ActivEX Limited.
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2 May 2013

Dear Fellow Shareholder,

On behalf of ActivEX Limited, I am pleased to invite you to participate in a 3 for 5 non-renounceable entitlement offer of new ordinary shares in ActivEX (New Shares), on the basis of 3 New Shares for every 5 shares currently held, at an offer price of 1.2 cents per New Share to raise up to approximately $1.76 million before costs (Entitlement Offer).

ActivEX intends to use the proceeds of the Entitlement Offer mainly to fund further drilling of the Barambah high grade epithermal gold-silver project in South-East Queensland, to carry out initial drilling at the Siviour Graphite prospect in South Australia and also at the Heathrow copper-gold-molybdenum prospect at Selwyn East near Cloncurry in Northwest Queensland, with the balance for operational costs. Further details of the use of funds will be provided in the Investor Presentation to be released with the offer document for the Entitlement Offer, a copy of which will be available from ActivEX's website www.activex.com.au.

Takeover Information

ActivEX announced on 16 April 2013 that it had received a conditional Expression of Interest from its major shareholder, ASF Group Limited, in making an off-market takeover offer for all of the shares in ActivEX that it doesn't currently own at 2 cents per share.

The general principles of the Entitlement Offer now announced have been the subject of several previous ActivEX Board meetings up until early April, attended by all Directors where these principles received general support.

On 30 April 2012, ActivEX received the bidder's statement issued by an ASF Group Limited subsidiary which contains conditions envisaged by the Expression of Interest. The announced bid price per share remains the same at $0.02 per share. ActivEX Directors have not yet determined their response to the bidder's statement. However, because the bidder (as an ASF Group Limited subsidiary) has representatives on the Board of ActivEX, ActivEX is required, by the takeover provisions in the Corporations Act, to engage an independent expert to report on the bid. This report is required to state whether or not in the expert's opinion, the takeover offer for ActivEX shares is fair and reasonable, giving reasons. The ActivEX Directors will be required to take into account the costs of the takeover in this fundraising as well as prepare for the contingency that the Company's exploration plans should be nevertheless funded now, having regard to the scenario that the takeover might not proceed or having regard to the possibility of the ASF Group not achieving control of ActivEX. In the interim, the Entitlement Offer will ensure that ActivEX is appropriately funded.

In regard to the takeover the independent directors of ActivEX have recommended that until the independent expert's report is received, shareholders should **TAKE NO ACTION** in relation to their shares.

A copy of the bidder's statement referred to will be sent to ActivEX Shareholders with the Entitlement Offer document as a source of information. In terms of clause 11.2 of the ASF Group offer to be made under the bidder's statement, Entitlement Shares are not covered by the bidder's offer. Additionally, the issue by ActivEX of Entitlement Shares would seem to conflict with one of the preconditions of the bid (see clause 11.23.4 of the bidder's statement) and may allow the bidder not to proceed with the bid.

Overview of Entitlement Offer

The Entitlement Offer will be made to all ActivEX shareholders who are registered holders of ActivEX shares and have a registered address in Australia or New Zealand as at 7.00pm AEST, Friday, 10 May 2013 (Eligible Shareholders). Shareholders not satisfying these criteria will not be eligible to participate in the Entitlement Offer.

The offer will be for 3 new shares for every 5 shares held on the Record Date (10 May 2013). All fractional entitlements to new shares will be rounded up to the nearest whole number.

Entitlements are non-renounceable and will not be traded on ASX or otherwise transferable. Eligible Shareholders who do not take up their entitlements in full will be diluted and will not receive any value in respect of those entitlements they do not take up. Eligible Shareholders will be able to apply for New Shares in excess of their entitlement. In addition, the Company will have the right to place any New Shares not subscribed for prior to the closing date (being Tuesday 28 May 2013) within a 3 month window following the closing date.

Patersons Securities Limited (**Patersons**) has been appointed Lead Manager to the issue, though the offer is not underwritten. New shares not taken up through the applications of Eligible Shareholders will become 'Shortfall Shares' which can be applied for by Eligible Shareholders and any residual shares not applied for may be placed by Patersons. Patersons will earn a 2% fee on all funds raised as well as earning a 5% fee on submitted funds for Shortfall Shares which are placed. A handling fee of 2% will be paid by the Company to brokers lodging entitlement applications on behalf of their clients.

Offer Documents

Offer documents and a personalised Entitlement and Application Form detailing their entitlements, will be mailed to all Eligible Shareholders on Tuesday, 14 May 2013. Shareholders wishing to participate in the Entitlement Offer should read the Offer documents in full and consult their stockbroker, accountant or other independent professional advisor to evaluate whether or not to participate in the Entitlement Offer. The Entitlement Offer is to close at 5.00pm Brisbane time on Tuesday 28 May 2013. Option holders are not eligible to participate in the Entitlement Offer unless their options are converted to shares by the Record Date.

Investment Opportunity

The Entitlement Offer provides Eligible Shareholders with an opportunity to participate in the Company's continued investment in exploration on its key projects. These include:

- the Barambah high grade epithermal gold-silver project in South-East Queensland, where drilling to date has encountered bonanza grades at shallow depths, including:
    - 2 metres @ 15.9g/t Au and 1,556g/t Ag
    - 17.2m @ 5.0g/t Au and 118g/t Ag; and
    - 5.4m @ 2.6g/t Au and 247g/t Ag
- the Selwyn-East Prospect near Cloncurry in Northwest Queensland, prospective for copper-gold-molybdenum deposits (drilling of coincident geochemical and geophysical anomalies is planned in the coming months); and
- the recently acquired Siviour Graphite prospect on the Eyre Peninsula in South Australia, targeting a high grade open pittable graphite ore body containing coarse flake graphite (previous drilling intersected 12.4 metres @ 8.1% Total Graphite Content from 68 metres depth, on the edge of a well-defined electromagnetic anomaly that will also be drilled by ActivEX in the coming months).
- The offer price for the Entitlement Offer represents a 50% discount to the closing price of 1.8 cents per share on 1 May 2013 (being the last trading day prior to the announcement of the Entitlement Offer).

Further Information

For further information on the Entitlements Offer please contact our office on (07) 3236 4188.

On behalf of the Board, I would like to thank you for your continued support of the Company.

Yours sincerely

R.E. Keevers

R.E. (Dick) Keevers

Chairman