A person wearing a white hat, a light-colored long-sleeved shirt, and khaki pants with a large black backpack is standing on a dark, jagged rock. They are looking out over a vast, open landscape with scattered green trees and dry grass under a clear blue sky. The person's right arm is slightly raised, pointing towards the horizon.

# *ActivEX*

*Active explorers for  
new resources*

**ActivEX Limited**

ABN 11 113 452 896



## Corporate Directory

### DIRECTORS

R.E (Dick) Keevers  
Non-Executive Director & Chairman

Douglas Young  
Managing Director

Paul Crawford  
Non-Executive Director & Company Secretary

Ian C Daymond  
Non-Executive Director

Min Yang  
Non-Executive Director

### REGISTERED AND PRINCIPAL OFFICE

117 Quay Street  
BRISBANE  
Queensland 4000

### POSTAL ADDRESS

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Queensland 4064

Telephone: (07) 3236 4188  
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Email: [admin@activex.com.au](mailto:admin@activex.com.au)

### SHARE REGISTRY

Computershare Investor Services Pty Ltd  
Level 19, 307 Queen Street  
BRISBANE  
Queensland 4000

### ASX CODE

AIV Shares

### AUDITORS

Hayes Knight Audit (Qld) Pty Ltd  
Level 19, 127 Creek Street  
BRISBANE  
Queensland 4000

### SOLICITORS

Carter Newell Lawyers  
Level 13, 215 Adelaide Street  
BRISBANE  
Queensland 4000

# Annual Report 2012



ActivEX Limited (ASX Code: AIV) is an Australian listed mineral exploration company committed to the acquisition, identification and delineation of quality resource projects, with a principal focus on copper and gold.

During the year, the Company has been active in identifying copper-gold-cobalt mineralisation in the Cloncurry district and copper, gold and silver mineralisation in south-east Queensland with significant success.

The Company's near term aim is to establish resources at its key projects.

## Highlights

### September Quarter 2011

- SAM<sup>(1)</sup> survey defines conductors coincident with soil anomalies, Sterling prospect
- Significant results from two phases of drilling, Florence Project
- Significant gold-silver intersections, 75% equity earned, Barambah Project
- Selwyn East EPM<sup>(2)</sup> granted, Cloncurry district

### December Quarter 2011

- High rare earth oxide (TREO)<sup>(3)</sup> values associated with copper-cobalt intersections, Florence Project
- Multiple high TREO values from rock samples, Sterling prospect
- Gossans discovered at Heathrow prospect, anomalous in molybdenum, copper, cobalt, gold and TREOs, Selwyn East Project
- New vein outcrop discovered with high values of gold and silver, Barambah Project
- New joint venture formed at Esk Trough

### March Quarter 2012

- SAM survey completed with magnetic and conductivity targets defined, Heathrow prospect
- QLD government drilling grant awarded for Sterling prospect
- 3DIP<sup>(4)</sup> surveys completed, Esk Trough

### June Quarter 2012

- Drilling completed Esk Trough – significant zones of shallow secondary copper enrichment intersected at White Horse
- Drilling completed at Sterling prospect - zones of copper, gold, molybdenum and TREOs intersected
- Drilling completed at Florence Project – extensions northeast of Florence Bore South indicated; narrow copper mineralised zones intersected at depth
- New zones of copper and TREO mineralisation defined south of Florence Bore South
- New EPMs granted– new targets developed, Cloncurry district
- Placement completed to raise \$669,449
- New board members appointed, new chairman elected



# Chairman's Letter

Dear Shareholders,

I was very pleased to accept an invitation from the other board members to join the board of our Company on May 1, 2012 and to be elected Chairman of the board. We now present the Company's Annual Report for the year ended June 30, 2012.

May I commence by thanking our staff and my co-directors for their contribution this year, particularly the efforts of our Managing Director, Mr Doug Young and our former chairman, Mr Ian Daymond, for his additional contribution during the formative years at ActivEX. I also welcome Ms Min Yang, the Executive Chairman of ASF Group Limited, who joined our board on May 11, 2012, at the time when we welcomed ASF Group as a shareholder following that company's investment in shares in our Company. We look forward to a long and fruitful association with ASF Group as a cornerstone investor with the ability to assist our Company to raise capital through its own resources and by introducing other parties with similar investment objectives.

My previous experience has included following a number of paths, but the main theme has been dominated by either direct involvement in the mining industry or in roles which were related to the mining industry, clearly the great love of my working life. I am delighted therefore to be able to say that at ActivEX, I was attracted by the quality of the people and many of the exploration prospects which have been acquired with expertise targeted at success, and where the execution of the exploration is methodical and disciplined, although constrained by limited financial resources. While operating in the difficult capital markets which have existed for most of our Company's time as an ASX listed company, it is the opinion of the directors that the value of our exploration projects is not adequately reflected in our share price. However, I am confident that there has been a great deal of good work conducted in the acquisition of exploration tenements and the commencement of hard exploration on these, to lay the foundation for future success, albeit in a high risk – high reward business environment. We expect that such future success, even on as few as one or two projects, should add significant value to our market capitalisation and share price.

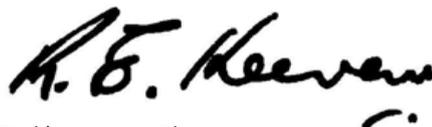
The challenge of our staff and your directors is to find strategic ways to now capitalise upon this platform for success. We as managers at ActivEX are grateful for the support of our shareholders thus far and we seek to take us all on a journey of success.

In many ways, ActivEX is a "little big company," with substantial mineral exploration property holdings primarily in Queensland, covering areas prospective for gold, copper-gold with rare earths, and in one case, copper and molybdenum. Minerals containing all of these elements have been discovered on our land or land where we are in joint venture with others, either in our recent drilling or previous drilling, or in surface expressions of mineralisation appearing at the surface as geochemically anomalous gossan rocks. Our project areas cover more than 2,800 km<sup>2</sup> in prospective regions including IOCG (Iron Oxide Copper Gold) and molybdenum-copper prospects south of Cloncurry (963 km<sup>2</sup>), copper, copper-gold and gold-silver prospects in SE Queensland (580 km<sup>2</sup>) and gold-silver prospects in northern Queensland (1,270 km<sup>2</sup>).

I refer you to the more detailed reports in the following pages in our Managing Director's Review of Activities. A number of possible ore grade and thickness drill intersections have been made, where further exploration will be necessary before we are confident that exploitable mineral resources will be defined. The results so far demand further exploration in some of the areas partially explored, while still other prospects remain to be drilled where the geology, surface geochemistry and ground geophysics completed by ActivEX indicate outstanding opportunities for exploration success.

In recent years, our Company has executed these land acquisition and early exploration programmes through a variety of operational models, including spending our cash on exploring our 100% owned land, spending our cash on farming-in through joint ventures on other parcels of land strategic to our objectives and in a prioritised manner and by farming out equity in our land by managing the expenditure of other in-coming joint venture partners. Successful exploration ultimately requires substantial amounts of risk capital to carry out the "heavy lifting" stages, primarily substantial drilling and metallurgical testing, followed by other engineering and financial studies when needed. Consequently we are now at a stage in our development where to continue in this business, much of our efforts must be to plan strategies to fund our future exploration, while preserving technical excellence and sufficient ownership to balance the creation of wealth for our shareholders. We do plan to both continue in this business and seek to grow our business.

Yours faithfully



R.E (Dick) Keevers, Chairman

ActivEX Limited ASX: AIV

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# Review of Activities



## From the Managing Director

ActivEX is an asset rich Company with a large, evolving portfolio of attractive exploration tenements in Queensland. Most of its projects have been acquired through organic growth and judicious acquisitions.

The Company suffers from a restricted ability to raise cash in the prevailing depressed stock market conditions.

In particular, this limits the level of activity we are able to consistently achieve and has, this year, meant the concentration of activity in four principal project areas - Selwyn East, Florence/Mt Agate, Esk Trough and Barambah.

**The Company has made some serious advances in these projects during the year including:-**

- **Completing sufficient work to start a resource assessment in the Florence Project**
- **The discovery of new gossans associated with coincident geophysical anomalies at Selwyn East**
- **The intersection high grade gold-silver mineralisation in several holes at Barambah**
- **The definition of substantial shallow copper enriched mineralisation at White Horse**
- **The emergence of new targets in both the Cloncurry and North Queensland areas**

In the meantime, ActivEX has made steady progress on other project areas, in particular advancing its permit applications in Far North Queensland towards grant and further reviews of Lake Chandler and other non-core project areas.

This policy is in line with the Company's strategy of seeking growth while conserving cash through:-

- only applying our funds to low risk/high reward exploration
- seeking joint venture funding from external sources for high risk exploration where high levels of uncertainty results in expensive exploration, such as deep drilling programs

During the year a new joint venture was formed over the Esk Trough tenements, fully funding this project and leading to high levels of activity on this ground. The Company aims to rapidly advance several of its other non-core projects to expand the levels of joint venture funding on its ground.

Despite the depressed market conditions where capital raising for junior explorers has been extremely difficult, the Company has successfully raised additional capital in May 2012 through the introduction of a cornerstone investor, ASF Group, who subscribed to a placement of 15% of the Company's capital at a significant premium to market.

ActivEX sees considerable synergies and an ongoing relationship with the ASF Group Limited who's business model is to match Australian resource projects with Chinese investment capital.

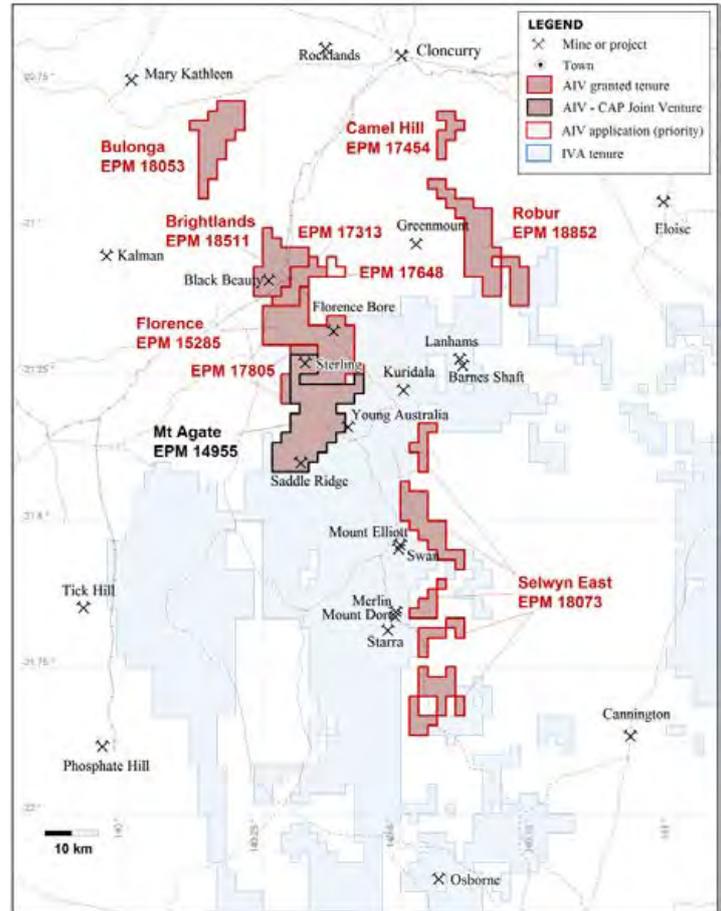


# Cloncurry District



*The Cloncurry district is a richly endowed mineral province and continues to be a focus for ActivEX*

*Located in north-west Queensland, ActivEX now holds 963km<sup>2</sup> of granted tenure*



The ActivEX asset base in the prospective Cloncurry district has grown during the year with the granting of five additional exploration permits. The five permits – Selwyn East, Bulonga, Camel Hill, Robur and Brightlands, all lie to the south of Cloncurry.

Selwyn East was granted in September 2011 and exploration work commenced shortly afterwards.

Each of the new areas has untested anomalous zones, which are attractive for further exploration. No drilling has been carried out to date in these areas despite the close proximity of encouraging IOCG<sup>(5)</sup> prospects such as at GBM Resources Ltd's Milo prospect.

ActivEX' track record in this district is one of successful discovery and definition of new greenfields mineralised zones and the company is confident that it can continue to uncover new targets in its newly acquired areas.

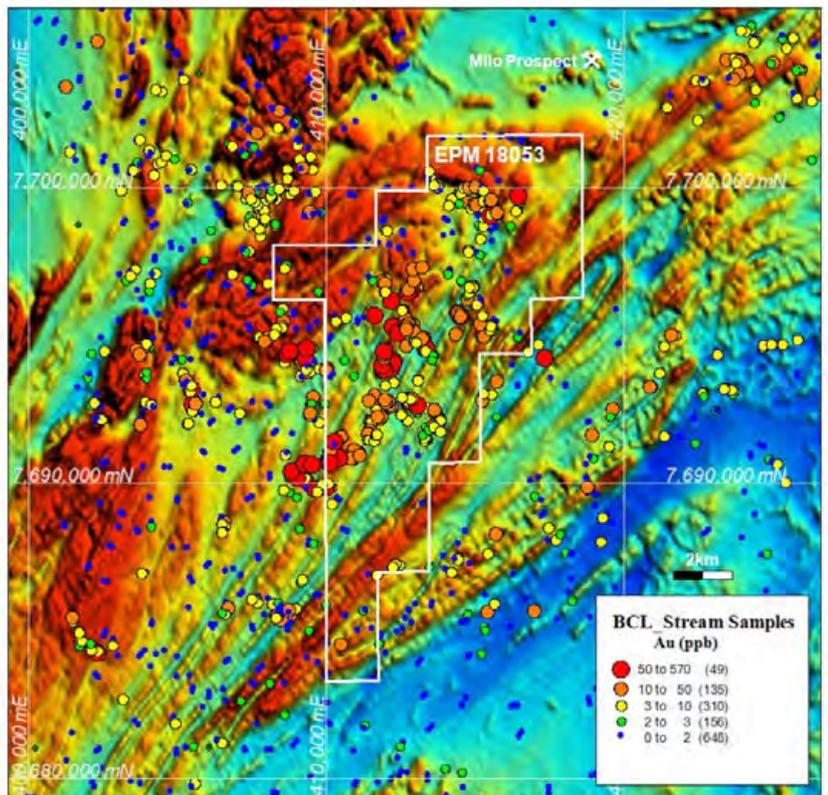
The Bulonga tenement lies 30km south west of Cloncurry and is adjacent to the Barkly Highway. It has highly anomalous gold values recorded in previous stream sampling. The Milo prospect is located close to the northern tenement boundary and the area is along strike from the Kalman copper-gold-molybdenum-rhenium deposit.

The Brightlands area is adjacent to ActivEX' Florence Project and will be explored as part of this project. The area has several known historic copper workings associated with north-east trending magnetic structures.

The north-east trending structures at Florence and Sterling are known to host copper-gold mineralisation.

The Camel Hill - Robur area is hosted by the Soldiers Cap Group of rocks which also host the large BHP Billiton Cannington silver-lead-zinc mine some 70km to the south.

There are known occurrences of zinc near Camel Hill and extensive zinc in stream samples in the tenement area. The area also spans the Cloncurry Fault zone, a major structure in the area with significant associated alteration, indicating fluid movement.



Bulonga, EPM 18053, showing stream samples over aeromagnetics

# Selwyn East

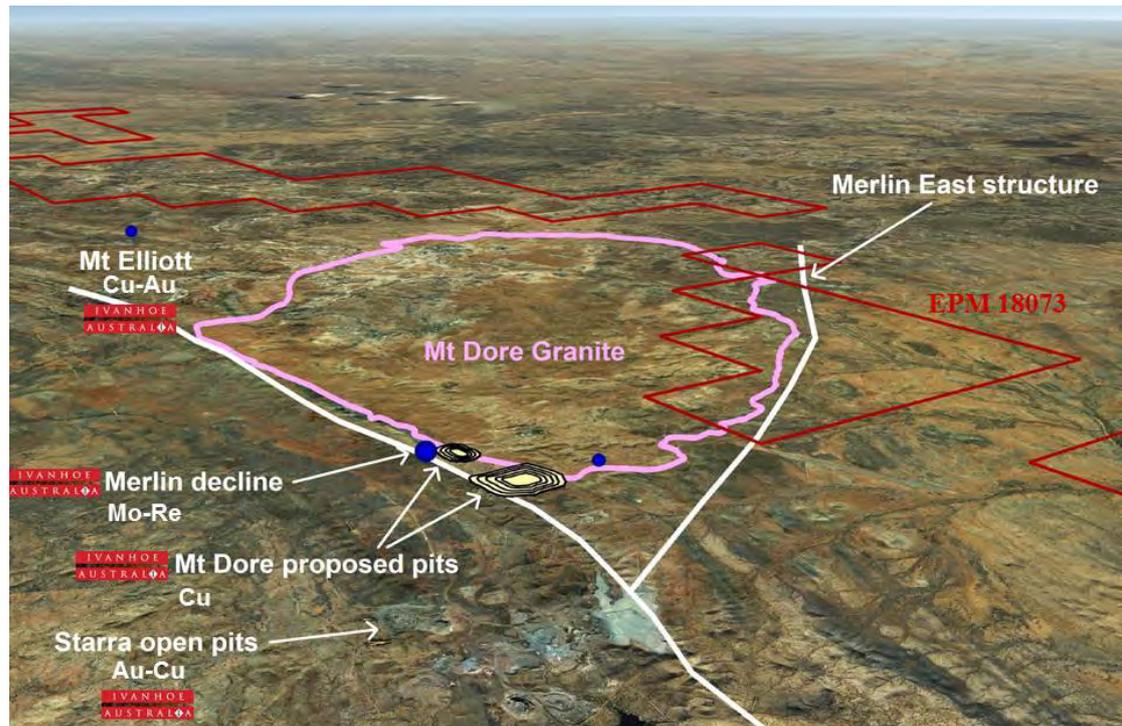


*The Selwyn East Project is in one of the most exciting development areas in Queensland and ActivEX has a strategic holding, with a great address*

The 100% ActivEX owned Selwyn East EPM is located only 3 kilometres east of the high grade molybdenum - rhenium development owned by Ivanhoe Australia. Our geophysical interpretations define clear links between the mineralising structures on the Mount Dore/Merlin line and ActivEX ground along the Merlin East structure.

The Company initiated field activities late in 2011 and has rapidly moved towards drill target definition with our initial field surveys.

These field activities have discovered the Heathrow and JFK gossans and led to the completion of SAM magnetic and conductivity surveys over the area of interest.



*Oblique view of Selwyn East, EPM 18073, showing the location of Merlin decline and proposed Mt Dore open pits*

A total of 60 rock chip samples were collected during initial field inspections carried out in late 2011.

Rock chips from the Heathrow prospect returned anomalous copper (up to 0.27% Cu), cobalt (up to 536ppm Co), uranium (up to 300ppm U), gold (up to 0.17ppm Au) and molybdenum (up to 652ppm Mo).

Some spot high values of rare earth elements (up to 0.9% TREO) were also returned from the general vicinity. These were dominated by high levels of the light rare earths, Lanthanum and Cerium.

Other prospect areas have also been identified in the tenement from the initial field inspections. Several isolated gossanous outcrops were discovered with anomalous copper (up to 1,500ppm Cu), cobalt (up to 956ppm Co), gold (up to 0.33ppm Au) and molybdenum (up to 190ppm Mo). Further work is planned to delineate the extents of these zones.



*Heathrow gossan*



*Heathrow gossan*

# Selwyn East



## Mineralising structures splay into Selwyn East

The mineralising structures at Mount Dore/Merlin are clearly defined by airborne uranium-channel radiometrics. In the Merlin area the structure is a thrust fault system. The radiometrics show these mineralising fluid pathways splaying eastward into ActivEX ground in close proximity to the fertile Mt Dore Granite contact.

The granite also shows evidence in hyperspectral<sup>(6)</sup> data of late stage brittle fractures, particularly in the ferric oxide channel.

These fractures pass through the molybdenum rich zone which extends from Merlin to Cave Hill on the western contact of the granite and extend into ActivEX tenure on the east side of the granite.

These fractures, being late stage in the life of the granite are likely to be good conduits for mineralising fluids.

One such structure is coincident with the Heathrow gossan<sup>(7)</sup> occurrence.



