



Active explorers for new gold-copper resources

# ANNUAL REPORT 2007

## CHAIRMAN'S LETTER

*Synergies expected to flow from two landmark joint ventures*



*The Company continues to consolidate its position in Queensland and is expanding into the exciting Cloncurry copper gold district*

Dear Shareholders,

On behalf of the Board of ActivEX Limited I am pleased to present to you the Annual Report for the 2007 financial year, our third annual report.

The Company's prime objective continues to be the discovery of economically attractive mineral deposits of sufficient grade and size to provide sustainable returns to shareholders. Its focus is principally self managed exploration and where appropriate, coupled with strategic alliances to maximise access to prospective ground and minimise risk.

This year, ActivEX Limited has made significant progress with its exploration programs and has achieved two landmark joint ventures. We have boosted and consolidated our technical team and enhanced our geological knowledge and understanding of our project areas, whilst being careful to conserve cash reserves. However, the Company has suffered significant delays which have been beyond its control in accessing drilling rigs and in the arrivals of contractors and materials, with the result that some programs have not yet been completed. Several of our projects have been ready and waiting for drilling for some time. Yet other projects have been advanced to drilling stage with highly prospective targets now defined.

Significantly at **Boobyjan**, Minotaur Exploration Ltd exercised its right to continue funding the joint venture. Subsequently Mitsubishi Corporation and Mitsubishi Materials Corp have joined the joint venture with their agreement to spend up to \$1.8M. To the north at **Barambah**, ActivEX has farmed into the Barambah Project held by Norton Gold Fields Limited. The prospect is an under-explored epithermal gold-silver deposit with high grade shoots tested only to shallow depths. Significant synergies are expected to flow from these landmark joint ventures with our partners comprising the world's largest trading company in Mitsubishi, one of Australia's most successful explorers in Minotaur, and a specialist junior miner in Norton.

During the year we have reviewed many strategic opportunities. These reviews have led to investment by the Company at **Barambah** and **Florence Creek**. The latter project marks the Company's first venture into the exciting Cloncurry copper-gold district.

Our in-house project generation has consolidated our position in Queensland with six new Exploration Permit applications bringing our ground holding to 3,517 km<sup>2</sup> leading to a 63% increase over granted holdings.

The Company has applied for and been successful in obtaining funding through the Queensland Government's Smart Mining Initiatives. Our success in securing drilling funding for the **Lake Monduran** project gives independent confirmation of the technical merit of our geological interpretation and targeting.

In these times of very high demand in our industry, we recognise our management and staff are important assets. Thanks go to my fellow directors — Doug Young, our Managing Director, Peter Hwang and Paul Crawford, and our management and staff for all their hard work and contributions during the year, and to our shareholders for their loyalty. As we move forward into 2008, we will be concentrating on the drilling programs as well as investigating new business opportunities with the aim of delivering rewards for shareholders.

Yours faithfully



Ian Daymond  
Chairman



# REVIEW OF ACTIVITIES

*ActivEX continues to focus on exploration for gold and copper deposits while looking for opportunities to add shareholder value*

In line with the Company's prime objective of the discovery of economically attractive mineral deposits and its principal focus being the exploration for gold and copper deposits, ActivEX has significantly expanded its exploration portfolio in Queensland during the year.

ActivEX has recognised the Esk Volcanic Trough area of south-east Queensland as being particularly prospective for epithermal style gold mineralisation and porphyry style copper–gold mineralisation. The Company has secured new holdings in this zone surrounding its Boobyjan Project area.

ActivEX has also made its first move into the exciting Cloncurry field with applications in two areas close to recent discoveries. This is in line with the Company's focus on gold and copper targets although the mineralisation style sought here is IOCG (iron–oxide–copper–gold) which includes significant uranium by-product potential.

ActivEX continues to strengthen its position in Queensland increasing granted title to 2950 km<sup>2</sup> with a further 567 km<sup>2</sup> under application.

During this, its second year of exploration activities, the Company's principal focus has remained its two highest priority projects, **Prospect Creek** where the target is epithermal bonanza style gold mineralisation and the **Boobyjan** copper–gold porphyry system. Significant advances in the knowledge of these areas has been made but the work has been hampered by the lack of available drilling rigs and delays in arrival of contractors and materials. These are factors beyond our control and are affecting the mining and exploration industry throughout Australia.

Targets are awaiting rig availability at these areas and also at the **Barambah** joint venture where sufficient work has been carried out to refine gold–silver targets for testing.

On our other properties, extensive early stage exploration has been carried out with geological, geochemical and geophysical programs significantly advancing our knowledge of the areas. The results of this work have been particularly encouraging and we expect to be in a position to drill molybdenum–gold targets at **Lake Monduran** and copper–gold and molybdenum targets at **Pentland** early in 2008.

During the year we have reviewed many strategic opportunities, mostly exploration properties available for joint venture but with a focus seeking opportunities which may provide an early entry to production. With the industry in a period of high demand the asking prices are generally high with significant associated risk. Few such opportunities have progressed.

However, these reviews have led to investments by the Company at **Barambah** and **Florence Creek**. Florence Creek marks the Company's first venture into the exciting Cloncurry copper–gold district.



ActivEX Project Areas

## EXPLORATION PROJECTS

### Esk Trough Projects

The Esk Trough area of South East Queensland has been one of the main areas of activity for the Company during the year.

Our staff have also recognised strong similarities in the volcanic and structural setting of the Esk Trough with those of the subduction related Macquarie Volcanic Arc of NSW. That area boasts discoveries in the last 25 years of +50 million ounces of gold with associated copper, including the giant Cadia deposit.

ActivEX has utilised its knowledge of the Esk Trough to build a portfolio of tenements covering 1266 km<sup>2</sup> in the area. The tenements extend from Mt Miner in the south to Ban Ban in the north, and include the Boobyjan and Barambah Projects.

Targets in this setting are porphyry style gold-copper,  $\pm$  molybdenum, high and low sulphidation style epithermal gold deposits all of which occur in a similar structural framework with related genesis and structural components.



Porphyry style mineralisation — Kakapo

These targets have the potential to be multi million ounce deposits or their equivalent.

Key evidence is the recognition of numerous locations where hydrothermal activities have occurred as shown by alteration caps, sheeted vein systems, stockwork systems and altered porphyries.

*Project generation  
is a core skill*



South East Queensland tenement map

## Booubyjan Project

ActivEX has conducted significant exploration at Booubyjan over the past two years which has identified several targets for porphyry style copper–gold mineralization.

Last year's Induced Polarisation (IP) survey at the White Horse, Kiwi and Bath prospects defined a circular chargeability anomaly shown by our drilling to be caused by abundant pyrite mineralization. This effect has been interpreted to represent a pyrite shell that typically forms in the periphery of porphyry systems, making the core of the feature a promising exploration target.

During 2007, ActivEX completed a high resolution CSAMT (controlled source audio-magneto-tellurics) survey with the aim of outlining deep resistive features representing zones of quartz veining or silicification, accompanied by copper–gold mineralization.

With the assistance of our joint venture partner Minotaur Exploration, ActivEX has modelled and re-interpreted all ground magnetic and IP data.

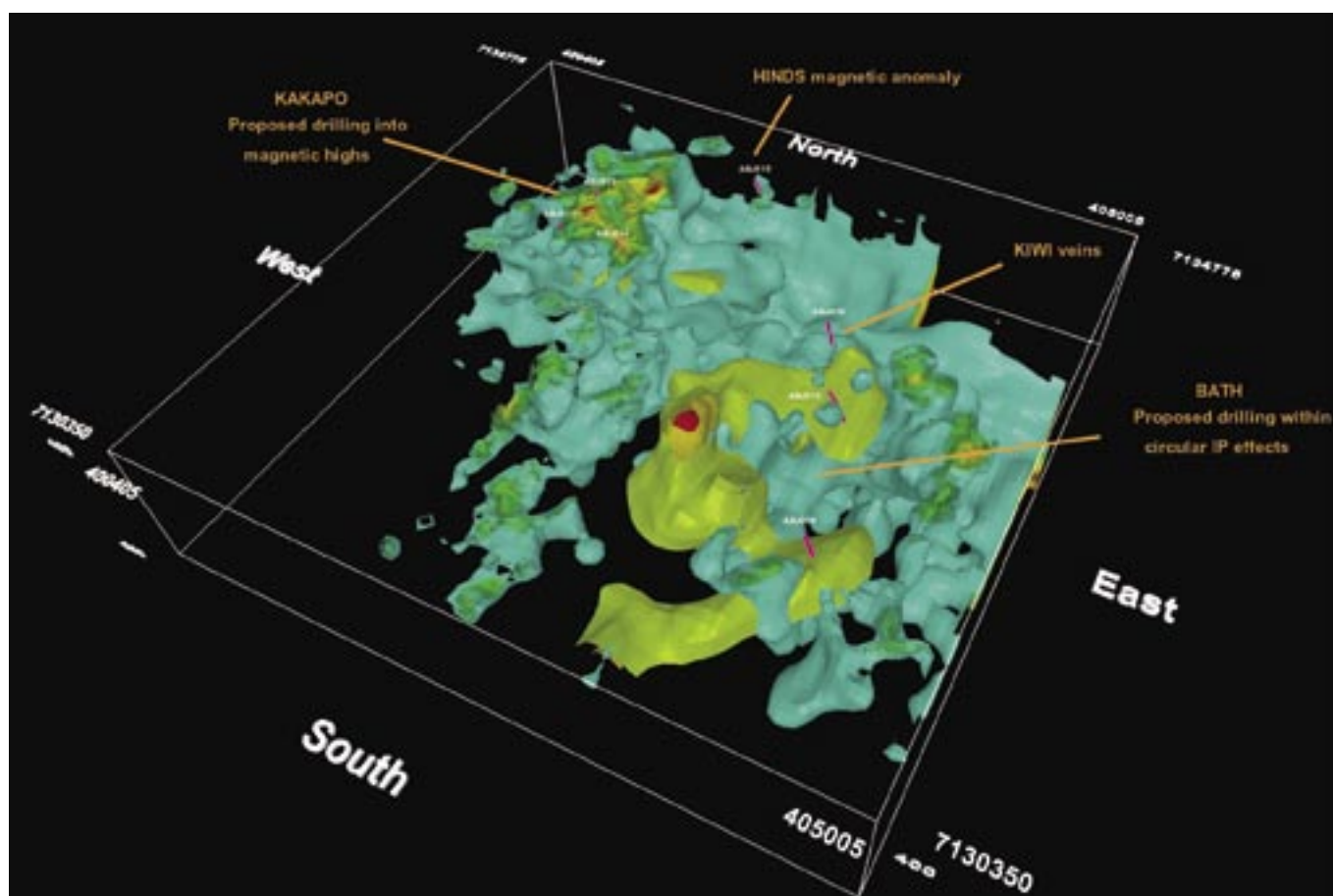
This work has identified several prospective targets at Kakapo, Hinds, Kiwi and Bath prospects.

At Kiwi a deep, vertical resistivity anomaly occurring beneath an outcrop of mineralised stockwork veins warrants drill testing. Nearby drilling recorded intercepts of up to 14 m @ 0.72% Cu and 0.72 g/t Au in sheeted quartz veins within a north-west trending structural zone which will also be tested.

CSAMT has also defined anomalous resistive zones within the core of the porphyry system. Deep drilling is planned to test these resistivity targets coincident with magnetic and chargeability anomalies.

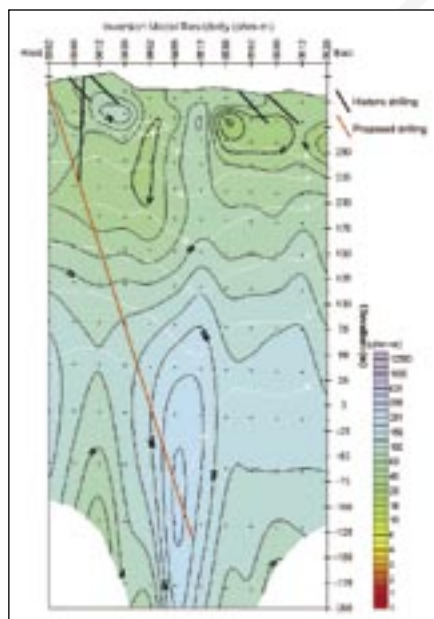
Targets at Kakapo include a deeper test of KAKD1 which intersected 88 m @ 0.47% Cu, 0.49 g/t Au and alteration styles typical of the inner parts of porphyry systems. Also at Kakapo and Hinds, magnetic anomalies in the vicinity of known mineralisation will be targeted.

*Geophysical modelling has improved targeting and given us a new understanding of the project area*



Kakapo–Kiwi–Bath geophysical model — Chargeability zones are broad yellow to red colours at Bath, magnetic zones are more complex blue and green up to yellow and red colours at Kakapo





Kiwi CSAMT model showing proposed drilling

*Significant chargeability anomalies at Dadamarine and Sefton*

Dadamarine and Sefton are satellite prospects within the Boobyjan joint venture. They are located on the Perry Fault Zone where ActivEX has been targeting porphyry style molybdenum (copper-gold) mineralisation.

The **Dadamarine** prospect consists of a large sericite alteration zone with significant silica and limonite (weathered sulphide). A geochemical soil survey has outlined anomalous molybdenum and copper over a strike length of approximately 1.2 km within the alteration zone. ActivEX also completed two lines of IP over the alteration zone which outlined an anomaly broadly related to the sulphide bearing alteration. A subtle chargeability effect coincides with the molybdenum–copper anomalous area.

Previous drilling in the 1970's was limited to four holes targeting shallow IP effects. These intersected pyritic zones reflecting a peripheral shell. Drill testing is being planned for this prospect to target deeper features related to the geochemical anomalies.

The **Sefton** prospect was discovered in the 1990s by CRAE but was not drilled until 2001. Drilling targeted a magnetic anomaly which proved to be a dyke.

However, the shallow drill program intersected molybdenum mineralisation within potassic alteration of a porphyry intrusive.

Grades of up to 1280 ppm molybdenum were returned from sections of the holes with the

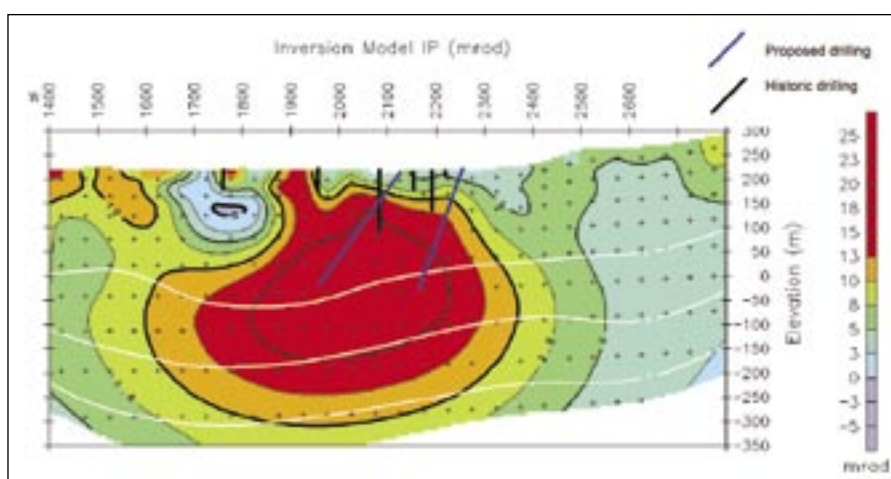


View of Kakapo area from Dadamarine

mineralisation being encountered in quartz veinlets and as disseminations in the altered porphyry. The zone is a valley covered by alluvium making soil geochemistry difficult so ActivEX completed two lines of IP over the zone to interpret the drill results.

