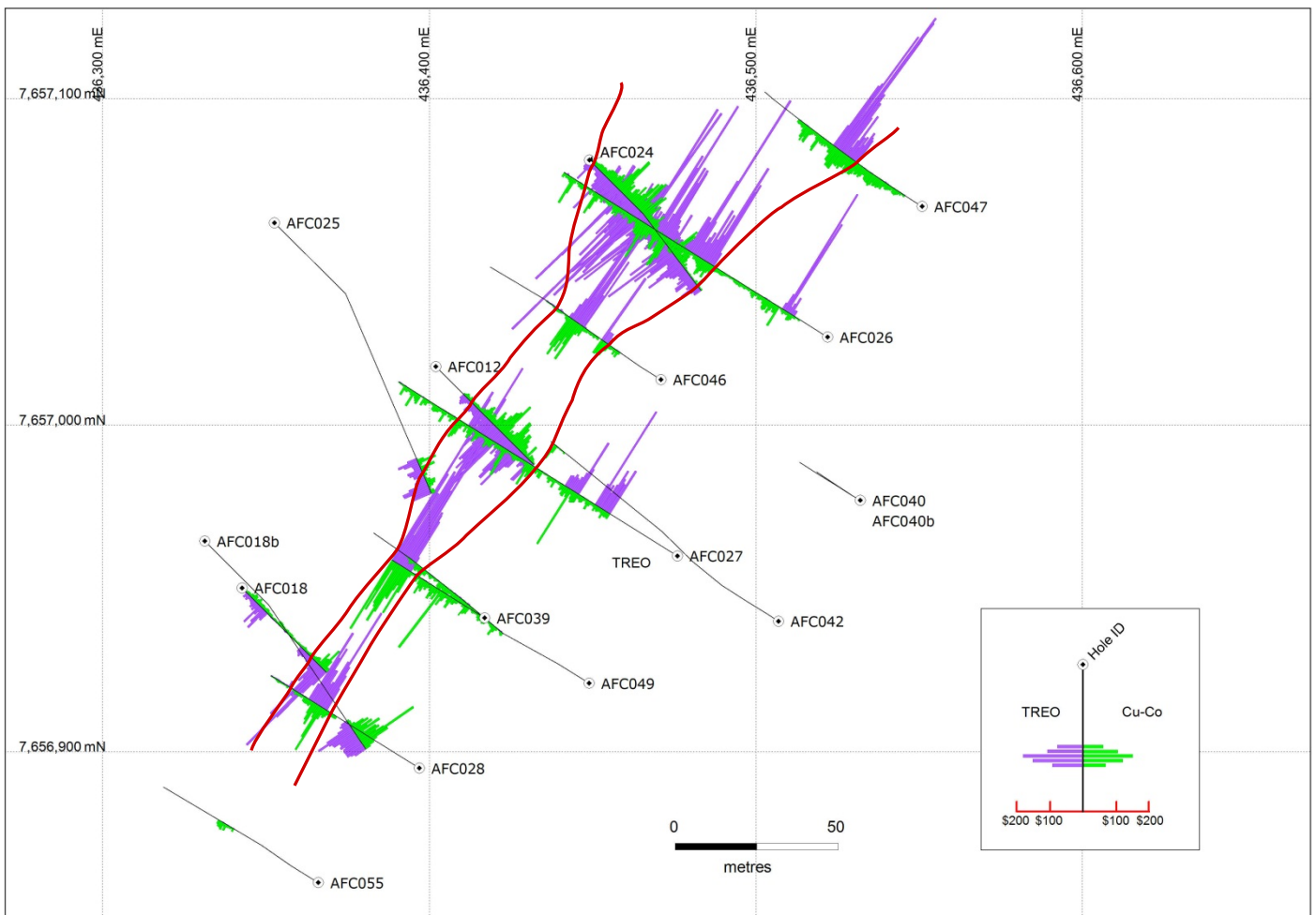


Figure 1 Florence Bore South, TREO \$ values against copper+cobalt \$ values

