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ASX Release – 31 January 2008

December 2007 Quarterly Activities Report

QUARTER HIGHLIGHTS

- **Acquisition of Florence Creek Project – acquisition of the high potential copper-gold-uranium Florence Creek Project (Cloncurry District) was completed – exploration commenced**
- **ActivEX wins Queensland Government Research Grant – funding awarded for gold-copper targeting in the Esk Trough area**
- **Significant untested IP anomalies defined at Pentland – IP surveys completed and significant anomalies defined at Mt Remarkable and Norwood prospect areas**
- **CSAMT surveys completed at Barambah – interpretations pending**
- **Drilling to commence at Prospect Creek – drilling contractors are expected to be onsite at Prospect Creek tomorrow to commence drilling on the Prairie Creek and Gossans West Prospects**

OVERVIEW

During the quarter the Company completed:-

- acquisition of the Florence Creek EPM
- IP surveys at Mt Remarkable (Mt Specimen) and Norwood prospect areas in the Pentland Project
- CSAMT surveys at Barambah
- successful application for Government funding for targeting gold-copper and commenced work within the Esk Trough (Blairmore, Ban Ban EPMs)
- new applications (with priority) for EPMs in the Esk Trough at Tansey, Goomeri, and Elginvale and also in the Gin Gin area.

Drilling contractors are expected onsite tomorrow at Prospect Creek to commence the delayed drilling program at Prairie Creek and Gossans West Prospects.

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

Cash

At the end of the quarter the Company held $1.46 million in cash.

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. The program was designed to investigate resistivity responses below the Barambah open pit and extensions, north and south of the high grade gold-silver vein system.

Modelling of the resultant data is in progress.

ESK TROUGH PROJECTS

(EPM 116265, 16327, Applications 16817, 16993 and 17092 - ActivEX 100%)

ActivEX has been awarded a second Queensland Government grant for exploration activities. The $40,000 grant is to be applied to a research project designed to develop targets in the Esk Trough where ActivEX holds considerable ground in its own right and also includes the Booubjyan joint venture with Minotaur and the Mitsubishi global trading and refining group and the Barambah joint venture with Norton Gold Fields Limited.

The Esk Trough has high exploration potential due to the strong similarities to the Macquarie Volcanic Arc of New South Wales where several multi-million ounce gold and copper discoveries have been made including the giant Cadia deposit.

The funds will contribute to the cost of research including use of the latest imagery, spectral studies and Xray technology.

ActivEX was one of four recipients out of 10 applicants for the grants under the Department of Mines and Energy's Smart Mining – Industry Network Initiative.

Earlier in 2007, ActivEX received a grant under the Queensland Government's Cooperative Drilling Initiative to assist in drill testing molybdenum targets at the Native Dog Prospect at Lake Monduran.

Work has commenced on the research project with the purchase and analysis of Aster satellite imagery, compilation of available geochemistry, structural studies and preliminary geological mapping. The program will continue during the next year with the assistance of internationally regarded consultant, Dr Greg Corbett.

FLORENCE CREEK

(EPM 15285 - ActivEX 100%)

The Company has received the grant of EPM 15285 Florence Creek during the quarter. At the Company's Annual General Meeting the Company's shareholders voted to approve the acquisition of this EPM from Findex Pty Ltd, a private company associated with ActivEX Managing Director Mr Doug Young paving the way for the commencement of exploration activities in this highly prospective area.

The EPM area lies 50km south-west of Cloncurry, adjacent to the Selwyn project, operated by Ivanhoe Mines. The area is prospective for IOCG (iron-oxide-copper-gold) deposits similar to the adjacent Starra deposits and to the large (Xstrata owned) Ernest Henry deposit near Cloncurry.

Previous explorers have carried out several exploration campaigns, which culminated in shallow drilling. The drilling intersected significant copper – gold mineralisation at the Trump, Dandy and Dandy Extended prospects and also at the Florence Bore prospect.

Significant intersections of copper-gold mineralisation have been returned 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.

