



EXPLORATION PERMIT FOR MINERALS 14121

PROSPECT CREEK

PARTIAL RELINQUISHMENT REPORT

FOR THE PERIOD

3 AUGUST 2005 TO 2 AUGUST 2008

BY

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TENEMENT REPORT INDEX

OPERATOR: ActivEX Limited

PROJECT: Prospect Creek

TENEMENTS: Exploration Permit for Minerals: 14121

TITLE: Prospect Creek

HOLDER: ActivEX Limited

REPORT PREPARED BY: ActivEX Limited

AUTHOR: J.J. Hugenholtz

STATE: Queensland

LATITUDE: -24° 32'

LONGITUDE: 150° 22'

MGA94 **mN:** 7 283 500

mE: 234 000

1 : 250,000 SHEET: Monto SG56-1

1 : 100,000 SHEET: Banana 8949
Theodore 8948

LOCALITY: Biloela

TECTONIC: Auburn Arch, Bowen Basin, Gogango Overfolded Zone,
Yarrol Province

STRATIGRAPHY: Camboon Andesite, Torsdale Beds, Glandore Granodiorite

AGE: Permian

COMMODITY: Gold

KEYWORDS: Rock chip sampling, soil sampling, assaying

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1 EXECUTIVE SUMMARY

Figure 1

Exploration Permit 14121, Prospect Creek, was granted as 100 sub-blocks located approximately 20km south-west of Biloela in central Queensland. The tenement was acquired with the aim of exploring for low sulphidation epithermal style gold mineralisation such as at Vera Nancy and Cracow.

Twenty five sub-blocks were relinquished on 2 August 2007. A further 20 sub-blocks were relinquished on 2 August 2008.

The Prospect Creek area lies in the Yarrol Province of central Queensland. The project area is dominated by the Camboon Volcanics, which are the host lithologies at Cracow, 60km to the south of Prospect Creek.

The two key prospects, Gossans West and Prairie Creek, represent the upper and mid level of metal deposition within an epithermal system. The prospects are separated by a large fault system that has uplifted the (lower) Prairie Creek Prospect into its present position.

The Prairie Creek Prospect is highly gold anomalous, as indicated by stream sediment and rock chip sampling. It is interpreted to sit in the middle of the epithermal system typified by anomalous gold and base metals, being confined by nature, and being associated with quartz-epidote-chlorite veining. This area has seen limited drilling on only 6% of its strike length and the drilling did not test the peak geochemical anomaly. However, significant intersections in drilling have been made and comprise 52m @ 2.11g/t Au including 10m @ 3.2g/t Au and 6m @ 6.55g/t Au. Further targets have been defined down dip from these intersections and along strike to the north.

The Gossans West Prospect is highly arsenic and mercury anomalous, however with only low gold values, causing previous explorers to walk away without drilling. The high geochemical values are derived from silica, alunite and illite alteration pipes supporting the interpretation that the prospect sits high in the epithermal system. Three key target zones were drill tested in early 2008, but returned disappointing assay results. While the alteration pipes are well defined the causative structures are yet to be identified.

Work on the sub-blocks relinquished included a literature review, data compilation, geological reconnaissance and geochemical sampling. A total of 68 rock chip samples and 114 soil samples were collected from the relinquished sub-blocks in association with geological reconnaissance.

2 TENEMENT STATUS

Tenement	Holder	Date of Grant	Sub-blocks
EPM14121	ActivEX Limited (100%)	3 Aug 2005	55

EPM 14121, Prospect Creek, was granted as a 100 sub-block EPM to Findex Pty Ltd on 3 August 2005 for a period of 5 years. The title was later transferred to ActivEX Limited (which at that time was a wholly owned subsidiary of Findex Pty Ltd). The grant was approximately 312 square kilometres and the permit is due to expire on 2 August 2010. Twenty five sub-blocks were relinquished on 2 August 2007. A further twenty sub-blocks were relinquished on 2 August 2008.

There are no Mining Leases or ML applications within the permit area.