Airborne radiometrics

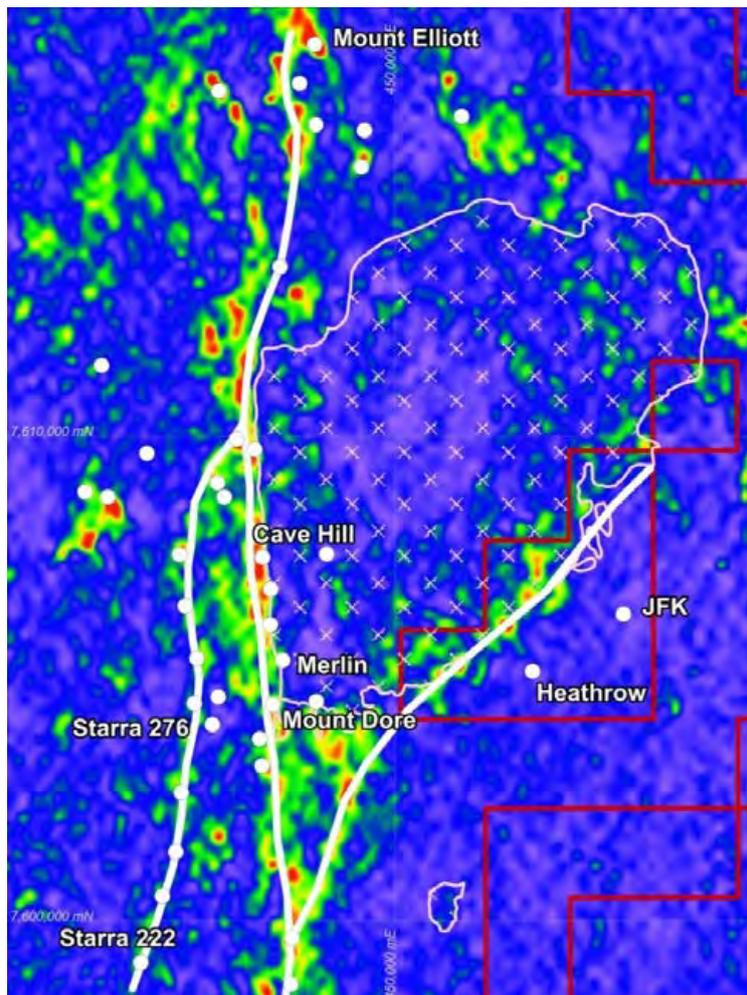


Figure shows mineral occurrences along the Mount Dore/Merlin trend with related major structures (shown in white) against a background of radiometric anomalies.

Selwyn East EPM 18073 outlined in red. Mt Dore Granite outlined in pink.

Hyperspectral image – ferric oxide channel

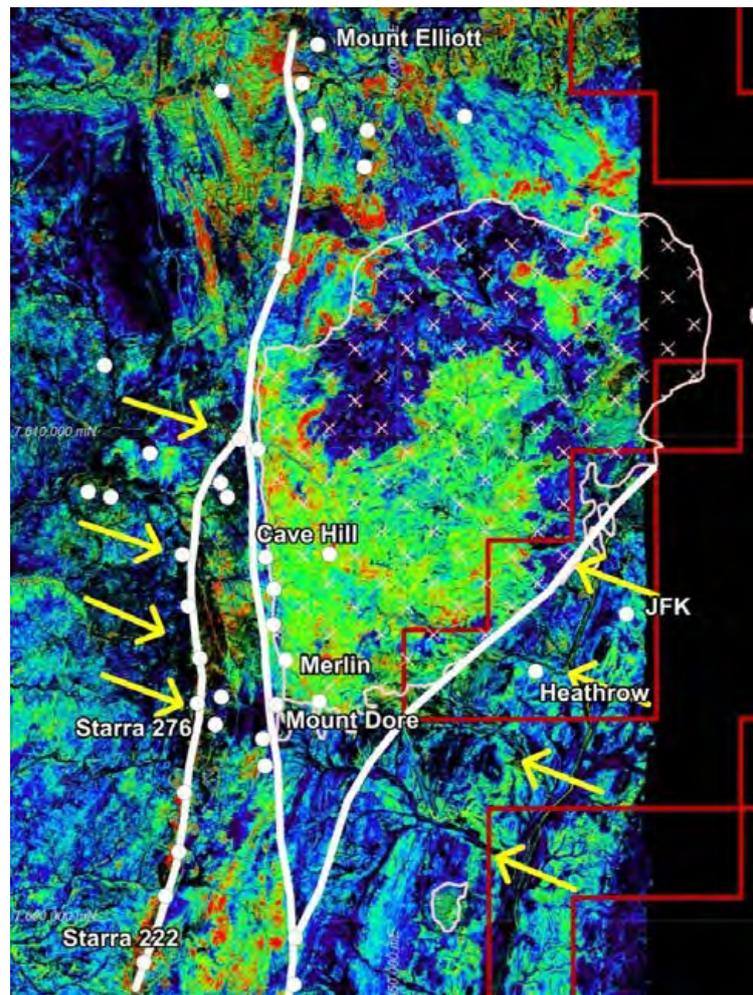
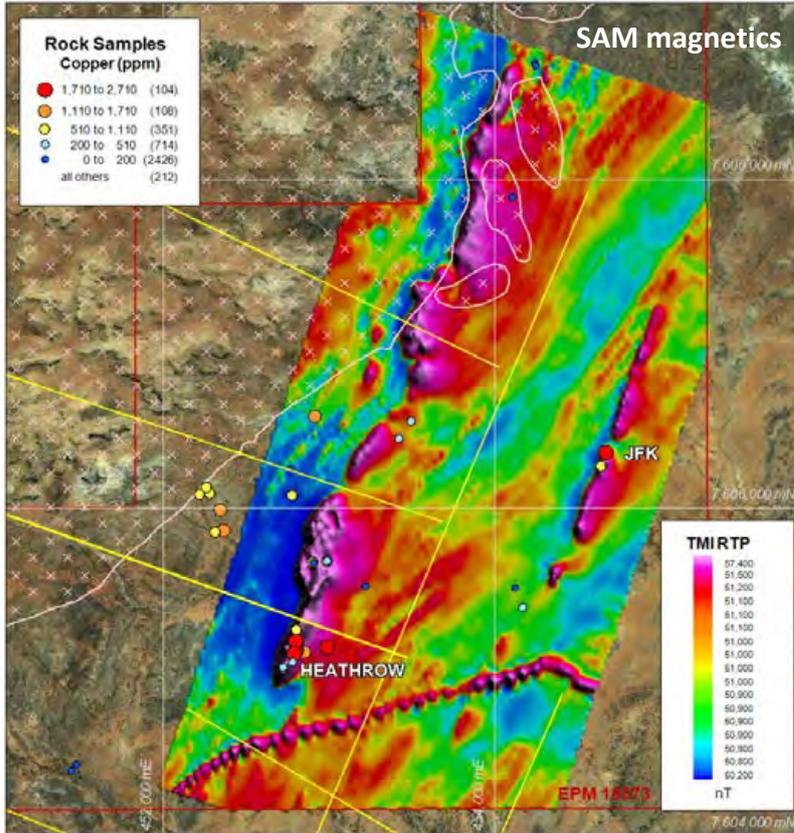


Figure shows mineral occurrences and related brittle cross fractures (shown in yellow) against a background of hyperspectral data from the Queensland Mines Department and CSIRO.

Selwyn East EPM 18073 outlined in red. Mt Dore Granite outlined in pink.

# Selwyn East



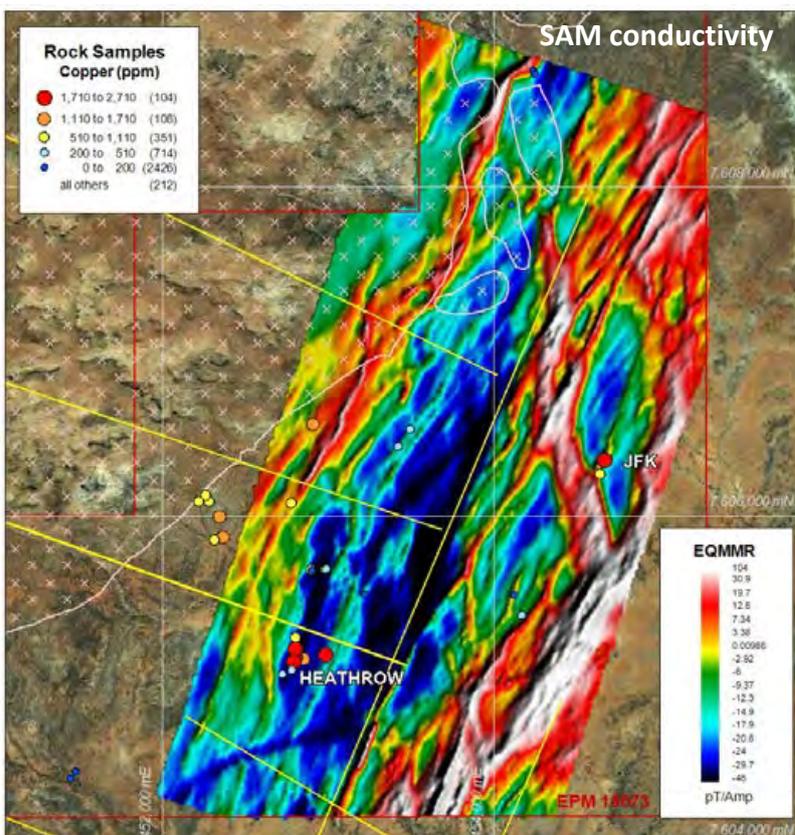
**Discovery of new gossans associated with significant magnetic anomalies and conductivity**

## Heathrow Prospect

This gossan occurrence was discovered by Company geologists in the early stages of work in the area. Gossans occur over about 800m of strike length and are anomalous in copper, molybdenum and gold. Anomalous rare earths are also found in the area.

The Company carried out a SAM survey in the area east of Merlin early in 2012. This state of the art technology has been widely and effectively used in the Cloncurry district in the search for IOCG and skarn style copper-gold deposits. The survey has defined a discontinuous magnetic anomaly over 4.5km of strike associated with the Heathrow gossans at its southern end.

The magnetic anomaly is a complex, folded feature which is partly associated with dolerite intrusions. Discontinuities or breaks in the magnetic structure are interpreted to be related to the late stage brittle fracture event affecting the nearby Mt Dore Granite.



Geochemical surveys are planned to assist in defining drill targets in the Heathrow area and also at a similar occurrence of magnetite rich gossans at JFK, situated 1,500m east, which is also anomalous in copper (to 2,000ppm Cu).

The Heathrow magnetic anomaly is characterised as a strongly resistive (low conductivity) zone in the SAM conductivity data which further supports the association with dolerites.

The conductivity data also highlights an extensive zone of highly conductive rocks on the south-eastern side of the grid which show evidence of linking - interpreted as a possible thrust fault system. The main conductive zone is at least 1,400m long and up to 250m wide. This area is mostly obscured with sand and soil cover so further definition of this target zone by shallow drilling is required.

# Florence Project



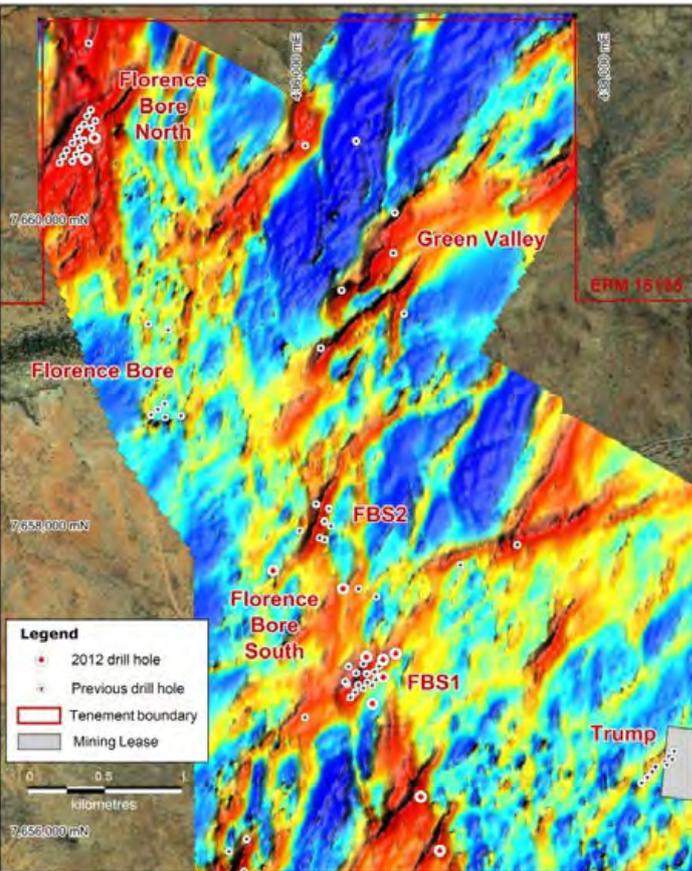
*Oxide copper mineralisation defined in three shallow targets, potential for open pits*

## Drilling Programs

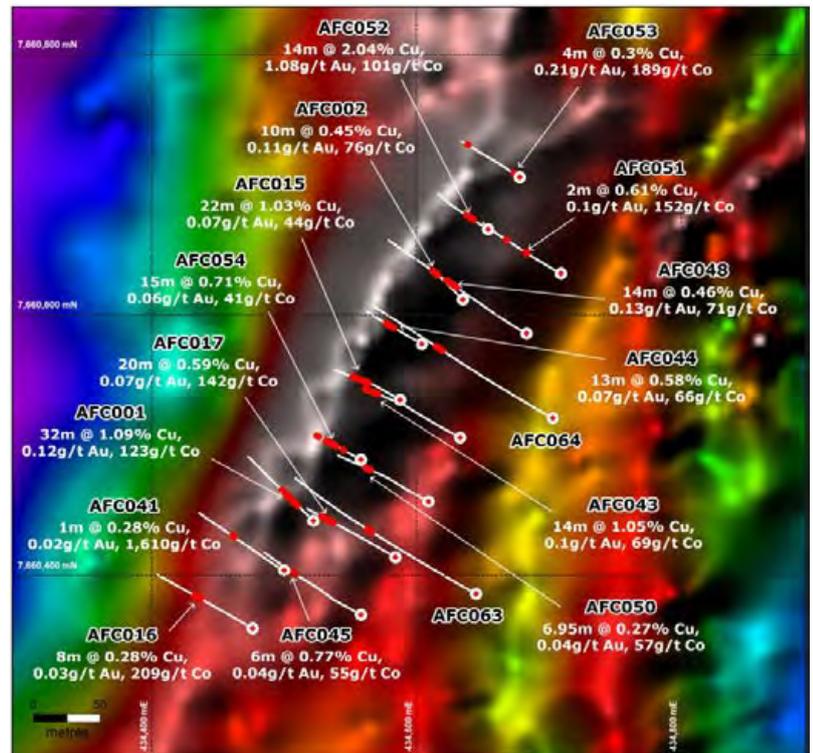
ActivEX has continued drilling in the Florence area, following up these new discoveries and further extending the mineralised zones.

Two campaigns of drilling have been completed during the year with the first campaign stepping back from the initial discovery holes and expanding along strike to develop a drill pattern suitable for resource estimation.

The second campaign, completed in July 2012 stepped back again with the object of intersecting primary sulphide zones beneath the secondary oxide mineralisation defined in earlier drilling. It also tested for extensions to the north-east at Florence Bore South and included a scout drilling program looking for new mineralised structures in the area, associated with untested conductivity anomalies, similar to the Florence anomalies.



*Florence Bore area, drill holes over SAM (MMR conductivity) image*



*Drill hole location plan of FBN showing highlighted intersections over SAM image*

## Florence Bore North Prospect

The Florence Bore North (FBN) prospect consists of a small set of historic copper workings related to a north-east striking conductivity anomaly. The anomaly reflects a structure with mineralisation hosted by a quartz vein/skarn system. The structure cuts a series of magnetite siltstones, limestones and mafic meta-volcanics, and coarse garnet skarns are developed within and adjacent to the structures.

A total of 17 holes for 2,479.9 metres have been drilled on the FBN prospect.

Significant widths and grades of mineralisation were intersected at shallow levels. These have been shown in deeper drilling to deteriorate to narrow zones of copper sulphide mineralisation at depths of 150 to 200m indicating substantial secondary enrichment in the oxide zone.



*Quartz veining with pyrite, garnet and hedenbergite, AFC049, 104.4m*

# Florence Project



## Florence Bore South Prospect

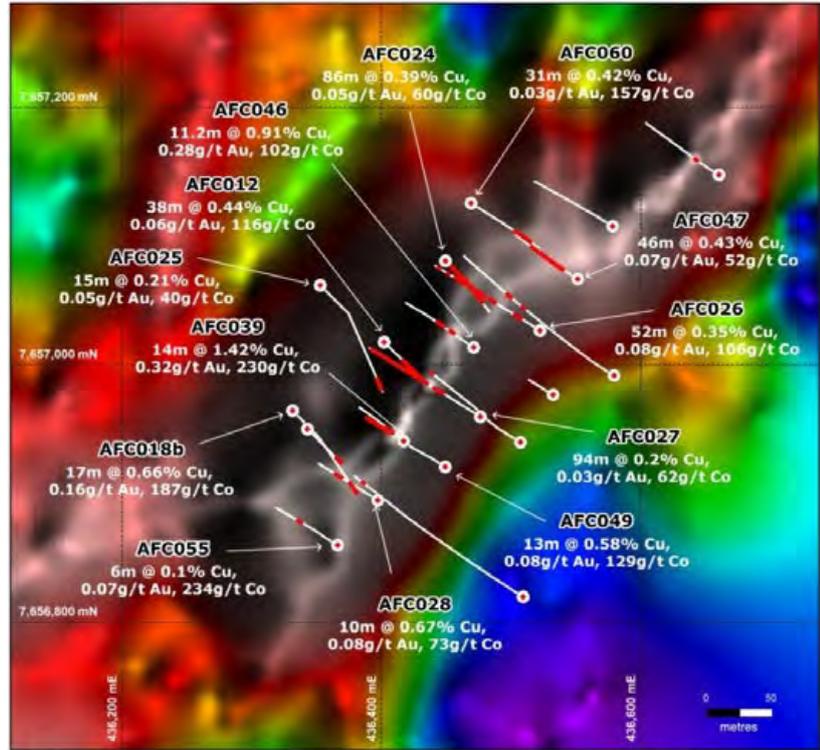
The Florence Bore South prospect lies 3km south of FBN. Two conductivity anomalies (FBS1 and FBS2) strike north-east and are linked by cross structures which host scattered historic copper workings.

Drilling has concentrated on FBS1 due to the excellent widths of oxide mineralisation indicated in drilling.

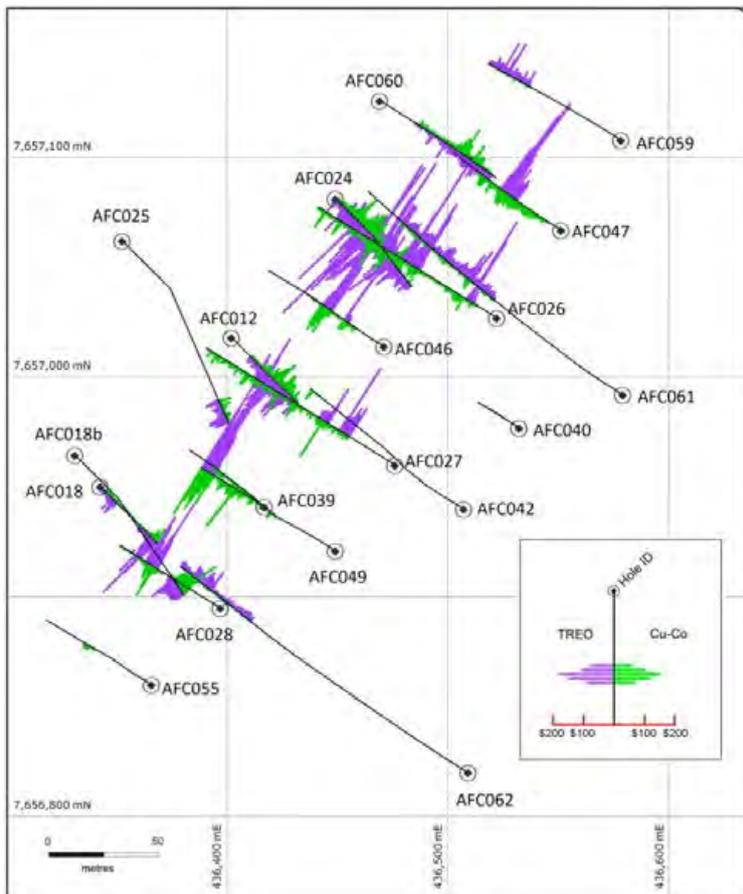
Similar to FBN, the mineralisation is represented by oxides, carbonates and zones of gossan within silicified limestones, skarns and brecciated iron rich meta-sediments.