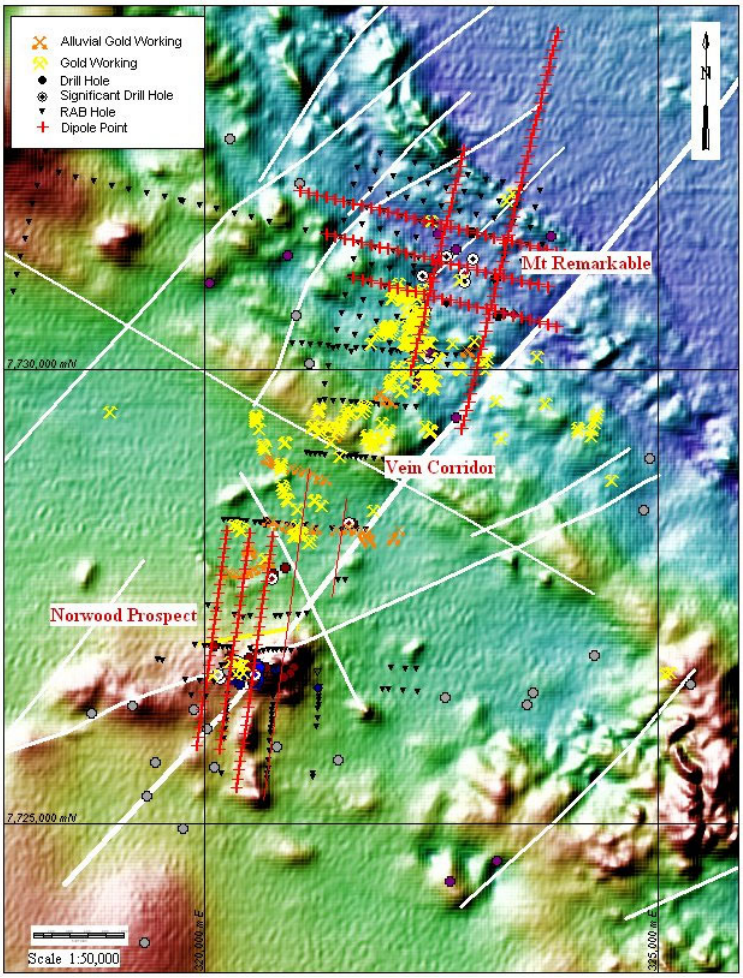
ActivEX has commenced a full review the data prior to designing a work program for the area, expected to start after the wet season.

PENTLAND

(EPMs 14332, 15055 and 15185 - ActivEX 100%)

Work on the Pentland project has focussed on extensive IP (Induced Polarisation) geophysical surveys at **Mt Remarkable** (Mt Specimen) and **Norwood** prospects.

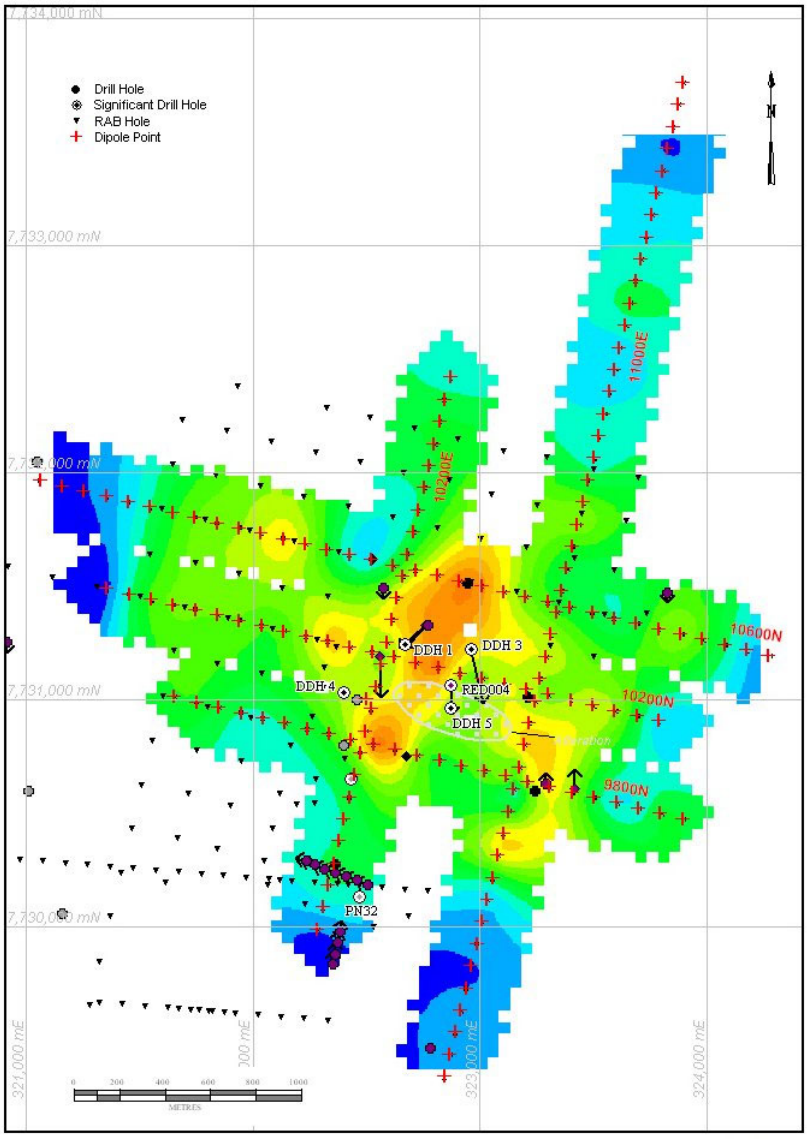
Both prospects lie in the most significant gold bearing corridor in the district where significant past gold production has occurred from quartz veins of the Vein Corridor. Mt Remarkable lies at the northern end and Norwood at the southern end of the vein outcrops.
The **Mt Remarkable** "porphyry" is considered to be Permo-Carboniferous which equates with the age of Mt Leyshon and other significant North Queensland gold bearing breccias which lie on a similar (or the same) north-east trending structure in the district. Drilling by Chevron at Mt Remarkable has intersected wide zones of anomalous gold, copper and molybdenum mineralisation in particular hole DDH 1 which intersected 47m @ 0.92g/t Au from 259m to the bottom of the hole. ActivEX has carried out infill IP surveys in the Mt Remarkable area with the object of defining the IP responses in the vicinity of the mineralisation and to trace the IP effect back towards the surface.



