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September 2006 Quarterly Activities Report

QUARTER HIGHLIGHTS

- Soil and rock sampling programs have confirmed a possible north trend at the Prairie Creek Prospect. Results include the highest gold in soil values found to date at the prospect. The sampling has also enabled the definition of key pipes at Gossans West.
- Drilling results have been received and compiled for the first drilling campaign at the Booubyjan Project. Assay results revealed several zones of low grade copper and gold mineralisation despite not being as definitive as expected. Alteration and mineral assemblages seen in the holes were encouraging.
- Anomalous gold values up to 2.3g/t Au have been found associated with stockwork quartz veins from the Native Dog molybdenum and tungsten workings. Detailed follow-up sampling is planned.
- Application has been made for two new Exploration Permits in southern Queensland targeting intrusive related gold-copper mineralisation styles.
- At the end of the quarter the Company held \$2.46 million in cash.

OVERVIEW

Principal activities during the quarter were the completion and listing of the loyalty option entitlement issue, completion of the first drilling campaign at Booubyjan, ongoing mapping and sampling at Prospect Creek and at Lake Monduran and the application for new EPMs in southern Queensland.

CORPORATE

During the quarter the Company completed the issue of a non-renounceable rights issue of 1 Option for every 2 Shares held at 5 July 2006 at an issue price of 1 cent per Option. The "loyalty" options were flagged under the Company's January 2006 Prospectus and the issue closed on 21 July 2006. The Options are exercisable at 20cents each on or before 27 February 2009.

At the closure of the acceptance period, applications were received for 77.2% of entitlements reflecting a high level of shareholder support.

The remaining shortfall of 3,471,405 options was placed by the underwriter to the issue, Novus Capital Limited. A total of \$151,944 was raised. Application for Official Quotation of

15,194,361 options was made to the Australian Stock Exchange and listing of the options occurred on 24 July on a deferred settlement basis.

Cash

At the end of the quarter the Company held \$2.46 million in cash.

EXPLORATION

Exploration activities during the quarter included completion of the first drilling campaign at Boobyjan, ongoing mapping and sampling at Prospect Creek and at Lake Monduran. The Company has made application for two additional EPMs in the eastern Queensland area bringing the total ground holding to 2508 km².

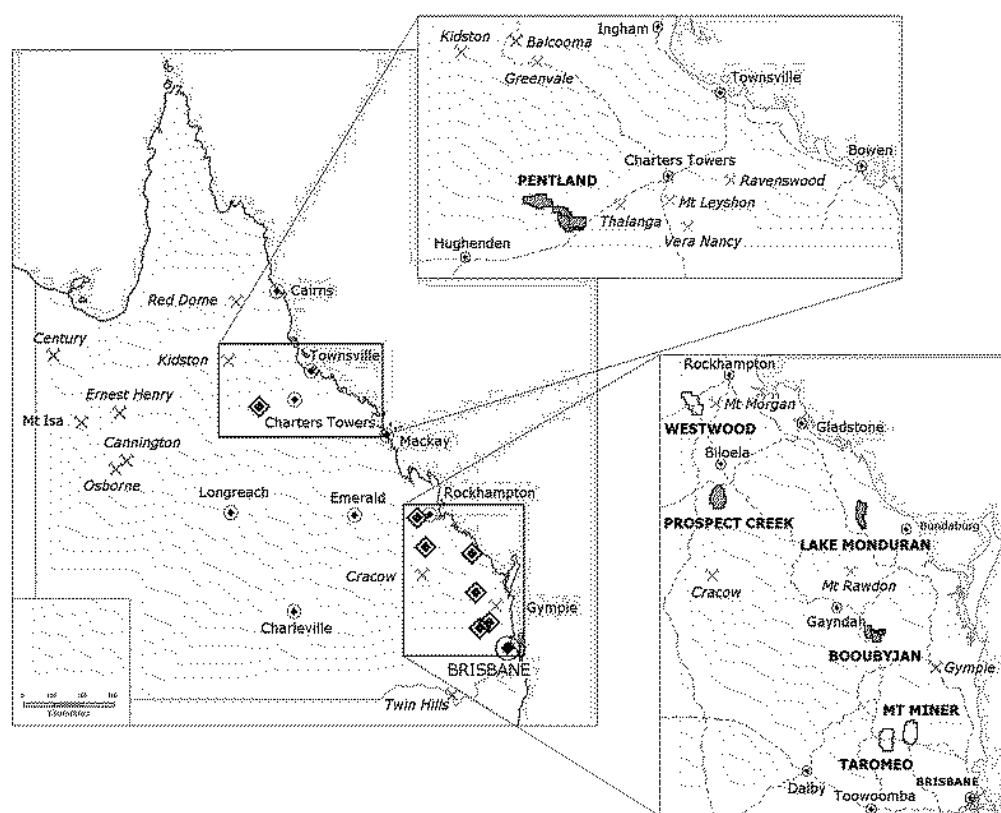


Figure 1: ActivEX Limited Exploration Projects.