Recent deep drilling on the target intersected narrow zones of sulphide mineralisation up to 0.77% copper without intersecting any significant widths. However, drilling also showed that the mineralised zone is still open to the northeast with a zone of 31 metres of 0.42% copper intersected in the last hole, AFC060.

A total of 21 holes for 2,927.8 metres of drilling has been completed at FBS1 by ActivEX.



Drill hole location plan of FBS1 showing highlighted intersections over SAM image



FBS drill hole plan, TREO value against copper+cobalt values

The Company has also established highly anomalous levels of rare earth elements associated with the FBS1 copper-cobalt-gold mineralisation. Estimations of the value of the contained TREOs suggest they could add at least as much value to material extracted as the copper-cobalt. Initial work on the leachability of the mineralised material is in progress.

The FBS2 anomaly is a narrow but continuous northeast trending conductive anomaly at least two kilometres long. Notable in the drilling was the intersection of significant sulphides at depth in hole AFC036 with high grades of copper returned (4m @ 3.68% Cu).

Recent drilling has also defined new zones of copper and TREO mineralisation southeast of FBS1 and high gold values has also been intersected west of FBS1. These mineralised zones have had limited drilling and require further follow-up.



Copper in gossan breccias, AFC049, 103.4m



Garnet and red rock alteration, AFC049, 74.3m

# Mt Agate JV



## Sterling Prospect

The Sterling prospect lies in the northern part of EPM 14955, Mt Agate. Drill testing of the prospect was completed during the year. The program was partly funded by a Queensland Government grant under the Cooperative Drilling Initiative.

Extensive haematitic granite breccias which outcrop poorly but show ample evidence of copper, molybdenum, cobalt gold and REO<sub>(3)</sub> mineralisation were tested in the drill program. The breccias extend for over 4.5km of strike length.

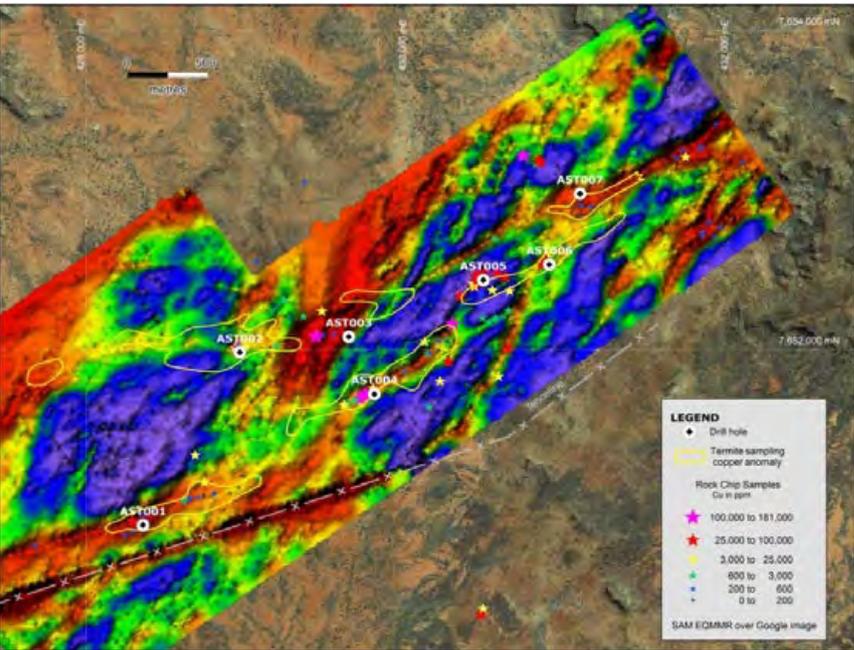
The drill targets consisted of geochemically anomalous breccia zones which were in part

coincident with SAM conductivity anomalies.

A total of seven RC holes were drilled for a total of 1,231 metres.

Drilling showed the mineralised granite breccias are host to only narrow copper mineralised structures at depth. These structures are not as well developed as indicated at the surface and occur predominantly as veins but are situated within broad zones (up to 23 metres) of anomalous rare earth oxides. The TREOs are dominated by light rare earths (LREO) as is usual in an IOCG deposit.

The distribution of the TREOs within the granite is the subject of further study.



Sterling prospect - drill holes and rock chip samples over SAM (EQMMR conductivity) data (fence line in grey)



Haematite granite breccia, Sterling prospect

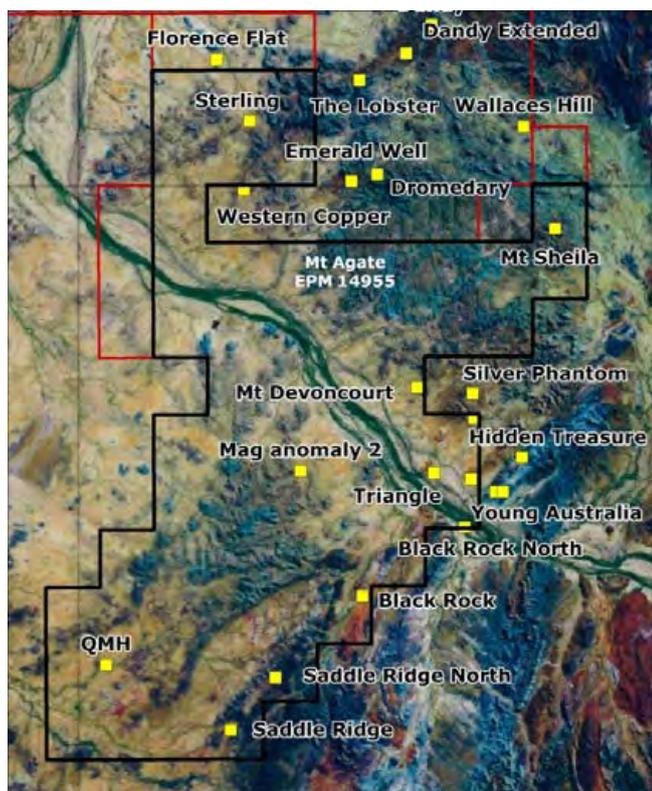
## Other Prospects

At Saddle Ridge, in the southern part of the exploration permit, detailed geochemistry of the 4km copper-cobalt anomalous zone has been completed and further geochemical surveys and mapping extending to the north-east are planned.

At the Mt Sheila prospect, in the north-east of the EPM, coincident IP and magnetic anomalies, defined by Carpentaria Exploration, are planned for follow up geochemistry.

Further drilling in the Mt Agate area should follow these investigations.

The Mt Agate Project is a joint venture with Carpentaria Exploration, with ActivEX earning up to 75% interest.



Mt Agate, EPM 14955, prospects over landsat image

# Far North Queensland Projects



*An area highly endowed with gold, predominately of porphyry and intrusion related breccia styles*

New EPMs are the feature of the North Queensland projects. The first grants from the new projects in this area are occurring and others are expected to follow in the near term.

from 42m and 8m @ 9.2g/t gold (from 260m).

Wide zones of copper mineralisation have also been identified at the nearby Black Knight prospect where 194m @ 0.14% copper was returned.

## Ravenswood Project

The Ravenswood Project consists of three tenements: Mt Leyshon, King Solomon and Cornishman.

At King Solomon, an EPM adjacent to Resolute's Welcome Breccia discovery, no previous drilling has been carried out despite rock samples returning up to 77g/t gold. ActivEX is currently completing the data compilation for these areas.

The Mt Leyshon EPM surrounds the Mt Leyshon mining lease (not held by ActivEX) and with the Cornishman EPM, extends along the Mt Leyshon Corridor. This important structural zone hosts numerous breccia pipes and associated mineralisation including the Mt Wright deposit, currently being mined by Resolute Mining Limited.

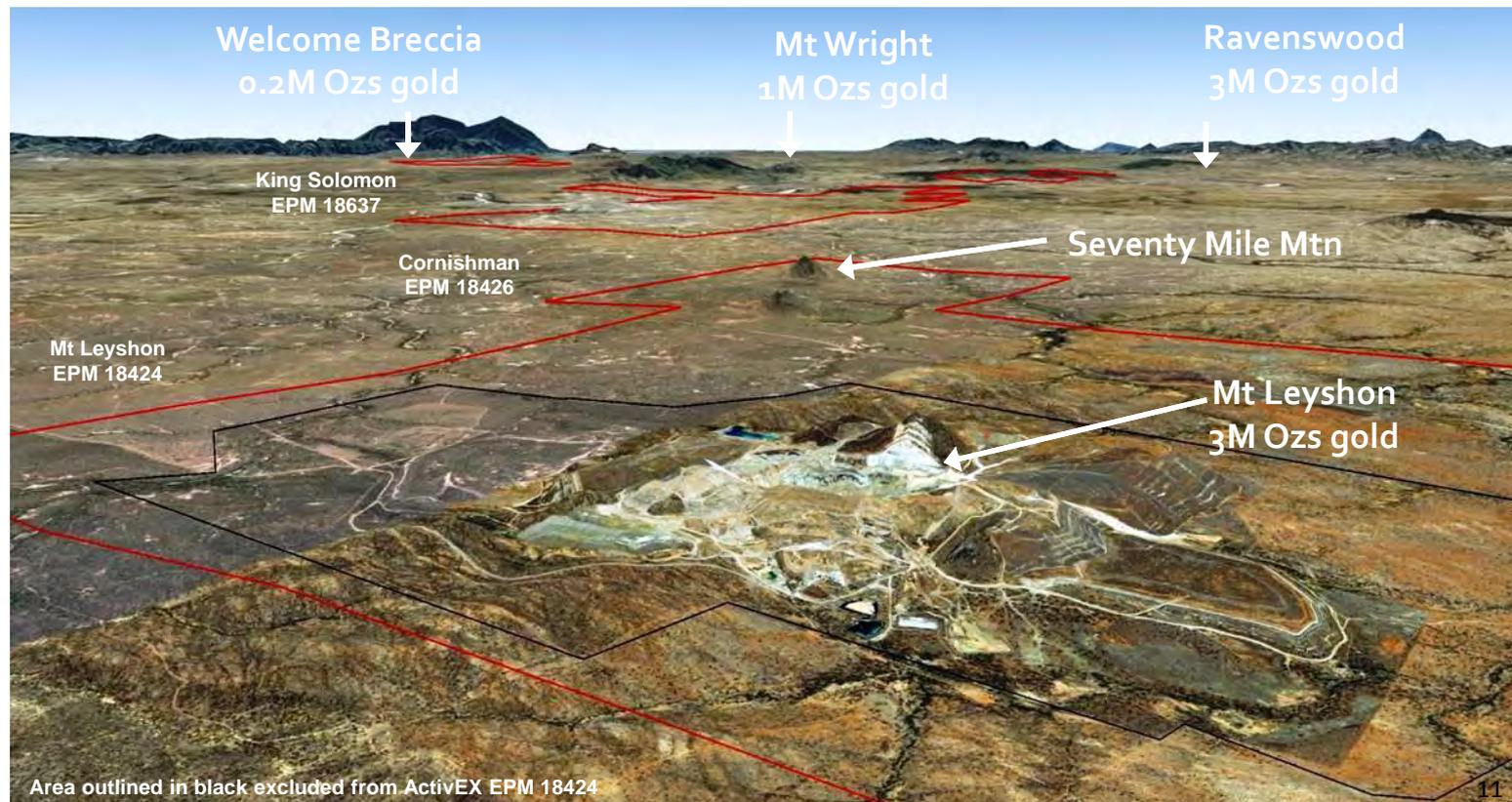
## Gilberton Project

The Gilberton Project consists of three tenements: Mt Hogan, Gilberton and Percy River. The Percy River and Mt Hogan EPMs are both proposed for grant. The Gilberton EPM is a first priority application.

Within the ActivEX tenements, significant intersections of gold and copper have been recorded in previous drilling along the corridor. At Seventy Mile Mountain several drill campaigns have targeted gold in the breccia system with the best intersection being 16m @ 3.4g/t gold (from 184m).

The project area contains a number of target styles, including intrusion/porphyry related vein/breccia gold, IOCG targets, Fort Knox style gold targets, and quartz vein hosted gold. There is a high crustal abundance of gold in the area, evidenced by numerous hard rock and alluvial gold occurrences.

Other intercepts include 16m @ 1.27g/t gold



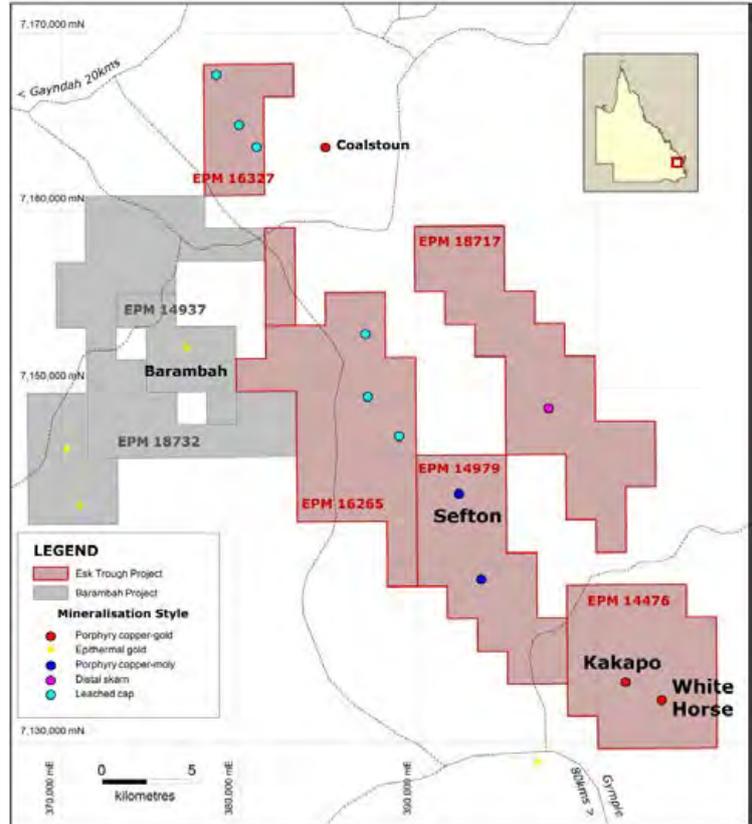
Area outlined in black excluded from ActivEX EPM 18424

# Esk Trough



*The Esk Trough Project consists of five exploration permits in south-east Queensland*

*It is highly prospective for porphyry copper-gold deposits and associated shallow copper enrichment zones*



During the year the Company recommenced activities in the Esk Trough area, west of Gympie, with the signing of a new joint venture with Coppermoly Limited.

Coppermoly had the right to earn a 70% interest in the project by spending \$6M on exploration and committed \$500,000 in expenditure for the year.

Subsequent to year end, Coppermoly has elected not to proceed to farm-in to the area and will withdraw without earning any equity, the project being retained 100% by ActivEX.

Exploration commenced in the Esk Trough area in early 2012 with the execution of a 3DIP(4) survey over three of the prospective areas. The program was designed to delineate chargeability targets related to the hydrothermal systems mapped at surface.

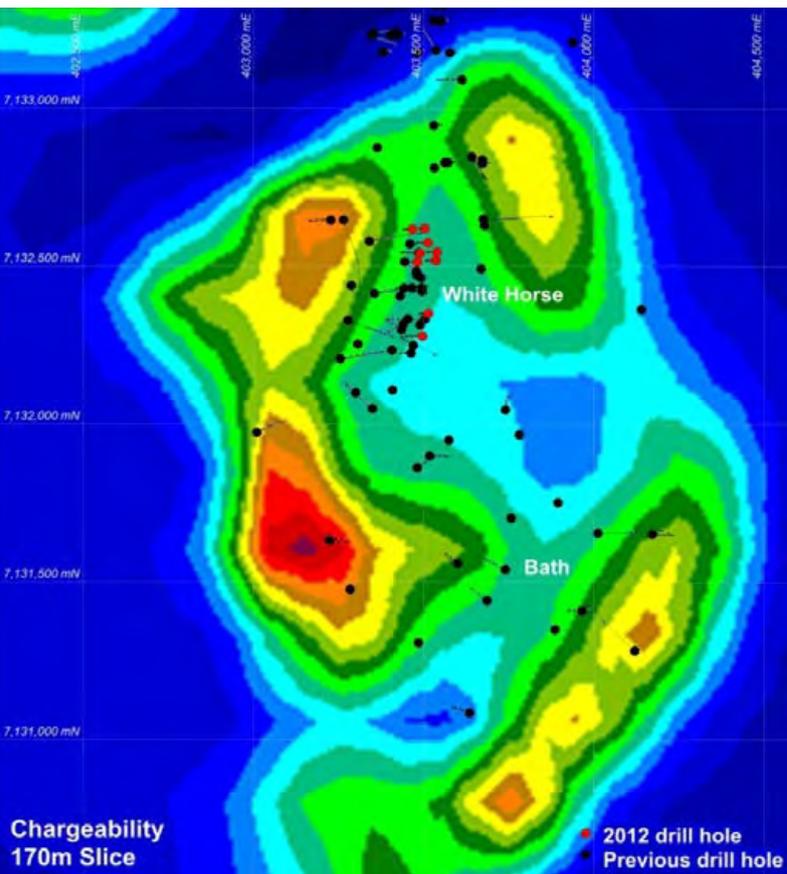
A significant chargeability target was defined by this program at Sefton and this was subsequently drill tested.

The surveys also added further knowledge to the Demonbanga and Kakapo prospects and aided drill site selection at Kakapo.

A comprehensive RC drilling program was then carried out over three prospect areas at White Horse, Kakapo and Sefton. A total of 15 holes for 1,806m was drilled and was completed in June 2012.

The program at Sefton intersected wide zones of pyrite, sufficient to explain the chargeability anomaly, but without any associated economic mineralisation.

Moderate grade copper gold mineralisation was intersected in several zones at Kakapo but it was the White Horse drilling which returned excellent results. The drilling was successful in defining a new secondary copper enrichment target with mineralisation intersected in all the holes drilled.



White Horse-Kiwi-Bath area – drill hole locations over IP chargeability image



# Barambah

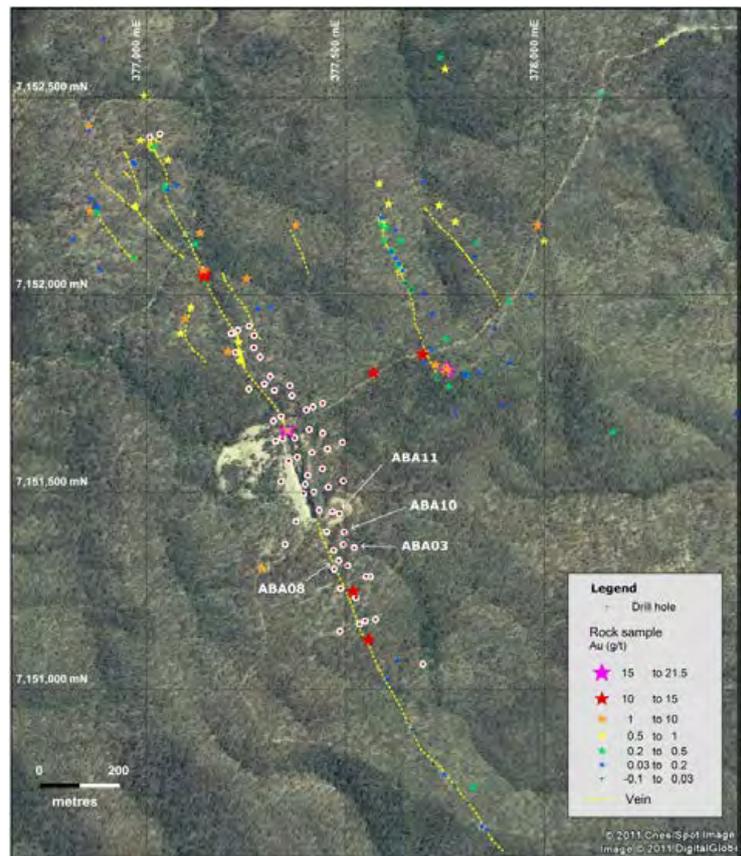


The Barambah project is located in south-east Queensland, and lies immediately to the west of the ActivEX Esk Trough Project.