Mt Remarkable – Norwood Area – gold workings and structures on aeromagnetic image

Chevron had carried out wide spaced traverses (800m apart) which indicated a significant anomaly at depth in the centre of the system. The new data has been merged and re-modelled in 3D and depth sliced.

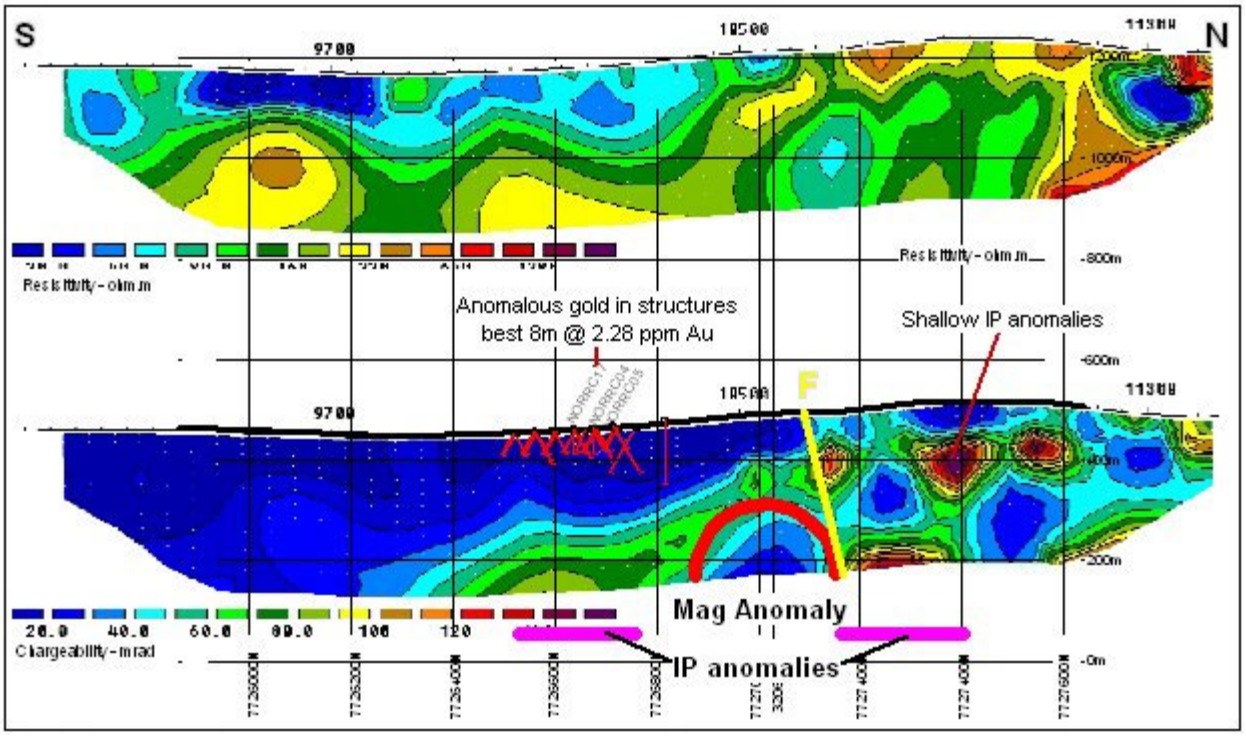
Depth slices (-270m depth slice is shown here) define a significant chargeability anomaly which has a NNE strike over 800m and a moderate plunge to the north with intensity increasing at depth.
3D modelling of this body with previous drill hole data shows that the feature is only developed below -100m and drilling has only effectively intersected the IP anomaly in one hole – in the lower parts of DDH1 where significant gold mineralisation was intersected (see above). Most of the previous holes drilled away from the anomaly. DDH1 has intersected the upper parts of the chargeability anomaly which apparently increases in strength with depth.
Drill hole RED004 which intersected above the anomaly recorded numerous narrow intercepts of quartz vein associated gold mineralisation up to 1m @ 5.4g/t Au.



