



ActivEX Limited ABN 11 113 452 896

ANNUAL REPORT

2005

CHAIRMAN'S LETTER

Dear fellow shareholders,

On behalf of the board of ActivEX Limited I am pleased to be able to present to you the Annual Report for the 2005 financial year, our first annual report.

During the year we have made substantial progress towards establishing sufficient funds and the listing of our company. We have achieved several important milestones as follows:-

- Established and registered the company
- Appointed a talented team of Directors who have a strong background in mineral exploration and management, finance and accounting and native title and commercial law, with considerable experience in many resource sectors and regions.
- Completed the acquisition of the tenement package from Findex Pty Ltd.
- Applied for two new exploration permits for minerals in the Pentland Project area which has provided the Company with further strategic land holdings in that area.
- Established funding for the Boobyjan Project which gives highly successful explorer Minotaur Exploration Limited a right to enter into a joint venture on the project allowing them to earn 50% interest in the project in return for expenditure of \$1M, increasing to a 75% interest on expenditure of \$2M
- Raised \$359,502 in seed funding to July 20th to fund working capital
- Entered into agreement with financial advisors and brokers Axis Financial Group (Australia) Limited, whereby they will act as financial advisors to the company and lead brokers to the IPO
- Substantially completed the prospectus preparation and due diligence process.

Strategically we have taken advice on scheduling the IPO early in 2006 rather than during the latter part of this year to take advantage of positive outlook expected in the new year. We are well within target to be ready to lodge our prospectus late in January 2006 with the offer period being scheduled for February 2006.

The next twelve months will undoubtedly see our listing on the ASX and commencement of significant exploration programs on our projects which will be an exciting time for the company and we look forward to the challenges that will bring.

I would like to take this opportunity to sincerely thank my fellow directors, consultants, and shareholders for their valuable support during the year.



Doug Young
Executive Chairman and Managing Director

ACTIVEX LIMITED
ABN 11 113 452 896

DIRECTORS' REPORT

Your directors present their report of the company for the financial period 18 March 2005 (date of incorporation) to 30 June, 2005.

Directors

The directors of the company at any time since incorporation are listed below. During the period there were 5 meetings of the full board of directors. The meetings attended by each director were:

DIRECTORS	ELIGIBLE TO ATTEND	ATTENDED
D.I. Young	5	5
P.H. Hwang	5	5
P.A. Crawford	5	5

Directors have been in office since incorporation to the date of this report unless indicated otherwise.

Company Secretary

Paul Crawford held the position of company secretary at the end of the financial period. Mr Crawford is a CPA and holds the following qualifications: Bachelor of Business – Accountancy; Master of Financial Management; Graduate Diploma in Business Law; Graduate Diploma in Company Secretarial Practice. He has been company secretary and a director of the company since its incorporation.

Principal Activities

Following incorporation, the principal activity of the company in the course of the period was mineral exploration. The company acquired and held mineral exploration tenements in Queensland, Australia. The company's exploration portfolio is focused on copper and gold projects, concentrating on mid-to-advanced properties with clearly defined targets.

Review of Operations

The company's operating loss for the financial period, after applicable income tax was \$54,067. Exploration and evaluation expenditure during the period totalled \$40,154.

Since incorporation, the Board of Directors' primary focus has been the implementation of development strategies for the company. During this period the company has acquired a number of exploration tenements in Queensland, at a cost of \$40,000, and commenced work on an initial public offering of shares and listing on the Australian Stock Exchange.

Financial Position

The net assets of the company at 30 June 2005 were \$220,935, with cash balances of \$257,769.

The directors believe that the Group is in a stable financial position and the process of undertaking an initial public offering of shares and listing on the Australian Stock Exchange will facilitate growth and development options for the company.

Dividends

No dividend has been proposed or paid since the start of the period.

ACTIVEX LIMITED
ABN 11 113 452 896

DIRECTORS' REPORT

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the company have occurred since incorporation of the company:

- (i) On 1 April 2005 the company issued 8,000,000 shares as consideration for the acquisition of a number of granted exploration permits for minerals and applications;
- (ii) In May 2005 the company entered into a joint venture agreement with Minotaur Investments Pty Ltd (Minotaur), whereby Minotaur agreed to subscribe for 2,000,000 million shares at \$0.10 each in the company on the condition the funds are expended on the exploration tenements subject to the joint venture agreement within 18 months of the date of the agreement ; and
- (iii) The company has issued 2,700,000 shares for cash to raise \$235,002;

Information on Directors

The company's Directors have a strong background in mineral exploration and management, finance and accounting and native title and commercial law, with considerable experience many resource sectors and regions. The names and qualifications of current directors are summarised as follows:

Douglas I. Young Managing Director (Executive)
Qualifications: B.Sc, M.Sc, FAIG, RPGeo
Experience: Board member and Chairman since incorporation, 30 years experience as a specialist in gold and base metals exploration, project generation and computer applications.
Interest in Shares and Options: Founding shareholder and currently has an indirect interest in 8,000,002 ordinary shares.