Block Identification Sheet – Brisbane

Block	Sub-block
364	z
365	v
436	d,e,h,j,k,n,o,p,s,t,u,x,y,z
437	a,b,c,d,f,g,h,j,k,l,m,n,o,p,q,r,s,t,u,v,w,x,y,z
438	l,q,v
508	c,d,e,k,p,u
509	a,f,l,q
510	a,f

Sub-blocks relinquished 2 August 2008

Block	Sub-block
365	u,w,x,y,z
366	q,v
437	e
438	a,f
509	b,c,d,e,g,h,j,k,m,r

3 LOCATION AND ACCESS

Figure 2

The project area is located approximately 20km from the major rural centre of Biloela in central Queensland which lies 130km south of Rockhampton. The tenement lies in the western portion of the Monto 1:250,000 sheet area and is centred on longitude 150⁰22' E and latitude 24⁰32' S.

The project lies in the Banana Range district, at the northern end of the Auburn Arch. This is some 60 km north of Cracow which lies in the central part of the Auburn Arch.

The area is pastoral land and forest, utilised predominantly for cattle grazing and is accessed by secondary bitumen roads and station tracks. The western half of the EPM may be accessed from Banana but is predominantly steep hilly country which is difficult to traverse.

4 NATIVE TITLE

There are two Native Title Claim Applications present in the project area.

An Application by the Gangulu People (National Native Title Tribunal Application QC97/036) covers the entire permit area.

An Application by the Wulli Wulli People (National Native Title Tribunal Application QC00/007) covers the southern portion of the permit, south of the Banana Range.

5 EXPLORATION RATIONALE

Exploration Permit for Minerals 14121, Prospect Creek, was acquired to explore for epithermal gold mineralisation of the style of mineralisation exhibited at Cracow some 60km to the south.

The Cracow deposits are hosted by the Camboon Andesite of early Permian age which formed in an arc extension zone prior to and bounding the eastern margin of the Bowen Basin. This unit unconformably overlies the Torsdale Beds and is in turn overlain by sandstone and limestone of the Buffel Formation.

Ore is developed in steeply dipping ore shoots in the quartz lode systems, quartz lodes breccias and zones of silicification. Multiple phases of veining/mineralisation have been identified in the Golden Plateau lode with the gold bearing final phase being associated with haematite staining. Gold occurs as native gold and alloys in a low sulphide system with associated propylitic, argillic and intermediate argillic alteration. This style of low sulphide epithermal is well known in eastern Queensland (Vera Nancy - 5.6M tonnes @ 13.6g/t Au) and in other epithermal fields around the world (Creede, Colorado - 5M tonnes @ 4.7g/t Au, 2500g/t Ag; Comstock Lode, Nevada – 19 M tonnes @ 13.6g/t Au, 327g/t Ag).

6 GEOLOGY AND MINERALISATION

[Figure 3](#)

Refer to the Annual Report for 2006 for a description of the geology in the Prospect Creek project area.

There is no known pitting or shafting in the area. Mineralisation occurring in the area has been identified by modern exploration methods, principally stream sediment sampling and geological mapping.

Regional stream sampling with follow-up rock chip sampling by previous explorers identified six anomalous zones. Four key prospects were identified at Gossans West (weak copper, gold and arsenic), Tarramba Creek (copper and gold), Glenhalvern (copper) and Prairie Creek (gold). Alteration zones were also identified in two locations on the Banana Range – pyritic rhyolite (north of Tarramba Creek) and altered granite (east of Tarramba Creek).

In the area relinquished, anomalous zones were identified at Mountain View and Torsdale – both arsenic anomalous.

7 EXPLORATON

7.1 DATA REVIEW

No historic workings are known in the project area. Previous mineral exploration of the area within and surrounding the project area has been undertaken by several companies since the early 1970's.

Refer to the Annual Report for 2006 for a complete review of previous exploration at the Prospect Creek project area.

7.2 SURFACE SAMPLING

Figure 4

67 rock chip samples and 114 soil samples were collected from the sub-blocks in the northernmost portion of the EPM. Samples were collected from an area of variable sheared grey volcanics with quartz \pm epidote veining. Copper mineralisation was noted in two samples which returned 2,970 ppm and 2,880 ppm Cu. Sericite and silica alteration were noted in several samples.

Only one sample was collected from the relinquished sub-blocks in the southern portion of the EPM.

All samples were sent to ALS Chemex in Brisbane for analysis. Samples were assayed for Au, As, Bi, Cu, Pb, Zn, Fe, Mn, Mo, Se, Tl, Ag, Hg, Sb, Te and W.

Results were low, particularly for gold with most values below detection limit. A maximum result of 0.001ppm Au was returned. Other maximums include 72ppm As, 1.77ppm Ag, >50000ppm Mn, 181ppm Mo, 197ppm Cu, 47ppm Pb and 152ppm Zn.