IP has identified a broad zone of anomalous chargeability in the valley. Previous drilling has largely been too shallow to intersect this zone, although recorded molybdenum mineralisation correlates with the top of the anomalous IP effect.

Drill testing is planned.



Sefton IP model showing proposed drilling

## Blairmore Project



Unroofed porphyry at Blairmore

The Blairmore, Ban Ban, and Goomeri EPMS lie within volcanic units and porphyries of the Esk Trough.

In addition to the known prospects of the Boobyjan area, several clay alteration zones (leached caps) have been located indicating porphyry style hydrothermal activity and the potential for nearby deposits.

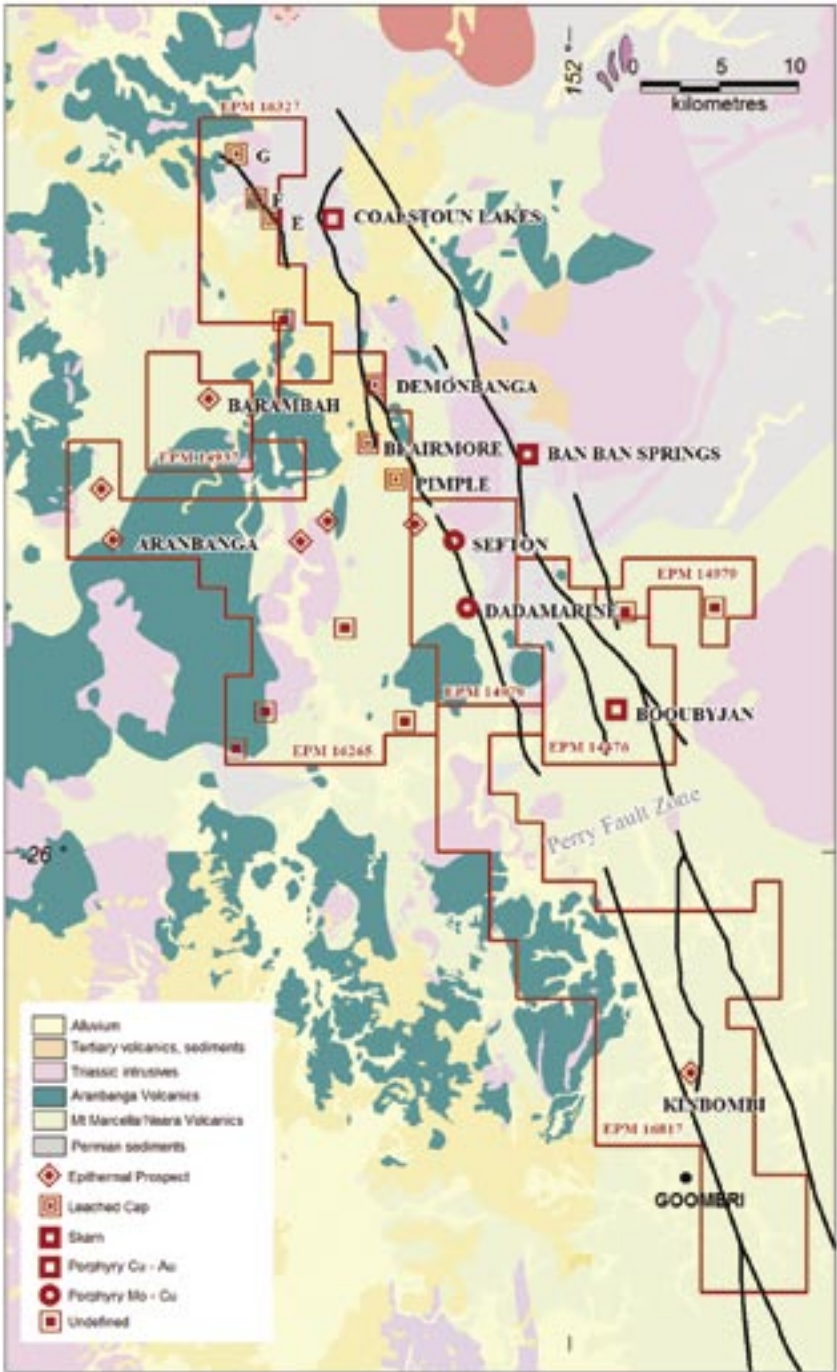
These alteration zones are localized by the Perry Fault, a significant structure in the area

which acted as a pathway for fluids and intrusion.

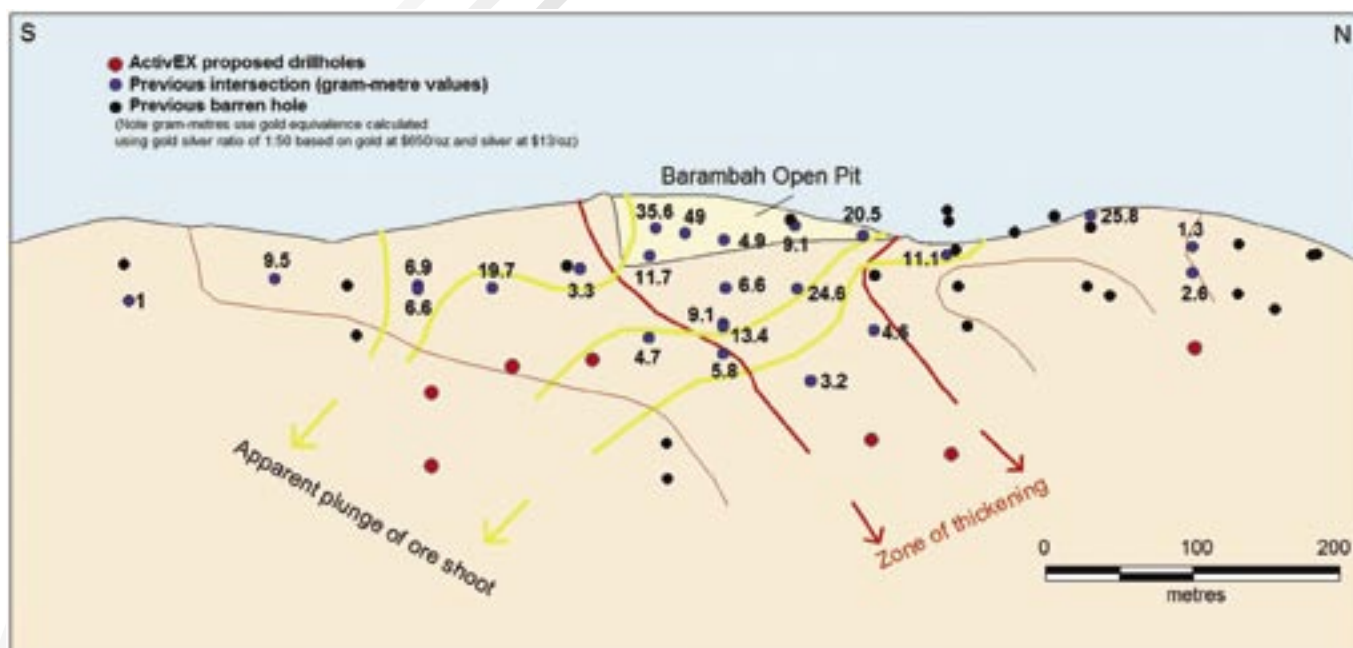
ActivEX is conducting a review of satellite imagery, airborne geophysics, geochemical and structural data to identify key targets within these areas and other locations for hydrothermal activity.

High and low sulphidation epithermal deposits also occur in close proximity to porphyry hydrothermal systems and several epithermal targets are also being investigated in this group of tenements.

*Alteration zones localised along the Perry Fault Zone indicate porphyry style hydrothermal activity*



Esk Trough project map showing prospect types



Long section through the Barambah open pit

## Barambah Project

ActivEX has entered into a joint venture with Norton Gold Fields at the Barambah project, near Gayndah in south-east Queensland. The project contains a high level epithermal gold-silver vein deposit that has been partly mined in the 1980s–1990s from an open pit.

The majority of the vein, with similar grades to that previously mined, remains in place and presents a readily accessible potential mining project requiring additional drilling. The vein can be traced over a strike length of 3.7 km which remains untested outside of the immediate vicinity of the open pit.

Review of the data has shown that previous drilling has been limited to less than 100 m depth (except for two holes) and that the zone shows evidence of a southerly plunging high grade ore shoot. ActivEX has planned several holes to test these zones at depth, where previous intersections included 1 m @ 14.7 g/t Au and 385 g/t Ag, and 1 m @ 30 g/t Au and 144 g/t Ag.

The Company has just completed a program of CSAMT to assist with locating extensions of the vein to the north and south and to define the depth extent. Drill targets will be refined by this work.

## High grade epithermal gold-silver deposit



Barambah open pit



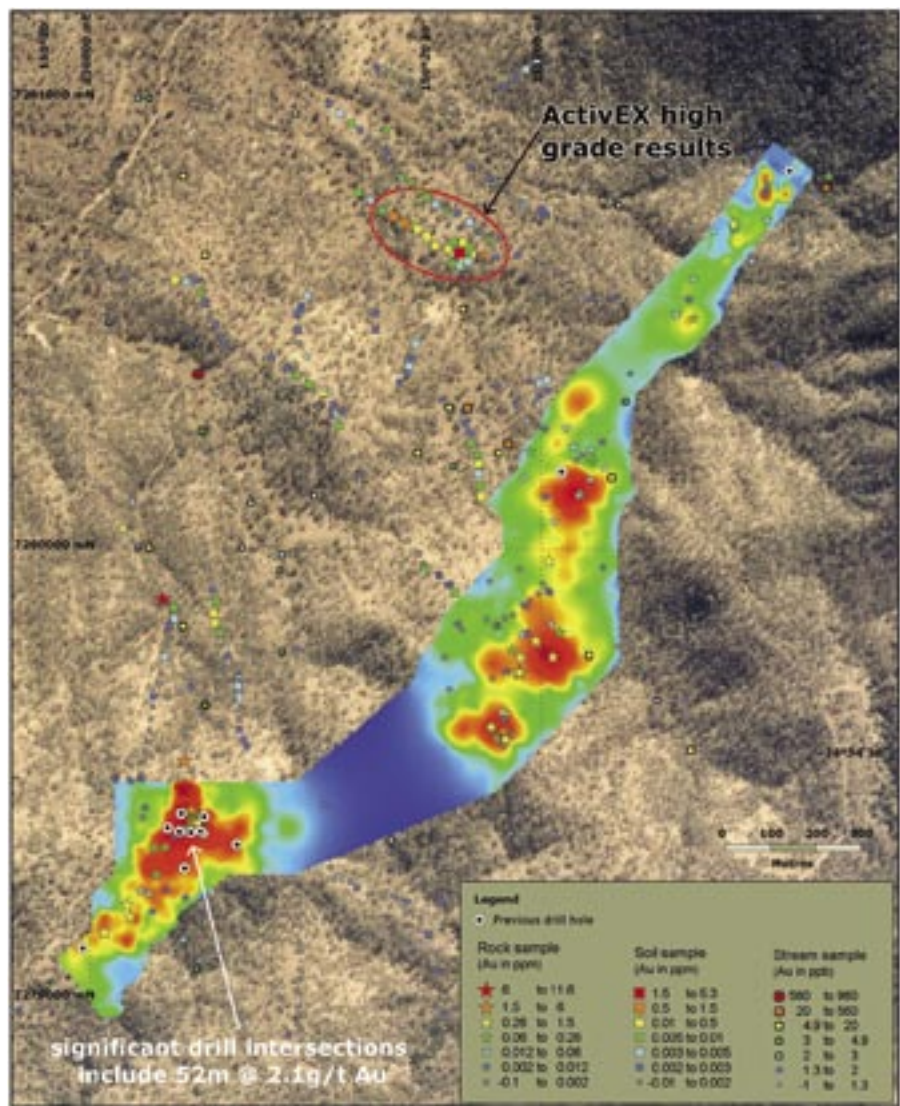
Gold bearing amethyst vein

*Intersections include  
1 m @ 30 g/t Au,  
144 g/t Ag*



## Prospect Creek Project

*Drill targets at  
Prairie Creek and  
Gossans West ready  
to proceed*



Prairie Creek soil grid with ActivEX sampling over aerial photograph



Native Title heritage clearance at Prospect Creek

Extensive rock chip and soil sampling at Prospect Creek has defined drill targets at both the Prairie Creek and Gossans West prospects.

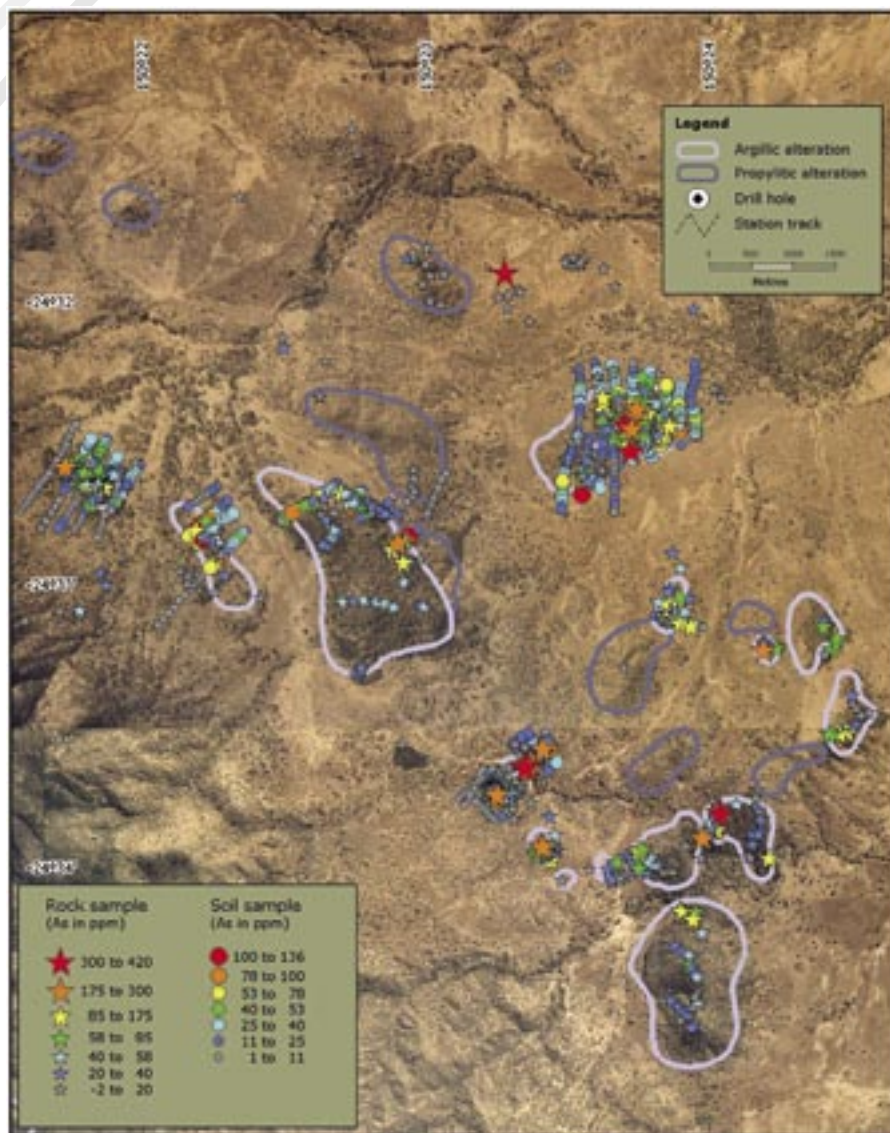
Cultural heritage surveys have been completed at the prospects which are ready for drilling.