PROSPECT CREEK

Previous work has indicated the area is highly prospective for epithermal bonanza-style gold mineralisation similar to gold operations at Vera Nancy and Cracow in Queensland. Geological mapping and sampling of the alteration systems at Prairie Creek and Gossans West Prospects has revealed the areas of interest are more widespread than originally interpreted and carry anomalous gold values. Results of the sampling program have defined highly anomalous extensions at Prairie Creek and enabled the definition of key pipes at Gossans West.

At **Prairie Creek Prospect**, mapping of quartz epidote veining and silica flooding in several localities outside of the original grid has shown the system is more extensive than previously

thought (as predicted in the Company's January 2006 prospectus). A number of ridge and spur soil lines were conducted to test the interpreted extensions to the north and north-east of previous drilling (see Figure 2).

Results of the soil and rock sampling program to date have identified the highest values of gold in soil sampling found in the area. A peak value of 5.3g/t Au in soils within an anomalous zone 200m wide is associated with quartz epidote veining and alteration located 450m north of the previous soil grid. This confirms the interpretation of a north trending system which opens up the area to possible significant extensions both north and south of the grid area.

Significant gold intercepts (e.g. 52 m @ 2.1g/t Au) were achieved by a previous explorer's drilling on the southern part of the grid within the epidote veining and silica zones.

The discovery of new anomalous areas means that further sampling of the trend and its extensions is prudent prior to selecting drill targets in the area. This sampling is in progress.