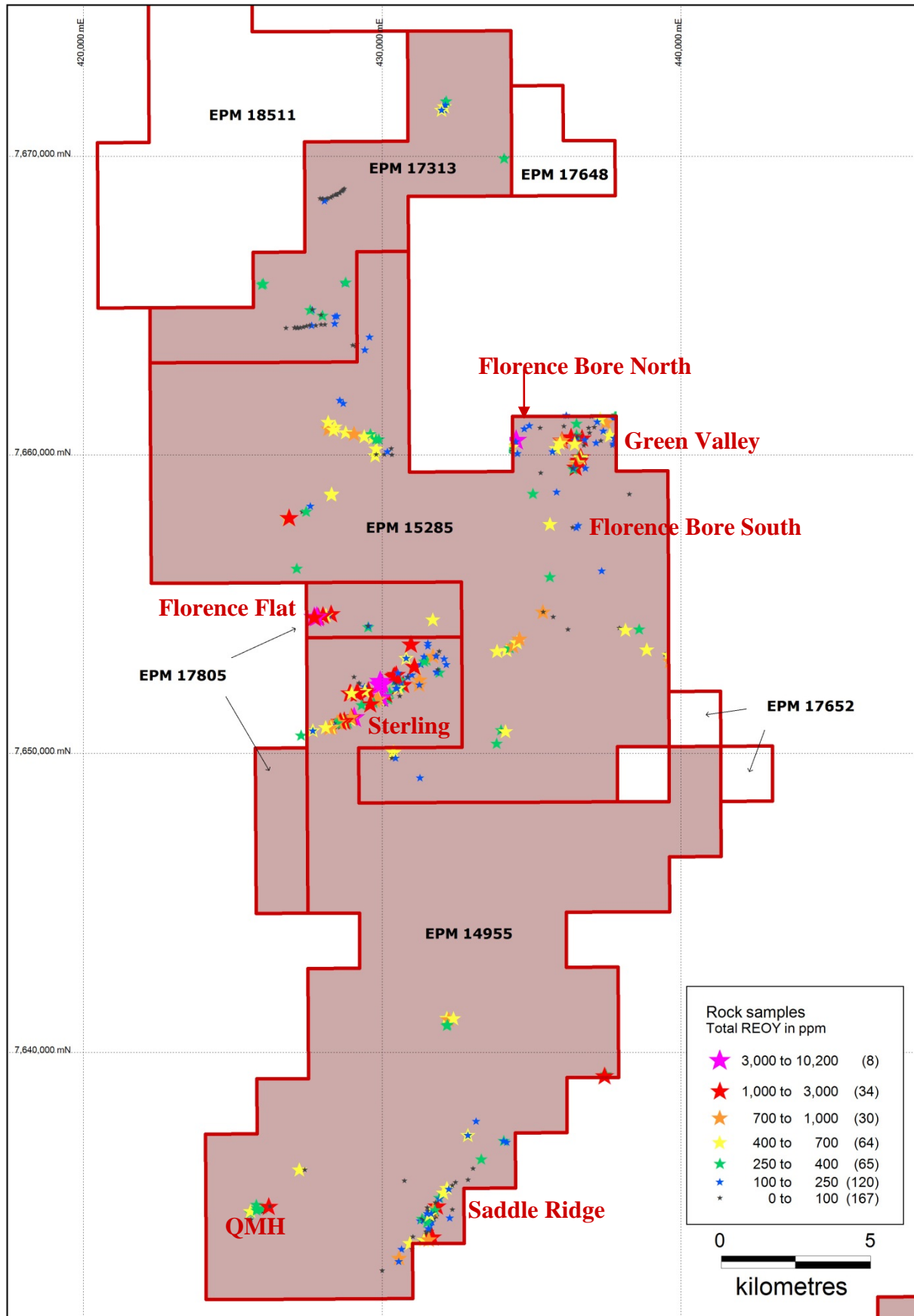


Figure 2 Rock chip results for Florence Project showing prospect areas, Cloncurry district