Peter H. Hwang Director - Non-executive
Qualifications: B.Sc.(Hons), LL.B
Experience: Board member since incorporation, a qualified geologist and lawyer, specialising in native title and resources law, extensive experience in native title negotiations, risk management and corporate law.
Interest in Shares and Options: Currently holds 150,000 ordinary shares.

Paul A. Crawford Director - Non-executive
Qualifications: B.Bus (Accounting), Grad Dip Bus Law, M.FinMmt, CPA; Grad Dip Company Secretarial Practice.
Experience: Board member since incorporation, Director Diamonex Limited, 25 years experience in accounting and commercial management within resources industry, Principal of corporate consultancy firm.
Interest in Shares and Options: Currently holds an indirect interest in 150,000 ordinary shares.

Subsequent Events, Future Developments, Prospects and Business Strategies

On 20 July 2005 the company issued 1,245,000 new shares at \$0.10 each to raise \$124,500 to provide working capital. The company has also applied for 2 further exploration tenements.

To further improve the company's asset base and maximise shareholder wealth, the company is in the process of preparing for an initial public offering (IPO) of shares and listing on the Australian Stock

ACTIVEX LIMITED
ABN 11 113 452 896

DIRECTORS' REPORT

Exchange. This process is expected to be completed late 2005 or early 2006, depending on prevailing market conditions and assessment of the company's asset base. This preparation also includes pursuing a small scale offering of shares to raise working capital to fund the IPO process.

No other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Environmental Issues

At this stage of the company's operations, the company is not subject to any significant environmental regulation under the law of the Commonwealth and a State or Territory.

The Directors monitor the company's compliance with environmental regulation under the law of Queensland, in relation to its exploration activities. The Directors are not aware of any compliance breach arising during the period.

Indemnifying Directors' and Auditors'

The company has not given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums in respect of any person who is or has been an officer or auditor of the company or a related body corporate during the period from incorporation to the date of this report.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the period.

Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 30 June 2005 has been received and is attached to the directors' report.

The company's auditors did not perform any non-audit services during the period.

Signed in accordance with a resolution of the Board of Directors.

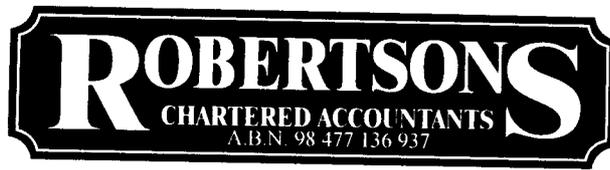


D I Young
Managing Director



P A Crawford
Director

Signed: 27 October 2005
Brisbane, Queensland



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ACTIVEX LIMITED**

I declare that, to the best of my knowledge and belief, during the period 18 March 2005 to 30 June 2005 there have been:

- (i) no contraventions to the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in cursive script that reads "Robertsons".

Robertsons
Chartered Accountants

A handwritten signature in cursive script that reads "A W Thomas".

A W Thomas
Partner

Date: ~~27~~ October 2005



ACTIVEX LIMITED
ABN 11 113 452 896

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The attached financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2005 and of the performance of the company for the period ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



D I Young
Managing Director



P A Crawford
Director

Dated this: 27th day of October 2005

ACTIVEX LIMITED

ABN 11 113 452 896

INCOME STATEMENT for the financial period ended 30 June 2005

	Note	2005 \$
Revenue	2	780
Less expenses:	3	
Administrative expenses		(30,136)
Employment expenses		(24,711)
		<hr/>
Loss before income tax expense		(54,067)
Income tax expense	4	-
		<hr/>
Loss from continuing operations after related income tax expense		(54,067)
		<hr/>
Loss attributable to members of the company		(54,067)
		<hr/>
Basic earnings per share (cents per share)	6	(0.0069)
Diluted earnings per share (cents per share)	6	(0.0069)

The accompanying notes form part of these financial statements.