The orebody was partly open pit mined in the 1980's.

Drilling by ActivEX in July 2011 highlighted zones of very high grade gold-silver mineralisation in the system.

**Drilling has confirmed a south plunging high grade mineralised shoot within this high grade gold-silver epithermal vein system**



*Barambah vein system showing old open pit, drill holes, rock chip sample results and vein locations*

The results have included some of the best intersections at the project to date and have confirmed the south plunging nature of the mineralised shoot, which is open at depth.

The tenor of the mineralisation intersected in drilling appears to be improving towards the south although more confirmation drilling is required.

ActivEX has delineated an exploration target zone which has been partially defined in the shallow levels and contains significant gold-silver intersections within 100m of the surface. This mineralised zone would be easily accessible from the existing open pit either by cut back or by underground access from the floor of the pit. Further drilling is planned to extend this zone at depth and to the south.

The Company has also carried out considerable surface work in the area to define further vein occurrences. A trial soil sampling program was unsuccessful in defining the ore zones however traditional detailed mapping and rock sampling methods have met with success.

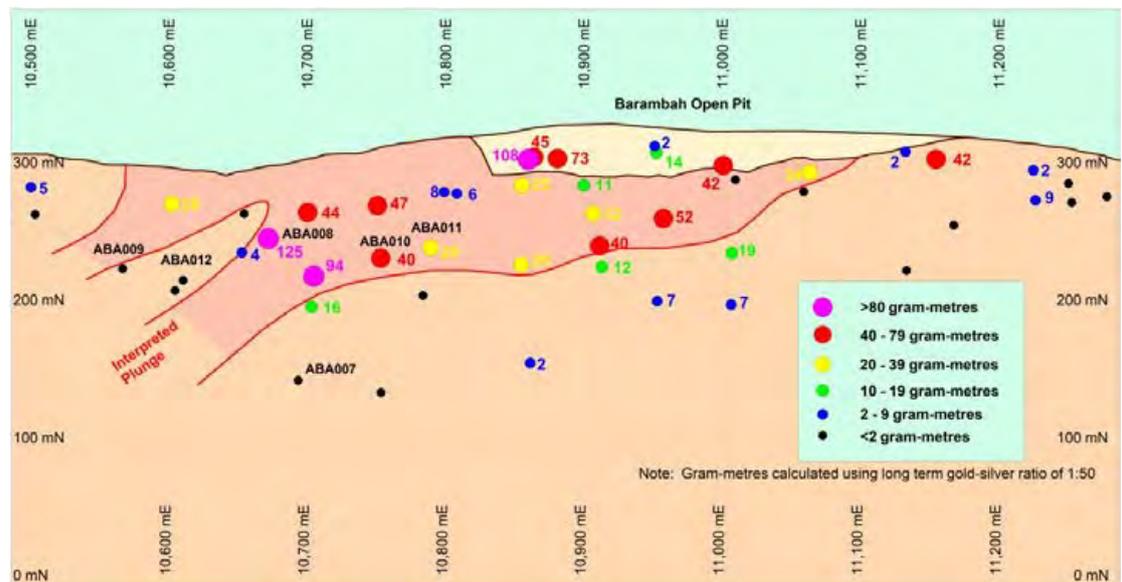
This work located a second parallel vein system lying 500m north-east of the main vein.

It also located the newly defined high grade mineralisation on the northern extremities of the main vein system.

The second vein system outcrops poorly because it is quartz poor, but returns good mineralisation values up to 18.6g/t gold and 214g/t silver in epithermal breccias similar to those found at the Barambah vein.

This work has also been recently extended to cover the Penwhaupell and Aranbanga epithermal vein systems which are approximately 9km to the southwest.

Rock samples for these veins have returned values of up to 16g/t gold.



*Long section showing old mining area (in cream) and south plunging interpreted high grade shoot indicated by >20 gram-metre contours (note 20 gram-metre contour used for illustration purposes only)*

# Tenement Schedule

Current as at 20<sup>th</sup> September 2012

Project	Name	Tenement	Grant	Expiry	Holder & Interest	Size (km <sup>2</sup> )
<b>Queensland</b>						
<b>Prospect Creek</b>	Prospect Creek	EPM 14121	3-Aug-05	2-Aug-15	ActivEX Limited 100%	125
<b>Pentland</b>	Pentland	EPM 14332	10-Dec-04	9-Dec-14	ActivEX Limited 100%	158
	Oxley Creek	EPM 15055	11-Jan-06	10-Jan-16		213
	Norwood South	EPM 15185	3-Aug-06	Renewal lodged		58
	Boobyjan	EPM 14476	8-Jun-04	Renewal Lodged		71
<b>Esk Trough</b>	Dadamarine	EPM 14979	12-Apr-05	11-Apr-15	ActivEX Limited 100%	65
	Blairmore	EPM 16265	4-Sep-07	Renewal Lodged		124
	Ban Ban	EPM 16327	31-Jul-07	Renewal Lodged		37
	Stockhaven	EPM 18717	13-Oct-10	12-Oct-15		90
	Barambah	EPM 14937	14-Mar-05	13-Mar-17		ActivEX Limited 75%, Norton Goldfields 25%
<b>Cloncurry</b>	One Mile	EPM 18732	15-Oct-10	14-Oct-15	ActivEX Limited 100%	96
	Florence Creek	EPM 15285	30-Oct-07	Renewal lodged	ActivEX Limited 100%	163
	Malbon	EPM 17313	24-May-10	23-May-15	ActivEX Limited 100%	38
	Florence Flat	EPM 17805	21-Apr-11	20-Apr-16	ActivEX Limited 100%	19
	Camel Hill	EPM 17454	23-Jan-12	22-Jan-17	ActivEX Limited 100%	26
	Bulonga	EPM 18053	27-Apr-12	26-Apr-17	ActivEX Limited 100%	93
	Selwyn East	EPM 18073	19-Sep-11	18-Sep-16	ActivEX Limited 100%	211
	Brightlands	EPM 18511	30-Apr-12	29-Apr-17	ActivEX Limited 100%	77
	Robur	EPM 18852	9-Aug-12	8-Aug-17	ActivEX Limited 100%	144
	Malbon East	EPM 17648	Application	(Competitive)	ActivEX Limited 100%	10
Selwyn Road	EPM 17652	Application		ActivEX Limited 100%	3	
<b>Mt Agate</b>	Mt Agate	EPM 14955	29-Jun-06	Renewal lodged	Carpentaria Exploration 100%, ActivEX earning up to 75%	192
<b>Gilberton</b>	Mt Hogan	EPM 18615	EPM Proposal		ActivEX Limited 100%	312
	Gilberton	EPM18623	Application	(priority)	ActivEX Limited 100%	130
	Percy River	EPM 19207	EPM Proposal		ActivEX Limited 100%	23
<b>Ravenswood</b>	Mt Leyshon	EPM 18424	8-May-12	7-May-17	ActivEX Limited 100%	93
	King Solomon	EPM 18637	17-Aug-12	16-Aug-17	ActivEX Limited 100%	26
	Cornishman	EPM 18426	Application	(competitive)	ActivEX Limited 100%	258
<b>Western Australia</b>						
<b>Lake Chandler</b>	Lake Chandler	M 77/22	17-Jan-85	16-Jan-27	ActivEX Limited 100%	3.6
	Reward Lake	P77/3977	Application		ActivEX Limited 100%	0.25

## Glossary

- (1) SAM - sub-audio magnetics, electrical geophysics
- (2) EPM – exploration permit for minerals
- (3) REO - rare earth oxides, TREO – total rare earth oxides, LREO – light rare earth oxides, HREO – heavy rare earth oxides
- (4) 3DIP - three dimensional induced polarization, electrical geophysics
- (5) IOCG - iron oxide copper gold mineralisation style
- (6) Hyperspectral - multi channel high definition spectral airborne imaging
- (7) Gossan – the surface reflection of mineralisation, usually highly oxidised and weathered

The information in this report that relates to exploration results is based on information compiled by Mr D Young, who is a Registered Professional Geoscientist (RPGeo) and a Fellow of the Australian Institute of Geoscientists (FAIG) and Ms J Hugenoltz who is a Member of the Australian Institute of Geoscientists (MAIG), both of whom are full time employees of ActivEX Limited. Mr Young and Ms Hugenoltz have sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and the activities which they are undertaking to qualify as Competent Persons as defined by the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Young and Ms Hugenoltz consent to the inclusion of their names in this report and to the issue of this report in the form and context in which it appears.

# ActivEX Board of Directors



**RE ( Dick ) Keevers**  
**B.Sc, FAusIMM (CP)**  
**Non Executive Director and Chairman**

Appointed May 2012

Dick is a qualified and experienced geologist, having held senior positions with BH South Limited and Newmont during his 20 years in the mining industry.

He spent 13 years as a substantial shareholder and executive director of stockbrokers, Pembroke Josephson Wright Limited. He was a non executive director of Pacrim Energy Ltd for 15 years and Zicom Group Ltd for 3 years, where he was chairman. Until recently, Dick was the chairman and CEO of Electrometals Technologies Ltd, a Gold Coast based designer and manufacturer of electrowinning equipment for the recovery of metals in the mining, metal refining and industrial waste industries.

From December 2007, he has been a non-executive director of Cerro Resources NL, a mineral exploration company listed on the ASX and in Canada on the TSX-V.



**Douglas Young**  
**B.Sc, M.Sc, FAIG, RPGeo**  
**Managing Director**

Appointed March 2005

Doug is a geologist with over 30 years experience in exploration for gold, base metals, coal and some industrial minerals.

His career has included regional management roles for major Australian companies and as a Consulting Geologist with a variety of clients from major mining companies to small exploration companies.

He is a specialist in exploration and was instrumental in the identification and acquisition of the Nolans Gold Deposit, Isaac Plains and Belvedere coal developments.

Doug is a Fellow and Councillor of the Australian Institute of Geoscientists and is a Registered Practising Geoscientist.



**Paul Crawford**  
**B.Bus (Accounting), CPA, M.FinMmt, Grad Dip Bus Law, Grad Dip Company Secretarial Practice**  
**Non-Executive Director and Company Secretary**

Appointed March 2005

Paul is an accountant with over 30 years of commercial experience, including various technical and management roles within the minerals, coal and petroleum industries.

Since 2001 he has been a Principal of his own corporate consultancy firm, providing accounting, corporate governance, business advisory and commercial management services to a number of corporate clients.

Paul has been Company Secretary of Orecobre Limited since 2005 and Company Secretary of Elementos since 2009.



**Ian C Daymond**  
**B.A, LL.B**  
**Non Executive Director**

Appointed December 2005

Ian practises as a solicitor and consultant in the mining and resources area in Sydney and has acted as in-house counsel or external legal adviser to many public resources companies including working as senior management employee of Western Mining Corporation, Hunter Resources/Technomin Australia and Delta Gold Ltd (as general counsel and company secretary).

He returned to private legal practice in 2001 and specialises in mining and resources for selected clients. He has been a non-executive director of Hill End Gold Ltd since September 2008.



**Min Yang**  
**Non Executive Director**

Appointed May 2012

Min Yang has extensive business connections in the Asia Pacific region especially greater China and has over twenty years of hands-on experience dealing with both private and state-run businesses in China.

Over the years, Min Yang has proven her unique business insight and expertise in the identification, incubation and realisation of embryonic opportunities in the resources, commodities trading & residential estate and financial investment sectors.

She is also the Chairman of ASF Group and plays a significant role in shaping ASF as a creator and facilitator of two-way cross-border investments and trade transfer.

# **ACTIVEX LIMITED**

ABN 11 113 452 896

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2012**

## Corporate Governance Statement

ActivEX Limited (“ActivEX” or “Company”) is committed to implementing the highest standards of corporate governance and to determine these standards, the Company has used the reporting recommendations set out by the Australian Securities Exchange (ASX) Corporate Governance Council’s *Corporate Governance Principles and Recommendations* (ASX Principles and Recommendations) as the basis for its corporate governance policies.

While seeking to implement optimal corporate governance practices, the Company does not accept that all the recommendations are applicable to the Company due to the current size and nature of its operations. Where the Company has not fully adopted the relevant recommendation, the reasons for non-adoption are set out below.

To assist the Board carry out its functions, it has developed a Corporate Governance Manual to guide the Non-Executive Directors, the Managing Director and other key senior executives in the performance of their roles.

### PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Pursuant to Principle 1, the Company has established the functions reserved to the Board and established the functions delegated to senior executives. The Board of Directors’ role is to govern the Company rather than to manage it and to ensure that it represents effectively the interests of all shareholders. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is currently the role of the Managing Director to manage the Company in accordance with the direction and delegations of the Board and it is the responsibility of the Board to oversee the activities of the Managing Director in carrying out these delegated duties.

#### **1.1 Companies should establish the functions reserved for the Board and those delegated to the senior executives and disclose those functions.**

The Company has developed a Statement of matters reserved for the Board which documents the role and responsibilities of the Board, a summary of which is as follows:

- providing leadership to the Company;
- overseeing the development and implementation of an appropriate strategy;
- overseeing planning activities including the development and approval of strategic plans, annual corporate budgets and long-term budgets including operating budgets, capital expenditure budgets and cash flow budgets;
- reviewing the progress and performance of the Company in meeting these plans and corporate objectives, including reporting the outcome of such reviews on at least an annual basis;
- ensuring corporate accountability to the shareholders primarily through effective shareholder communications;
- overseeing the control and accountability systems that ensure the Company is progressing towards the goals set by the Board and in line with the Company’s purpose, the agreed corporate strategy, legislative requirements and community expectations;
- ensuring that robust and effective risk management, compliance and control systems (including legal compliance) are in place and operating effectively;
- being responsible for the Company’s senior executives, management and other personnel; and
- making all decisions outside the scope of these delegated powers.

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company, which includes supervising the Company’s framework of control and accountability systems to enable risk to be assessed and managed.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities.

The Board has clearly delegated all powers to the Managing Director necessary to effectively and efficiently carry out the business of the Company and any exceptions to this delegation requires Board approval, as set out in the Company’s Corporate Governance Manual.

Newly appointed Directors are provided with formal appointment letters setting out the key terms and conditions regarding their appointment. Similarly, senior executives (including the Managing Director) are provided with formal appointment letters making clear the responsibilities of their role, remuneration, appointment term and entitlements on termination.

### **1.2 Companies should disclose the process for evaluating the performance of senior executives**

The remuneration structure for executive officers is based on a number of factors, including length of service, particular experience of the individual concerned and the overall performance of ActivEX.

Senior executives' performance is reviewed against a range of quantitative and qualitative measures and considers past performance of ActivEX as well as the executive and also takes into account market practice with respect to comparable positions.

The Non-Executive Directors are responsible for regularly evaluating the Managing Director's performance. This evaluation is based on the Company's business performance and whether strategic objectives are being achieved. The Managing Director reviews other executives' and staff performance. The results of the Managing Director's performance reviews of senior executives and staff are reported to the Board for information. The performance of senior executives and staff is reviewed on a formal basis annually and this review has taken place during the year in accordance with the process detailed above.

### **1.3 Reporting on Principle 1**

Details of the functions reserved for the Board and delegated to senior executives are outlined in the Company's Corporate Governance Manual, which is available on the Company's website ([www.activex.com.au](http://www.activex.com.au)).

## **PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE**

Principle 2 is to have a Board of an effective size, composition and commitment to adequately discharge its responsibilities and duties. To add value to the Company, given the size and operations of the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties.

The ActivEX Board (as at the date of this Annual Report) is comprised of five Directors that have wide-ranging experience in the mineral exploration and mining sector and a diverse skill set which is set out in the Activities Report in this Annual Report along with details of the Directors, period of office and their qualifications.

### **2.1 A majority of the Board should be independent Directors**

Currently, ActivEX does not have a majority of independent Directors. As at the date of this report, the Board comprises one Executive Director, Mr Douglas Young, who is the Managing Director and four Non-Executive Directors: Mr Richard Keevers, Mr Ian Daymond, Ms Min Yang and Mr Paul Crawford. Ms Min Yang is an executive Director of ASF Group Limited which controls ASF Gold and Copper Pty Ltd a substantial shareholder of the Company and therefore does not meet the criteria for independence. Mr Crawford is the principal of a firm that provides accounting, company secretarial, corporate and financial management services to the Company and therefore does not meet the criteria for independence. However, the Board considers it appropriate for Ms Yang and Mr Crawford to be members of the Board. The other Non-Executive Directors, Mr Keevers and Mr Daymond, meet the criteria for independence proposed by the ASX Principles and Recommendations.

While determining the independent status of Directors, the Board has considered whether the Director:

- a) holds less than five percent of the voting shares of the Company (in conjunction with their associates); or is an officer of the Company, or otherwise associated directly with a shareholder of more than five percent of the voting shares of the Company;
- b) has within the last three years, been employed in an executive capacity by the Company or another group member;
- c) has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided. In this context, the relationship with the professional adviser or

consultant shall be deemed to be material if payments from the Company exceed 10% of the Company's annual expenditure to all professionals and consultants or exceed 10% of the recipient's annual revenue for advisory or consultancy services;

- d) is a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer. In this context, the relationship with the supplier or customer shall be deemed to be material if annual payments to or from that supplier or customer exceed 10% of the annual consolidated gross revenue of either the Company or that supplier or customer; and
- e) has a material contractual relationship with the Company or other group member other than as a Director of the Company.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that they can offer.

## **2.2 The chairperson should be an independent director**

ActivEX is compliant with the recommendation. The Chairperson Mr Richard Keevers is an independent Non-Executive Director.

## **2.3 The roles of the Chairperson and Chief Executive Officer should not be exercised by the same person**

The Managing Director, Mr Douglas Young, is the Chief Executive Officer of ActivEX and as mentioned above, Mr Richard Keevers is the Chairperson of the Board. This makes ActivEX compliant with this recommendation.

## **2.4 The Board should establish a nomination committee**

ActivEX does not comply with this recommendation as a nomination committee has not been established. Currently, the role of the nomination committee is undertaken by the full Board. The size and nature of the Company's activities do not justify the establishment a separate committee at this time. The Board regularly reviews the composition, skill base and effectiveness of the Directors of the Board.

The Board has a policy and procedure for nominating and appointing new Directors. Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, independence and ability to meet the Board's expectation as set out in the Corporate Governance Manual. Directors are initially appointed by the full Board, subject to election by shareholders at the next general meeting. Directors are required to retire and be subject to re-election by shareholders at least once every three years. This procedure can also be found in the Company's Corporate Governance Manual located on its website.

## **2.5 Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors**

The Board considers the evaluation of its own and senior executive performance as fundamental to establishing a culture of performance and accountability. The Chairperson undertakes a review of the Board and individual Director's performance at least once a year at a special meeting of the Board. Board performance is evaluated in relation to goals that are set at the time of the Board's annual strategic planning session. The Chairperson's review was undertaken during the year in accordance with this process.

The Chairperson provides each Non-Executive Director with confidential feedback on his or her performance. The Board does not endorse the re-appointment of a Director who is not satisfactorily performing the role. Further details of the evaluation process form part of the Corporate Governance Manual which is available on the Company's website.

## **Induction and Education**

New Directors undergo an induction process in which they are given a full briefing on the Company. Where possible, this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors includes:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment;

- details of all relevant legal requirements including:
  - Corporations Act;
  - Tax Office requirements; and
  - other major statutory bodies;
- a copy of the Corporate Governance Manual;
- guidelines on the processes the Board undertakes to perform its function;
- details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;
- background information on and contact information for key people in the organisation including an outline of their roles and capabilities;
- an analysis of the Company including:
  - core competencies of the Company;
  - an industry background briefing;
  - recent competitor analysis;
  - details of past financial performance;
  - current financial structure; and
  - any other important operating information;
- a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget;
- a copy of the Constitution of the Company; and
- Director's Deed of Indemnity and Right of Access to documents, if applicable.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development.

#### **Access to information and Independent Professional Advice**

Each Director has the right of access to all Company information and to the Company's executives. Further, the Board collectively and each Director, subject to informing the Chairperson, has the right to seek independent professional advice from a suitably qualified advisor, at the Company's expense, up to specified limits, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

#### **2.6 Reporting on Principle 2**

The policy and procedure for the selection and appointment of new Directors is detailed in the Corporate Governance Manual which is available on the Company's website.