Table 1 Anomalous REO composite results from re-assays of drill pulps – Florence Bore South

Drill Hole				Base metals		Light rare earth oxides (LREO) ppm							Heavy rare earth oxides (HREO) ppm							Total REO	Total HREO	
Hole	From m	To m	Width m	Cu %	Co ppm	Y ₂ O ₃	La ₂ O ₃	CeO ₂	Pr ₆ O ₁₁	Nd ₂ O ₃	Sm ₂ O ₃	Eu ₂ O ₃	Gd ₂ O ₃	Tb ₄ O ₇	Dy ₂ O ₃	Ho ₂ O ₃	Er ₂ O ₃	Tm ₂ O ₃	Yb ₂ O ₃			Lu ₂ O ₃
AFC012	44	75	31	0.48	120	239	16	57	7	31	11	4	18	4	29	7	23	3	25	4	479	353
incl	50	59	9	0.72	103	390	13	59	7	34	14	5	25	6	45	11	38	6	43	8	705	572
AFC018	64	73	9	0.34	56	345	9	42	6	34	15	5	24	5	38	10	32	5	38	7	615	503
incl	66	72	6	0.44	45	446	12	49	7	42	18	6	30	7	48	12	42	7	49	9	786	650
AFC018b	140	157	17	0.66	187	158	4	35	4	20	7	2	11	2	17	4	14	2	16	3	300	229
AFC024	12	60	48	0.50	56	179	69	176	25	100	24	6	26	5	33	8	25	4	25	4	708	308
incl	28	30	2	0.47	38	94	452	614	156	576	95	17	63	7	25	4	11	1	8	1	2123	214
and	39	48	9	0.85	71	473	20	112	15	77	30	10	51	12	93	23	75	11	80	13	1095	832
and	55	57	2	0.40	81	328	94	341	43	206	58	13	54	10	60	13	38	5	37	5	1308	552
AFC024	71	92	21	0.35	102	156	15	60	8	35	11	3	15	3	22	5	18	3	20	3	378	246
AFC025	167	175	8	0.16	25	95	16	51	5	21	7	4	9	2	12	3	9	1	10	2	246	142
AFC026	29	31	2	0.08	75	239	574	1436	161	523	77	13	44	6	36	7	22	3	17	2	3160	376
AFC026	82	99	17	0.26	170	226	127	318	41	149	30	8	29	5	31	7	21	3	21	3	1018	346
incl	82	85	3	0.38	84	471	66	246	35	143	40	16	52	10	67	16	50	7	53	8	1280	734
and	94	96	2	0.03	126	439	564	1306	151	497	77	13	54	8	51	11	37	5	32	5	3252	643
AFC026	106	154	48	0.36	93	188	32	95	13	52	15	5	18	3	23	5	18	3	19	3	493	281
incl	112	121	9	0.68	85	315	106	269	34	133	33	13	36	6	43	10	32	5	34	5	1072	485
and	118	121	3	0.54	86	366	201	464	57	212	51	22	53	9	55	12	38	5	38	6	1587	581
AFC027	50	61	11	0.15	124	171	67	171	22	88	21	5	24	4	24	5	15	2	14	2	637	262
AFC028	67	80	13	0.56	73	344	9	45	7	36	15	5	27	5	40	10	35	5	41	7	632	515
incl	70	71	1	1.80	78	858	29	90	13	67	28	10	56	12	97	24	92	13	98	18	1507	1269
AFC039	53	67	14	1.42	230	700	40	117	17	84	32	10	59	13	93	21	74	10	72	12	1355	1054
AFC046	60	68	8	1.13	123	613	66	203	27	114	32	10	51	11	80	18	63	9	60	10	1368	915
incl	60	65	5	1.03	116	934	96	290	39	165	47	15	76	16	121	28	96	13	91	15	2044	1392
AFC047	57	78	21	0.54	66	428	20	67	10	47	18	6	31	7	50	12	43	6	46	8	799	631
incl	71	75	4	0.73	129	1095	65	161	21	92	38	14	73	17	131	32	117	17	117	20	2008	1618