ACTIVEX LIMITED

ABN 11 113 452 896

BALANCE SHEET

As at 30 June 2005

	Note	2005 \$
CURRENT ASSETS		
Cash assets	7	257,769
Other	8	7,387
Total Current Assets		<u>265,156</u>
NON-CURRENT ASSETS		
Exploration and evaluation expenditure	9	80,154
Total Non-Current Assets		<u>80,154</u>
TOTAL ASSETS		<u>345,310</u>
CURRENT LIABILITIES		
Payables	10	121,336
Provisions	11	3,039
Total Current Liabilities		<u>124,375</u>
TOTAL LIABILITIES		<u>124,375</u>
NET ASSETS		<u>220,935</u>
EQUITY		
Issued Capital	12	275,002
Accumulated losses		(54,067)
TOTAL EQUITY		<u>220,935</u>

The accompanying notes form part of these financial statements.

ACTIVEX LIMITED

ABN 11 113 452 896

STATEMENT OF CHANGES IN EQUITY
for the financial period ended 30 June 2005

	Note	Share Capital \$	Accumulated Losses \$	Total \$
Opening balance		-	-	-
Shares issued during the period	12	275,002	-	275,002
Loss attributable to members of entity		-	(54,067)	(54,067)
Balance at 30 June 2005		275,002	(54,067)	220,935

The accompanying notes form part of these financial statements.

ACTIVEX LIMITED

ABN 11 113 452 896

CASH FLOW STATEMENT
for the financial period ended 30 June 2005

	Note	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		62,141
Interest received		780
Net cash provided by (used in) operating activities	13	<u>62,921</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration expenditure	9, 13	(40,154)
Net cash provided by (used in) investing activities		<u>(40,154)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	12, 13	235,002
Costs associated with share issue		-
Net cash provided by (used in) financing activities		<u>235,002</u>
Net increase in cash held		257,769
Cash at incorporation		-
Cash at 30 June 2005	7	<u>257,769</u>

The accompanying notes form part of these financial statements.

ACTIVEX LIMITED

ABN 11 113 452 896

Notes to the Financial Statements for the financial period ended 30 June 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers the economic entity of Activex Limited. Activex Limited is an unlisted public company, incorporated and domiciled in Australia. The financial report has been prepared on an accruals basis and complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

Income Tax

The charge for current income tax expense is based on the result for the period adjusted for non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Restoration Costs

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the exploration and mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

ACTIVEX LIMITED

ABN 11 113 452 896

Notes to the Financial Statements for the financial period ended 30 June 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site

The company currently has no obligation for any restoration costs in relation to discontinued operations, nor is it currently liable for any future restoration costs in relation to current areas of interest. Consequently, no provision for restoration has been deemed necessary.

Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within 1 year, together with entitlements arising from wages and salaries, annual leave and sick leave, which will be settled after 1 year, have been measured at the amounts expected to be paid when the liability is settled, plus related oncosts. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred.

Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than 3 months, and bank overdrafts.

Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Comparative Figures and Financial Period

No comparative figures are shown as the company was incorporated on 18 March 2005. The financial report covers the period from the date of incorporation to 30 June 2005.

ACTIVEX LIMITED

ABN 11 113 452 896

Notes to the Financial Statements for the financial year ended 30 June 2005

2005

\$

NOTE 2: REVENUE

Operating activities:

Interest received from other persons	780
--------------------------------------	-----

NOTE 3: INCOME TAX EXPENSE

The prima facie tax on the operating loss is reconciled to income tax expense as follows:

Prima facie tax payable/(benefit) on loss from ordinary activities before income tax at 30%.	(16,220)
--	----------

Adjust for tax effect of:

Deferred tax balances not brought to account	(11,135)
Tax losses not brought to account	27,355

Income tax expense/(benefit) attributable to entity	-
---	---

Weighted average effective tax rate	0.00%
-------------------------------------	-------

Deferred tax assets and liabilities not brought to account, the net benefit of which will only be realised if the conditions for deductibility set out in Note 1 occur.

Temporary differences (comprising exploration expenditure and provisions)	(11,135)
Tax losses	27,355

16,220

Franking account balance	-
--------------------------	---

The company has unconfirmed carry forward losses of approximately \$91,000.