### **PRINCIPLE 3 - PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING**

Principle 3 is to actively promote ethical and responsible decision-making.

#### **3.1 Companies should establish a code of conduct and disclose the code or a summary of the code**

The Company acknowledges that the community expects businesses to be aware of their wider social obligations and to promote practices to maintain confidence in the Company's integrity. The ActivEX Board requires high standards of conduct and responsibility from Directors, senior executives and employees at all times. As part of its commitment to recognising the expectations of their stakeholders, the Company has established a Code of Ethics and Conduct for Directors and employees within its Corporate Governance Manual to guide compliance with legal and other obligations to stakeholders, which include employees, clients, customers, government authorities, creditors and the community. Directors are required to adhere to industry standards in conduct and dealings and promote a culture of honesty, fairness and ethical behaviour into its internal compliance policy and procedures as well as dealing with stakeholders.

The Board also requires the Company's employees and consultants, to have similar high standards and are required to adhere to industry standards in their conduct and dealings, including trading in securities. The ActivEX Board has built the promotion of a culture of honesty, fairness and ethical behaviour into its internal compliance policy and procedures.

A copy of the Code of Ethics and Conduct is given to all contractors and relevant personnel, including Directors and each individual is accountable for such compliance. Any breach of applicable laws,

accepted ethical commercial practices or other aspects of the Code of Ethics and Conduct will result in disciplinary action.

Depending on the severity of the breach, such disciplinary action may include reprimand, formal warning, demotion or termination of employment/engagement (as the case may be). Similar disciplinary action may be taken against any manager who directly approves of such action or has knowledge of the action and does not take appropriate remedial action.

Breach of applicable laws or regulations may also result in prosecution by the appropriate authorities.

The Company will not pay, directly or indirectly, any penalties imposed on personnel as a result of a breach of law or regulation.

Personnel are expected to report any instances of suspected non-compliance and investigating reports of unethical practices. These instances will be investigated fairly. Individuals who report suspected non-compliance in good faith will be appropriately protected.

### **Company Securities Trading Policy**

The Company has adopted a Securities Trading Policy pursuant to ASX Listing Rule 12.9. A summary of the policy is available on the Company's website.

Directors, senior executives and employees are required to advise the Chairperson and Company Secretary of their intentions prior to undertaking any transaction in the Company's securities. If a Director, senior executive or employee is considered to possess unpublished market price sensitive information, they will be precluded from making a security transaction until after the time of public release of that information.

### **3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy.**

The Company has implemented a Diversity Policy which is available on its website. The Diversity Policy is a commitment by the Company to actively seek to maintain a diverse workforce to create a workplace that is fair and inclusive, applies fair and equitable employment practices and provides a working environment that will allow all employees to reach their full potential.

### **3.3 Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the Diversity Policy and progress towards achieving them.**

The Company is of the view that any measurable statistical objectives on a diverse workforce must be fit for purpose, in line with the Company strategic objectives and ensure the Company is in compliance with all relevant legislative requirements. As at the date of this Annual Report, the Company is of the opinion that measurable objectives are not appropriate at its present stage of development. However, the Company will consider implementation of measurable objectives in future.

### **3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board**

As at the date of this Annual Report, 20% of Board, 40% of employees and 50% of senior executives are women.

### **3.5 Reporting on Principle 3**

The Code of Ethics and Conduct for Directors and employees, that forms part of the Corporate Governance Manual, is available on the Company's website.

## **PRINCIPLE 4 - SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**

Principle 4 is to have a structure of review and authorisation in place which independently verifies and safeguards the integrity of the Company's financial reports. The compilation and timely disclosure of accurate and true and fair information about the Company's financial position and performance is vital for the integrity of the market in the Company's securities. ActivEX has put in place a structure of reporting and oversight to achieve these objectives.

#### **4.1 The Board should establish an audit committee**

ActivEX has not established an audit committee. The role of the audit committee has been assumed by the full Board. The size and nature of the Company's activities does not justify the establishment of an audit committee at this time. The audit committee will be established as and when the need for such a committee arises.

#### **4.2 The structure of the audit committee**

In the absence of an audit committee, this recommendation is not applicable to the Company.

#### **4.3 The audit committee has a formal charter**

In the absence of an audit committee, this recommendation is not applicable to the Company.

#### **4.3 Reporting on Principle 4**

The Company has developed a procedure for the selection and appointment of the external auditor and for the rotation of external audit engagement partners. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company.

Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. Further, the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis.

In addition to these mandatory criteria, the Board may select an external auditor based on criteria relevant to the business of the Company such as experience in the industry in which the Company operates, cost and any other matters deemed relevant by the Board.

The Board will review the performance of the external auditor on an annual basis.

### **PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE**

Principle 5 is that listed companies should make timely and balanced disclosure to the ASX of all material matters concerning the Company.

The ActivEX Board has adopted a policy and rules to ensure the Company complies with its obligations under the ASX Listing Rules regarding continuous disclosure and ensures accountability at a senior executive level for that compliance. The Board has designated the Company Secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX.

In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information:

1. concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's shares; and
2. that would, or would be likely to influence persons who commonly invest in securities in deciding whether to acquire or dispose the Company's shares.

Such matters are advised to the ASX immediately they are identified as being material. Upon confirmation of receipt from the ASX, the Company posts all information disclosed in accordance with this policy on its website in an area accessible to the public.

#### **5.2 Reporting on Principle 5**

A summary of the Continuous Disclosure Policy is available on the Company's website.

### **PRINCIPLE 6 - RESPECT THE RIGHTS OF SHAREHOLDERS**

Principle 6 is that companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

#### **6.1 Communications policy**

The ActivEX Board respects the rights of its shareholders and to facilitate the effective exercise of those rights, it has adopted a policy on communication with shareholders and implemented a set of processes to ensure timely and effective communication with shareholders and the wider investment community. The Company is committed to:

- communicating effectively with shareholders through releases to the market via the ASX, the Company's website, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company and ask questions regarding the conduct of audit and the functioning of the Company generally; and
- making it possible for shareholders to receive communication by electronic means.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

## **6.2 Reporting on Principle 6**

A summary of the Company's Shareholder Communications Policy is available on the Company's website.

## **PRINCIPLE 7 - RECOGNISE AND MANAGE RISK**

ASX Principle 7 is that companies should establish a sound system of risk oversight and effective management and internal control.

### **7.1 Risk Management and Internal Control System**

The primary objectives of the risk management and internal control system at the Company are to ensure:

- all major sources of potential, opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;
- business decisions throughout the Company appropriately balance the risk and reward trade off;
- regulatory compliance and integrity in reporting is achieved; and
- the Board, senior executives and investors understand the risk profile of the Company.

The system covers:

- operations risk;
- financial reporting; and
- compliance.

Any matters of significance to the Company or materially relevant to its assets, liabilities or profits are signed off by the Board after discussion and evaluation of submissions made by the Managing Director or other party.

### **7.2 Report on risk management and internal control system**

The Board has required the management of the Company to design and implement the risk management and internal control systems to manage the Company's material business risks. As required by the Board, management has reported to the Board that the Company's material business risks have been managed effectively. The Managing Director reviews risk in response to changing business conditions and regulations. Regular reviews of risk and a regular update of the risk profile is undertaken by the Board. This normally occurs in conjunction with the strategic planning process. The internal audit is carried out to analyse and give an independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control system. The internal audit function is independent of the external auditor.

Given the size and scale of operations and stage of development of the Company, the Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate risk management committee. Presently, the full Board carries out the functions of a risk management committee.

### **7.3 Attestation by Chief Executive Officer (or equivalent) and chief financial officer (or equivalent)**

The Managing Director and the Chief Financial Officer/Company Secretary provide a written assurance that the risk management system is effective, efficient and accurately reflected in the Company's financial statements and that:

- the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control ; and
- the Company's risk management and internal control system is operating effectively in all material respects in relation to financial reporting risks.

#### **7.4 Reporting on Principle 7**

The Company's risk management, internal compliance and control system policies that have been established to manage material business risks are disclosed by the Company internally to the Board, senior executives, management and other employees.

### **PRINCIPLE 8 - REMUNERATE FAIRLY AND RESPONSIBLY**

Principle 8 is that companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined. ActivEX is committed to remunerating its Directors and officers in a manner that is market competitive, consistent with best practice and supporting the interests of shareholders.

#### **8.1 The Board should establish a remuneration committee**

ActivEX has not established a remuneration committee. The role of the remuneration committee has been undertaken by the full Board. The size and nature of the Company's activities does not justify the establishment of a committee at this time. The committee will be established as and when the need for such a committee arises.

Details of the Company's remuneration policy are provided in the accompanying Directors' Report and Financial Statements.

#### **8.2 Structure of Non-Executive and Executive Director Remuneration**

The remuneration structure for executives, including the Managing Director, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The remuneration policy, setting the terms and conditions for the Managing Director was developed and approved by Non-Executive Directors. Executive Directors, other senior executives and staff receive a base salary, superannuation, fringe benefits and equity based performance remuneration. Superannuation payments consist of the 9% superannuation guarantee contribution. Individuals may elect to salary sacrifice part of their salary to increased payments towards superannuation. No other form of retirement benefit is paid.

Board policy is to remunerate Non-Executive Directors at market rates for comparable companies 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 and is not linked to the performance of the Company. However, to align Director's interests with shareholder interests, Directors are encouraged to hold equity interests in the Company. The maximum aggregate amount of fees that can be paid to Non-Executive Directors approved by shareholders is currently \$150,000.

The Company's remuneration policy provides for long-term incentives through participation in the Company's Employee and Officers Share Option Plan. Any equity based remuneration proposed to be granted to Executive Directors will only be granted with shareholder approval.

The Company has prohibited the entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration.

#### **8.3 Reporting on Principle 8**

Details of the Company's remuneration policy are outlined in the Remuneration Report section of the Directors' Report, along with the names of the Directors, their qualifications, experience and the term of office held by each Director.

**ACTIVEX LIMITED**  
ABN 11 113 452 896

**DIRECTORS' REPORT**

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Your Directors present their report, together with the financial statements, of the Company for the financial year ended 30 June 2012.

**1. Directors**

The Directors of the Company at any time during the year or since the end of the year are listed below. During the year there were 9 meetings of the full board of Directors. The meetings attended by each Director were:-

<b>Directors</b>	<b>Status</b>	<b>Eligible to Attend</b>	<b>Attended</b>
Richard E Keevers (appointed May 2012)	Non-Executive Chairman	2	2
Douglas I Young	Managing Director	9	9
Ian C Daymond	Non-Executive Director	9	9
Min Yang (appointed May 2012)	Non-Executive Director	1	1
Paul A Crawford	Non Executive Director	9	9

All Directors have been in office since the start of the financial year to the date of this report unless indicated otherwise.

The Company does not have an Audit Committee. The role of the Audit Committee has been assumed by the full Board. The size and nature of the Company's activities does not justify the establishment a committee at this time.

**2. Information on Directors**

**Richard (Dick) Keevers B.Sc, FAusIMM (CP)**

*Non-Executive Chairman*

Mr Keevers is a qualified and experienced geologist, having held senior positions with BH South Limited and Newmont during his 20 years in the mining industry. Mr Keevers also spent over 10 years as a major shareholder and an executive director of an Australian share brokerage firm, Pembroke Josephson Wright Limited.

He is currently a non-executive director of ASX and TSX-V listed company, Cerro Resources N.L., principally involved in exploration and development of gold and silver resources in Mexico.

From June 2004 until May 2012 Mr Keevers was Chairman of Electrometals Technologies Ltd, a designer and manufacturer of electrowinning equipment for the recovery of metals in the mining, metals refining and industrial waste industries.

*Directorships held in other listed companies in the last 3 years:* Cerro Resources N.L, Electrometals Technologies Ltd (resigned May 2012)

**Ian Daymond B.A., LL.B.**

*Non-Executive Director*

Mr Daymond practises as a solicitor and consultant in the mining and resources industry and has acted as in-house counsel or external legal adviser to many public resources companies including as a senior employee with Western Mining Corporation, Hunter Resources/Technomin Australia and Delta Gold. He is also a non-executive Director of ASX listed Hill End Gold Ltd and is Honorary Consul in NSW for the Republic of Botswana.

*Directorships held in other listed companies in the last 3 years:* Copper Range Limited (resigned 20 March 2009).

# ACTIVEX LIMITED

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## DIRECTORS' REPORT

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**Douglas Young B.Sc., M.Sc., FAIG, RPGeo.**

*Managing Director*

Mr Young is a geologist with over 30 years experience in exploration for gold, base metals, coal and some industrial minerals. His career has included regional management roles for major Australian companies and an extended period operating as a Consulting Geologist with a variety of clients from major mining companies to small exploration companies.

He is a Councillor of the Australian Institute of Geoscientists.

*Directorships held in other listed companies in the last 3 years:* Nil

**Min Yang**

*Non-Executive Director*

Ms. Min Yang is Executive Chairman of ASF Group Limited. ASF is a creator and facilitator of two-way cross-border investments, trade and technology transfers between China and Australia

She has extensive business connections in the Asia Pacific region especially greater China and has over twenty years of hands-on experience dealing with both private and state-run businesses in China. Over the years, Min Yang has been involved in transactions in a range of sectors including resources, property, travel and financial investment.

*Directorships held in other listed companies in the last 3 years:* Nil

**Paul Crawford B.Bus (Accounting), CPA, MFM, Grad. Dip. Bus Law, Grad. Dip. Company Secretarial Practice**

*Non-Executive Director*

Mr Crawford is an accountant with 34 years of commercial experience, including various technical and management roles within the minerals, coal and petroleum industries. He is Principal of his own corporate consultancy firm, providing accounting, corporate governance, business advisory and commercial management services to a number of corporate clients since 2001.

*Directorships held in other listed companies in the last 3 years:* DiamonEx Limited, Orocobre Limited (resigned July 2009).

### 3. Directors Interests

The relevant interest of each Director held directly or indirectly in shares and options issued by the Company at the date of this report is as follows:-

Directors	Shares	Options
Richard E Keevers	2,000,000	-
Ian C Daymond	594,000	400,000
Min Yang	-	-
Douglas I Young	10,592,877	1,150,000
Paul A Crawford	2,415,750	400,000

### 4. Company Secretary

Paul Crawford held the position of Company Secretary at the end of the financial period. Mr Crawford is a CPA and holds accounting, company secretarial and business law qualifications. He has been Company Secretary and a Director of the Company since its incorporation.

### 5. Principal Activities

The principal activity of the Company during the course of the year was mineral exploration. The Company holds mineral exploration tenements in Queensland and Western Australia. The

## DIRECTORS' REPORT

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Company's focus is on exploration for gold and copper deposits across its Queensland tenements and the evaluation of Lake Chandler potash resource in Western Australia. There was no change in the principal activity during the year.

### 6. Review of Operations & Operating Results

The Company's operating loss for the financial period, after applicable income tax was \$1,002,855 (2011: \$1,004,314). Exploration and evaluation expenditure during the period totalled \$2,467,228 (2011: \$1,621,372).

The Company has carried out extensive drilling programs during the year. Exploration success in drilling campaigns, carried out early in the year at Florence (Cloncurry), Barambah and later in the year at White Horse in south-east Queensland, produced encouraging results. Follow-up drilling, late in the year in the Cloncurry district was disappointing. Significant new targets were identified with the discovery of gossans in the Selwyn East area close to the Merlin molybdenum discovery and new target areas were defined in newly granted permits in the Cloncurry district.

The Company has completed placement of shares to cornerstone investors ASF Group Limited in May 2012 within the allowable limits of 15% of the Company's capital. The placement raised a total of \$669,449.

#### North West Queensland

The Company has continued to concentrate its exploration efforts on copper-gold-cobalt-molybdenum exploration in the **Cloncurry District** of north-west Queensland. Three new EPMs have been granted during the year with one remaining application proposed for grant.

Activities in this district include:-

At **Florence Creek**, the Company has continued to be active with substantial drilling on its granted EPMs including the following:

- Completion of a second phase of drilling for 2011 in the Florence Creek area with holes intersecting high grade copper, cobalt and gold mineralisation at Florence Bore North (FBN)
- Completion of deep drilling in 2012 below existing intersections at FBN
- Wide zones of mineralisation extended at Florence Bore South (FBS) mineralisation remaining open to the north east intersecting some high grade zones in 2011 drilling
- High rare earth oxides (REO) values returned from drill samples from copper-cobalt mineralised zones at FBS
- High REO values returned from surface rock sampling at Florence Flat
- Extension drilling in 2012 shows mineralised zones at FBS still open ended to north east
- Deep drilling in 2012 below existing intersections at FBS, results pending.

At **Mt Agate** (joint venture with Carpentaria Exploration Limited), ActivEX has completed further exploration concentrating in two prospect areas - Saddle Ridge and Sterling. Activities have included:-

- Detailed geological mapping and soil sampling follow-up of the Saddle Ridge copper anomaly
- Detailed termite sampling of the Sterling prospect revealing a 4.5km zone of anomalous geochemistry
- Multiple high REO values returned from rock sampling in the Sterling area
- Geophysical surveys over the prospective zone, Sterling prospect
- QLD Government drilling grant awarded for Sterling prospect
- Drilling at Sterling prospect intersected narrow structures with narrow intercepts of copper, molybdenum and gold. REOs anomalous in and around structures dominated by light REOs.

## **DIRECTORS' REPORT**

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At **Selwyn East**, the exploration permit was finally granted in September 2011. Field activities commenced almost immediately and have included:-

- Discovery of gossans associated with aeromagnetic anomaly, showing elevated copper, gold, molybdenum and cobalt values
- Geophysical surveys completed over Heathrow area - magnetic targets associated with the gossans were defined and new conductive zones identified.

### **South East Queensland**

The Company has concentrated activities in two key projects, Barambah and Esk Trough. A new joint venture was established at Esk Trough with Coppermoly Limited earning into the project area.

At **Barambah**, south east Queensland, (joint venture with Norton Gold Fields Limited) drilling was carried out in July/August 2011. During the period ActivEX earned a 75% interest in the project area. Activities have included:-

- Significant high grade gold and silver intersections made in deepest part of south plunging mineralised shoot
- Surface geochemistry and mapping identified a second parallel vein returning high grades of gold and silver from rock samples
- 3D modelling of the ore zone was carried out to assist in drill targeting.

At **Esk Trough** south east Queensland, Coppermoly Limited agreed to a joint venture to farm in to this project. They had the right to earn a 70% interest in the area by spending \$6M over six years in sole funding of the exploration program. During the year Coppermoly completed the minimum earn in requirement of \$500,000 but have elected not to proceed with the farm in to the area after completion of that program. Activities in the area have included:-

- 3DIP surveys completed over three porphyry target areas
- Drilling programs completed at White Horse, Kakapo and Sefton
- Significant shallow secondary copper enrichment intersected in all holes drilled at White Horse prospect.

### **North Queensland**

At **Pentland**, the Company has been seeking a new joint venture partner to fund further exploration in the area. The Company has also progressed its numerous EPM applications within the North Queensland area with the granting of the first EPM in the Ravenswood district over Mt Leyshon. Priority applications over King Solomon (Ravenswood district), Gilberton and Mount Hogan (Georgetown district) and competitive applications are held at Disraeli (Ravenswood District).

### **Western Australia**

At **Lake Chandler**, the Company has spent considerable effort in looking for a funding partner for this project. Talks regarding future funding of the project have involved several interested parties including overseas interest, however discussions have not advanced.

A more detailed review of the Company's operations during the financial year is set out in the activities report.

### **OH&S**

The Company suffered no lost time injuries during the year.

### **Diversity**

The Company has a policy of diversity in employment. The Company workforce is represented by 30% female employees including significant roles at exploration manager level and also representation on the board.

## **DIRECTORS' REPORT**

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### **7. Financial Position**

The Directors believe that the group is in a stable financial position.

At 30 June 2012, the Company's balance sheet shows total assets of \$7,246,431, total liabilities of \$425,498 and net assets of \$6,820,933, including cash assets of \$965,147. Conditions of exploration permits held include minimum expenditure commitments. Committed exploration & evaluation expenditure in the next 12 months totals \$1,733,691.

The Company undertakes exploration activity on a number of projects. Historically, this activity has been financed by equity and joint ventures. The Company's ability to continue with these planned exploration activities is dependent on having finance available. For that purpose, the Company may need to raise further funds in next 12 months.