8 CONCLUSIONS

The twenty sub-blocks relinquished have been the subject of limited field inspection and geochemical sampling. Results from rock chips and soils were generally not anomalous and the areas offer little potential for economic mineralisation.

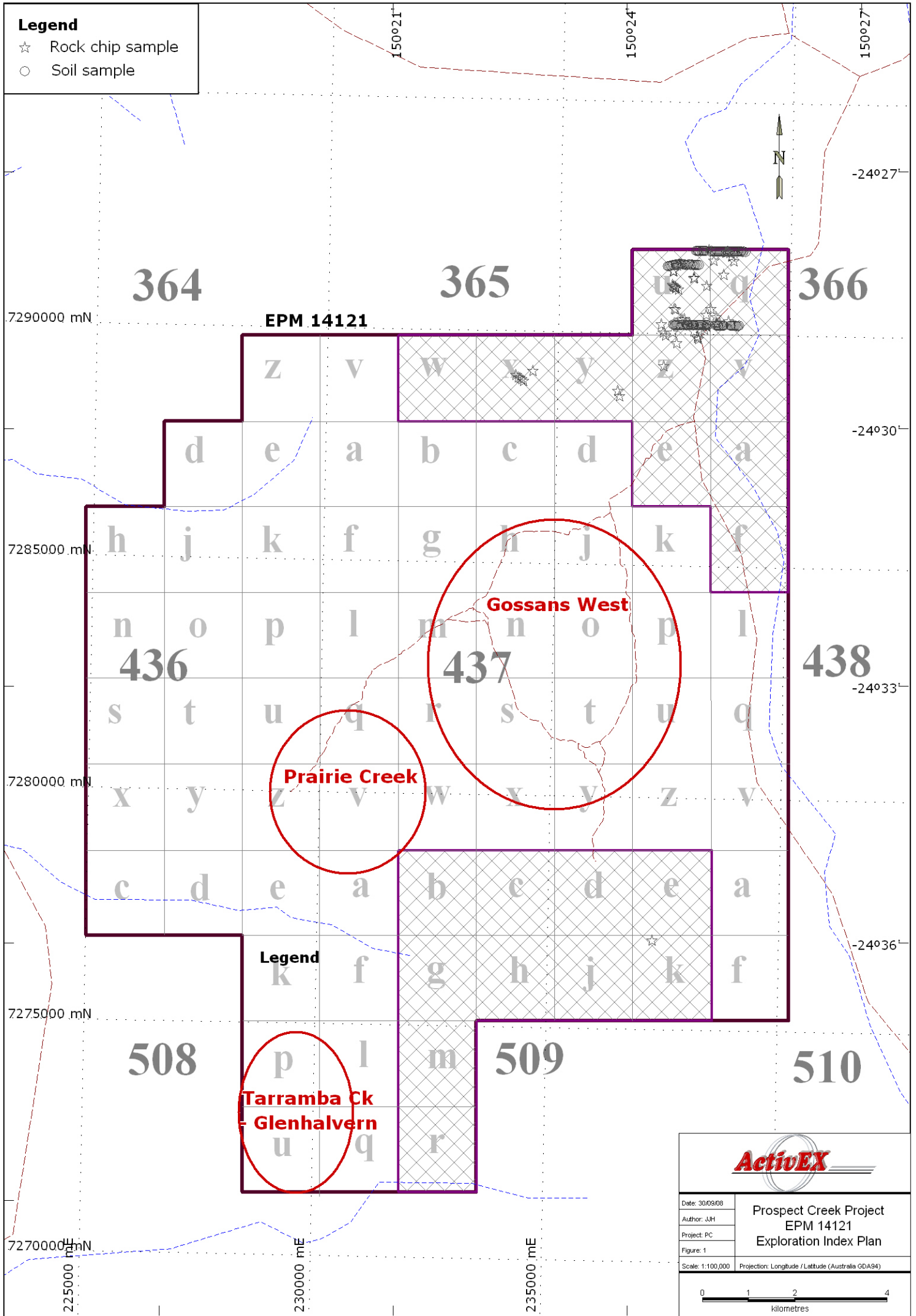
9 REFERENCES

Hugenholtz J J, Exploration Permit for Minerals 14121, Prospect Creek, Annual Report for the 2006 Period 3 August 2005 to 2 August 2006. ActivEX Limited. *Company Report*.