NOTE 4: DIRECTORS' & EXECUTIVES' DISCLOSURES

The names of directors of the entity who have held office during the financial period are:

Douglas I. Young	Managing Director - Executive
Paul A. Crawford	Director - Non-Executive
Peter H. Hwang	Director - Non-Executive

(a) Directors' Remuneration

2005	Salary & Fees	Super-annuation	Non-Cash Benefits	Total
Douglas I. Young	27,188	2,447	-	29,635
Paul A. Crawford	7,500	-	-	7,500
Peter H. Hwang	7,500	-	-	7,500
	42,188	2,447	-	44,635

(b) Specified Executive Remuneration

-	-	-	-
---	---	---	---

ACTIVEX LIMITED

ABN 11 113 452 896

Notes to the Financial Statements for the financial year ended 30 June 2005

2005

\$

NOTE 4: DIRECTORS' & EXECUTIVES' DISCLOSURES (continued)

(c) Shareholdings

Number of shares held by directors and specified executives

Parent Entity Directors (i)	Opening Balance	Remun- eration (ii)	Purchased/ (Sold)	Balance 30 June 2005
Douglas I. Young	-	-	8,000,002	8,000,002
Paul A. Crawford	-	-	150,000	150,000
Peter H. Hwang	-	-	150,000	150,000
Specified Executives	-	-	-	-
Total	-	-	8,300,002	8,300,002

(i) Represents shares held directly or indirectly.

(ii) The company does not issue shares as a form of remuneration.

(d) The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows:

The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned, relevant employment market conditions and overall performance of the company. The contract for service between the company and managing director is for an initial period of 3 years, and provides for a reduced remuneration until the entity is admitted to the Official List of the Australian Stock Exchange. The service agreement is subject to renewal at the end of the initial period. The terms of this service agreement is not expected to change in the immediate future.

The company may terminate the executive director's contract without cause by giving 3 months notice. If terminated without cause, the executive director is entitled to payment of accrued entitlements, together with the payout of the remaining term of the contract, subject to a minimum payment of \$50,000. Termination payments are not payable on resignation or serious misconduct. In the case of serious misconduct the company can terminate employment at any time.

Company policy is to remunerate non-executive directors at relevant market rates for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

The company does not pay any other forms of remuneration to executive officers other than as detailed in Notes 4(a) and 4(b).

NOTE 5: AUDITORS' REMUNERATION

Remuneration of the auditor of the entity for:

- auditing or reviewing the financial report

5,000

ACTIVEX LIMITED

ABN 11 113 452 896

Notes to the Financial Statements for the financial year ended 30 June 2005

2005

\$

NOTE 6: EARNINGS PER SHARE

The earnings figure used in the calculation of both the basic EPS and the dilutive EPS are the same.

No.

Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS

7,839,425

Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive EPS

7,839,425

NOTE 7: CASH ASSETS

Cash at bank and on hand

257,769

NOTE 8: OTHER ASSETS

Current:

Prepayments

7,387

NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs (including tenements) carried forward in respect of areas of interest are:

Exploration and evaluation phase - at cost

80,154

Movement in exploration and evaluation expenditure:

Opening balance

-

Capitalised exploration expenditure

40,154

Acquisition of tenements

40,000

Carrying amount at the end of year

80,154

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development of projects.

As described in Note 1, exploration expenditure is carried forward for ongoing exploration activities. The company is continuing with its exploration programs, with funding from existing working capital. Further funding will be required for these programs. This funding is expected to come from an initial public offer of shares to be undertaken during the period December 2005 and March 2006.

One of the company's exploration projects is subject to joint venture. Under the joint venture agreement, Minotaur Investments Pty Ltd agreed to subscribe for 2,000,000 million shares at \$0.10 each in the company on the condition the funds are expended on the exploration tenements subject to the joint venture agreement within 18 months of the date of the agreement. At that time Minotaur has the right to earn a minimum 51% interest in the tenements by funding further exploration.

ACTIVEX LIMITED

ABN 11 113 452 896

**Notes to the Financial Statements
for the financial year ended 30 June 2005**

2005

\$

NOTE 10: PAYABLES**Current:**

Sundry payables and accrued expenses	64,336
Capital subscriptions in advance (refer Note 16)	57,000
Total payables (unsecured)	<u>121,336</u>

NOTE 11: PROVISIONS**Current:**

Employee Provisions	<u>3,039</u>
---------------------	--------------

Number of employees at year-end

1**NOTE 12: ISSUED CAPITAL**10,700,002 fully paid ordinary shares 275,002**Ordinary shares**

No.

Balance at the beginning of the reporting period	-	-
Shares issued during the period:		
18 March 2005	2	2
1 April	8,000,000	40,000
12 April	700,000	35,000
10 June	2,000,000	200,000
Balance at reporting date	<u>10,700,002</u>	<u>275,002</u>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The entity has no options on issue.