At the **Prairie Creek Prospect** drilling will test several highly anomalous gold zones including the north trending gold anomalous zone outlined by ActivEX soil sampling. This 200 m wide zone has recorded values of 5.3 ppm Au, the highest soil values for the district.

Drilling will also test strong quartz-epidote veining from two highly anomalous zones on the original CRAE grid. Only one hole has been previously drilled in this area. This hole was drilled before the soil sampling was carried out and was directed away from the main anomaly. The two targets to be tested also have anomalous rock chip samples which have returned results up to 7.85 g/t Au.

These anomalous zones are of similar tenor to the south-west area where concentrated drilling has intersected significant results.

*Ranking has selected three key pipes to be drill tested at Gossans West*



Aerial photograph of Gossans West showing alteration pipes



Alteration outcrop at Gossans West

Geochemical sampling has confirmed the anomalous nature of the alteration pipes at **Gossans West Prospect** with most showing elevated arsenic, mercury and gold values.

Recent PIMA spectroscopy work was conducted to identify the alteration mineral assemblages in several pipes. These are consistent with high sulphidation epithermal alteration and has assisted in ranking the targets.

Further PIMA work is planned for other alteration pipes at Gossans West.

The pipes have been ranked using geochemical results, structural setting and mineralogy to define drill targets.

Drilling will be aimed at intersecting high grade bonanza style gold mineralisation, sitting below the outcropping alteration caps.

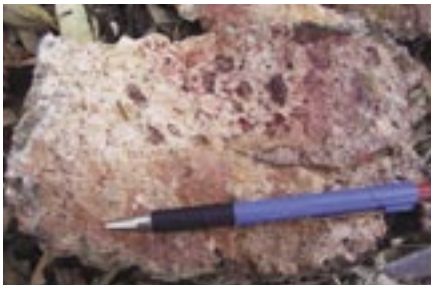


## Lake Monduran Project

The Company has carried out extensive ground surveys at two key prospects in the Lake Monduran Project.

The **Pinnacle Prospect** is a volcanogenic massive sulphide (VMS) target featuring an outcropping mineralised volcanic pile. Past explorers have drilled on one section across the volcanic pile which intersected a broad zone of 126 m @ 1% Zn. Drilling has targeted peak lead geochemistry related to disseminated fragmental mineralisation. This represents footwall stringer style mineralisation and is found close to massive sulphide deposits.

Key targets of the VMS style are the massive sulphide lenses which lie in sediments, above or adjacent to stringer mineralisation.

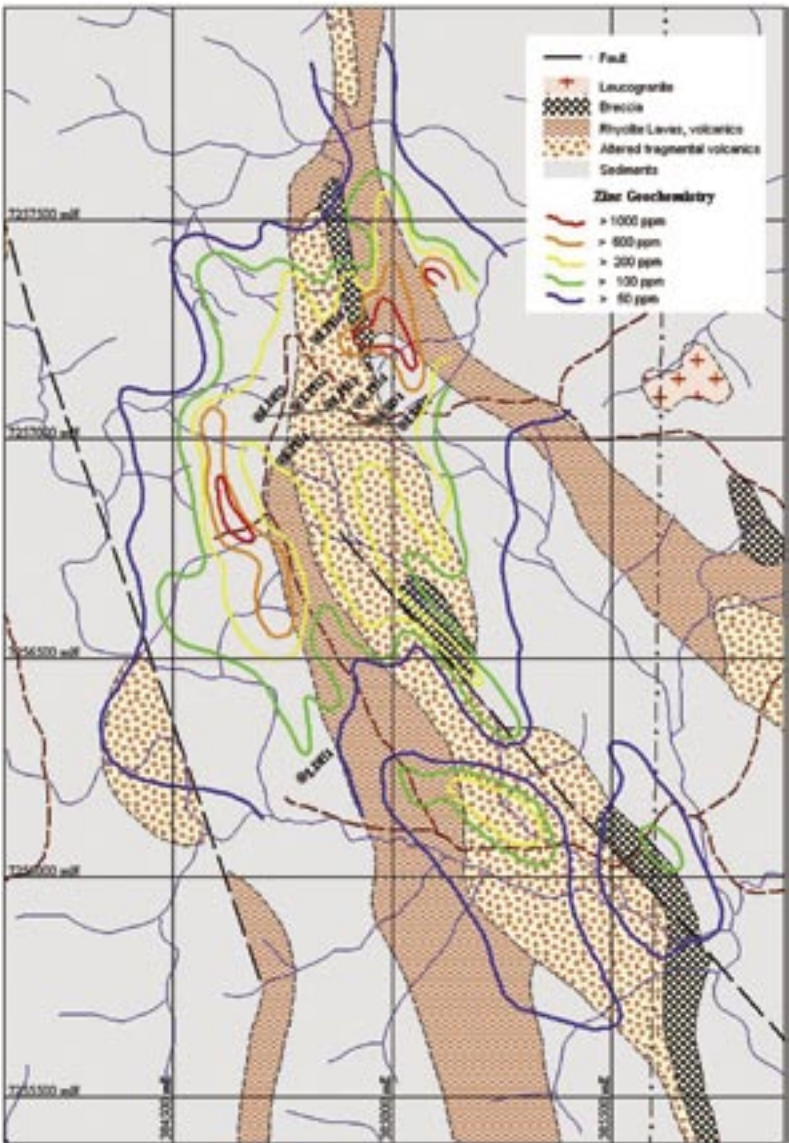


Pinnacle Prospect — mineralised fragmentals

Geochemical surveys recently completed have defined zinc geochemical anomalies on both sides of the volcanic pile close to the contact with carbonaceous sediments. These targets are up to 600 metres long and fit the expected position of massive sulphide lenses. No drilling has tested these zones in the past.

Drill targets have been selected.

*Stratigraphic zinc  
geochemical targets  
defined close to upper  
contact of volcanic pile*



Pinnacle Prospect — Zinc geochemical highs on flanks of the volcanic pile



## ActivEX wins Government funding to drill Native Dog molybdenum anomalies



Native Dog — greisen veining

At the **Native Dog Prospect** extensive old tungsten and molybdenum workings are developed within a greisenised granite contact. Workings are developed on extensive quartz vein stockworks and sheeted veins within the greisen over a strike length of 2 km and up to 490 m wide.

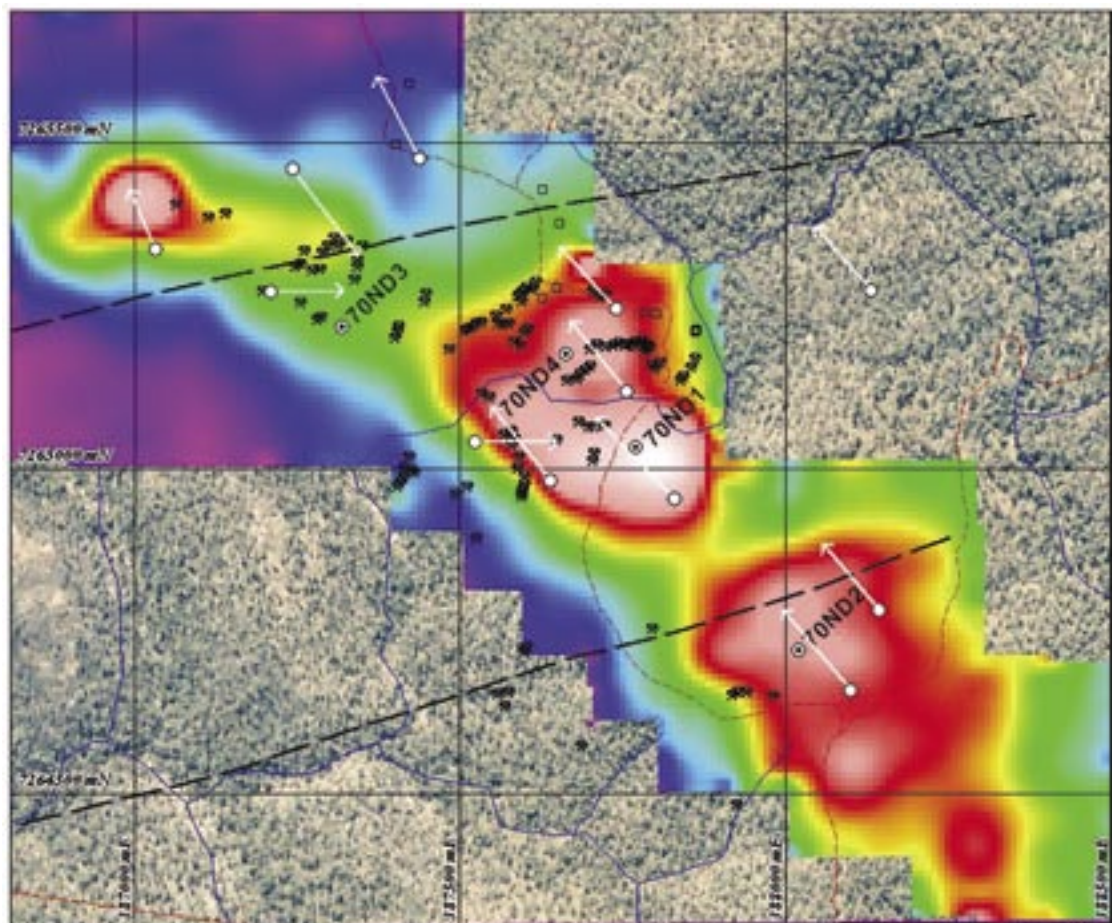
Soil sampling and mapping by ActivEX has defined a zone of anomalous molybdenum with a peripheral zone of elevated gold and copper values. Mapping has shown the molybdenum to be mainly derived from sheeted veins containing coarse grained "books" of molybdenite and wolframite (tungsten mineral).

The eastern part of the anomaly has limited quartz vein systems which suggests the molybdenum is disseminated within the greisenised granite. Mapping and sampling has defined optimal targets for drilling.

ActivEX has applied for and been granted drill funding under the Queensland Government Smart Mining Initiative. The funding covers 50% of direct drilling costs for the proposed program.



Native Dog — molybdenite



Native Dog — old workings on molybdenum soil geochemistry showing proposed drill holes



Cloncurry District — EPM Applications

## Cloncurry Projects

The Company is acquiring exploration ground in the exciting Cloncurry copper–gold–uranium district of North West Queensland.

Two EPM applications are in progress. The Mt Philp area is subject to competitive tender against several other companies with an outcome expected in early 2008. The Company is also acquiring the Florence Creek Exploration Permit subject to shareholder approval. This area has recently been offered for grant and work is expected to start immediately.

The Cloncurry area is highly prospective for Iron Oxide style, copper–gold deposits such as Ernest Henry. Uranium is also a significant mineral occurrence in the district.

The areas have been selected due to the coincidence of important structures, fertile granite heat sources, reactive host rocks and known copper, gold and uranium mineralisation.

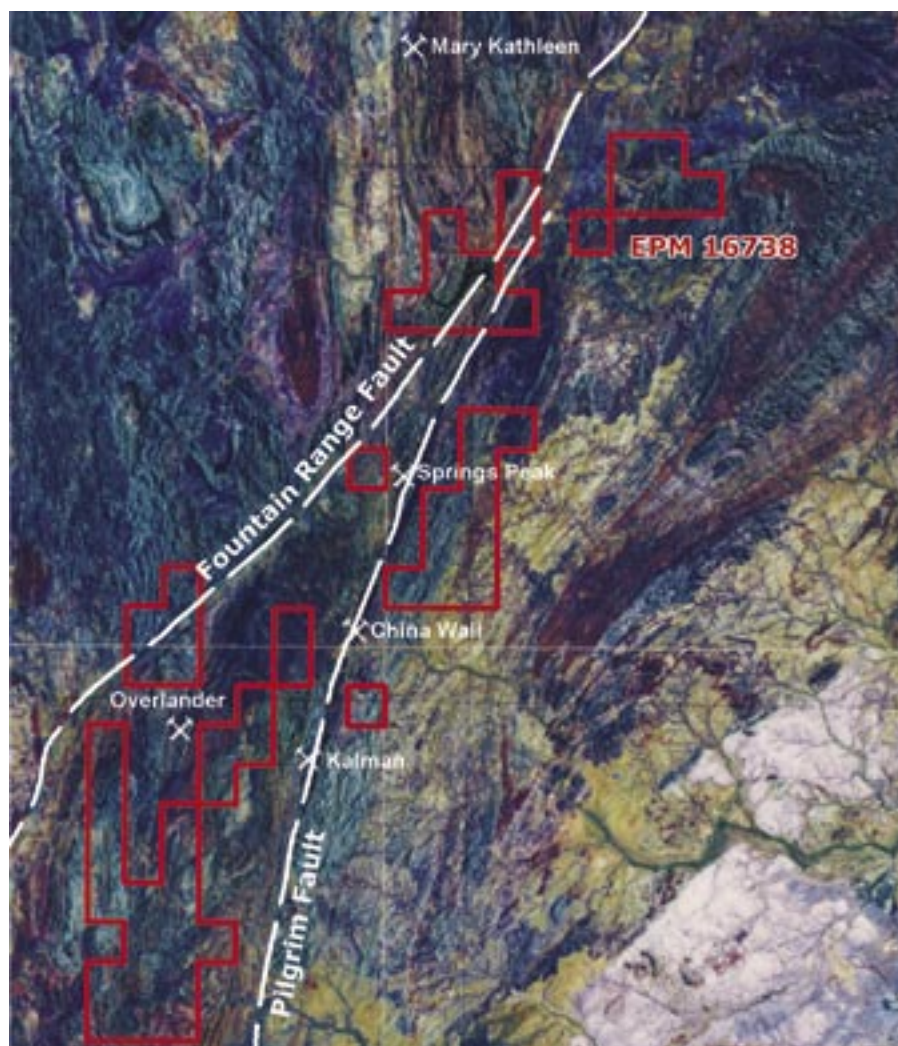
Geophysical tools such as magnetics, gravity and IP are to be applied.

## Mt Philp

The Mt Philp area lies 11 km south of the Mary Kathleen uranium deposit and is immediately adjacent to Kings Minerals' Kalman Project, where significant intersections of copper, gold and molybdenum have been recently announced.

The area contains intrusives of the Burstall and Wonga Granites which are skarn forming as at Mary Kathleen. They intrude Corella Formation limestones and calc silicates which are ideal host rocks. Dilational fault structures cut the area and are related to reversal of movement on the major north-east trending Pilgrim and Fountain Range Fault systems. Discrete magnetic anomalies lie on these dilation zones. The zone is geochemically anomalous with numerous known copper occurrences.