FIGURES

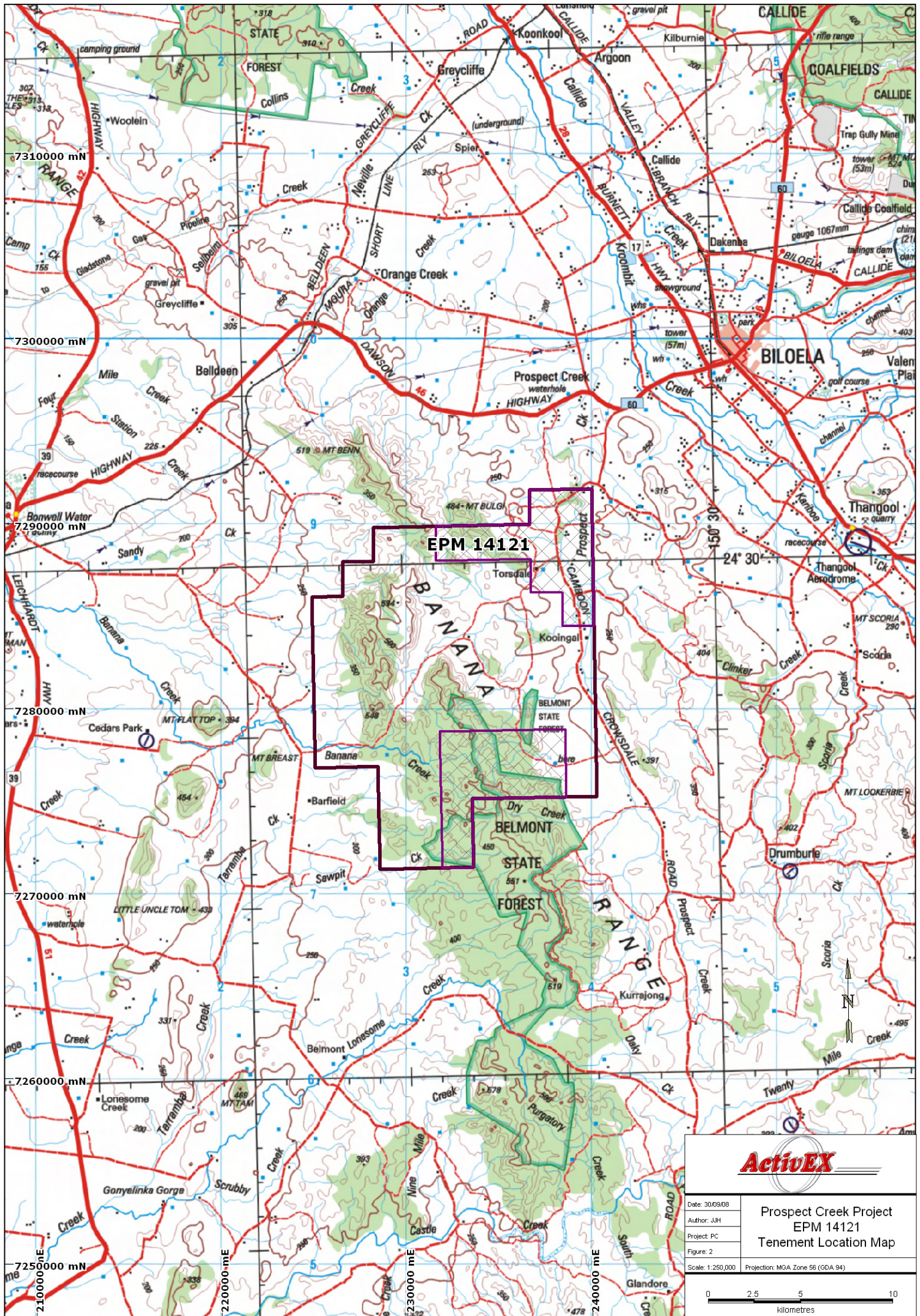
Legend

- ☆ Rock chip sample
- Soil sample



Date: 30/09/08
Author: JJH
Project: PC
Figure: 1
Scale: 1:100,000
Projection: Longitude / Latitude (Australia GDA94)

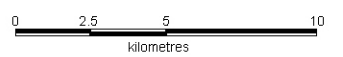


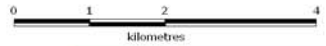


EPM 14121

ActivEX

Date: 30/03/08	Prospect Creek Project EPM 14121 Tenement Location Map
Author: JH	
Project: PC	
Figure: 2	
Scale: 1:250,000	Projection: MGA Zone 56 (GDA 94)