Since the end of the year the Company issued 28,813,559 new shares to raise \$576,271. Directors are confident that further funds can be raised when required. However, no commitment has yet been made as to the source of any additional funding.

The financial report has been prepared on a going concern basis that contemplates the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of business. Directors have formed the view that it is appropriate to prepare the financial report on a going concern basis.

### **8. Dividends**

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

### **9. Significant Changes to the state of affairs**

The following significant changes in the state of affairs of the Company have occurred during the financial year:

- On 11 May 2012, the Company issued a total of 24,794,398 shares at \$0.027 each, as a placement to ASF Group Ltd.

There were no other significant changes in the state of affairs of the Company during the year.

### **10. Events Subsequent to balance date**

Since the end of the financial year:

- The Company issued 30,813,559 new fully paid shares at an issue price of \$0.02. This comprises 28,813,559 shares placed with a sophisticated investor to raise \$576,271 and 2,000,000 shares issued to a director in settlement of fees;
- On 31 July 2012, 70,714,369 options issued pursuant to a rights and bonus issue of options to shareholders expired unexercised.
- In July 2012, 850,000 options granted to staff under the Employee & Officer Share Option Plan were forfeited in accordance with the terms of grant.
- In August 2012, Coppermoly Limited advised that it was withdrawing from the Esk Trough Joint Venture, having satisfied the minimum expenditure commitments under the agreement.

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.

### **11. Future Developments, Prospects and Business Strategies**

The Directors will continue to carry out an active exploration and evaluation program on its tenements as detailed in the Company's various public announcements. The level of activity will be determined by the continued availability of funding. The Directors will also continue to review external opportunities which may arise with a view to acquisition, farm-in or corporate investment.

# ACTIVEX LIMITED

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## DIRECTORS' REPORT

### 12. Remuneration Report

This report details the nature and amount of remuneration for each Director and other key executive personnel.

The Company's remuneration policy seeks to align Director and executive objectives with those of shareholders and business, while at the same time, recognising the early development stage of the Company and the criticality of funds being utilised to achieve development objectives. The Board believes that the current policy has been appropriate and effective in achieving a balance of objectives.

The Company's policy for determining the nature and amount of remuneration of board members and key executives of the Company is set out below.

The remuneration structure for executives is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company.

The remuneration policy, setting the terms and conditions for the Managing Director was developed and approved by non-executive Directors. The Managing Director receives a base salary, superannuation, statutory leave entitlements, fringe benefits and equity based performance remuneration. Superannuation payments consist of the 9% superannuation guarantee contribution. Individuals may elect to salary sacrifice part of their salary to increased payments towards superannuation. No other form of retirement benefit is paid.

Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The maximum aggregate annual amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting and is not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, Directors are encouraged to hold equity interests in the Company. Non-executive Directors may also be awarded equity based performance remuneration. The maximum aggregate annual amount of fees that can be paid to non-executive Directors approved by shareholders is currently \$150,000.

The Company's remuneration policy provides for long-term incentives through participation in the Company's Employee and Officers Share Option Plan. Company policy prohibits holders of such options from entering hedge arrangements on any unvested options. Further details on options issued under the Plan are set out in note 19 in the financial statements. The Company currently does not have any other performance-based incentive component built into Director and executive remuneration. Nor does the Company remunerate any management personnel with securities that are not performance based.

The Company does not engage remuneration consultants. The Board of Directors is responsible for determining and reviewing the Company's remuneration policy, remuneration levels and performance of both executive and non-executive Directors. Independent external advice will be sought when required. The remuneration of each Director and key officer of the Company during the year was as follows:

2012 Key Management Personnel	Short term benefits		Equity Settled Options	Post- employment Superannuation	Long term benefits	Total
	Salary & Fees	Non-Cash Benefits				
Richard E Keevers (i)	12,000	-	-	-	-	12,000
Douglas I Young	240,000	-	5,326	21,600	6,540	273,466
Ian C Daymond	36,000	-	2,663	3,240	-	41,903
Min Yang	-	-	-	-	-	-
Paul A Crawford	-	-	2,663	26,160	-	28,823
	288,000	-	10,652	51,000	6,540	356,192

(i) This represent fees accrued for Mr Keevers and settled in the form of shares issued in August 2012.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**DIRECTORS' REPORT**

2011 Key Management Personnel	Short term benefits		Equity Settled Options	Post- employment Superannuation	Long term benefits	Total
	Salary & Fees	Non- Cash Benefits				
Douglas I. Young	228,918	-	15,934	20,250	12,071	277,173
Ian C. Daymond	40,000	-	3,733	3,420	-	47,153
Paul A. Crawford	6,000	-	4,669	23,067	-	33,736
	274,918	-	24,336	46,737	12,071	358,062

Amounts shown as equity settled options reflect the current year's amortised value of options granted. The grant of the options to the Directors is intended to act as a strong incentive to align the interests of the Directors with the Company's strategic plan, focusing on seeking improved performance, the growth of the Company and better returns for shareholders.

In addition to the remuneration above, an entity associated with Mr Crawford rendered professional services to the Company (see related party note 16 in the financial statements).

Following are employment details of persons who were key management personnel of the Company during the financial period.

Key Management Personnel	Position held at 30 June 2012 & change period	Contract Details	Proportion of Remuneration:		Total
			Related to performance	Not related to performance	
			Options	All Other	
R E Keevers	Non-executive Chairman - appointed May 2012	No fixed term, termination as provided by Corporations Act	-	100%	100%
I C Daymond	Non-executive Chairman to May 2012 then Non- executive Director	No fixed term, termination as provided by Corporations Act	6.36%	93.64%	100%
D I Young	Managing Director	Fixed term to 2014, 3 months notice to terminate, contract payout severance	1.93%	98.07%	100%
M Yang	Non-executive Director - appointed May 2012	No fixed term, termination as provided by Corporations Act	-	100.0%	100%
P A Crawford	Non-executive Director & Company Secretary	No fixed term, termination as provided by Corporations Act	9.24%	90.76%	100%

**Options granted as remuneration**

In the current year the Company issued equity based performance remuneration to the Managing Director and non-executive Directors in the form of share options. These were long term incentives to better align the interests of the Company and Directors. This was approved by the shareholders at the 2011 Annual General Meeting. Details of these options and remuneration options granted in prior years are summarised below.

# ACTIVEX LIMITED

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## DIRECTORS' REPORT

Key Management Personnel	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date	Total Value	Terms & Conditions of Grant		
						Exercise price	First Exercise Date	Last Exercise Date
D I Young	200,000	200,000	27.11.2008	2.1 cents	\$1,200	15 cents	27.11.08	26.11.13
D I Young	450,000	450,000	1.12.2009	2.81 cents	\$12,662	15 cents	1.12.09	30.11.14
D I Young	500,000	500,000	1.12.2011	1.06 cents	\$5,326	6 cents	1.12.11	30.11.16
PA Crawford	150,000	150,000	1.12.2009	2.81 cents	\$4,221	15 cents	1.12.09	30.11.14
PA Crawford	250,000	250,000	1.12.2011	1.06 cents	\$2,663	6 cents	1.12.11	30.11.16
I C Daymond	150,000	150,000	1.12.2009	2.81 cents	\$4,221	15 cents	1.12.09	30.11.14
I C Daymond	250,000	250,000	1.12.2011	1.06 cents	\$2,663	6 cents	1.12.11	30.11.16

All options vested immediately and expire within 5 years of granting. All options were granted for nil consideration. There have not been any alterations to the terms and conditions of any options since grant date. The options entitle the holder to one ordinary share in the Company for each option held. The value of options granted as remuneration has been determined in accordance with applicable Australian Accounting Standards.

No options have been exercised in the current or prior years that were granted as compensation. No options lapsed or were forfeited during the year.

### Employment Contract of Managing Director

The contract for service between the Company and the Managing Director was renewed during the year for an additional period of 3 years, ending April 2014. It provides for annual review of the compensation value and is subject to renewal at the end of the period. The service contract has been extended, largely on the same conditions as the expiring contract. The terms of this agreement are not expected to change in the immediate future.

The Company may terminate the Managing Director's contract without cause by giving 3 months' notice. If terminated without cause, the Managing 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 \$100,000. 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 performance, shareholder wealth and director and executive remuneration

As outlined above, the Company's remuneration policy seeks to align Directors' and executives' objectives with shareholders and business, whilst recognising the developmental stage of the Company. The following table shows some key performance data of the Company for the last 4 years, together with the share price at the end of the respective financial years.

	2009	2010	2011	2012
Exploration expenditure (\$)	1,251,974	2,081,025	1,621,372	2,467,228
Exploration tenements (no.)	13	15	16	21
Net assets (\$)	2,373,383	4,021,964	7,133,382	6,820,933
Share Price at Year-end (\$)	0.068	0.063	0.050	0.017
Dividends Paid (\$)	NIL	NIL	NIL	NIL

### 13. Indemnifying Officers and Auditor

During the financial year the Company has entered into a Deed with each of the Directors whereby the Company has agreed to provide certain indemnities to each Director to the extent permitted by the

# ACTIVEX LIMITED

ABN 11 113 452 896

## DIRECTORS' REPORT

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Corporations Act and to use its best endeavours to obtain and maintain Directors and officers indemnity insurance, subject to such insurance being available at reasonable commercial terms.

The economic entity has paid premiums to insure each of the Directors and Officers of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The contracts include a prohibition on disclosure of the premium paid and nature of the liabilities covered under the policy.

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 auditor of the Company or a related body corporate during the year and up to the date of this report.

### 14. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of ActivEX Limited support and where practicable or appropriate have adhered to the ASX Principles of Corporate Governance. The Company's corporate governance statement is contained within this annual report.

### 15. Options

At the date of this report, the unissued ordinary shares of the Company under options are as follows:-

Grant Date	Expiry Date	Exercise Price	No. Under Option
27 November 2008	30 November 2013	\$0.15	200,000
1 January 2009	31 December 2013	\$0.12	250,000
1 December 2009	30 November 2014	\$0.15	1,000,000
1 September 2011	31 August 2016	\$0.06	600,000
1 December 2011	30 November 2016	\$0.06	1,000,000

No person entitled to exercise these options had or has any right by virtue of the options to participate in any share issue of the Company or any other body corporate.

### 16. Environmental Issues

The Company's operations are subject to environmental regulation under the law of the Commonwealth and the States of Queensland and Western Australia.

The Directors monitor the Company's compliance with environmental regulation under law, in relation to its exploration activities. The Directors are not aware of any compliance breach arising during the year and up to the date of this report.

### 17. 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 year.

### 18. Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* has been received and is included in this financial report.

The Company's auditors did not perform any non-audit services during the year.

DIRECTORS' REPORT

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Signed in accordance with a resolution of Directors.



Richard E Keever  
Chairman



Douglas I. Young  
Managing Director

Signed: 30 August 2012  
Brisbane, Queensland

**Competent Person Statement**

The information in this report that relates to exploration results and exploration targets is based on information compiled by Mr D. I. Young, who is a Registered Professional Geoscientist (RPGeo) and a Fellow of the Australian Institute of Geoscientists (FAIG) and Ms J. J. Hugenholtz, who is a Member of the Australian Institute of Geoscientists (MAIG). Both Mr Young (Managing Director) and Ms Hugenholtz (Exploration Manager) are full-time employees of ActivEX Limited and have sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and the activities being undertaken 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 and Ms Hugenholtz consent to the inclusion of their names in this report and to the issue of this report in the form and context in which it appears.



**Hayes Knight**  
Accountants, Advisers & Auditors

**Hayes Knight Audit (QLD) Pty Ltd**  
ABN 49 115 261 722

Registered Audit Company 299289

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**T:** +61 7 3229 2022 **F:** +61 7 3229 3277

**E:** email@hayesknightqld.com.au

**www.hayesknight.com.au**

## **Auditor's Independence Declaration** **Under Section 307C of the *Corporations Act 2001***

### **To the Directors of ActivEX Limited**

As lead auditor for the audit of ActivEX Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, 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.

Hayes Knight Audit (Qld) Pty Ltd.

**Hayes Knight Audit (Qld) Pty Ltd**

**A.M. Robertson**  
Director

Date: 30 August 2012

# ACTIVEX LIMITED

ABN 11 113 452 896

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Revenue and other income	2	66,075	37,184
Less expenses:	3		
Corporate & administrative expenses		(209,723)	(264,593)
Employee benefits expense		(307,350)	(367,821)
Occupancy costs		(72,499)	(71,220)
Current year exploration & evaluation expenditure written-off		(326,327)	(312,963)
Capitalised exploration & evaluation expenditure written-off		(299,520)	(24,901)
<b>Loss before income tax expense</b>		(1,149,344)	(1,004,314)
Income tax expense	4	146,489	-
<b>Loss for the year</b>		(1,002,855)	(1,004,314)
Other comprehensive income		-	-
<b>Total comprehensive loss attributable to members</b>		(1,002,855)	(1,004,314)
Basic earnings per share (cents per share)	23	(0.59)	(0.95)
Diluted earnings per share (cents per share)	23	(0.59)	(0.95)
Dividends per share (cents per share)		-	-

The accompanying notes form part of these financial statements.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2012

	Note	2012	2011
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	965,147	2,487,846
Trade and other receivables	6	89,855	38,335
Financial Assets	7	8,100	8,100
Other	8	54,734	59,965
<b>Total Current Assets</b>		<b>1,117,836</b>	<b>2,594,246</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	133,816	190,740
Exploration and evaluation assets	10	5,956,939	4,665,908
Trade and other receivables	6	37,840	35,340
<b>Total Non-Current Assets</b>		<b>6,128,595</b>	<b>4,891,988</b>
<b>TOTAL ASSETS</b>		<b>7,246,431</b>	<b>7,486,234</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	350,101	293,912
<b>Total Current Liabilities</b>		<b>350,101</b>	<b>293,912</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	12	75,397	58,940
<b>Total Non-Current Liabilities</b>		<b>75,397</b>	<b>58,940</b>
<b>TOTAL LIABILITIES</b>		<b>425,498</b>	<b>352,852</b>
<b>NET ASSETS</b>		<b>6,820,933</b>	<b>7,133,382</b>
<b>EQUITY</b>			
Issued Capital	13	11,017,234	10,347,785
Reserves	14	186,028	165,071
Retained Earnings		(4,382,329)	(3,379,474)
<b>TOTAL EQUITY</b>		<b>6,820,933</b>	<b>7,133,382</b>

The accompanying notes form part of these financial statements.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**STATEMENT OF CHANGES IN EQUITY**

for the year ended 30 June 2012

	Note	Share Capital \$	Option Reserve \$	Retained Earnings \$	Total Equity \$
<b>Balance at 1 July 2010</b>		6,255,886	141,238	(2,375,160)	4,021,964
Shares issued during the period	13	4,354,143	-	-	4,354,143
Transaction Costs		(262,244)	-	-	(262,244)
Options issued during the period	13	-	11,270	-	11,270
Transaction Costs	13	-	(27,554)	-	(27,554)
Share based payment - Company share option plan	13	-	40,117	-	40,117
Loss for the year		-	-	(1,004,314)	(1,004,314)
<b>Balance at 30 June 2011</b>		<u>10,347,785</u>	<u>165,071</u>	<u>(3,379,474)</u>	<u>7,133,382</u>
Shares issued during the period	13	669,449	-	-	669,449
Transaction Costs		-	-	-	-
Share based payment - Company share option plan	13	-	20,957	-	20,957
Loss for the year		-	-	(1,002,855)	(1,002,855)
<b>Balance at 30 June 2012</b>		<u>11,017,234</u>	<u>186,028</u>	<u>(4,382,329)</u>	<u>6,820,933</u>

The accompanying notes form part of these financial statements.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**STATEMENT OF CASH FLOWS**

for the year ended 30 June 2012

	Note	2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(783,466)	(754,769)
Income tax refund		146,489	29,084
Interest received		66,071	
<b>Net cash provided by (used in) operating activities</b>	15	<b>(570,906)</b>	<b>(725,685)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capitalised exploration expenditure	10	(2,140,901)	(1,108,407)
Earn-in contribution by joint venture partner	10	-	26,335
Government grants received	10	-	107,233
Government grant proceeds transferred to pre-qualifying joint venture partner	10	-	(107,233)
Earn-in contribution by joint venture partner	10	550,350	1,960
Purchase of property, plant and equipment	9	(30,691)	(157,524)
Proceeds from sale of property, plant & equipment			-
<b>Net cash provided by (used in) investing activities</b>		<b>(1,621,242)</b>	<b>(1,237,636)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	13	669,449	4,154,143
Costs associated with shares issue	13	-	(250,974)
Costs associated with options issue	13	-	(27,554)
<b>Net cash provided by (used in) financing activities</b>		<b>669,449</b>	<b>3,875,615</b>
<b>Net increase/(decrease) in cash held</b>		<b>(1,522,699)</b>	<b>1,912,294</b>
<b>Cash at beginning of year</b>		<b>2,487,846</b>	<b>575,552</b>
<b>Cash at 30 June 2012</b>	5	<b>965,147</b>	<b>2,487,846</b>

The accompanying notes form part of these financial statements.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2012

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### 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, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report covers the economic entity of ActivEX Limited. ActivEX Limited is a listed public company, incorporated and domiciled in Australia. Except for the cash flow information, the financial report has been prepared on an accruals basis and is based on historical cost modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

#### Continued Operations and Future Funding

The financial report has been prepared on a going concern basis that contemplates the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 30 June 2012, the Company's balance sheet shows total assets of \$7,246,431, total liabilities of \$425,498 and net assets of \$6,820,933, including cash assets of \$965,147. Conditions of exploration permits held include minimum expenditure commitments. Committed exploration & evaluation expenditure and operating leases in the next 12 months totals \$1,810,602.

The Company undertakes exploration activity on a number of projects. Historically, this activity has been financed by equity and joint ventures. The Company's ability to continue with these planned exploration activities is dependent on having finance available. For that purpose, the Company may need to raise further funds in next 12 months.

Since the end of the year the Company issued 28,813,559 new shares to raise \$576,271. Directors are confident that further funds can be raised when required. However no commitment has yet been made as to the source of any additional funding.

Directors have formed the view that it is appropriate to prepare the financial report on a going concern basis.

#### Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2012

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset 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 Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

#### Property, Plant and Equipment

Each class of property, plant and equipment is brought to account at cost or fair value less, where applicable, any accumulated depreciation or amortisation, and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for plant and equipment are in the range between 20% and 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

#### Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is recognised as exploration and evaluation assets, measured on the cost basis and classified as an intangible asset. The expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that rights of tenure are current and either 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.

Where the Company has entered into joint venture agreements on its areas of interest, the earn-in contribution by the joint venture partner is offset against expenditure incurred. Earn-in contributions paid, or expenditure commitments incurred by the Company to acquire a joint venture interest are expensed when incurred up to the time an interest is acquired.

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.

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. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2012

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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.

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.

#### Financial Instruments

##### *Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are subsequently classified and measured as set out below.

##### *Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

##### *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

##### *Impairment*

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

#### Impairment of Assets

At each reporting date, the Company 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 statement of comprehensive income.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2012

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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.

#### Equity Settled Payments

The Company makes equity-settled share-based payments to Directors, employees and other parties for services provided or the acquisition of exploration assets. The fair value of the equity is measured at grant date and recognised as an asset or as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a binomial lattice pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Where the fair market value of services rendered by other parties can be reliably determined, this is used to measure the equity-settled payment. The fair value of options granted to Directors and employees is deemed to represent the value of the services received over the vesting period.

#### 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, 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 Company 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.

#### Issued Capital

Ordinary shares are classified as equity. Transaction costs (net of tax where the deduction can be utilised) arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

Share options are classified as equity and issue proceeds are taken up in the Option Reserve. Transaction costs (net of tax where the deduction can be utilised) arising on the issue of options are recognised in equity as a reduction of the option proceeds received. When these options are exercised, the relevant balance in the Reserve is transferred to issued capital.

#### Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

#### 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2012

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Comparative Figures and Financial Period

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### Earnings per Share (EPS)

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

The Company makes estimates and judgments in applying the accounting policies. Critical judgments in respect of accounting policies relate to the exploration and evaluation assets, whereby exploration and evaluation expenditure is capitalised in certain circumstances. Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or sale, of the respective areas of interest.