*Cloncurry district — known for copper–gold mineralisation of the Iron Oxide style and uranium deposits*



Mt Philp EPM application showing known prospects and Mary Kathleen Uranium mine



*Strong structural trend with haematite alteration and copper gold intersections*

## Florence Creek

This area contains a significant north-east trending mineralised structure sandwiched between sections of the Wimberu Granite. The structure contains the Trump and Dandy line of workings, old copper deposits which were worked close to the turn of the century.

Previous explorers have carried out several exploration campaigns, which culminated in shallow drilling. Drilling has intersected significant copper at shallow depths at the Trump, Dandy and Dandy Extended and also at the Florence Bore Prospect which lies on a parallel structure. Significant intersections have been returned including 4 m @ 3% Cu and 0.3 g/t Au at **Florence Bore** and intersections of up to 12 m @ 2.9% Cu and 0.38 g/t Au from the **Trump** line of lode.

Other targets in the area include copper–uranium mineralisation at **Wallaces Hill** where rock values up to 8% Cu and 256 ppm U have been recorded and at Dandy Extended where

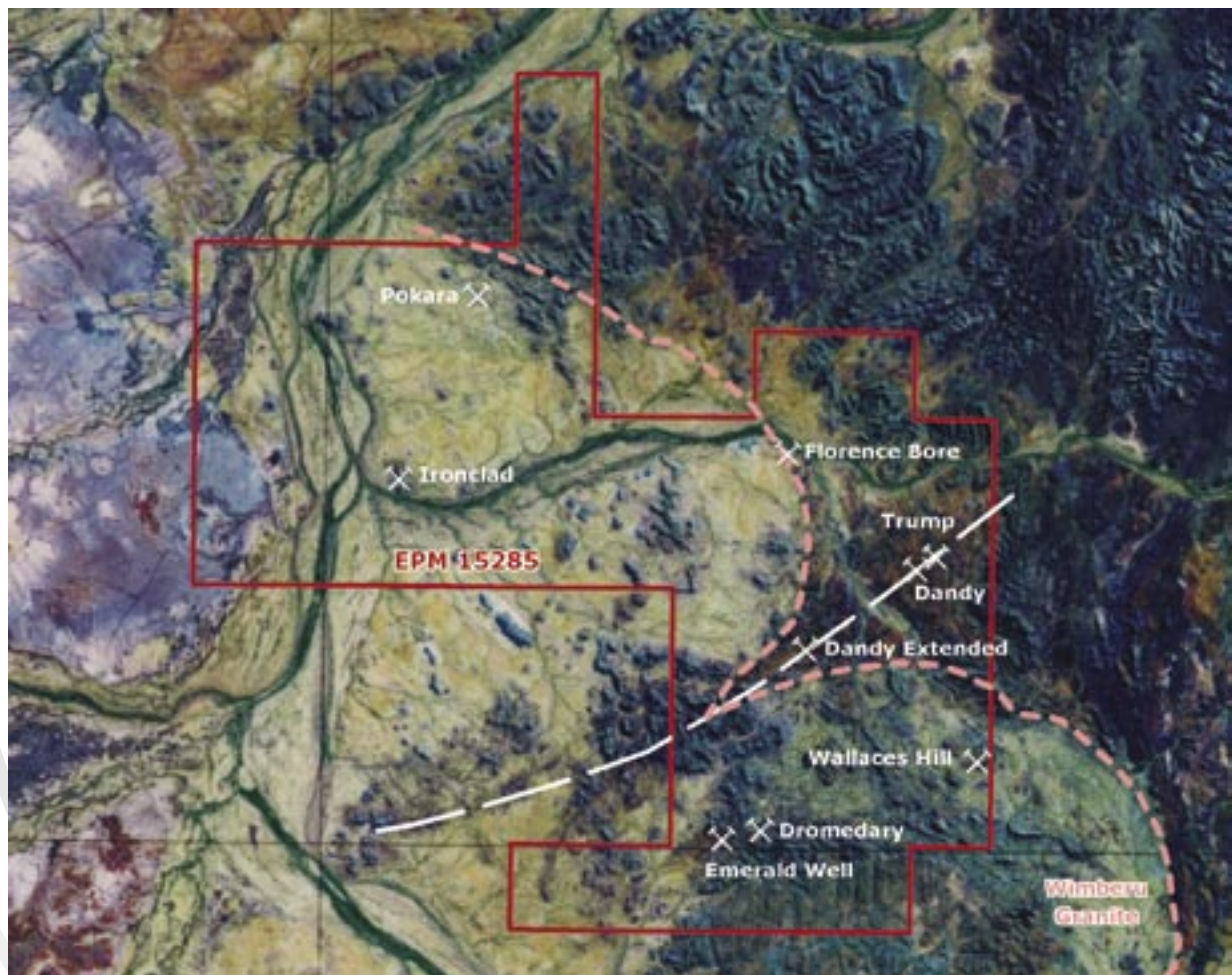


Copper gossans — Florence Creek area

copper–gold values up to 0.35% Cu and 0.18 g/t Au have been recorded.

Copper occurrences at Pokara, Ironclad, Dromedary and **Emerald Well** (up to 37% Cu, 5.5 g/t Au and 0.2% Co in rock samples) have never been drilled.

ActivEX will conduct a full review of the data prior to designing a work program for the area.

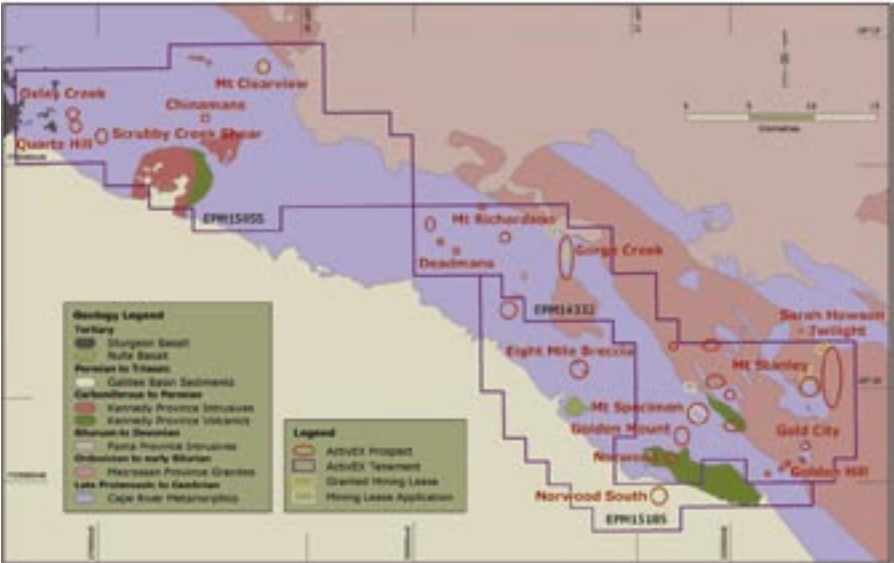


Florence Creek EPM Application showing prospects, structure and granites



# Pentland Project

Untested IP targets in gold mineralised zones



Pentland — Geology, tenements and prospect locations



Spectrometer surveys at Norwood

The main focus in this project has been the assessment of geophysical data from previous exploration campaigns within the Norwood–Mt Specimen Corridor and a review of the Stanley prospect at Sarah Howson.

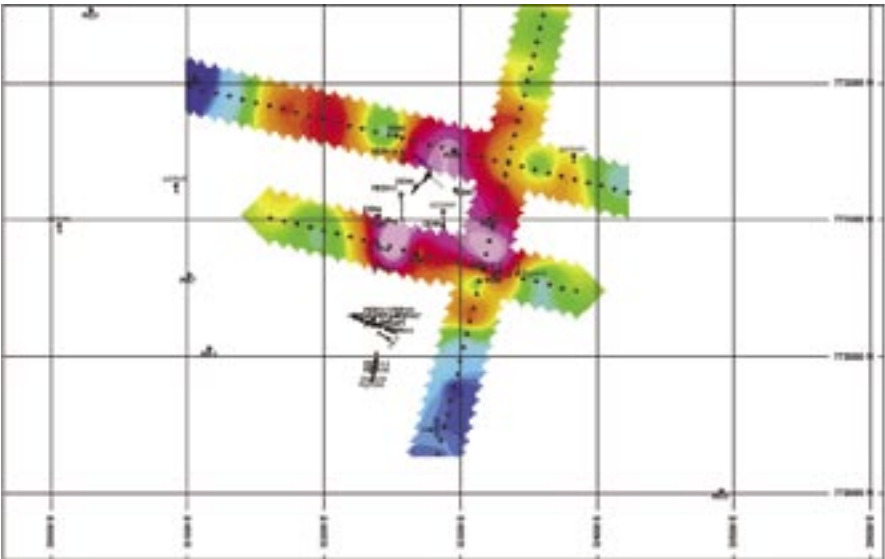
IP modelling at Mt Specimen and Norwood have shown significant chargeability anomalies which are yet to be tested. At **Mt Specimen** the anomaly is close to a previous intersection of 47 m @ 0.92 g/t Au with associated copper and at **Norwood** the anomalies are located deeper than shallow drilling from past campaigns.

The Norwood drilling intersected significant gold mineralisation including 18 m @ 0.98 g/t Au. ActivEX has just completed infill IP surveys in both areas and interpretations are awaited.

At the **Stanley** Prospect, drilling data from past campaigns has been discovered with significant epithermal gold mineralisation in narrow zones being highlighted. Work in the coming year will seek to define the focus of the mineralisation in this area.

First pass drilling is planned for 2008.

New IP surveys complete



Mt Specimen drilling with IP model (200 m depth slice) data

## DIRECTORS AND MANAGEMENT



**Ian Daymond**

B.A., LL.B

*Non-Executive Chairman*

Appointed 22 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). For more than 11 years he was part of the senior management team responsible for Delta Gold becoming one of the most successful gold explorers and largest gold-producing companies in Australia. He returned to private legal practice in 2001 and specialises in mining and resources exclusively for selected clients.

He has been the non-executive chairman of Copper Range Ltd since 30 March 2006. He is also a non-executive director of the unlisted International Base Metals Ltd.



**Doug Young**

B.Sc., M.Sc, FAIG, RPGeo

*Managing Director*

Appointed 18 March 2005

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 as a Consulting Geologist with a variety of clients from major mining companies to small exploration companies.

He is a specialist in gold and base metals exploration and project generation. He was instrumental in the identification and acquisition of Nolans Gold Deposit (North Queensland) and developed concepts and interpretation which led to discovery of Isaac Plains, Isaac Plains South and Belvedere coal developments.

Mr Young 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 18 March 2005

Mr Crawford is an accountant with 29 years of commercial experience, including 27 years in 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.

Mr Crawford is also a Director and Company Secretary of DiamonEx Limited since 10 March 2000.



**Peter Hwang**

B.Sc (Hons), LL.B.

*Non-Executive Director*

Appointed 18 March 2005

Mr Hwang is a qualified geologist and lawyer and currently works as a solicitor specialising in native title and resources law with a national law firm. He has extensive experience in native title law and mining project development and also advises on mergers and acquisitions, public company floats in the resources sector and foreign mineral venture investment in the People's Republic of China.

Peter is a member of the Commonwealth Attorney-General's Department Native Title Practitioner's Panel.

Prior to his legal career, Peter spent over five years as a diamond exploration geologist with Stockdale Prospecting Ltd (De Beers) in Australia.



**Juli Hugenholtz**

B.Sc., MAIG

*Senior Geologist*

Juli has 16 years varied experience in exploration for gold, base metals, nickel and manganese throughout Australia and New Zealand. Her experience has included project management responsibilities from grass roots projects through to intensive drill out campaigns. She is skilled in GIS and computing applications, database management and tenement management as well as having experience in client liaison and company management.

# TENEMENT SCHEDULE

Name	Tenement	Grant	Expiry	ActivEX Holding	Size (km <sup>2</sup> )
Prospect Creek	EPM 14121	3 Aug 2005	2 Aug 2010	100%	234
Pentland	EPM 14332	10 Dec 2004	9 Dec 2009	100%	322
Lake Monduran	EPM 14378	1 Aug 2005	31 Jul 2010	100%	131
Boobyjan	EPM 14476	8 Jun 2004	7 Jun 2009	ActivEX Limited 100%, (Minotaur earning up to 51%, Mitsubishi earning up to 24%)	93
Barambah	EPM 14937	14 Mar 2005	In application	Norton Gold Fields 100%, ActivEX earning up to 75%	43
Dadamarine	EPM 14979	12 Apr 2005	11 Apr 2010	ActivEX Limited 100%, (Minotaur earning up to 51%, Mitsubishi earning up to 24%)	117
Oxley Creek	EPM 15055	11 Jan 2006	10 Jan 2011	100%	322
Norwood South	EPM 15185	3 Aug 2006	2 Aug 2011	100%	190
Florence Creek	EPM 15285	Application		100%	166
Mt Miner	EPM 15770	14 Feb 2007	13 Feb 2012	100%	306
Westwood	EPM 15814	12 Dec 2006	11 Dec 2011	100%	315
Mt Tam	EPM 15980	14 Feb 2007	13 Feb 2012	100%	312
Blairmore	EPM 16265	4 Sep 2007	3 Sep 2012	100%	309
Ban Ban	EPM 16327	31 Jul 2007	30 Jul 2012	100%	90
Golden Phoenix	EPM 16693	Application		100%	79
Mt Philp	EPM 16738	Application (competitive)		100%	180
Goomeri	EPM 16817	Application		100%	308

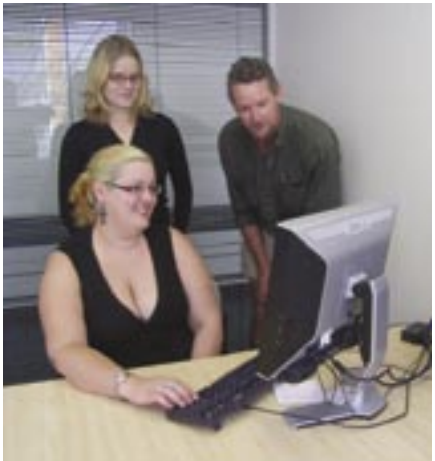
## MANAGEMENT

*Strategic alliances to maximise exposure to prospective ground and minimise risk*

Two landmark joint ventures with partners who include Mitsubishi Corporation, one of the world's largest trading companies, Minotaur Exploration, one of Australia's successful explorers and Norton Gold Fields, a specialist junior miner should lead to significant synergies for ActivEX. They bring access to strong, capable development and production partners for the future, cutting edge exploration technology and prospective ground. These partnerships provide a balanced exposure to risk and reward for the Company.

In this period of high demand and expectation for the industry, a focused exploration team with a high level of technical expertise and experience in the latest exploration technologies is fundamental to the success of the Company. ActivEX sees its staff as a key strength and has expanded its team with additional geological, field personnel and office backup. The Company also employs several consultants (part time) of the highest quality in their fields giving staff guidance and augmenting their skill set.

Our technically capable and experienced staff, combined with strong Board skills in the areas of accounting, law and business gives the Company a firm base to continue to build shareholder value.