Geology Legend

Tertiary

- Sediment

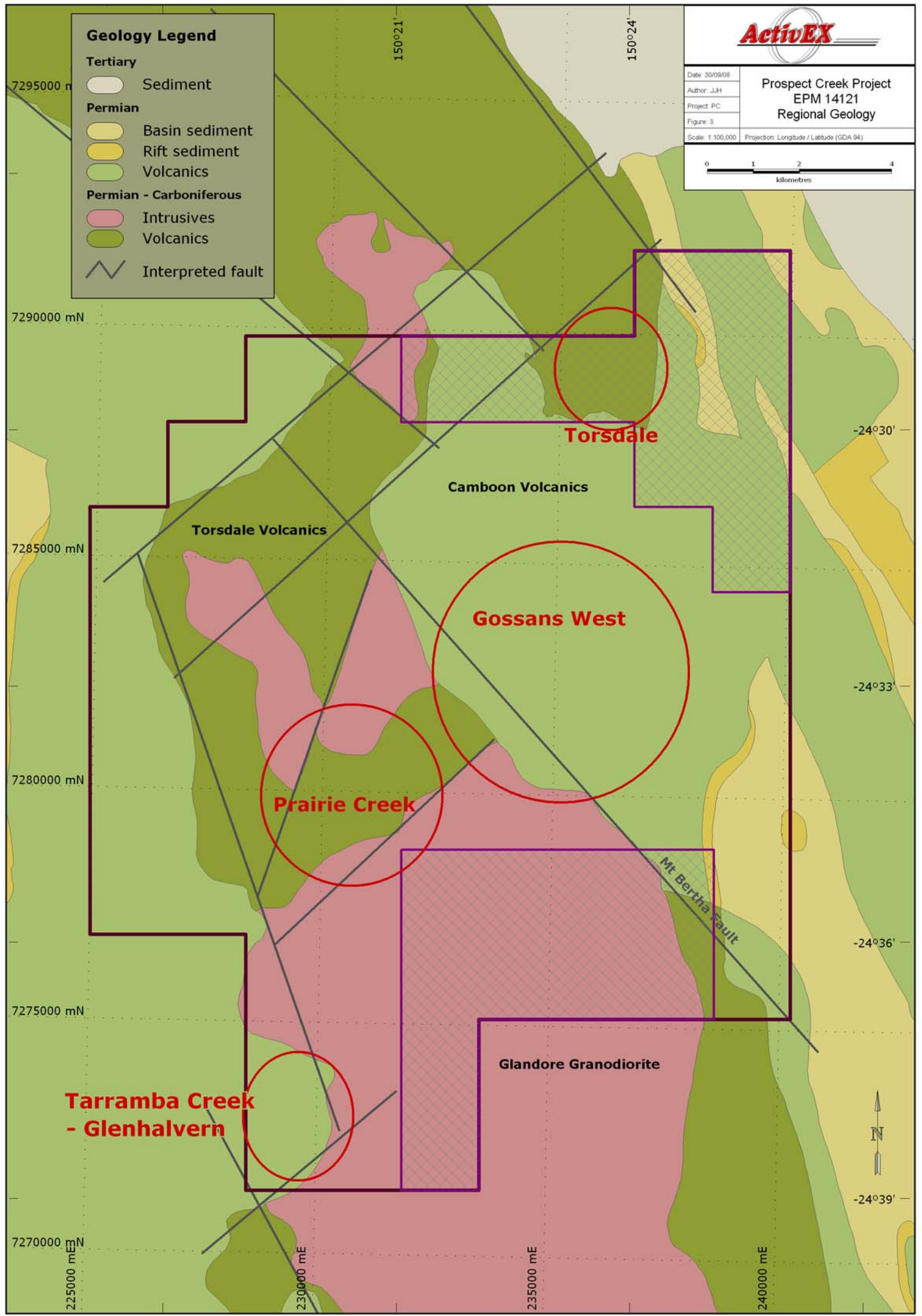
Permian

- Basin sediment
- Rift sediment
- Volcanics

Permian - Carboniferous

- Intrusives
- Volcanics

Interpreted fault

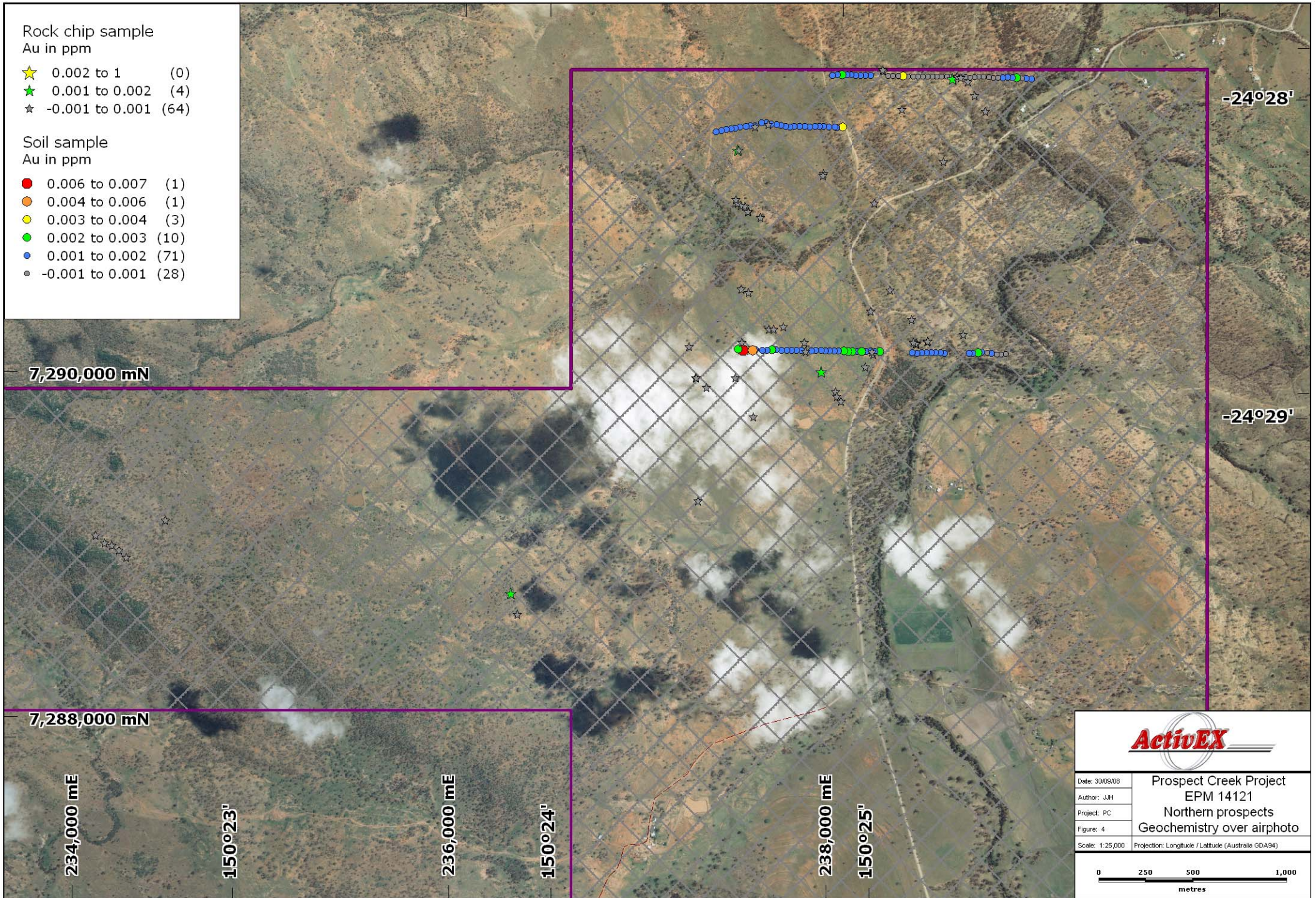


Rock chip sample
Au in ppm

- ★ 0.002 to 1 (0)
- ★ 0.001 to 0.002 (4)
- ★ -0.001 to 0.001 (64)

Soil sample
Au in ppm

- 0.006 to 0.007 (1)
- 0.004 to 0.006 (1)
- 0.003 to 0.004 (3)
- 0.002 to 0.003 (10)
- 0.001 to 0.002 (71)
- -0.001 to 0.001 (28)



Date: 30/09/08	Prospect Creek Project EPM 14121 Northern prospects Geochemistry over airphoto
Author: JJH	
Project: PC	
Figure: 4	
Scale: 1:25,000 Projection: Longitude / Latitude (Australia GDA94)	