Mt Remarkable – -270m Chargeability Depth Slice

Further interpretation is being carried out to refine targets but the anomalous zone is considered to be ready for drill testing.

The **Norwood Prospect** lies partly within Permian Volcanics which implies a Permian age or younger for the mineralisation. The area is a zone of intersecting structures which coincides with the most intense part of an east-north-east trending magnetic anomaly which in part is attributed to magnetite bearing diorite and monzo-diorite intrusives. Surrounding the intrusives are brecciated volcanics with anomalous gold values. Anomalous gold can also be seen in the Red White and Blue area where gold mineralisation is found on structures (in hard rock) and in the nearby eluvial gold workings, both of which lie immediately west of the main magnetic feature.



Norwood Prospect – 9900E IP Model

Modelling of the IP data shows three styles of chargeability anomaly have been defined:-

- South dipping moderate chargeable anomaly lying below the Norwood drilling and getting deeper towards the east
- Deep seated strong chargeability anomaly adjacent to the interpreted fault
- Shallow "gently dipping" chargeability anomalies lying north of the interpreted fault

The south dipping anomalies may well correlate with a basal layer in the volcanic units which dip moderately to the south. This may indicate a zone of layered sulphides - an attractive VMS style target. Drilling above the zone has indicated broad low grade gold values with anomalous copper, lead, zinc and arsenic values associated. Best intersection in this zone was 18m @ 0.98g/t Au and 8m @ 2.28g/t Au with several other broad low grade intercepts. The drilled zone gave no detectable IP response. No holes have intersected the chargeability anomaly.

Deep seated strong chargeability anomalies lie on each side of the magnetic intrusive shown in section 9900E above. The intrusive may have been controlled (during or post intrusion) by the interpreted fault seen on all sections. This fault lies close to the northern contact of the volcanics. These anomalies are classic porphyry style IP targets, are seen over at least 800m and have not been previously drilled.