NOTE 13: CASH FLOW INFORMATION**Reconciliation of Cash Flow from Operations with Loss after Income Tax:**

Loss from ordinary activities after income tax	(54,067)
Non-cash flows in profit from ordinary activities:	
Movement in employee provisions	3,039
Changes in operating assets and liabilities:	
(Increase)/Decrease in prepayments	(7,387)
(Decrease)/Increase in creditors and accruals	121,336
Cash flows from operations	<u>62,921</u>

ACTIVEX LIMITED

ABN 11 113 452 896

Notes to the Financial Statements for the financial year ended 30 June 2005

2005

\$

NOTE 13: CASH FLOW INFORMATION (continued)

Non-cash Financing and Investing Activities

8,000,000 shares were issued at \$0.005 each as consideration for the purchase of a number of Exploration Permits for Minerals (EPMs) and EPM applications. This non-cash transaction is excluded from the amounts disclosed in the cash flow statement.

NOTE 14: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

Directors' transactions with the economic entity

Directors' remuneration and equity interests are detailed in Note 5.

During the period the company agreed to pay Cambridge Business & Corporate Services, an entity controlled by Mr Paul Crawford, a director of the company, professional fees of \$5,000 for accounting, company secretarial and other services provided to the entity.

During the period the company issued 8,000,000 fully paid ordinary shares at \$0.005 each in the company to Findex Pty Ltd, an entity controlled by Mr Doug Young, a director of the company, as consideration for the acquisition of a number of mineral tenements.

NOTE 15: COMMITMENTS

The following commitments exist at balance date but have not been brought to account.

Exploration Commitments

The entity must meet minimum expenditure commitments in relation to granted exploration tenements to maintain those tenements in good standing. If the relevant mineral tenement is relinquished the expenditure commitment also ceases.

Not later than 1 year	292,000
Later than 1 year but not later than 5 years	2,192,000
Total commitment	<u>2,484,000</u>

Within these commitments is a joint venture commitment to expend \$172,317 by no later than December 2006. Refer Note 9.

ACTIVEX LIMITED

ABN 11 113 452 896

Notes to the Financial Statements for the financial year ended 30 June 2005

2005

\$

NOTE 16: EVENTS AFTER BALANCE SHEET DATE

On 20 July 2005 the company issued 1,245,000 new shares at \$0.10 each to raise \$124,500 for working capital.

Since the end of the reporting period the company has undertaken steps to raise additional working capital by way of a small scale offering and has commenced work on the preparation of a prospectus, with a view to undertaking an initial public offer and listing on the Australian Stock Exchange.

The company has also applied for 2 additional exploration tenements.

NOTE 17: SEGMENT REPORTING

The company operates entirely in the mineral exploration industry, within Australia.

NOTE 18: FINANCIAL INSTRUMENTS

a. Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Ave Effective Interest Rate	Floating Interest Rate	Non- Interest Bearing	Total
	2005 %	2005 \$	2005 \$	2005 \$
Financial Assets:				
Cash	5.40%	222,703	35,066	257,769
Total Financial Assets		222,703	35,066	257,769
Financial Liabilities:				
Trade payables	-	-	121,336	121,336
Total Financial Liabilities		-	121,336	121,336

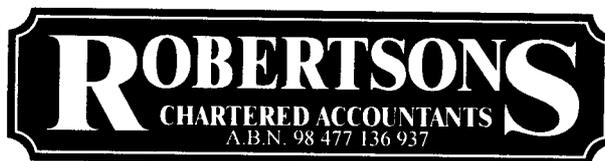
b. Net Fair Values

No financial assets or liabilities are readily traded on organised markets in a standardised form. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet.

NOTE 19: COMPANY DETAILS

The registered office and principal place of business is:

Activex Limited
Sky Level
301 Coronation Drive
Milton Qld 4064



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ACTIVEX LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cashflows, accompanying notes to the financial statements, and the directors' declaration for ActivEx Limited (the company), for the financial period 18 March 2005 to 30 June 2005.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form an opinion whether, in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.



**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF ACTIVEX LIMITED (continued)**

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by directors or management of the company.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration as attached to the financial report has not changed at the date of providing our audit opinion.

Audit Opinion

In our opinion, the financial report of ActivEx Limited is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2005 and of its performance for the period 18 March 2005 to 30 June 2005; and
 - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.



ROBERTSONS
Chartered Accountants



A W THOMAS
Partner

Brisbane
Date: 27 October 2005