**New team members, Jane Harvey, Dean Magaina and Tegan Durham**





# **ACTIVEX LIMITED**

**ABN 11 113 452 896**

**FINANCIAL REPORT  
FOR THE PERIOD ENDED  
30 JUNE 2007**



# ACTIVEX LIMITED

ABN 11 113 452 896

## DIRECTORS' REPORT

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Your Directors present their report of the Company for the financial year ended 30 June 2007.

### 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 6 meetings of the full board of directors. The meetings attended by each director were:-

Directors	Status	Eligible to Attend	Attended
Ian C Daymond	Non Executive Chairman	6	6
Douglas I Young	Managing Director	6	6
Paul A Crawford	Non Executive Director	6	6
Peter H Hwang	Non Executive Director	6	6

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

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

##### *Non-Executive Chairman*

Mr Daymond 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 as a senior employee with Western Mining Corporation, Hunter Resources/Technomin Australia and Delta Gold. He is also the non-executive chairman of ASX listed Copper Range Limited and is a director of International Base Metals Ltd, an unlisted public company.

##### *Directorships held in other listed companies*

Copper Range Limited – appointed 30 March 2006 to date

#### **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.

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

##### *Non-Executive Director and Company Secretary*

Mr Crawford is an accountant with 28 years of commercial experience, including 25 years in 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*

DiamonEx Limited since 10 March 2000.

# ACTIVEX LIMITED

ABN 11 113 452 896

## DIRECTORS' REPORT

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**Peter Hwang B.Sc.(Hons), LL.B.**

***Non-Executive Director***

Mr Hwang is a qualified geologist and lawyer and currently works as a solicitor specialising in native title and resources law with the national law firm Freehills. He has extensive experience in native title negotiations and risk management and also advises on mergers and acquisitions, public company floats in the resources sector and foreign mineral venture investment.

Prior to his legal career, Peter spent over five years as a diamond exploration geologist with Stockdale Prospecting Ltd (De Beers) in Australia.

### **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:-

<b>Directors</b>	<b>Shares</b>	<b>Options</b>
Ian C Daymond	150,000	75,000
Douglas I Young	8,025,002	2,712,500
Paul A Crawford	370,000	285,000
Peter H Hwang	240,000	120,000

### **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 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. The Company's focus is on exploration for gold and copper deposits. There was no change in the principal activity during the year.

### **6. Review of Operations**

The Company's operating loss for the financial period, after applicable income tax was \$328,420 (2006: \$168,995). Exploration and evaluation expenditure during the period totalled \$638,833 (2006: \$387,806).

During the year the Company has carried out an active program of exploration on all its tenement holdings and has increased its area under granted holdings by 63%. The exploration program has been significantly hampered by the lack of available drill rigs.

At Booubyjan the work has included:

- Regional appraisal of the areas outside the Goonuloom prospects
- Dipole-dipole IP surveys and CSAMT surveys completed in June 2007
- Planning of drilling program to test the resultant geophysical targets

At Prospect Creek the Company has completed:

- rock chip and soil sampling programs at Prairie Creek and Gossans West
- drill target definition
- cultural heritage clearance surveys.

# ACTIVEX LIMITED

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## DIRECTORS' REPORT

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At Lake Monduran, exploration activities have refined the anomalous Molybdenum zones at Native Dog and zinc anomalous zones at Pinnacle. Gravity program at Pinnacle had to be abandoned due to heavy tree cover. Drill sites have been designed.

At the Pentland Project areas the Company has carried out field appraisals, an interpretation of previous geophysical data and has designing follow-up geophysical programs on these areas.

The Company has been granted two Exploration Permits during the year and has applied for two additional EPMs all targeting the focus elements of copper and gold. These permits are expected to be granted in late 2007. In addition the company has negotiated a joint venture agreement with Norton Gold Fields to explore their Barambah EPM. At Boobyjan, Mitsubishi Corporation and Mitsubishi Materials Corporation have farmed into the project joining ActivEX and Minotaur Exploration.

In addition the Company has reviewed numerous opportunities with a view to either acquisition or farm-in, mindful of our goals of identifying economically attractive mineral deposits of sufficient grade and size to provide sustainable returns to shareholders. None of these opportunities has been attractive enough to consider further investment.

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

### **7. Financial Position**

The directors believe that the Company is in a stable financial position and the initial public offering of shares and listing on the Australian Stock Exchange has facilitated growth and development options for the Company.

The net asset position of the Company at 30 June 2007 is \$2,777,259 including a cash balance of \$1,983,342.

### **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:

- a. The Company issued 15,194,361 options for cash to raise \$151,944 on 31 July 2006. Options are exercisable at 20 cents each on or before 27 February 2009.;
- b. The Company issued 450,000 options under the Employee & Officer Share Option Plan on 20 November 2006. Options are exercisable at any time on or before 20 December 2011 at an exercise price of \$0.25 each.

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

Since the end of the financial year the Company has been granted additional exploration tenements.

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 program on its Queensland tenements as detailed in the Company's January 2006 Prospectus and subsequent public announcements. The Directors will continue to review external opportunities which may arise with a view to acquisition, farm-in or corporate investment.



## 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 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 Company's policy for determining the nature and amount of remuneration of board members and key executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the managing director was developed and approved by non-executive directors. Executive directors receive a base salary, superannuation and fringe benefits and in the current year, 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 directors' 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.

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:

Key Management Personnel	Short term benefits		Equity Settled Options	Post	Total	Performance Related %
	Salary & Fees	Non-Cash Benefits		Retirement Benefit Superannuation		
Douglas I. Young	160,550	3,323	823	14,449	179,145	0.852%
Ian C. Daymond	30,000	-	-	2,700	32,700	0.000%
Paul A. Crawford	-	-	412	21,800	22,212	1.855%
Peter H. Hwang	20,000	-	-	1,800	21,800	0.000%
	210,550	3,323	1,235	40,749	255,857	0.411%

### Options granted as remuneration

Key Management Personnel	Vested Number	Granted Number	Grant Date	Value per Option at Grant Date	Terms & Conditions of Grant		
					Exercise price	First Exercise Date	Last Exercise Date
D I Young	200,000	200,000	20.11.2006	3.37 cents	25 cents	20.11.2006	20.11.2011
PA Crawford	100,000	100,000	20.11.2006	3.37 cents	25 cents	20.11.2006	20.11.2011

## **DIRECTORS' REPORT**

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All options vest immediately and expire within 5 years of granting.

All options are granted for nil consideration.

In the current year the company has issued equity based performance remuneration to some directors, in the form of share options. This was approved by the shareholders at the 2006 Annual General Meeting. 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.

Employment Contract of Managing Director:

The contract for service between the Company and managing director is for an initial period of 3 years, ending April 2008 and provides for annual review of the compensation value. The service agreement is subject to renewal at the end of the initial period. The terms of this service 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 \$50,000. Termination payments are not payable on resignation or serious misconduct. In the case of serious misconduct the Company can terminate employment at any time.

### **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 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.

In the interest of maximising the exploration value of shareholders funds, at the date of this report Directors have elected not to implement directors and officers' indemnity insurance.

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:-

<b>Grant Date</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>No. Under Option</b>
31 July 2006	27 February 2009	\$0.20	15,194,361
20 November 2006	20 November 2011	\$0.25	450,000

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

## **DIRECTORS' REPORT**

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### **16. Environmental Issues**

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

The Directors monitor the Company's compliance with environmental regulation under the law of Queensland, in relation to its exploration activities. The Directors are not aware of any compliance breach arising during the 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 for the year ended 30 June 2007 has been received and is attached to the directors' report.

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

Signed in accordance with a resolution of Directors.



Ian C. Daymond  
Chairman



Douglas I. Young  
Managing Director

Signed: 26 September 2007  
Brisbane, Queensland



**Lead 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 2007, 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.

*Robertsons Audit & Assurance Pty Ltd*

Robertsons Audit & Assurance Pty Ltd

*Nigel Bamford*

**N D Bamford**  
Director

Date: 28 September 2007



## **Corporate Governance Statement**

ActivEx Limited (the Company) is committed to implementing the highest standards of corporate governance. To determine these standards, the Company has used the reporting recommendations laid out by the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" which have been defined as eight core principles.

The Company advises that its practices are not entirely consistent with those recommendations. While seeking to implement optimal corporate governance practices, the Company does not accept that all the recommendations are applicable for the Company due to the current size and nature of its operations. Where the Company has not fully adopted the relevant recommendation, the reasons 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 executives in the performance of their roles.

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

Principle 1 is to lay solid foundations for management and oversight by formalising and disclosing the functions reserved to the Board and those delegated to management.

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 management and personnel;
- 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, 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.

### **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 overall performance of ActivEX.

Performance review of senior executives considers past performance of ActivEX as well as the executive and also takes into account market practice with respect to comparable positions.

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

Details of the functions reserved for the Board 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 four-person ActivEX Board has wide ranging experience in the mineral exploration and mining sector and a diverse skill set which is detailed in the Activities Report along with details of the Directors, their qualifications and experience.

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

Currently, ActivEX is not compliant with this recommendation. As at the date of this report, the Board comprises one executive director, Mr Douglas Young, who is the Managing Director and three non-executive directors, Mr Ian Daymond, Mr Paul Crawford and Mr Peter Hwang. Of the non-executive directors, 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 him to remain a member of the Board. The other two non-executive Directors, Messrs Daymond and Hwang meet the criteria for independence proposed by the ASX Council.

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, however the size and nature of the Company's activities does not justify expanding the Board at this time. It is intention of ActivEX, with time to consider appointment of more independent non-executive directors.

## **2.2 The chair should be an independent director.**

ActivEX is compliant with the recommendation. The Chairman Mr Ian Daymond is an independent non-executive director.

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

The Managing Director, Mr Douglas Young, is for all practical purposes the Chief Executive Officer of ActivEX and as mentioned above, the Mr Ian Daymond is the Chairman 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. Currently, the role of the Nomination Committee has been assumed 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 Board and its members. All directors are subject to re-election by rotation at least once every three years.

## **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'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 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. 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. Performance pay components of executives' packages are dependent on the outcome of the evaluation. Further details of the evaluation process form part of the Corporate Governance Manual which is available on the website of the Company.

## **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 how the Board processes 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;
- a 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 Chairman, 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 website of the Company.

### **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. The ActivEX Board requires high standards of conduct and responsibility from Directors, officers and employees at all times. As part of its commitment to recognising the legitimate interest of 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 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 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 any personnel as a result of a breach of law or regulation.

### **3.2 Companies should establish a securities trading policy disclose the policy or a summary of the policy**

The Company has adopted a formal securities trading policy. A copy of the policy is available on the website of the Company.

Employees, Officers and Directors are required to advise the Chairman and company secretary of their intentions prior to undertaking any transaction in the Company securities. If an employee, officer or Director 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.

### **3.3 Reporting on Principle 3**

The Code of Ethics and Conduct for Directors and employees, together with the securities trading policy forms part of the Corporate Governance Manual which is available on the website of the Company.

## **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 truthful 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 is not compliant with this Recommendation. 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. The Audit Committee will be established as and when the need for such a committee arises and when established, will be structured in accordance with ASX Corporate Governance Recommendations and will have a formal charter.

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

In the absence of an Audit Committee, the Company does not comply with this Recommendation.

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

In the absence of an Audit Committee, the Company does not comply with this Recommendation.

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

A summary of the procedure for the selection and appointment of the external auditor and for the rotation of external audit engagement partners is given here:

#### **Mandatory criteria**

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 arrangement in place for the rotation of the audit engagement partner on a regular basis.

#### **Other criteria**

Other than the mandatory criteria mentioned above, 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, references, cost and any other matters deemed relevant by the Board.

#### **Review**

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



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

The ASX 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 continuous disclosure rule 3.1. 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 of 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 by the public.

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

A summary of the Company's policy for media contact and external communications is outlined in the Corporate Governance Manual which is available on the Company's website.

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

ASX 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 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 about 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 policy for media contact and external communications is outlined in the Corporate Governance Manual which 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 controls.

### **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
- senior management, the Board and investors understand the risk profile of the Company.

The system covers:

- Operations risk
- Financial reporting
- Compliance.

Any matters of significance to the Company or material 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**

As mentioned above, the Board has designed and reviewed the Company's risk management and internal control system. The Managing Director reviews risk in response to changing business conditions and regulations. Regular review of risk and an update of 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 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 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**

A summary of the Company's risk management, internal compliance and control system, together with other related material forms part of the Governance Manual which is available on the Company's website.

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

ASX 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 is currently not compliant with this principle. The role of the Remuneration 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. The Committee will be established as and when the need for such a committee arises and when established, will be structured in accordance with ASX Corporate Governance Recommendations and will have a formal charter.

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 receive a base salary, superannuation and fringe benefits and in the current year, 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 directors' 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. The following are the details of equity-based remuneration plans and performance incentives as approved by the shareholders at the 2006 Annual General Meeting:

- a) 200,000 options over equity shares were granted to Mr Douglas Young, Managing Director;
- b) 100,000 options over equity shares granted to Mr Paul Crawford (Non- Executive Director

This grant of options is intended to act as a strong incentive to align the interests of the Directors with ActiveEX's strategic plan focussing on seeking improved performance, Company growth and better returns for shareholders.

Any equity based remuneration plans and performance incentives proposed to be granted in future will also be granted only with shareholder approval.

## **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 and experience and the term of office held by each Director.



**ACTIVEX LIMITED**

ABN 11 113 452 896

**INCOME STATEMENT**  
**for the year ended 30 June 2007**

	Note	2007 \$	2006 \$
Revenue and other income	2	141,520	60,191
Less expenses:	3		
Administrative expenses		(266,807)	(113,333)
Employee benefits expense		(95,901)	(95,853)
Occupancy Costs		(29,659)	(20,000)
Exploration Expenditure written-off		(77,493)	-
Finance costs		(80)	-
<b>Loss before income tax expense</b>		<b>(328,420)</b>	<b>(168,995)</b>
Income tax expense	4	-	-
<b>Loss for the year</b>		<b>(328,420)</b>	<b>(168,995)</b>
<b>Loss attributable to members of the company</b>		<b>(328,420)</b>	<b>(168,995)</b>
Basic earnings per share (cents per share)	7	(1.08)	(1.00)
Diluted earnings per share (cents per share)	7	(1.08)	(1.00)
Dividends per share (cents per share)		-	-

The accompanying notes form part of these financial statements.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**BALANCE SHEET**

As at 30 June 2007

	Note	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	1,983,342	2,689,049
Trade and other receivables	9	51,208	23,371
Other	10	-	-
<b>Total Current Assets</b>		<b>2,034,550</b>	<b>2,712,420</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	102,048	30,643
Exploration and evaluation assets	12	835,695	452,563
<b>Total Non-Current Assets</b>		<b>937,743</b>	<b>483,206</b>
<b>TOTAL ASSETS</b>		<b>2,972,293</b>	<b>3,195,626</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	195,034	221,724
<b>Total Current Liabilities</b>		<b>195,034</b>	<b>221,724</b>
<b>TOTAL LIABILITIES</b>		<b>195,034</b>	<b>221,724</b>
<b>NET ASSETS</b>		<b>2,777,259</b>	<b>2,973,902</b>
<b>EQUITY</b>			
Issued Capital	14	3,196,964	3,196,964
Reserves	15	131,777	-
Retained Earnings		(551,482)	(223,062)
<b>TOTAL EQUITY</b>		<b>2,777,259</b>	<b>2,973,902</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 2007

	Note	Share Capital \$	Option Reserve \$	Retained Earnings \$	Total Equity \$
<b>Balance at 1 July 2005</b>		275,002	-	(54,067)	220,935
Shares issued during the period	14	3,512,744	-	-	3,512,744
Transaction costs		(590,782)	-	-	(590,782)
Loss attributable to members of entity		-	-	(168,995)	(168,995)
<b>Balance at 30 June 2006</b>		<b>3,196,964</b>	<b>-</b>	<b>(223,062)</b>	<b>2,973,902</b>
Premium on options issued during the period	14	-	151,944	-	151,944
Transaction costs		-	(22,020)	-	(22,020)
Share based payment - employee share options expense	14	-	1,853	-	1,853
Loss attributable to members of entity		-	-	(328,420)	(328,420)
<b>Balance at 30 June 2007</b>		<b>3,196,964</b>	<b>131,777</b>	<b>(551,482)</b>	<b>2,777,259</b>

The accompanying notes form part of these financial statements.