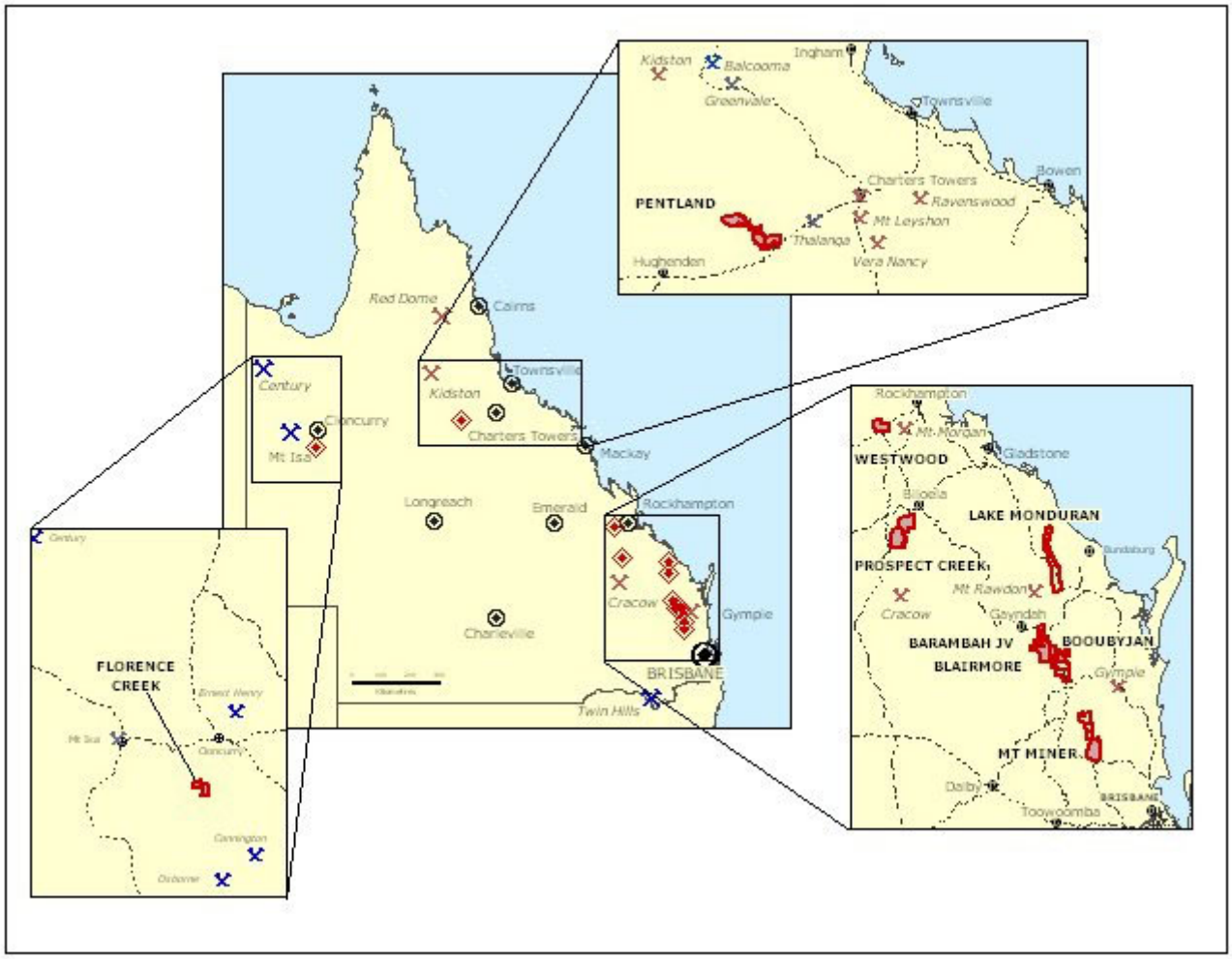
The shallow "gently dipping" anomalies are enigmatic. They are interpreted to be chargeable structures associated with the faulting striking east-north-east. In part they have associated high resistivity zones which may indicate associated higher vein densities. They have not been effectively tested.
Further interpretation and modelling is being carried out but the anomalous zones are considered to be ready for drill testing.

EPM APPLICATIONS

ActivEX has applied for and has priority over a further three EPM application south of its Booubyjan Project area, consolidating its position in this region. The areas are considered highly prospective for porphyry-style gold-copper deposits and cover sections of the Esk Trough where several prospects have been identified by previous explorers.

The Company has also applied for an EPM in the Gin Gin area south of its Lake Monduran Project to look for repetitions of the Pinnacle style VMS target.

ActivEX has been advised that it is unlikely to be successful in competitive applications in the Mt Philp (Cloncurry district) and Thalanga (Charters Towers district) areas.



ActivEX Limited Exploration Projects – January 2008

PLANNED WORK PROGRAMS

Activities scheduled for the next six months:-

- **Prospect Creek** – drilling to proceed immediately
- **Barambah JV** – modelling of CSAMT data will be received in next weeks, drill rig booked for March to carry out a program to test below the open pit and the north and south extensions of the gold-silver vein system
- **Booubyjan JV** – drilling awaiting availability of suitable drill rig, gravity program to commence next month to define hidden intrusive bodies
- **Lake Monduran** – cultural heritage clearances are being undertaken for all drill sites, drilling will follow the clearances
- **Pentland** – further interpretation of IP surveys is ongoing
- **Esk Trough** – ongoing field mapping, consultant review in April
- **Florence Creek** – data compilation in progress, field inspections expected to commence March-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.