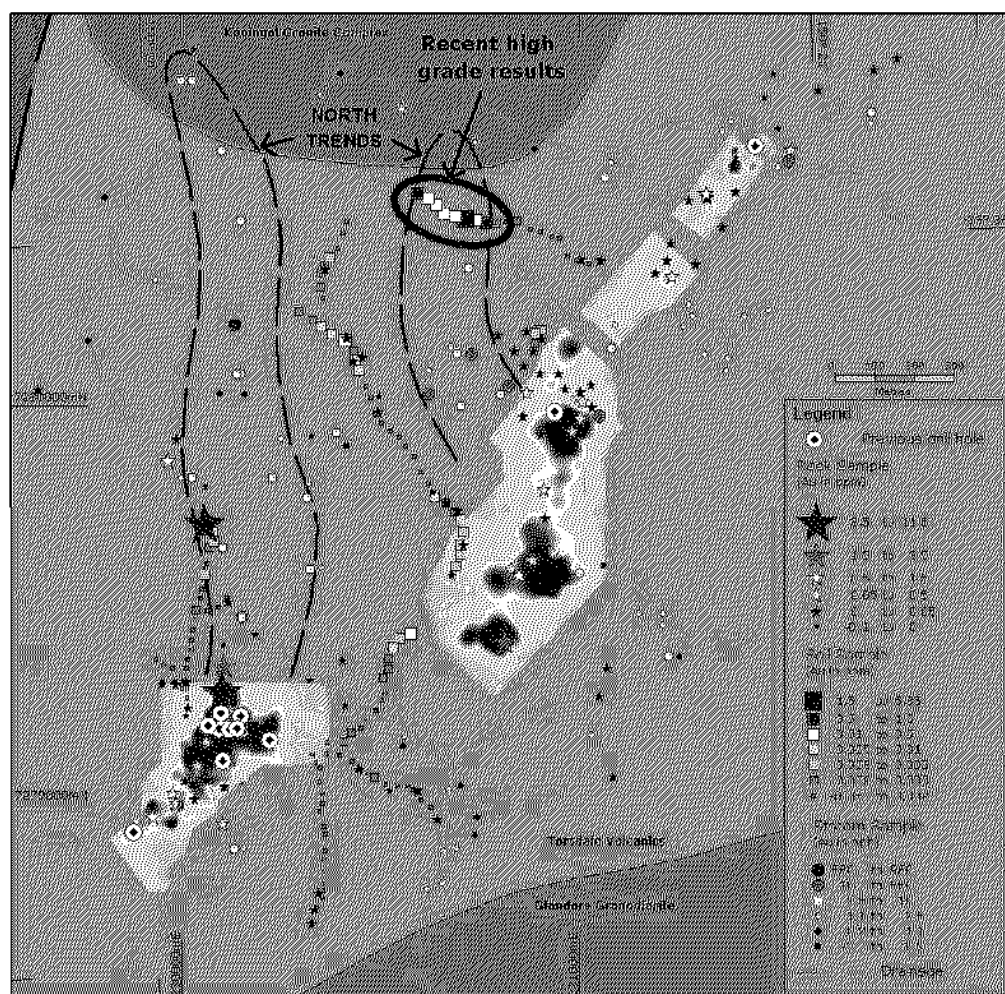


Figure 2: Prairie Creek Soil Grid showing recent sampling and newly defined anomalous zone.

At **Gossans West Prospect**, the alteration pipes have been shown to consist of multiple centres with widespread, significant alteration caps. Epithermal quartz textures have been recognised at several locations. Rock chip and soil sampling have confirmed the anomalous nature of the alteration caps and using low level gold and arsenic geochemistry have enabled the

prioritisation of four key pipes. Further sampling is being carried out over the key pipes aimed to define drilling targets. The target zones are interpreted to be high grade bonanza style mineralisation sitting below the outcropping alteration caps.

Drilling would be carried out in conjunction with the Prairie Creek program and is expected to start in the December quarter.

BOOUBYJAN

The first drilling campaign on ActivEX's Booubyjan gold copper exploration project in Queensland has been completed during the quarter. This campaign attracted an extra \$150,000 funding from exploration partner Minotaur Exploration Ltd. The Minotaur commitment is over and above its initial \$200,000 seed funding for the Company.

Seven high priority anomalous zones were selected for drill testing from the 11 untested drill targets identified by IP surveys completed in the June quarter. An additional hole (ABJ006) was selected to test copper geochemistry south of a significant intersection in previous drill hole KAKD1 (88m @ 0.47% Cu and 0.49g/t Au).

Details of the holes drilled are:-

Hole ID	AMGE	AMGN	Length	Azimuth	Dip
ABJ001	403613	7133091	142m	270	-60
ABJ002	404171	7131652	108m	090	-60
ABJ003	403228	7132646	181m	270	-70
ABJ004	403221	7131650	140m	090	-70
ABJ005	403557	7131900	119.5m	090	-70
ABJ006	401243	7133245	99m	270	-60
ABJ007	400785	7133300	84m	090	-70
ABJ008	401721	7133100	108m	090	-70

The holes intersected broad zones of fracture controlled pyrite (iron sulphide) mineralisation associated with carbonate veining and minor copper (as chalcopyrite).

Results of note are:-

ABJ001	6-24m	18m @ 0.03g/t Au, 0.06% Cu
ABJ001	49-62m	13m @ 0.02g/t Au, 0.12% Cu
ABJ006	3-18m	15m @ 0.03g/t Au, 0.09% Cu.

While the pyritic zones adequately explained the IP anomalies, little copper mineralisation appears associated with the iron sulphides. However, alteration styles, intersected in the holes, were encouraging and indicate the development of mineralising fluids of the right chemistry and temperatures for ore formation in a porphyry system and that drilling has intersected the peripheral and upper parts of such a system. Further assessment of the geophysical data is being carried out to define the central or core parts of the system and targets within this zone.

The data has been presented to joint venture partners Minotaur Exploration who can exercise their right to earn a 51% interest in the Booubyjan project by continued funding to an aggregate \$1,000,000.