**ACTIVEX LIMITED**

ABN 11 113 452 896

**CASH FLOW STATEMENT**

for the year ended 30 June 2007

	<b>Note</b>	<b>2007</b>	<b>2006</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(468,392)	(146,216)
Interest received		120,813	60,191
Finance costs		(80)	-
<b>Net cash provided by (used in) operating activities</b>	<b>16</b>	<b>(347,659)</b>	<b>(86,025)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capitalised exploration expenditure	12	(574,019)	(372,409)
Earn-in contribution by joint venture partner	12	178,208	-
Purchase of property, plant and equipment	11	(92,161)	(32,248)
<b>Net cash provided by (used in) investing activities</b>		<b>(487,972)</b>	<b>(404,657)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	3,512,744
Costs associated with share issue		-	(590,782)
Proceeds from issue of options to shareholders		151,944	-
Costs associated with options issue		(22,020)	-
<b>Net cash provided by (used in) financing activities</b>		<b>129,924</b>	<b>2,921,962</b>
<b>Net increase/(decrease) in cash held</b>		<b>(705,707)</b>	<b>2,431,280</b>
<b>Cash at beginning of year</b>		<b>2,689,049</b>	<b>257,769</b>
<b>Cash at 30 June 2006</b>	<b>8</b>	<b>1,983,342</b>	<b>2,689,049</b>

The accompanying notes form part of these financial statements.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2007

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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, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers the economic entity of ActivEX Limited. ActivEX Limited is a listed public company, incorporated and domiciled in Australia. The financial report has been prepared on an accruals basis and is based on historical cost modified by the revaluation of selected non-current assets, financial assets and liabilities for which the fair value basis of accounting has been applied.

The financial report complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

#### Income Tax

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

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

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

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

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the 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.

##### Plant and equipment

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%.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2007

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

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 income statement.

#### 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.

#### 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.

#### 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 income statement.

#### Cash and Cash Equivalents

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

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2007

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

#### Equity Settled Compensation

The company has issued remuneration based options to some directors and employees. The fair value of options granted is recognised as an expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted.

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

#### Payables

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

#### 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.

Where share application monies have been received, but the shares have not been allotted, these monies are shown as a payable in the balance sheet.

Shareholder 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis except for the GST component of investing activities which are disclosed as operating cash flows.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2007

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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 judgements in applying the accounting policies. Critical judgements 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.



**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2007**

	2007 \$	2006 \$
<b>NOTE 2: REVENUE &amp; OTHER INCOME</b>		
<b>Revenue from operating activities:</b>		
Other income	-	-
Interest received from other persons	141,520	60,191
	<u>141,520</u>	<u>60,191</u>

**NOTE 3: EXPENSES**

Included in expenses are the following items:

Exploration expenditure expensed	64,814	15,397
Capitalised exploration & evaluation expenditure written-off	12,679	-
Depreciation & amortisation	20,756	1,606
Rental expense on operating leases	28,381	20,000

**NOTE 4: INCOME TAX EXPENSE**

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

Prima facie tax payable/(benefit) on loss from ordinary activities before income tax at 30% (2006: 30%).	(98,526)	(50,699)
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**Adjust for tax effect of:**

Non-deductible amounts	598	55
Tax losses and temporary differences not brought to account	97,928	50,644

Income tax expense/(benefit) attributable to entity	-	-
Weighted average effective tax rate	<u>0.00%</u>	<u>0.00%</u>

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, provisions and other items)	(315,939)	(167,045)
Tax losses	464,389	217,570
Net unbooked deferred tax asset	<u>148,450</u>	<u>50,525</u>

The company has unconfirmed carry forward losses of approximately \$1,548,000 (2006: \$739,000).

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2007

### NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION & EQUITY

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

Key Management Person	Position
-----------------------	----------

Ian C. Daymond	Chairman
Douglas I. Young	Managing Director - Executive
Paul A. Crawford	Director - Non-Executive
Peter H. Hwang	Director - Non-Executive

Other than the directors, the company has no Key Management Personnel.

- (a) The company's policy for determining the nature and amount of compensation of key management of the company is as follows:

The compensation structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, relevant employment market conditions and overall performance of the company.

The contract for service between the company and managing director is for an initial period of 3 years, ending April 2008 and provides for annual review of the compensation value. The service agreement is subject to renewal at the end of the initial period. The terms of this service 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 \$50,000. Termination payments are not payable on resignation or serious misconduct. In the case of serious misconduct the company can terminate employment at any time.

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

All key management personnel and employees of the company have the opportunity to qualify for the allotment of options under the company's Employees and Officers Share Option Plan. The allocation of options under the plan is at the discretion of directors of the company. 450,000 options were granted under the plan during the financial year.

The non-executive directors of the company determine the level of total compensation for each key management personnel. Compensation may be in the form of cash, non-cash benefits, superannuation or the grant of options.

(b) Key Management Personnel Compensation

2007	Short term benefits		Equity Settled Options	Post Employment	Total	Performance Related
	Salary & Fees	Non-Cash & Leave Entitlement		Benefits Super - annuation		
	\$	\$	\$	\$	\$	%
Douglas I. Young	160,550	3,323	823	14,449	179,145	0.459%
Ian C. Daymond	30,000	-	-	2,700	32,700	0.000%
Paul A. Crawford	-	-	412	21,800	22,212	1.855%
Peter H. Hwang	20,000	-	-	1,800	21,800	0.000%
	210,550	3,323	1,235	40,749	255,857	0.483%

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2007**

2006	Short term benefits		Post Employment		Total	Performance Related
	Salary & Fees	Non-Cash & Leave Entitlement	Equity Settled Options	Benefits Super - annuation		
	\$	\$	\$	\$		
Douglas I. Young	117,813	14,850	-	10,603	143,266	0.000%
Ian C. Daymond	22,500	-	-	675	23,175	0.000%
Paul A. Crawford	-	-	-	5,450	5,450	0.000%
Peter H. Hwang	5,000	-	-	450	5,450	0.000%
	145,313	14,850	-	17,178	177,341	0.000%

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

Key Management Personnel (i)	Balance 1 July 2006	Compen- sation (ii)	Purchased / (Sold)	Balance 30 June 2007
Ian C Daymond	150,000	-	-	150,000
Douglas I. Young	8,025,002	-	-	8,025,002
Paul A. Crawford	370,000	-	-	370,000
Peter H. Hwang	240,000	-	-	240,000
Total	8,785,002	-	-	8,785,002

(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**

Key Management Personnel (i)	Balance 1 July 2006	Compen- sation (e)	Purchased / (Sold) (iii)	Balance 30 June 2007
Ian C Daymond	-	-	75,000	75,000
Douglas I. Young	-	200,000	2,512,500	2,712,500
Paul A. Crawford	-	100,000	185,000	285,000
Peter H. Hwang	-	-	120,000	120,000
Total	-	300,000	2,892,500	3,192,500

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

(ii) All options have vested and are exercisable.

(iii) Being options acquired in the capacity as an ordinary shareholder pursuant to a short form prospectus dated 27 June 2007 (refer note 14).

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2007****(e) Compensation Options**

During the year the company granted 300,000 options to directors as part of their remuneration. Details are as follows:

Key Management Personnel	Vested Number	Granted Number	Terms & Conditions for Each Grant				
			Grant Date	Value per Option at Grant Date	Exercise Price	First Exercise Date	Last Exercise Date
Douglas I. Young	200,000	200,000	20.11.2006	3.37 cents	25 cents	20/11/2006	20/11/2011
Paul A. Crawford	100,000	100,000	20.11.2006	3.37 cents	25 cents	20/11/2006	20/11/2011

Alloptions vest immediately and expire within 5 years of granting.

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

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

**NOTE 6: AUDITORS' REMUNERATION**

	2007 \$	2006 \$
Remuneration of the auditor for:		
- auditing or reviewing the financial report	10,950	6,000
- preparation of Independent Accountants Report for Prospectus	-	8,600

**NOTE 7: EARNINGS PER SHARE**

Net loss used to calculate basic and dilutive EPS	328,420	168,995
	No	No
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and dilutive EPS	30,388,722	16,863,457
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and dilutive EPS	-	-
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and dilutive EPS	30,388,722	16,863,457

Options to acquire ordinary shares in the parent entity are the only securities considered as potential ordinary shares in determination of diluted EPS. Options issued in the current year are not presently dilutive and have been excluded from the calculation of diluted EPS.

**NOTE 8: CASH AND CASH EQUIVALENTS**

Cash at bank and on hand	983,342	2,689,049
Short term deposits	1,000,000	-
	1,983,342	2,689,049

The effective interest rate on short term deposits was 6.3%. This deposit has an average maturity of 90 days.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2007**

	2007 \$	2006 \$
<b>NOTE 9: TRADE AND OTHER RECEIVABLES</b>		
<b>Current:</b>		
Deposits	25,300	15,000
Other receivables	25,908	8,371
	<u>51,208</u>	<u>23,371</u>
<b>NOTE 10: OTHER ASSETS</b>		
<b>Current:</b>		
Prepayments	-	-
<b>NOTE 11: PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
At cost	124,409	32,248
Accumulated depreciation	(22,361)	(1,605)
Total plant and equipment	<u>102,048</u>	<u>30,643</u>
<b>Reconciliation</b>		
Reconciliation of the carrying amounts for property, plant and equipment is set out below:		
Balance at the beginning of year	30,643	-
Additions	92,161	32,248
Disposals	-	-
Depreciation expense	(20,756)	(1,605)
Carrying amount at the end of year	<u>102,048</u>	<u>30,643</u>
<b>NOTE 12: EXPLORATION AND EVALUATION ASSET</b>		
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	<u>835,695</u>	<u>452,563</u>
<b>Movement in exploration and evaluation asset:</b>		
Opening balance	452,563	80,154
Capitalised exploration expenditure	574,019	372,409
Earn-in contribution by joint venture partner	(178,208)	-
Exploration expenditure written-off	(12,679)	-
Carrying amount at the end of year	<u>835,695</u>	<u>452,563</u>

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.



**ACTIVEX LIMITED**

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**Notes to the Financial Statements  
for the financial year ended 30 June 2007**

2007	2006
\$	\$

**NOTE 12: EXPLORATION AND EVALUATION ASSET (continued)**

Two of the company's exploration projects are subject to joint venture.

**Boobyjan Joint Venture:**

Under the joint venture agreement, Minotaur Investments Pty Ltd has the right to earn a minimum 51% interest in the tenements by funding exploration of \$1,000,000 in the period to 24 November 2009. During the year, Minotaur contributed \$178,208 towards exploration expenditure on the joint venture area.

Minotaur's interest can increase to 75% through the contribution of a further \$1,000,000 in the period to 24 November 2011.

**Barambah Joint Venture:**

Under the joint venture agreement with Norton Goldfields Limited, entered into in April 2007, the company can earn a minimum 50% interest in the tenements subject to the joint venture by spending \$250,000 on further exploration within 24 months of the commencement of the joint venture. The company may not withdraw from the joint venture until it has spent a minimum of \$100,000. After earning its initial interest in the joint venture tenements, the company may elect to spend a further \$350,000 on exploration to earn an additional 25% interest. At balance date the company had not earned any interest under the joint venture. In the year the company has incurred \$26,693 expenditure, which has been charged directly to the income statement.

**NOTE 13: TRADE & OTHER PAYABLES****Current:**

Sundry payables and accrued expenses	167,905	203,974
Short term employee benefits	27,129	17,750
Total payables (unsecured)	195,034	221,724

**NOTE 14: ISSUED CAPITAL**

30,388,722 (2006: 30,388,722) fully paid ordinary shares	3,196,964	3,196,964
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**Ordinary shares**

	No.	No.
Balance at the beginning of the reporting period	30,388,722	10,700,002
Shares issued during the period:		
20 July 2005	-	1,245,000
12 January 2006	-	3,005,000
6 April 2006	-	15,438,720
Balance at reporting date	30,388,722	30,388,722

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.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2007**

	2007 \$	2006 \$
<b>NOTE 14: ISSUED CAPITAL (continued)</b>		
<b>Options</b>	<b>No.</b>	<b>No.</b>
<b>Options listed on Australian Stock Exchange</b>	<b>15,194,361</b>	<b>-</b>
Balance at the beginning of the reporting period	-	-
Options issued during the period:		
Issued for cash on 31 July 2006 pursuant to a short form prospectus dated 27 June 2006	15,194,361	-
Balance at reporting date	<b>15,194,361</b>	<b>-</b>

Options are exercisable at any time until 5.00pm on 27 February 2009 at an exercise price of \$0.20 each. An option holder does not have the right to participate in new issues of securities offered to share holders prior to the exercise of the options. At the date of this report no options had been exercised.

Issue proceeds of \$151,944 have been taken up in the Option Reserve in equity.

**Unlisted Employee & Officer Options**

During the year, the company granted options to two directors and employees, pursuant to shareholder approval at the company's Annual General Meeting. Details of options granted are as follows:

	<b>No.</b>	<b>No.</b>
Balance at the beginning of the reporting period	-	-
Options issued during the period:		
Award of options under the Employee & Officer Share Option Plan on 20 November 2006	450,000	-
Balance at reporting date	<b>450,000</b>	<b>-</b>

Options awarded pursuant to the Employee & Officer Share Option Plan are exercisable at any time until 5.00pm on 20 December 2011 at an exercise price of \$0.25 each. The option plan was approved by shareholders at the company's Annual General Meeting. An option holder does not have the right to participate in new issues of securities offered to shareholders prior to the exercise of the options.