#### New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. A discussion of those Standards and Interpretations likely to be relevant to the Company and their impact is as follows:

AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Company has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2012

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

AASB 2010-8: Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes - Recovery of Revalued Non-Depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly impact the Company.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to impact the Company.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Company.

AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 17, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2012

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are not expected to significantly impact the Company.

AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Company.

AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB101, AASB124, AASB134, AASB1049 & AASB 2011-8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Company does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

- (i) for an offer that may be withdrawn - when the employee accepts;
- (ii) for an offer that cannot be withdrawn - when the offer is communicated to affected employees; and
- (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions - when the related restructuring costs are recognised.

The Company has not yet been able to reasonably estimate the impact of these changes to AASB 119.

AASB 2012-2: Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities': Principally amends AASB 7 'Financial Instruments: Disclosures' to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position

AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities': Adds application guidance to AASB 132 'Financial Instruments: Presentation' to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement

AASB 2012-4: Amendments to Australian Accounting Standards - Government Loans': Adds an exception to the retrospective application of Australian Accounting Standards under AASB 1 'First-time Adoption of Australian Accounting Standards' to require that first-time adopters apply the requirements in AASB 139 'Financial Instruments: Recognition and Measurement (or AASB 9 'Financial Instruments') and AASB 120 'Accounting for Government Grants and Disclosure of Government

**ACTIVEX LIMITED**

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**Notes to the Financial Statements  
for the financial year ended 30 June 2012****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assistance' prospectively to government loans (including those at a below-market rate of interest) existing at the date of transition to Australian Accounting Standards

AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle': Makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The Standard addresses a range of improvements, including the following: repeat application of AASB 1 is permitted (AASB 1); and clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 'Presentation of Financial Statements'), and

AASB 1048: Interpretation of Standards (revised)': Identifies the Australian Interpretations and classifies them into two groups: those that correspond to an IASB Interpretation and those that do not. Entities are required to apply each relevant Australian Interpretation in preparing financial statements that are within the scope of the Standard. The revised version of AASB 1048 updates the lists of Interpretations for new and amended Interpretations issued since the June 2010 version of AASB 1048

AASB 2012-2: AASB 2012-4 and AASB 2012-5 apply to annual reporting periods beginning on or after 1 January 2013. AASB 2012-3 applies to annual reporting periods beginning on or after 1 January 2014. AASB 1048 applies to annual reporting periods ending on or after 30 June 2012. Earlier application of the Standards is permitted, with some conditions.

These Standards are not expected to significantly impact the Company.

**NOTE 2: REVENUE & OTHER INCOME**

	2012	2011
	\$	\$
Revenue:		
Interest received from other persons	66,071	29,084
Other income	4	8,100
	66,075	37,184

**NOTE 3: EXPENSES**

Included in expenses are the following items:

Exploration expenditure expensed during year	326,327	312,963
Capitalised exploration & evaluation expenditure written-off	299,520	24,901
Depreciation & amortisation	87,615	53,586
Rental expense on operating leases	65,170	62,068
Employee benefits expense comprises:		
Short term benefits	852,608	727,202
Contributions to defined contribution plans	94,669	68,667
Other long term benefits	16,457	19,525
Shared base payments	20,957	40,117
	984,691	855,511
Less recharged to exploration & evaluation assets	(677,341)	(487,690)
	307,350	367,821

**ACTIVEX LIMITED**

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**Notes to the Financial Statements  
for the financial year ended 30 June 2012****NOTE 4: INCOME TAX EXPENSE**

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

	2012	2011
	\$	\$
Prima facie tax payable/(benefit) on loss from ordinary activities before income tax at 30% (2011: 30%).	(344,803)	(301,294)
<b>Adjust for tax effect of:</b>		
Non-deductible amounts	6,432	12,187
Tax losses and temporary differences not brought to account	338,371	289,107
Research and Development Tax Concession refund	(146,489)	-
Income tax expense/(benefit) attributable to entity	(146,489)	-
Weighted average effective tax rate	0.00%	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)	(1,726,739)	(1,585,550)
Tax losses	3,197,532	2,576,970
Net unbooked deferred tax asset	1,470,793	991,420

The Company has unconfirmed carry forward losses of approximately \$10,658,000 (2011: \$8,590,000).

**NOTE 5: CASH AND CASH EQUIVALENTS**

Cash at bank and on hand	65,147	987,846
Short term deposits (a)	900,000	1,500,000
	965,147	2,487,846

(a) The effective interest rate on short term bank deposits was 5.4% (2011: 5.5%). Deposits have an average maturity of 30 days.

**NOTE 6: TRADE AND OTHER RECEIVABLES****Current:**

Other receivables	89,855	38,335
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**Non-current:**

Deposits	37,840	35,340
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There are no balances within trade and other receivables that contain assets that are impaired or are past due. It is expected these balances will be received when due. Impaired assets are provided for in full. There are no balances with terms that have been renegotiated, but which would otherwise be past due or impaired.

**Credit Risk – Trade and Other Receivables**

The Company has no significant concentration of credit risk with respect to counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Company.

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**Notes to the Financial Statements  
for the financial year ended 30 June 2012**

<b>NOTE 7: OTHER ASSETS</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Current:</b>		
Available for sale assets - unlisted options	8,100	8,100
Under the Pentland joint venture agreement with Chinalco Yunnan Copper Resources Limited (CYU), ActivEX was granted one million unlisted options to acquire shares in CYU, exercisable at \$0.40 by 20 December 2012.		
<b>NOTE 8: OTHER ASSETS</b>		
<b>Current:</b>		
Prepayments	57,734	59,965
<b>NOTE 9: PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
At cost	460,932	430,241
Accumulated depreciation	(327,116)	(239,501)
Total plant and equipment	133,816	190,740
Reconciliation of the carrying amounts for property, plant and equipment is set out below:		
Balance at the beginning of year	190,740	86,802
Additions	30,691	157,524
Disposals	-	-
Depreciation expense	(87,615)	(53,586)
Carrying amount at the end of year	133,816	190,740
<b>NOTE 10: EXPLORATION AND EVALUATION ASSET</b>		
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase – subject to joint venture	1,288,321	97,593
Exploration and evaluation phase – Company interest 100%	4,668,618	4,568,315
	5,956,939	4,665,908
<b>Movement in exploration and evaluation expenditure:</b>	<b>Non-Joint Venture</b>	
Opening balance - at cost	4,568,315	3,115,513
Transfer from joint venture to other exploration	(726,709)	264,240
Acquisition of joint venture interest	-	200,000
Capitalised exploration expenditure	1,126,532	1,039,798
Government grants received		(107,233)
Government grant proceeds transferred to pre-qualifying joint venture partner	-	107,233
Capitalised exploration expenditure written-off	(299,520)	(24,901)
Earn in contribution by joint venture partner	-	(26,335)
Carrying amount at end of year	4,668,618	4,568,315

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**Notes to the Financial Statements  
for the financial year ended 30 June 2012****NOTE 10: EXPLORATION AND EVALUATION ASSET (continued)**

	2012	2011
	\$	\$
<b>Movement in exploration and evaluation expenditure:</b>	<b>Subject to Joint Venture</b>	
Opening balance - at cost	97,593	295,182
Transfer from other exploration to joint venture	726,709	(264,240)
Acquisition of joint venture interest	-	-
Capitalised exploration & evaluation expenditure	1,014,369	68,611
Earn in contribution by joint venture partner	(550,350)	(1,960)
Carrying amount at end of year	1,288,321	97,593

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development of projects, or alternatively, through the sale of the areas of interest.

In the prior financial year, Minotaur agreed to relinquish its 51% equity in the Booubyjan Joint Venture and its right to earn up to a 75% interest in the Booubyjan project, in return for a one-off payment of \$200,000 by ActivEX, satisfied wholly by the issue of 3 million ActivEX shares to Minotaur. Shareholders approved this issue at the Company's Annual General Meeting in November 2010.

A number of the Company's exploration projects are subject to joint venture.

**Barambah Joint Venture:**

The Company has satisfied both the initial 50% earn-in and additional 25% interest provisions of the joint venture agreement with Norton Goldfields Limited. The Company has earned a 75% interest in the tenements.

The terms of the agreement provide for the parties to contribute to ongoing joint venture expenditure proportionate to their participating interest.

**Mt Agate Joint Venture:**

In April 2010, the Company entered into a joint venture agreement with Carpentaria Exploration Limited. Under the joint venture, the Company may earn a 75% interest in the tenements by spending \$750,000 on exploration by April 2015.

Once the Company has earned its initial interest in the joint venture tenements, Carpentaria may elect to contribute to ongoing expenditure on a pro-rata basis. If Carpentaria elects not to contribute, then ActivEX can increase its interest in the tenement to 100% by spending a further \$500,000 at which stage Carpentaria will retain a 1.5% net smelter return royalty interest in respect of any production from the area.

During the year the Company incurred expenditure of \$269,284 which was charged directly to the statement of comprehensive income. At balance date the Company has expended a total of \$505,214 toward the joint venture.

**Esk Trough Joint Venture**

In October 2011, the Company entered into a joint venture agreement with Coppermoly Limited. Under the joint venture Coppermoly may earn a 51% interest in the joint venture area by sole funding exploration spending of \$3M. The Agreement provides for a minimum expenditure of \$500,000 in the first year. This was achieved at balance date.

Since balance date, Coppermoly has withdrawn from the joint venture.

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**Notes to the Financial Statements  
for the financial year ended 30 June 2012**

<b>NOTE 11: TRADE &amp; OTHER PAYABLES</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Current:</b>		
Sundry payables and accrued expenses	276,613	199,494
Short term employee benefits	73,488	94,418
	<hr/>	<hr/>
Total payables (unsecured)	350,101	293,912
	<hr/>	<hr/>
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:	350,101	293,912
Less leave entitlements	(73,488)	(94,418)
	<hr/>	<hr/>
Financial liabilities as trade and other liabilities	276,613	199,494
(a) Includes \$10,200 (2011:\$ 8,500) payable to a related party.		

**NOTE 12: PROVISIONS****Non-current:**

Provision for long-term employee benefits	75,397	58,940
	<hr/>	<hr/>
Opening balance	58,940	39,414
Additional provisions	16,457	19,526
Amounts used	-	-
	<hr/>	<hr/>
Balance at year end	75,397	58,940
	<hr/>	<hr/>

**Provision for Long-term Employee Benefits**

A provision has been recognised for employee entitlements relating to long service leave.

**NOTE 13: ISSUED CAPITAL**

190,090,391 (2011: 165,295,993) fully paid ordinary shares

<b>Ordinary shares</b>	<b>No.</b>	<b>No.</b>
Balance at the beginning of the reporting period	165,295,993	84,273,933
Shares issued during the year:		81,273,933
11 May 2012	24,794,398	-
	<hr/>	<hr/>
Balance at reporting date	190,090,391	165,295,993
	<hr/>	<hr/>

On 11 May 2012, the Company issued a total of 24,794,398 shares at \$0.027 each, as a placement to sophisticated investors.

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

Ordinary shares participate in dividends and the proceeds on winding up of the Company 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.

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**Notes to the Financial Statements  
for the financial year ended 30 June 2012**

<b>NOTE 13: ISSUED CAPITAL (continued)</b>	<b>2012</b>	<b>2011</b>
	<b>No.</b>	<b>No.</b>
<b>Options</b>		
<b>Options listed on Australian Securities Exchange</b>	70,714,369	70,714,369
Balance at the beginning of the reporting period	70,714,369	15,765,762
Issued during the period	-	70,714,369
Exercised during the period	-	(4,021,332)
Expired during the period	-	(11,744,430)
Balance at reporting date	70,714,369	70,714,369

On 27 June 2011, the Company issued the following options:

	<b>No.</b>	<b>No.</b>
Balance at the beginning of the reporting period	70,714,369	-
Rights issue entitlement for shareholders	-	21,757,652
A 1 for 4 bonus issue of options to shareholders.	-	40,956,717
Grant of options to underwriter to rights issue	-	8,000,000
Balance at reporting date	70,714,369	70,714,369

These options have subsequently expired unexercised on 31 July 2012.

**Unlisted Employee & Officer Options (see also note 19)**

During the prior year, the Company granted options to employees, pursuant to the Company's Employee & Officer Share Option Plan. Details of options granted are as follows:

	<b>No.</b>	<b>No.</b>
Balance at the beginning of the reporting period	2,750,000	2,750,000
Issued during the period:	2,100,000	-
Lapsed during the period:	(450,000)	(300,000)
Forfeited during the period	(200,000)	
Balance at reporting date	3,900,000	2,450,000

The amount expensed during the period in relation to all these options is \$20,957 (2011: \$40,117). This amount has been credited to the Option Reserve.

**Other Unlisted Options (see also note 19)**

	<b>No.</b>	<b>No.</b>
Balance at beginning of period	-	750,000
Issued during the period:	-	-
Expired during the period:	-	(750,000)
Balance at reporting date	-	-

**Capital Management**

Exploration companies such as ActivEX are funded exclusively by share capital. The Company has no debt. The Company's capital comprises its share capital supported by financial assets.

Management controls the capital of the Company to ensure that it can fund its operations and continue as a going concern. Capital management policy is to fund its exploration activities by way of equity. No dividend will be paid while the Company is in exploration stage. There are no externally imposed capital requirements.

There have been no changes to the capital management policies since the prior year.

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**Notes to the Financial Statements  
for the financial year ended 30 June 2012****NOTE 14: RESERVES**

## Options Reserve

The options reserve records the amounts recognised as expenses on valuation of employee share options, equity based payments for services and the net proceeds from the issue of entitlement options to all shareholders.

**NOTE 15: CASH FLOW INFORMATION**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of Cash Flow from Operations with Loss after Income Tax:</b>		
Loss from ordinary activities after income tax	(1,002,855)	(1,004,314)
Non-cash flows in loss from ordinary activities:		
Depreciation	87,615	53,586
Employee options expense	20,957	40,117
Write-off of exploration & evaluation expenditure	299,520	24,901
Income from grant of options from joint venturer	299,520	(8,100)
Profit on sale of property, plant & equipment	-	-
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	(54,020)	27,378
(Increase)/Decrease in prepayments	5,231	(18,169)
(Decrease)/Increase in payables	72,646	158,916
	<u>(570,906)</u>	<u>(725,685)</u>

**Non-cash Financing and Investing Activities****Equity Issues:**

During the previous financial year, the Company issued 3,000,000 shares at \$0.06667 each as consideration for acquiring Minotaur's 51% joint venture interest.

**NOTE 16: 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.

**Key Management Personnel transactions with the Company**

Key Management Personnel compensation and equity interests are detailed in note 24.

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 \$71,400 (2011: \$64,175) for accounting, company secretarial and other services provided to the entity. The amount owing by the Company at 30 June is \$10,200 (2011: \$8,500).

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>

**NOTE 17: COMMITMENTS****(a) Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements, payable:

Not later than 1 year	85,911	99,011
Later than 1 year but not later than 5 years	183,118	49,320
	<u>269,029</u>	<u>148,331</u>

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the financial year ended 30 June 2012

### NOTE 17: COMMITMENTS (continued)

The lease commitment relates to non-cancellable premises leases one with a three-year term and another two years. In both cases rent is payable monthly in advance. Contingent rental provisions within the lease agreements require the minimum lease payments to be increased by the greater of CPI or 5% per annum.

#### (b) 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.

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

	2012	2011
	\$	\$
Not later than 1 year	1,733,691	1,526,117
Later than 1 year but not later than 5 years	6,666,073	3,938,350
Later than 5 years	91,825	
Total commitment	8,491,589	5,464,467

### NOTE 18: SEGMENT REPORTING

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

### NOTE 19: SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2012:

The Company had 2,450,000 share options on issue at the start of the year, being options granted in prior years under the Company's Employees and Officers Share Purchase Plan. During the year, 450,000 of these share options lapsed or expired and 200,000 were forfeited.

Of these options on issue at the end of the year, 150,000 options have an exercise price \$0.25, expiring 31 August 2012; 200,000 options have an exercise price \$0.15, expiring 30 November 2013; 250,000 options are exercisable at \$0.12 expiring 31 December 2013 and 1,200,000 options are exercisable at \$0.15 expiring 30 November 2014.

On 27 June 2011 the Company issued 8,000,000 options as consideration for rights issue underwriting services. The options have an exercise price of \$0.08 and expire on 31 July 2012.

On 2 September 2011 the Company issued 1,100,000 options to staff under the Company's Employees and Officers Share Purchase Plan. The options have an exercise price of \$0.06 and expire on 31 August 2016.

On 1 December 2011 the Company issued 1,000,000 options to Directors under the Company's Employees and Officers Share Purchase Plan. The options have an exercise price of \$0.06 and expire on 30 November 2016.

The Company established the ActivEX Limited Employees and Officers Share Option Plan on 11 April 2005. All Directors, officers, employees and senior consultants (whether full- or part-time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by the Company or its subsidiaries.

The allocation of options under the Plan is at the discretion of the Board. The exercise price of options will be determined by the Board and will be equal to, or higher than the market value of the Company's shares at the time the Board resolves to issue the options. The total number of shares the subject of options issued under the Plan, when aggregated with other options issued under the Plan during the previous five years must not exceed five per cent of the Company's issued share capital at the time.

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## Notes to the Financial Statements for the financial year ended 30 June 2012

### NOTE 19: SHARE BASED PAYMENTS (continued)

At reporting date, the options granted to key management personnel under the Share Option Plan are:

	<u>Options</u>
Granted 27 November 2008	200,000
Granted 1 December 2009	750,000
Granted 1 December 2011	1,000,000

All Company options granted are over ordinary shares in ActivEX Limited, which confer a right of one ordinary share per option. The options hold no voting or dividend rights.

Options issued under share based payment arrangements are summarised as:

	2012		2011	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	No	\$	No	\$
Outstanding at the beginning of the year	10,450,000	0.093	3,500,000	0.159
Granted	2,100,000	0.060	8,000,000	0.080
Forfeited	(200,000)	0.060	(300,000)	0.135
Exercised	-	-	-	-
Expired	(450,000)	0.250	(750,000)	0.120
Outstanding at year-end	11,900,000	0.035	10,450,000	0.093
Exercisable & vested at year-end	11,900,000	0.035	10,450,000	0.093

The weighted average remaining contractual life of options at year-end was 3.4 years. The price of outstanding shares at the end of the reporting period was \$0.035.

The weighted average fair value of options granted during the year was \$0.0099. These values were calculated using a binomial option valuation model, applying the following assumptions:

Weighted average exercise price	6 cents
Expected share price volatility	49.0%
Weighted average life of option	5 years
Expected dividends	nil
Risk-free interest rate	3.75%

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility.

The life of the options is based on historical exercise patterns, which may not eventuate in the future.

### NOTE 20: EVENTS AFTER BALANCE SHEET DATE

Since the end of the financial year, the Company has issued 30,813,559 new fully paid shares at an issue price of \$0.02. This comprises 28,813,559 shares placed with a sophisticated investor, raising \$576,271 and 2,000,000 shares issued to a director in settlement of director's fees.

In June 2011, the Company issued options pursuant to a rights and bonus issue of options to shareholders. Options were issued for no consideration and were exercisable at \$0.08 each prior to 31 July 2012. No options were exercised during the year and 70,714,369 options expired unexercised on 31 July 2012.

In July 2012, 850,000 options granted to staff under the Employee & Officer Share Option Plan lapsed in accordance with the terms of grant.

In August 2012, Coppermoly Limited advised that they were withdrawing from the Esk Trough Joint Venture, having satisfied the minimum expenditure commitments under the agreement.

The financial report was authorised for issue on 30 August 2012 by the Board of Directors.

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**Notes to the Financial Statements  
for the financial year ended 30 June 2012****NOTE 21: AUDITORS' REMUNERATION**

	2012	2011
	\$	\$
Remuneration of the auditor for:		
- auditing or reviewing the financial report	21,040	21,150

No fees were paid for non-audit services.

**NOTE 22: CONTINGENT LIABILITIES**

There were no material contingent liabilities at the end of the reporting period.

**NOTE 23: EARNINGS PER SHARE**

	2012	2011
	\$	\$
Net loss used to calculate basic and dilutive EPS	1,002,855	1,004,314
	No	No
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	168,683,206	105,949,356
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive EPS	168,683,206	105,949,356

Options to acquire ordinary shares in the Company are the only securities considered as potential ordinary shares in determination of diluted EPS. These securities are not presently dilutive and have been excluded from the calculation of diluted EPS.