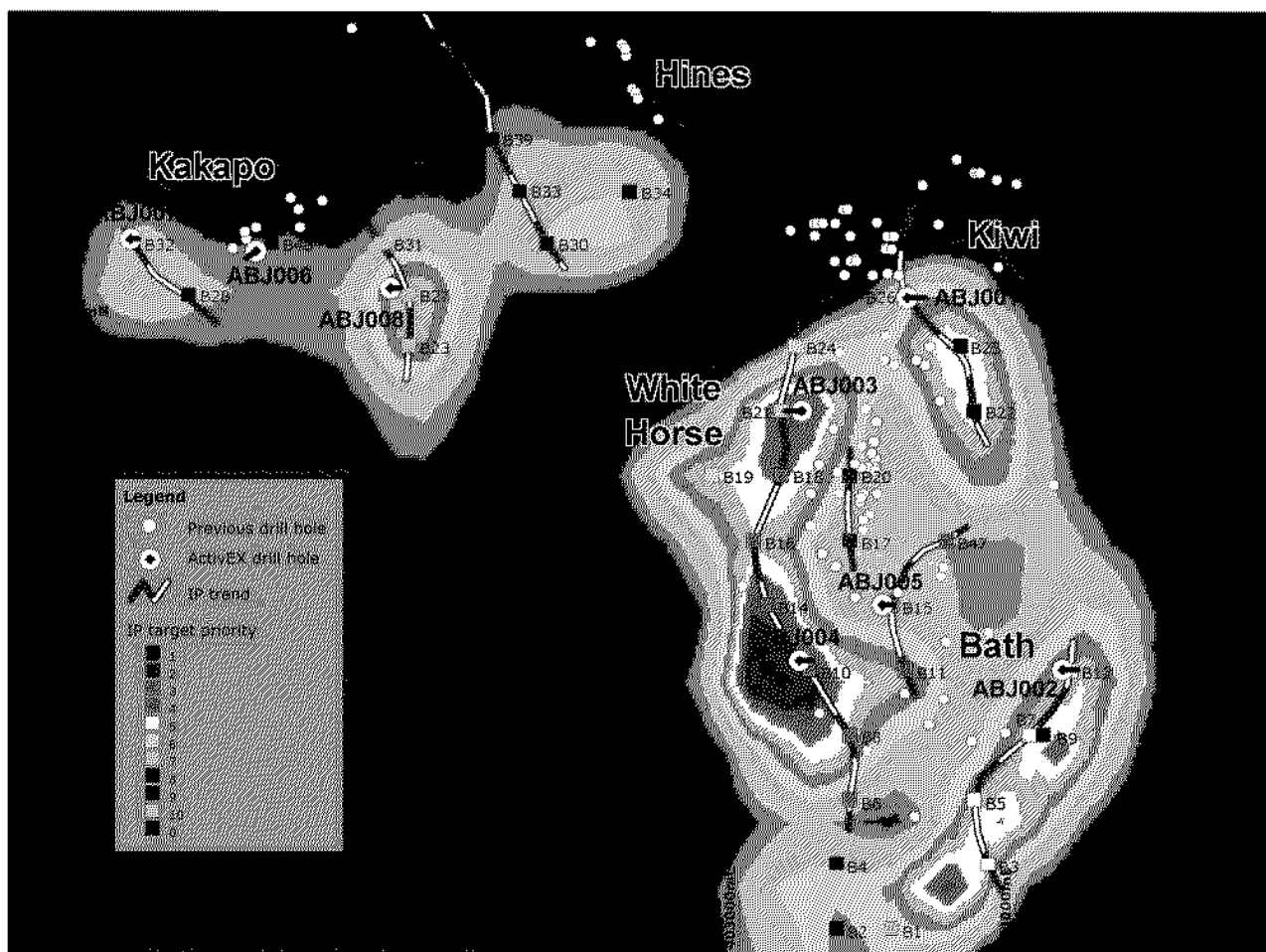


Figure 3: Boobyjan Project IP image (depth slice at approx -170m) showing targets drilled.

LAKE MONDURAN

Geological mapping and sampling of the Native Dog mineralised zone was carried out during the quarter.

Workings are scattered over a zone of strongly formed greisen 1.8km long and up to 500m wide. Within the greisen zone sheeted quartz veins are common and these carry tungsten and molybdenum mineralisation. Previous drilling carried out in the 1970s was limited to four shallow vertical holes which did not adequately test the sub-vertical vein sets. No assaying for gold was done during that period so the workings have been sampled for gold during the period. Gossanous zones associated with the vein sets were found up to 300m away from the workings.

Sampling by ActivEX from the central part of the workings has returned anomalous gold from 45% of the samples with a high of 2.3g/t gold. Anomalous values of copper up to 0.2% and molybdenum up to 405ppm were also returned. The Company is progressing with systematic sampling of the area to define potential drill targets.

EPM APPLICATIONS

ActivEX has priority to be granted two new Exploration Permits (EPMs) from its recent applications at Mt Miner and Westwood in south east Queensland (see Figure 1). These are in addition to the Taromeo EPM application lodged in the June quarter and the additional area brings the Company's total ground holding to 2508km².

The Mt Miner application area has historic gold workings associated with an intrusive complex within the Esk Volcanic Trough.

The Westwood EPM application is targeting gold and copper mineralisation in an area combined with recorded platinoid mineralisation and uranium anomalies.

The area lies 60km west of Rockhampton and is considered prospective for intrusive related precious metal and copper deposits and uranium.

For further information contact Managing Director Doug Young or Company Secretary Paul Crawford on (07) 3369-6025

The information in this report that relates to exploration results is based on information compiled by 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 type of deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined by the 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.