The amount of the expense during the period in relation to these options is \$1,853. This amount has been credited to the Option Reserve. Of the 450,000 options granted, 300,000 were issued to Messrs Young and Crawford, directors of the company, as approved by shareholders at the AGM.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2007**

	2007 \$	2006 \$
<b>NOTE 14: ISSUED CAPITAL (continued)</b>		
Other details of the option grant are:		
<b>Grant Date &amp; Vesting</b>	<b>Number of Options</b>	<b>Contractual Life of Options</b>
Options granted and vesting on 20 November 2006	450,000	5 years
The value of share options and assumptions for the year ended 30 June 2007:		
Fair value at grant date	3.37 cents	
Share price	12.5 cents	
Exercise price	25 cents	
Expected volatility (expressed as weighted average volatility used in the modelling under binomial lattice model)	45.27%	
Option life (expressed as weighted average life used in the modelling under binomial lattice model)	5 years	
Expected dividends	nil	
Risk-free interest rate (based on government bonds)	5.75%	
Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.		
<b>NOTE 15: RESERVES</b>		
Options Reserve		
The options reserve records the amounts recognised as expenses on valuation of employee share options and the net proceeds from the issue of entitlement options to all shareholders.		
<b>NOTE 16: CASH FLOW INFORMATION</b>		
<b>Reconciliation of Cash Flow from Operations with Loss after Income Tax:</b>		
Loss from ordinary activities after income tax	(328,420)	(168,995)
Non-cash flows in loss from ordinary activities:		
Movement in employee provisions	9,379	14,711
Depreciation	20,756	1,605
Employee options expense	1,853	-
Write-off of exploration & evaluation expenditure	12,679	-
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	(27,837)	(23,371)
(Increase)/Decrease in prepayments	-	7,387
(Decrease)/Increase in creditors and accruals	(36,069)	82,638
Cash flows from operations	<u>(347,659)</u>	<u>(86,025)</u>

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2007

2007	2006
\$	\$

### NOTE 17: 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 5.

During the period the company agreed to pay Cambridge Business & Corporate Services, an entity controlled by Mr Paul Crawford, a director of the company, professional fees of \$44,450 (2006:\$27,350) for accounting, company secretarial and other services provided to the entity. The amount owing by the company at 30 June 2007 is \$9,640 (2006:\$22,200).

During the period the company agreed to pay Findex Pty Ltd, an entity controlled by Mr Doug Young, a director of the company, vehicle hire fees of \$7,425 (2006: \$7,506) for use of its motor vehicle for fieldwork. The amount owing by the company at 30 June is \$2,822 (2006: \$7,506).

The company was party to a tenancy agreement with DiamonEx Limited, a company of which Mr Paul Crawford, a director of the company, is also a director. The amount owing by the company at 30 June is \$20,000 (2006: \$20,000). No expense (2006: \$20,000) was incurred under this agreement during the year.

### NOTE 18: COMMITMENTS

#### (a) Operating Lease Commitments

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

Not later than 1 year	52,948	-
Later than 1 year but not later than 5 years	85,521	-
Total commitment	138,469	-

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by the greater of CPI or 4% 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.

Not later than 1 year	877,000	421,482
Later than 1 year but not later than 5 years	1,522,000	1,566,000
Total commitment	2,399,000	1,987,482

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2007**

	2007 \$	2006 \$
<b>NOTE 18: COMMITMENTS (continued)</b>		
In addition to the above tenement commitments, the company has exploration joint venture earn-in commitments as follows:		
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	73,037	-
Total commitment	<u>73,037</u>	<u>-</u>

**NOTE 19: EVENTS AFTER BALANCE SHEET DATE**

Since the end of the financial year the company has been granted additional exploration tenements. Expenditure commitments relating to the additional tenements are as follows:

Not later than 1 year	55,000	46,000
Later than 1 year but not later than 5 years	522,748	225,000
Total commitment	<u>577,748</u>	<u>271,000</u>

The financial report was authorised for issue on 26 September 2007 by the Board of Directors.

**NOTE 20: SEGMENT REPORTING**

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

**NOTE 21: SHARE BASED PAYMENTS**

On 20 November 2006, 450,000 share options were granted under the company's Employees and Officers Share Purchase Plan to take up ordinary shares at an exercise price of \$0.25 each. The options are exercisable on or before 20 November 2011. The options hold no voting or dividend rights.

All options granted under the plan are over ordinary shares in ActivEX Limited, which confer a right of one ordinary share per option.

	2007		2006	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	No	\$	No	\$
Outstanding at the beginning of the year	-	-	-	-
Granted	450,000	0.25	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	<u>450,000</u>	<u>0.25</u>	<u>-</u>	<u>-</u>
Exercisable at year-end	<u>450,000</u>	<u>0.25</u>	<u>-</u>	<u>-</u>

The options outstanding at 30 June 2007 had a weighted average exercise price of \$0.25 and a weighted average remaining contractual life of 4.4 years. Refer note 14 regarding assessment of fair value of options granted.

Included under employee benefits expense in the income statement is \$1,853 (2006: nil) and relates, in full, to equity-settled share-based payment transactions.



**ACTIVEX LIMITED**  
ABN 11 113 452 896

**Notes to the Financial Statements**  
**for the financial period ended 30 June 2007**

**NOTE 22: FINANCIAL INSTRUMENTS**

**(a) Financial Risk Management**

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The main purpose of non-derivative financial instruments is to provide finance for company operations.

**Treasury 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.

**Financial Risks**

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

**(b) Interest Rate Risk**

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

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest Bearing		Total	
	2007 %	2006 %	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
<b>Financial Assets:</b>								
Cash and cash equivalents	5.55%	5.14%	1,982,840	2,639,338	502	49,711	1,983,342	2,689,049
Trade and other receivables	-	-	-	-	51,208	23,371	51,208	23,371
Total Financial Assets			1,982,840	2,639,338	51,710	73,082	2,034,550	2,712,420
<b>Financial Liabilities:</b>								
Trade and other payables	-	-	-	-	195,034	221,724	195,034	221,724
Total Financial Liabilities			-	-	195,034	221,724	195,034	221,724

**(c) Net Fair Values**

No financial assets or liabilities are readily traded on organised markets in a standardised form.

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.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2007

### Note 23: CHANGE IN ACCOUNTING POLICY

The following Australian Accounting Standards have been issued or amended and are applicable to the company but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Affected standards	Outline of Amendment	Application date	Application date for the Company
2005-10 Amendment to Australian Accounting Standards	AASB 1 First-time Adoption of AIFRS; AASB 101 Presentation of Financial Statements; AASB 114 Segment Reporting; AASB 117 Leases; AASB 133 Earnings per Share. AASB 139 Financial Instruments: Recognition and Measurement;	The disclosure requirements of AASB 132 Financial Instruments: Disclosure & Presentation has been replaced due to the issue of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments involve changes to financial instrument disclosures within the financial report. However there will be no direct impact on amounts included in the financial report as it is a disclosure standard.	1 Jan 2007	1 July 2007
AASB 7	AASB 132 Financial Instruments: Disclosures and Presentation	As above.	1 Jan 2007	1 July 2007
AASB 123	AASB 123 Borrowing Costs	Under this amendment only the capitalisation treatment is permitted in relation to borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.	1 Jan 2009	1 July 2009

### NOTE 24: COMPANY DETAILS

The registered office and principal place of business is:

ActivEX Limited  
117 Quay Street  
Brisbane Qld 4000

## DIRECTORS' DECLARATION

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The directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2007 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.



Ian C. Daymond  
Chairman



Douglas I Young  
Managing Director

Dated this: 26th day of September 2007

## **INDEPENDENT AUDITOR'S 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 balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

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

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with 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. These Auditing 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 entity's preparation and fair presentation 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 entity'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 AUDITOR'S 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*, 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 2007 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

  
Robertsons Audit & Assurance Pty Ltd



**ND Bamford**  
Director

Level 4, 127 Creek Street,  
Brisbane, QLD, 4000

Date: 28 September 2007



**ACTIVEX LIMITED**

ABN 11 113 452 896

**ASX INFORMATION**

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

**1. Shareholding:**

The following information is provided as at 28 September 2007.

Distribution of Shareholders Number

Category Number (Size of Holding)	Ordinary Shares (Number)	Listed Options (Number)
1 - 1,000	2	0
1,001 - 5,000	23	75
5,001 - 10,000	111	27
10,001 - 100,000	171	104
100,001 - and over	39	20
	348	226

The number of shareholdings held in less than marketable parcels is 11.

Twenty Largest Holders - Ordinary Shares

		Number of Shares Held	% of Total Issued Capital
1	Findex Pty Ltd	8,000,002	26.33
2	Minotaur Resources Investments Pty Ltd	2,000,000	6.58
3	Mr Wensley Carroll <Zipp 2001 Super Fund A/C>	1,779,202	5.85
4	Austock Nominees Pty Ltd <Accum A/C>	750,000	2.47
5	Mr Arnold Getz & Mrs Ruth Getz	731,722	2.41
6	Mr Arnold Getz & Mrs Ruth Getz <Super Fund A/C>	577,750	1.90
7	Carmant Pty Limited <Carmant Superfund A/C>	554,940	1.83
8	Saracen Mineral Holdings Limited	500,000	1.65
9	Merrill Lynch (Australia) Nominees Pty Limited	499,999	1.65
10	Scintilla Capital Pty Ltd	374,000	1.23
11	Pasco Holdings Pty Ltd	304,516	1.00
12	Kuratyn Pty Ltd <Crawford Family A/C>	300,000	0.99
13	Elphi Pty Ltd <Skazas Family A/C>	262,000	0.86
14	Aquila Resources Limited	250,000	0.82
15	Gregory J Wood & Associates Pty Ltd <The G J Wood Family Account>	250,000	0.82
16	Mr Keith Middleton + Mrs Christine Middleton <Middleton Super Fund A/C>	250,000	0.82
17	Mr Andrew Joseph Shearman	250,000	0.82
18	Clodene Pty Ltd	215,000	0.71
19	Gregory J Wood & Assoc Pty Ltd <Wood Family A/C>	200,000	0.66
20	Ms Juliet Jocelyn Hugenholtz	200,000	0.66
		<b>18,249,131</b>	<b>60.06</b>

**ACTIVEX LIMITED**

ABN 11 113 452 896

**ASX INFORMATION**

Twenty Largest Holders – Listed Options expiring 27 February 2009

		<b>Number of Options Held</b>	<b>Percentage of Total Options</b>
1	Findex Pty Ltd	2,500,000	16.45
2	Gazump Resources Pty Ltd	1,904,250	12.53
3	Clodene Pty Ltd	1,075,000	7.07
4	Minotaur Resources Investments Pty Ltd	1,000,000	6.58
5	B2B Holdings Pty Limited	525,000	3.46
6	Gregory J Wood & Associates Pty Ltd<The G J Wood Family Account>	503,905	3.32
7	Mr Kenneth Yu	325,000	2.14
8	Mr Charles Sherrard Greenway	300,000	1.97
9	Mr Gregory Wood<GJ Wood S/F A/C>	297,500	1.96
10	Fortis Clearing Nominees P/L<Settlement A/C>	252,000	1.66
11	Merrill Lynch (Australia) Nominees Pty Limited	250,000	1.65
12	Saracen Mineral Holdings Limited	250,000	1.65
13	Ms Sonia Kathleen Gilroy<Clan Gilroy A/C>	187,500	1.23
14	Mr Paul Anthony Crawford & Ms Robyn Lynelle Crawford<Kuratyn Super Fund A/C>	185,000	1.22
15	Nonda Pty Ltd	150,000	0.99
16	RK & DF Consulting Pty Ltd < RK & DF Super Fund A/C>	150,000	0.99
17	Mr Tso Shan Wu	140,500	0.92
18	Clodene Pty Ltd	125,000	0.82
19	Mr Carsten Hans Huebner	125,000	0.82
20	Mr Keith Middleton + Mrs Christine Middleton <Middleton Super Fund A/C>	125,000	0.82
		<b>10,370,655</b>	<b>68.25</b>

The names of the substantial shareholders listed in the Company's register as at 28 September 2007 are:

<b>Shareholder</b>	<b>Number of Shares Held</b>	<b>Percentage of Issued Capital</b>
Findex Pty Ltd	8,000,002	26.33
Minotaur Investments Pty Ltd	2,000,000	6.58
Mr Wensley Carroll <Zipp 2001 Super Fund A/C>	1,779,202	5.85

**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. Company Secretary:**

The name of the company secretary is Mr. Paul Crawford.

**ASX INFORMATION**

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**3. Registers of securities are held at the following address:**

Computershare Investor Services Pty Limited  
Level 19  
307 Queen Street  
Brisbane Qld 4000 Australia

**4. Stock Exchange Listing**

Quotation has been granted for all the ordinary shares and options of the Company on all Member Exchanges of the Australian Securities Exchange Limited, other than those classified as restricted securities and detailed below.

**5. Restricted Securities**

The Company has issued the following restricted securities:

<b>Security</b>	<b>Number of Restricted Securities</b>	<b>Date of Cessation of Restriction</b>
Ordinary Shares	8,857,720	11 April 2008
Options	NIL	

**6. Use of Cash and Convertible assets**

During the financial year ended 30 June 2007, the Company has used cash and assets readily convertible to cash in a manner consistent with its business activities. The Company is involved in mineral exploration in Queensland.

**7. Schedule of Tenements**

A schedule of exploration tenements is contained in the Review of Operations section of the Annual Report.

# NOTICE OF ANNUAL GENERAL MEETING

## ACTIVEX LIMITED

ABN 11 113 452 896

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Notice is given that the Annual General Meeting of shareholders of ActivEX Limited (**Company**) will be held at 117 Quay Street Brisbane, Queensland on Thursday 29 November 2007, at 10:00 a.m. (Brisbane time).

The business to be dealt with at the meeting is:

### **ORDINARY BUSINESS:**

#### **1. Accounts**

To receive and consider the financial report of the company and the reports of the directors and auditor for the year ended 30 June 2007.

#### **2. Directors' Remuneration Report**

To consider, and if thought fit, to pass the following resolution as an advisory only resolution:

*"That the Directors' Remuneration Report for the year ended 30 June 2007 be adopted."*

#### **3. Re-election of Mr. P H Hwang**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*"That Mr Peter H Hwang, a director of the Company, retires by rotation in accordance with provisions of the constitution of the Company, and being eligible for re-election, be re-elected as a director of the Company."*

### **SPECIAL BUSINESS:**

#### **4. Acquisition of Exploration Asset from Findex Pty Ltd**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*"That for the purposes of section 208 of Chapter 2E of the Corporations Act, the Company is authorised as follows:*

- (a) to perform its obligations under the Sale and Purchase Agreement dated 23 October 2007 between the Company and Findex Pty Ltd (**Findex**) for the acquisition by the Company of an exploration permit for minerals from Findex; and*
- (b) to perform its obligations under the Net Smelter Return Royalty Deed to be entered into by the Company and Findex upon completion of the Sale and Purchase Agreement, being for the payment by the Company to Findex of a net smelter return royalty on the proceeds of mineral production from the area of that Tenement."*

## **APPOINTMENT OF PROXIES**

A shareholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in their stead. A proxy need not be a shareholder of the Company. If two proxies are appointed, the appointment may specify the proportion or number of votes that the proxy may exercise, otherwise each may exercise half of the votes.

Forms of proxy must be lodged at the registered office of the Company or received by the Company's share registrar, Computershare Investor Services Pty Ltd, not less than 48 hours prior to the meeting. A form of proxy is attached.

## **APPOINTING A CORPORATE REPRESENTATIVE**

Any corporate shareholder who has appointed a person to act as its corporate representative at the annual general meeting should provide that person with a certificate executed in accordance with the Corporations Act authorising him or her to act as the company's representative. The authority may be sent to the Company or its share registry before the meeting or handed in at the meeting when registering as a corporate representative.