**NOTE 24: KEY MANAGEMENT PERSONNEL COMPENSATION & EQUITY**

The names of key management personnel of the entity who have held office during the financial year are:

(a) Key Management Person	Position
Richard E Keevers	Chairman
Ian C. Daymond	Director - Non-Executive
Douglas I. Young	Managing Director - Executive
Min Yang	Director - Non-Executive
Paul A. Crawford	Director - Non-Executive

Other than the Directors, the Company has no Key Management Personnel.

**(b) Key Management Personnel Compensation**

	2012	2011
	\$	\$
Short-term employee benefits	288,000	274,918
Post-employment benefits	51,000	46,737
Other long-term benefits	6,540	12,071
Share-based payments	10,652	24,336
	356,192	358,062

Detailed disclosures on compensation for key management personnel are set out in the Remuneration Report included in the Directors' Report.

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**Notes to the Financial Statements  
for the financial year ended 30 June 2012**

**NOTE 24 KEY MANAGEMENT PERSONNEL COMPENSATION & EQUITY (continued)**

**(c) Number of shares held by Key Management Personnel (i)**

2012	Balance 1 July 2011	Compen- sation (ii)	Options Exercised	Purchased / (Sold)	Balance 30 June 2012
Ian C Daymond	594,000	-	-	-	594,000
Douglas I. Young	10,592,877	-	-	-	10,592,877
Paul A. Crawford	1,415,750	-	-	1,000,000	2,415,750
Richard E Keevers	-	-	-	-	-
Min Yang	-	-	-	-	-
<b>Total</b>	<b>12,602,627</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>13,602,627</b>
2011	Balance 1 July 2009	Compen- sation (ii)	Options Exercised	Purchased / (Sold)	Balance 30 June 2011
Ian C Daymond	360,000	-	72,000	162,000	594,000
Douglas I. Young	8,802,502	-	540,000	1,249,875	10,592,877
Paul A. Crawford	555,000	-	111,000	749,750	1,415,750
<b>Total</b>	<b>9,717,502</b>	<b>-</b>	<b>723,500</b>	<b>2,161,625</b>	<b>12,602,627</b>

(i) Represents shares held directly, indirectly or beneficially.

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

**(d) Number of options held by Key Management Personnel (i)**

2012	Balance 1 July 2011	Compen- sation (e)	Options Acquired	Other Changes	Balance 30 June 2012	Total Vested	Total Exercisable
Ian C Daymond	379,500	250,000	-	-	629,500	629,500	629,500
Douglas I. Young	4,088,158	500,000	-	(200,000)	4,388,158	4,388,158	4,388,158
Paul A. Crawford	728,813	250,000	-	(100,000)	878,813	878,813	878,813
Richard E Keevers	-	-	-	-	-	-	-
Min Yang	-	-	-	-	-	-	-
<b>Total</b>	<b>5,196,471</b>	<b>1,000,000</b>	<b>-</b>	<b>(300,000)</b>	<b>5,896,471</b>	<b>5,896,471</b>	<b>5,896,471</b>
2011	Balance 1 July 2010	Compen- sation (e)	Options Acquired	Other Changes	Balance 30 June 2011	Total Vested	Total Exercisable
Ian C Daymond	222,000	-	229,500	(72,000)	379,500	379,500	379,500
Douglas I. Young	2,610,400	-	3,238,158	(1,760,400)	4,088,158	4,088,158	4,088,158
Paul A. Crawford	361,000	-	478,813	(111,000)	728,813	728,813	728,813
<b>Total</b>	<b>3,193,400</b>	<b>-</b>	<b>3,946,471</b>	<b>(1,943,400)</b>	<b>5,196,471</b>	<b>5,196,471</b>	<b>5,196,471</b>

(i) Represents options held directly, indirectly or beneficially.

**(e) Compensation Options**

Details of options provided as compensation for key management personnel are set out in the Remuneration Report included in the Directors' Report.

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the financial year ended 30 June 2012

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### NOTE 24 KEY MANAGEMENT PERSONNEL COMPENSATION & EQUITY (continued)

#### (f) Shares Issued on Exercise of Compensation Options

No shares were issued on the exercise of compensation options during the reporting period.

### NOTE 25: FINANCIAL INSTRUMENTS

#### (a) Financial Risk Management Policies

The Company's financial instruments mainly comprise cash balances, receivables and payables. The main purpose of these financial instruments is to provide finance for Company operations.

##### Risk Management

A finance committee consisting of key management of the Company meet on a regular basis to analyse exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the risk management policies and reports to the Board.

##### Financial Risks

The main risks the Company is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk. These risks are managed through monitoring of forecast cashflows, interest rates, economic conditions and ensuring adequate funds are available.

##### 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, arises in relation to the Company's bank balances.

This risk is managed through the use of variable rate bank accounts.

##### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. This risk is managed by ensuring, to the extent possible, that there is sufficient liquidity to meet liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's activities are funded from equity sources.

##### Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk arises from exposures to deposits with financial institutions and sundry receivables.

Credit risk is managed and reviewed regularly by the finance committee. It arises from exposures to joint venture partner receivables and through deposits with financial institutions. The finance committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an 'A' rating are utilised; and
- all joint venture partners are rated for credit worthiness taking into account their size, market position and financial standing.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

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**Notes to the Financial Statements  
for the financial year ended 30 June 2012****NOTE 25: FINANCIAL INSTRUMENTS (continued)****(b) Financial instrument composition and contractual maturity analysis**

	2012	2011
	\$	\$
Financial assets:		
Within 6 months		
- cash & cash equivalents (a)	965,147	2,487,846
- receivables (b)	89,855	38,335
- investments	8,100	-
	1,063,102	2,526,181
1 - 2 years		
- receivables (b)	37,840	35,340
- investments	-	8,100
	43,440	43,440
Total	1,100,942	2,569,621
Financial liabilities:		
Within 6 months		
- payables (b)	276,613	199,494
Net expected inflow on financial instruments:		
- within 12 months	786,489	2,326,687
- 1 - 2 years	37,840	43,440
	824,329	2,370,127

(a) Floating interest rates, with weighted average effective interest rate 5.4% (2011: 4.15%).

(b) Non-interest bearing.

**(c) Net Fair Values**

No financial assets or liabilities are readily traded on organised markets in a standardised form. Included in financial assets at fair value are unlisted investments. For financial reporting purposes these have been classified as level 2 hierarchy valuation, whereby valuation techniques based on comparative data have been used.

Financial assets where the carrying amount exceeds net fair values have not been written down, as the Company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and notes to the financial statements. Fair values are materially in line with carrying values.

**(d) Sensitivity Analysis**

The Company has performed sensitivity analysis relating to its exposure to interest rate risk. At year end, the effect on profit and equity as a result of a 1% change in the interest rate, with all other variables remaining constant would be +/- \$9,651 (2011: \$24,878).

**NOTE 26: COMPANY DETAILS**

The registered office and principal place of business is:

117 Quay Street  
Brisbane Qld 4000

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, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance of the Company for the year ended on that date.
  
2. The Chief Executive Officer and Chief Finance Officer have each declared that:
  - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - (c) the financial statements and notes for the financial year give a true and fair view.
  
3. 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.



Richard E. Keevers  
Chairman



Douglas I Young  
Managing Director

Dated this: 30th day of August 2012



**Hayes Knight**  
Accountants, Advisers & Auditors

Hayes Knight Audit (QLD) Pty Ltd  
ABN 49 115 261 722

Registered Audit Company 299289

Level 19, 127 Creek Street, Brisbane QLD 4000  
GPO Box 1189 Brisbane QLD 4001

T: +61 7 3229 2022 F: +61 7 3229 3277

E: email@hayesknightqld.com.au

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## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ACTIVEX LIMITED**

### **Report on the Financial Report**

We have audited the accompanying financial report of ActivEX Limited (the company), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

### ***Directors' Responsibility for the Financial Report***

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1 the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF ACTIVEX LIMITED (CONTINUED)**

***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been provided to the directors of ActivEX Limited as attached to the directors' report, has not changed as at the date of this auditor's report.

***Auditor's Opinion***

In our opinion:

- a) the financial report of ActivEX Limited is in accordance with the *Corporations Act 2001*, including:
  - i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
  - ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

***Inherent Uncertainty – Continued Operations and Future Funding***

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the company's ability to continue with its planned exploration activities is dependent on having finance available.

As indicated in the note, at balance date the company had cash assets of \$965,147 and committed exploration and operating lease expenditure in the next 12 months of \$1,819,602. The company undertakes exploration activity on a number of projects. The company's ability to continue with its planned exploration activities is dependent on having finance available. On the basis of completing currently planned activities, further funds will need to be raised. Directors are confident that funding initiatives will be successful; however, no commitment has yet been made as to the source of any additional funding. The Directors have formed the view that it is appropriate to prepare the financial report on a going concern basis.

The outcome of initiatives planned by directors cannot presently be determined with any certainty. The company's ability to continue as a going concern will be dependent on obtaining future finance.

**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF ACTIVEX LIMITED (CONTINUED)**

***Report on the Remuneration Report***

We have audited the remuneration report of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

***Auditor's Opinion***

In our opinion the remuneration report of ActivEX Limited for the year ended 30 June 2012 complies with s 300A of the *Corporations Act 2001*.

Hayes Knight Audit (Qld) Pty Ltd.

**Hayes Knight Audit (Qld) Pty Ltd**

A handwritten signature in blue ink, appearing to read 'A M Robertson', is written over a circular stamp or seal.

**A M Robertson**  
Director

Level 19, 127 Creek Street,  
Brisbane, QLD, 4000

Date: 30 August 2012

**ACTIVEX LIMITED**

ABN 11 113 452 896

**ASX INFORMATION**

Following is additional information required by the ASX Limited and not disclosed elsewhere in this report.

**1. Shareholding:**

The following information is provided as at 14 September 2012.

Distribution of Shareholders Number:

<b>Category Number (Size of Holding)</b>	<b>Ordinary Shares (Number)</b>
1 - 1,000	19
1,001 - 5,000	17
5,001 - 10,000	80
10,001 - 100,000	355
100,001 - and over	216
	<b>687</b>

The number of shareholdings held in less than marketable parcels is 241.

Twenty Largest Holders - Ordinary Shares

		<b>Number of Shares Held</b>	<b>% of Total Issued Capital</b>
1.	Elite Ray Investments Limited	28,813,559	13.04
2.	ASF Gold And Copper Pty Ltd	24,794,398	11.22
3.	Findex Pty Ltd	8,100,002	3.67
4.	LPD Holdings (Aust) Pty Ltd	7,163,680	3.24
5.	Mr Michael Ruane	6,654,257	3.01
6.	Intermin Resources Ltd	6,400,625	2.90
7.	Kesli Chemicals Pty Ltd <Ruane S/F A/C>	6,350,494	2.87
8.	Scintilla Strategic Investments Limited	5,550,000	2.51
9.	Minotaur Resources Investments Pty Ltd	4,549,129	2.06
10.	R C Sadleir Pty Ltd	4,483,722	2.03
11.	Mr Geoff Meade	4,000,000	1.81
12.	Tyson Resources Pty Ltd	3,850,000	1.74
13.	Kavalex Pty Limited	3,368,848	1.53
14.	Mambat Pty Ltd	3,204,349	1.45
15.	Kurana Pty Ltd <Buchhorn Unit Account>	2,496,358	1.13
16.	Findex Pty Ltd <Superannuation Fund A/C>	2,492,875	1.13
17.	Bluestar Management Pty Ltd <Super Fund A/C>	2,000,000	0.91
18.	P Ford Superannuation Pty Ltd <Patrick Ford Super Fund A/C>	2,000,000	0.91
19.	Cinmax Pty Ltd <Harrah Family A/C>	1,963,680	0.89
20.	Nutsville Pty Ltd <Industrial Electric S/F A/C>	1,750,000	0.79
		<b>129,985,976</b>	<b>58.84</b>

# ACTIVEX LIMITED

ABN 11 113 452 896

## ASX INFORMATION

The names of the substantial shareholders listed in the Company's register as at 14 September 2012

Shareholder	Number of Shares Held	% of Issued Capital
Elite Ray Investments Limited	28,813,559	13.04
ASF Gold And Copper Pty Ltd	24,794,398	11.22
Michael Ruane	23,783,608	10.77
Findex Pty Ltd	10,592,877	4.80

### Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting has one vote on a show of hands.

There are no voting rights attaching to the Options, but voting rights as detailed above will attach to the ordinary shares issued when the Options are exercised.

### 2. Registers of securities are held at the following address:

Computershare Investor Services Pty Limited  
117 Victoria Street  
West End Qld 4101 Australia

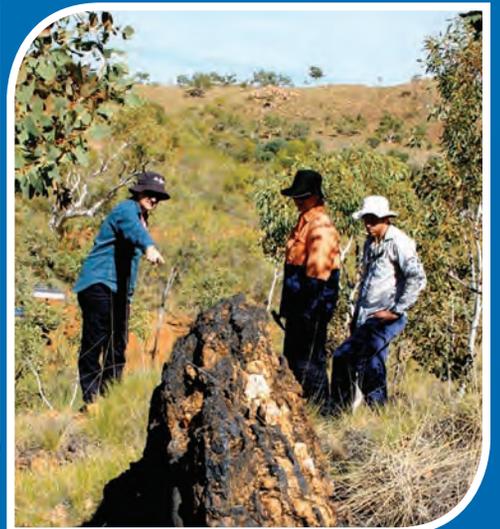
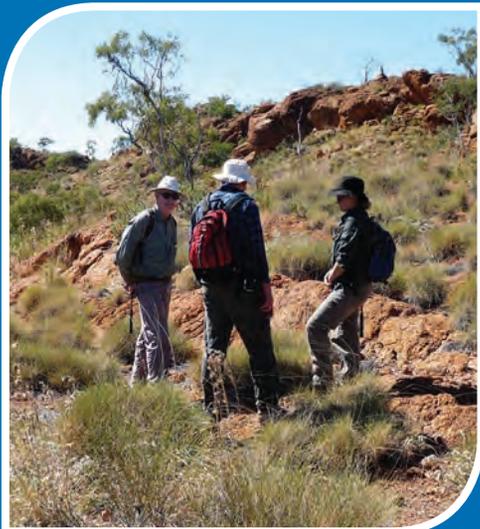
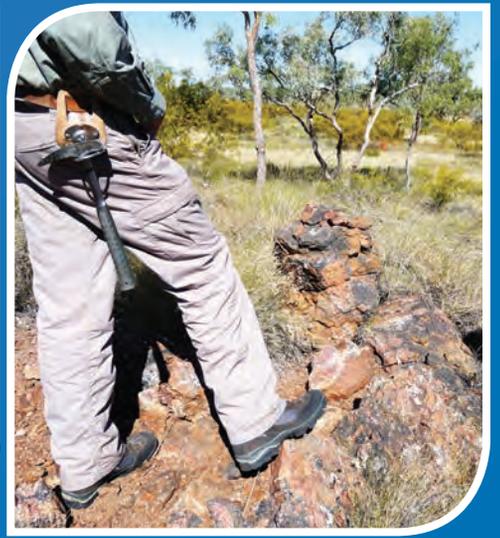
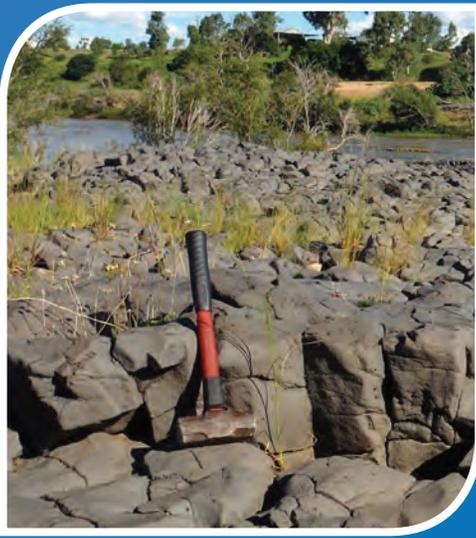
### 3. Securities Exchange Listing

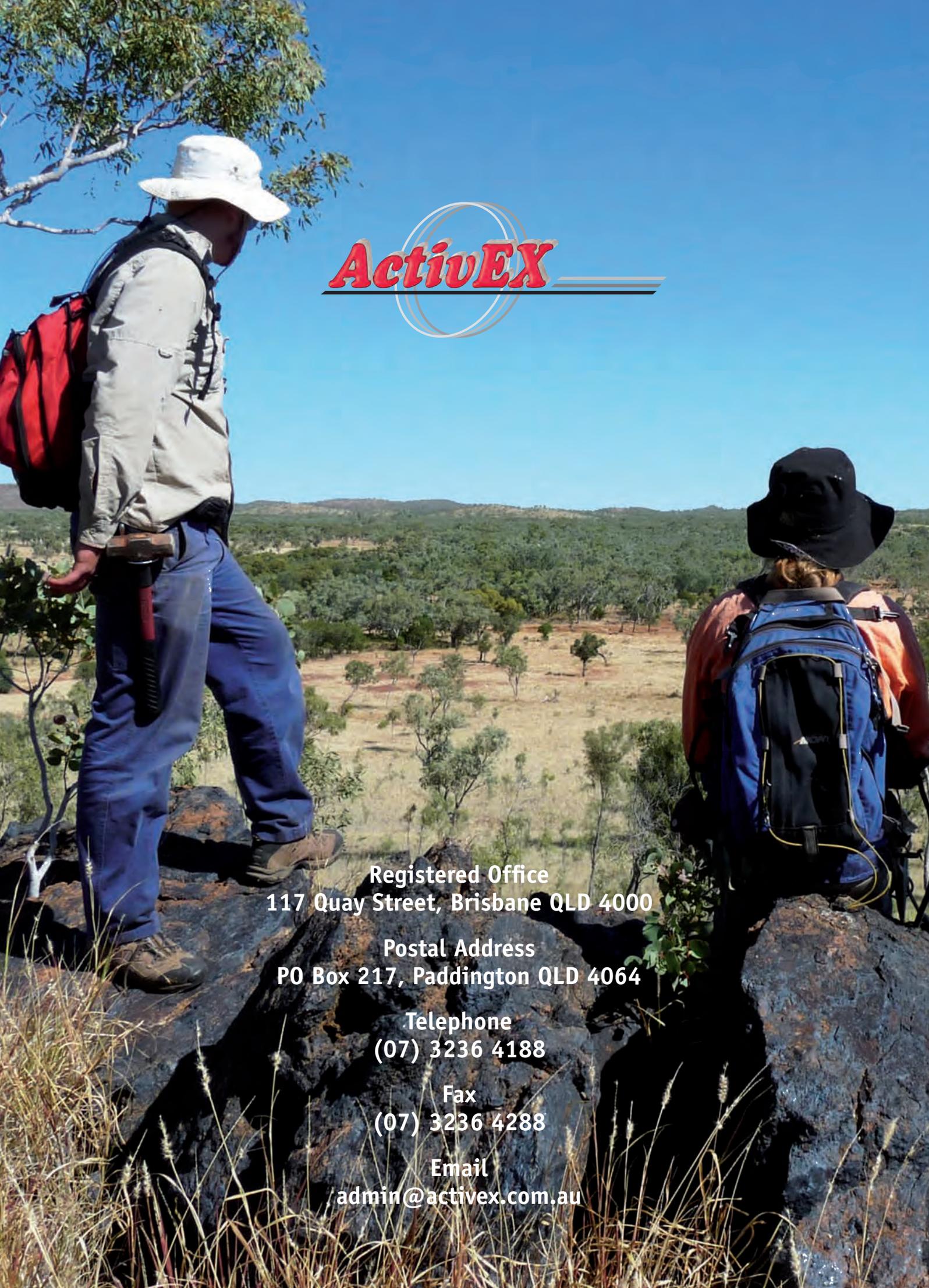
Quotation has been granted for all the ordinary shares issued by the Company on all Member Exchanges of the ASX Limited.

Details of unlisted options are provided in the Directors' Report.

### 4. Restricted Securities

The Company has no restricted securities on issue.



A photograph of two hikers on a rocky outcrop. The hiker on the left is wearing a white hat, a light-colored jacket, and blue pants, with a red backpack. The hiker on the right is wearing a black hat, a red jacket, and a blue backpack. They are looking out over a vast, open landscape with scattered trees and a clear blue sky. The word "ActivEX" is written in a stylized red font with a white outline, positioned in the upper center of the image. Below the text are two horizontal lines.

# ActivEX

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117 Quay Street, Brisbane QLD 4000

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