Table 2 Anomalous REO results from re-assays of rock chip samples – Florence Project areas

Sample No	Precious / Base metals				Light rare earth oxides (LREO) ppm								Heavy rare earth oxides (HREO) ppm							Total REO	Total HREO
	Cu %	Co ppm	Au ppm	Mo ppm	Y ₂ O ₃	La ₂ O ₃	CeO ₂	Pr ₆ O ₁₁	Nd ₂ O ₃	Sm ₂ O ₃	Eu ₂ O ₃	Gd ₂ O ₃	Tb ₄ O ₇	Dy ₂ O ₃	Ho ₂ O ₃	Er ₂ O ₃	Tm ₂ O ₃	Yb ₂ O ₃	Lu ₂ O ₃		
FFR003	0.001	-1	0.64	112	81	368	617	54	144	19	3	14	2	14	3	8	1	5	1	1334	129
FFR004	0.002	1	-0.01	32	137	983	904	81	204	26	5	22	4	21	4	12	1	8	1	2413	210
FFR005	0.002	9	-0.01	70	202	1196	1560	121	332	37	6	25	4	28	6	18	2	14	2	3552	300
FFR007	0.002	4	-0.01	79	108	3636	4570	436	1117	144	24	94	10	40	5	9	1	4	0	10199	272
FFR008	0.003	4	-0.01	22	69	569	865	83	221	30	5	20	3	13	2	6	1	5	1	1891	119
MAR253	0.032	33	0.01	193	51	581	930	79	204	27	6	18	2	10	2	5	1	4	1	1919	93
MAR256	0.095	14	0.14	107	47	1093	1511	95	202	16	3	9	1	7	1	4	1	4	1	2995	76
MAR257	0.02	-1	0.01	86	21	364	528	38	89	9	2	6	1	4	1	2	0	1	0	1065	36
MAR258	0.484	12	0.29	443	30	639	1034	75	179	19	4	12	1	7	1	3	0	2	0	2007	56
MAR260	0.273	15	0.05	10	65	904	1228	91	211	22	5	14	2	11	2	6	1	6	1	2568	107
MAR265	0.078	8	-0.01	303	97	1372	2211	190	495	63	11	37	4	18	3	8	1	6	1	4517	176
MAR266	0.004	-1	0.09	206	33	820	846	49	115	14	3	10	1	6	1	3	0	1	0	1902	56
MAR272	0.004	-1	0.01	84	42	622	961	79	207	25	5	13	2	8	1	4	0	3	0	1971	73
MAR273	0.011	2	0.04	16	48	317	468	41	110	14	3	10	1	8	2	4	1	4	1	1031	79
MAR278	0.075	2	-0.01	19	48	372	658	56	152	21	4	14	2	9	2	5	1	4	0	1348	85
MAR279	0.078	-1	0.01	45	44	293	502	48	151	21	4	17	2	8	1	3	0	3	0	1100	80
MAR326	0.058	423	-0.01	17	209	246	319	64	239	47	9	39	6	36	6	17	2	12	2	1254	329
MAR357	0.011	90	-0.01	1	52	414	684	64	187	27	5	17	2	10	2	5	1	4	1	1475	94
MAR361	0.005	5	0.05	673	50	1102	1597	111	260	26	5	16	2	10	2	4	0	3	0	3189	87
MAR362	0.009	8	0.05	296	19	1141	1671	121	274	26	5	13	1	5	1	2	0	1	0	3280	42
MAR363	0.001	8	-0.01	2	19	317	579	48	145	22	4	13	1	5	1	2	0	1	0	1155	41