## **DETERMINATION OF MEMBERS' RIGHT TO VOTE**

Those shareholders holding shares at 7:00pm (Sydney time) on Tuesday 27 November 2007 will be entitled to vote at the annual general meeting.

## **VOTING EXCLUSION STATEMENT**

The Company will disregard any votes cast on Resolution 4 by:

- Findex;
- Mr Doug Young; and
- an associate of Findex or Mr Doug Young.

However the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; and
- it is not cast on behalf of Findex, Mr Doug Young or an associate of Findex or Mr Doug Young.

## **By Order of the Board**

Paul Crawford  
Company Secretary

Date: 26 October 2007

## **EXPLANATORY NOTES**

These explanatory notes form part of the notice of the annual general meeting of ActivEX Limited (**Company**) to be held on Thursday 29 November 2007. These explanatory notes provide shareholders with background information and further details on the items of business, including the resolutions, to be considered at the meeting. The information provided is intended to assist shareholders in determining how they wish to vote on the resolutions.

### **1. Annual Financial Report**

The financial report of the Company for the year ended 30 June 2007, comprising the financial statements, notes, directors' report and auditors report, was included in the 2007 Annual Report of the Company, which was distributed to shareholders along with this Notice of Annual General Meeting.

Time will be allowed during the annual general meeting for consideration and questions by shareholders of the financial report and associated directors' and auditor reports.

Each shareholder is entitled to submit one written question to the auditor before the meeting if the question relates to the content of the auditor's report or the conduct of the audit in relation to the financial reports.

All written questions must be received by the Company no later than five business days before the meeting date. All questions should be sent to the Company and should not be sent direct to the auditor. The Company will send all questions to the auditor.

The auditor will attend the meeting and will be available to answer questions from shareholders relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

The auditor will also answer written questions submitted prior to the meeting.

### **2. To adopt the Directors' Remuneration Report**

The Corporation Act requires all listed companies to present their remuneration report for each financial year for adoption by shareholders at the company's annual general meeting. The report can be found as a separately identified "Remuneration Report" within the Directors' Report section of the Company's 2007 Annual Report.

Time will be allowed during the annual general meeting for consideration and questions by shareholders of the Remuneration Report.

The vote on this resolution is advisory only and does not bind the directors or Company.

### **3. To re-elect Mr Hwang as a Director**

The constitution of the Company requires that one third of the directors, other than a managing director, must retire by rotation at each annual general meeting of the Company. Mr Hwang therefore retires at the forthcoming annual general meeting in accordance with the Constitution and being eligible, has offered himself for re-election.



Mr Hwang is a qualified geologist and lawyer and currently works as a solicitor specialising in native title and resources law with a national law firm. He has extensive experience in native title negotiations and risk management and also advises on mergers and acquisitions, public company floats in the resources sector and foreign mineral venture investment in the People's Republic of China.

Prior to his legal career, Mr Hwang spent over five years as a diamond exploration geologist with Stockdale Prospecting Ltd (De Beers) in Australia and subsequently as a consultant geologist in relation to various diamond and gold exploration projects in South America. He holds a degree in geology and a Bachelor of Laws from the University of Western Australia.

The directors, with Mr Hwang abstaining, recommend that shareholders approve this resolution.

This resolution is an ordinary resolution requiring the support of a majority of the votes cast by shareholders.

#### **4. To approve the acquisition of an exploration asset from Findex Pty Ltd**

The Company has agreed to acquire Exploration Permit for Minerals No. 15285, and associated assets, from Findex Pty Ltd (**Findex**) pursuant to the Sale and Purchase Agreement dated 23 October 2007 between the parties, and has agreed to grant to Findex a 2.5% net smelter return royalty on mineral production from the area of that tenement.

##### **Sale and Purchase Agreement**

The following is a summary of the material terms and conditions of the Sale and Purchase Agreement between the Company and Findex.

The agreement sets out the terms and conditions on which the Company has agreed to purchase Exploration Permit for Minerals No. 15285 (**EPM 15285**) and associated assets from Findex. The associated assets are all original contracts, books, files and other records of Findex relating to EPM 15285 and all seismic, geological, geophysical, production and engineering data, information, analysis, interpretations and reports relating to EPM 15285. EPM 15285 and the associated assets are together in these Explanatory Notes called the **Tenement**.

Findex has applied for EPM 15285, but the permit is yet to be granted by the Queensland Government. The Company will not acquire EPM 15285 from Findex until the permit is granted by the Government.

The completion of the sale and purchase is conditional upon approval of the agreement by resolution of shareholders at a general meeting of the Company by 31 December 2007. If the condition precedent is not satisfied or waived by that date, either party may terminate the agreement.

The agreement is also subject to the approval of the Queensland Minister for Mines and Energy to the transfer of the Tenement within three months of completion, or such longer period as the parties agree. If the Minister's approval is not obtained, either party may terminate the agreement, whereupon all money paid by a party under the agreement will be refunded to that party and the Tenement will be re-assigned to Findex.

The Company will pay a purchase price of \$1 to Findex for the acquisition of the Tenement on completion of the acquisition.

The Company also agrees to reimburse Findex at completion for all expenditure Findex has incurred in relation to the Tenement up to completion, including expenses in applying for the

Tenement and in negotiating and entering into native title agreements and paying native title compensation.

Upon the Minister's approval being obtained to the transfer of the Tenement, the Company will assume liability for the Tenement to the extent of all obligations and liabilities arising after the date of that approval and any remedial obligations in respect of the Tenement whether arising before, on or after the date of that approval.

Findex provides various warranties in favour of the Company on terms and conditions that are usual in an agreement of this type. The Company provides various warranties in favour of Findex in relation to matters such as its power to enter into and perform the sale and purchase agreement, subject to obtaining shareholder approval.

### **Net Smelter Return Royalty Deed**

Under the Sale and Purchase Agreement, subject to completion of the sale and purchase taking place, the Company agrees to grant to Findex a 2.5% net smelter return royalty on the proceeds of mineral production from the area of the Tenement on the terms set out in the Net Smelter Return Royalty Deed to be entered into by the Company and Findex upon completion of the Sale and Purchase Agreement.

The following is a summary of the material terms and conditions of the Net Smelter Return Royalty Deed.

The Net Smelter Return Royalty Deed is to be entered into by the Company and Findex on completion of the Sale and Purchase Agreement.

The Company grants to Findex a net smelter return royalty of 2.5% of the royalty value of mineral production from the Tenement area.

The royalty value is calculated by deducting from the gross proceeds from mineral production for the relevant period the following amounts:

- Any government royalty payable on the mineral production;
- All direct costs and expenditures reasonably and properly incurred in relation to mining, assaying, treatment, refining, smelting, transportation, insurance and sales in respect of the mineral production;
- Any deficit in the royalty value when compared to the government royalty and deductible expenses referred to above; and
- Any escalation in that deficit by reason of an increase in the consumer price index.

The gross proceeds from mineral production are to be calculated in accordance with the government regulations and policies for calculating the government royalty.

Although the net smelter royalty does not confer any proprietary or other interest in the Tenement or in mineral production in favour of Findex, the Company agrees that in all dealings in relation to the Tenement, it will act in good faith towards Findex to preserve Findex's entitlements to the royalties. The Company also agrees that Findex may lodge a caveat over the Tenement in respect of its rights under the deed.

Findex may transfer all or part of its rights in respect of the royalty if Findex first offers to the Company to terminate those rights for a price no greater than the price at which Findex proposed to transfer the royalty rights to a third party. If the Company accepts the offer, the Company must pay the offer price to Findex and the parties will terminate the deed to the extent of those rights.

The Company may transfer its interest in the Tenement or its rights and obligations under the deed if the Company first offers to transfer the interest in the Tenement to Findex for the price at which the Company proposes to transfer the interest to a third party.

If the Company wishes to relinquish or surrender any part of the Tenement area beyond the relinquish requirements of the Government, the Company must first consult with Findex.

The Company must re-assign the Tenement to Findex if any of the following events occur:

- The Company resolves or notifies Findex that it will surrender the Tenement or not make any further expenditures on the Tenement; or
- The Company receives a notice from the Government that it intends to forfeit or cancel the Tenement as a result of anything done or not done by the Company, and that notice is not remedied or withdrawn within the time specified in the mining legislation or within 60 days, whichever is earlier; or
- The Tenement will expire within 60 days and has not been renewed by the Company.

Findex may, but is not obliged to, give notice to the Company accepting the re-assignment for the consideration of \$1.

### **Regulatory requirements**

Approval by way of an ordinary resolution of the Sale and Purchase Agreement and the Net Smelter Return Royalty Deed is sought under Chapter 2E of the Corporations Act. This is an approval under the related party provisions of the Corporations Act because Findex is a related party of the Company because Mr Doug Young, a director of the Company, controls Findex.

### **Regulatory information**

The following information is provided for the benefit of shareholders and in accordance with the requirements of Chapter 2E of the Corporations Act.

#### *Identity of related party*

The related party of the Company to whom the proposed resolution would permit financial benefits to be given is Findex.

#### *Nature of the financial benefits*

The financial benefits that will be given by the Company to Findex under the Sale and Purchase Agreement consist of:

- The payment by the Company of the purchase price of \$1 for the acquisition of the Tenement.
- The reimbursement by the Company of Findex for all expenditure Findex has incurred in relation to the Tenement up to completion, including expenses in applying for the Tenement and in negotiating and entering into native title agreements and paying native title compensation.
- Upon the Minister's approval being obtained to the transfer of the Tenement, the assumption of liability by the Company for the Tenement to the extent of all obligations and liabilities arising after the date of that approval and any remedial obligations in respect of the Tenement whether arising before, on or after the date of that approval.
- The Company must use its best endeavours and render all reasonable assistance to enable Findex to obtain a refund, surrender or relinquishment of any security deposit previously provided by Findex in respect of the Tenement, and as soon as possible after

completion, must provide such replacement security deposit as the Minister may require.

- The Company agrees to indemnify Findex against all liabilities arising in relation to the Tenement after and including the date of approval by the Minister of the transfer of the Tenement.
- The Company must pay the costs of Findex in respect of the negotiation, preparation, execution, delivery and registration of the Sale and Purchase Agreement and any agreement or document entered into or signed under the Sale and Purchase Agreement, including Deeds of Assumption, the Net Smelter Return Royalty Deed and the transfer of the Tenement.

The financial benefits that will be given by the Company to Findex under the Net Smelter Return Royalty Deed consist of:

- The payment by the Company of the royalty summarised above.
- The payment by the Company of the offer price of the royalty rights if the Company and Findex agree to terminate those rights in circumstances where Findex wishes to sell those rights.
- The transfer of an interest in the Tenement from the Company to Findex if the Company wishes to transfer the interest to a third party and Findex exercises its per-emptive right to acquire the interest from the Company.
- The re-assignment of the Tenement by the Company to Findex for \$1 in the circumstances described in the summary of the deed in these Explanatory Notes, for example, if the Company notifies Findex that it will surrender the Tenement.

### **Directors' recommendation**

Mr Young controls Findex. As Findex is a party to the Sale and Purchase Agreement and the Net Smelter Return Royalty Deed to be approved under the resolution, he considers that it is not appropriate that he make a recommendation to shareholders with respect to the resolution.

The other directors of the Company have no interest in the outcome of the resolution, other than as shareholders of the Company, and consider that it is appropriate that they should make a recommendation to shareholders about the resolution.

The directors, with Mr Young abstaining, recommend that shareholders approve this resolution for the following reasons:

- The exploration area to be acquired is consistent with the Company's development strategy;
- The form and quantum of consideration to be paid to Findex represents good value for the Company; and
- The transaction is considered to be a good opportunity for the Company to expand its exploration portfolio.

This resolution is an ordinary resolution requiring the support of a majority of the votes cast by shareholders.

IF UNDELIVERABLE PLEASE RETURN TO:  
GPO Box 2848  
Melbourne VIC 3001  
Australia

POSTAGE  
PAID  
AUSTRALIA



000001 000 AIV  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**ActivEX Limited**  
ABN 11 113 452 896

**ACTIVEX LIMITED**  
ABN 11 113 452 896

**TO LODGE A PROXY FORM:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia  
Facsimile 61 7 3237 2152

**FOR ALL ENQUIRIES CALL:**

(within Australia) 1300 552 270  
(outside Australia) 61 3 9415 4000

000001 000 AIV  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

 **FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECEIVED BY 10.00 AM, TUESDAY 27 NOVEMBER 2007**



YOUR SECURITYHOLDER INFORMATION IS AVAILABLE ONLINE, SIMPLY VISIT:  
**[www.investorcentre.com.au](http://www.investorcentre.com.au)**

- ☒ Review your securityholding  
☒ Update your securityholding

**YOUR SECURE ONLINE ACCESS INFORMATION**

**SRN/HIN:** 11234567890

**POST CODE:** 3030

**!** FOR SECURITY REASONS IT IS  
IMPORTANT THAT YOU KEEP  
YOUR SRN/HIN CONFIDENTIAL.

**HOW TO COMPLETE THIS PROXY FORM** *Please read these notes prior to completion of the voting form.*

**VOTES ON ITEMS OF BUSINESS**

**Voting 100% of your holding.** You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

**Voting a portion of your holding.** You may indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. The sum of the votes cast on each item or the percentages for and against an item must not exceed your voting entitlement or 100%.

**A proxy need not be a securityholder of the Company.**

**APPOINTMENT OF A SECOND PROXY**

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the proportion or number of votes each proxy may exercise, otherwise each proxy may exercise half of the votes. Fractions of votes will be disregarded. A separate Proxy Form should be used for each proxy. You can obtain additional forms by telephoning the company's share registry or you may copy this form. If you lodge two proxies please lodge both forms together.

**SIGNING INSTRUCTIONS**

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained by telephoning the company's share registry or at [www.computershare.com](http://www.computershare.com).

**LODGEMENT OF A PROXY FORM.** This Form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 48 hours before the commencement of the meeting at 10.00 am, Thursday 29 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.



## STEP 1 APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being a member/s of ActivEx Limited hereby appoint

☐

the Chairman  
of the Meeting OR



Please leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of ActivEx Limited to be held at 117 Quay Street, Brisbane Queensland on Thursday 29 November 2007 at 10.00 am and at any adjournment of that meeting.

## STEP 2 ITEMS OF BUSINESS

**PLEASE NOTE:** If you mark the **Abstain** box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### Ordinary Business

For Against Abstain

2 Adopt Directors' Remuneration Report

☐ ☐ ☐

3 Re-election of Mr. P H Hwang as a Director

☐ ☐ ☐

### Special Business

4 Acquisition of Exploration Asset from Findex Pty Ltd

☐ ☐ ☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

## SIGN SIGNATURE OF SECURITYHOLDER(S) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary



I 1234567890

IND

000001 000 AIV  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**Change of name and/or address.** If your name and/or address is incorrect, please mark this box and make the correction on this form. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes. Please note, you cannot change ownership of your securities using this form.



**REGISTERED OFFICE**

117 Quay Street, BRISBANE QLD 4000

**POSTAL ADDRESS**

PO Box 217, PADDINGTON QLD 4064

**TELEPHONE**

(07) 3236 4188

**FAX**

(07) 3236 4288

**E-MAIL**

[admin@activex.com.au](mailto:admin@activex.com.au)