

## CORPORATE DIRECTORY

### DIRECTORS

Ian Daymond (Non-Executive Chairman)  
Douglas Young (Managing Director)  
Peter Hwang (Non-Executive Director)  
Paul Crawford (Non-Executive Director)

### COMPANY SECRETARY

Paul Crawford

### REGISTERED AND PRINCIPAL OFFICE

117 Quay Street  
BRISBANE  
Queensland 4000

### POSTAL ADDRESS

PO Box 217  
PADDINGTON  
Queensland 4064

Telephone: (07) 3236 4188  
Fax: (07) 3236 4288  
Email: [admin@activex.com.au](mailto:admin@activex.com.au)

### SHARE REGISTRY

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

### ASX CODE

AIV Shares  
AIVO Options

### AUDITORS

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

### SOLICITORS

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



For Tenement Schedule see inside back cover

[www.activex.com.au](http://www.activex.com.au)

## CORPORATE PROFILE

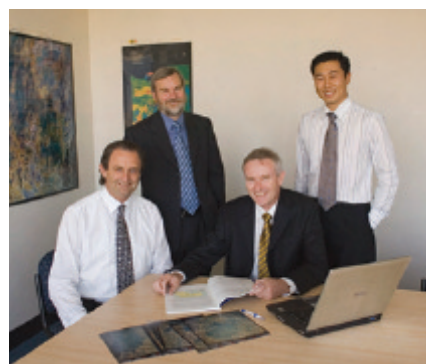
ActivEX Limited (ASX Code: AIV) is an Australian listed mineral exploration company committed to the acquisition, identification and delineation of quality resource projects that can create shareholder wealth. The Company has positioned itself to take advantage of the growth opportunities in the mining industry through the acquisition of highly prospective exploration targets mostly through in-house project generation but also through review of external opportunities.

The Company's key strengths are:

- Technically capable and experienced staff
- Strong board skills in the areas of accounting, law and business
- Landmark joint venture partners with significant synergies
- Balanced exposure of risk and reward
- Principal focus areas

Current exploration and development activities include:

- Drilling copper-gold targets at Boobyjan in SE Queensland
- Drilling molybdenum targets at Lake Monduran
- Extending holdings and early stage exploration in the Malbon district of Cloncurry, NW Queensland
- Development research, Lake Chandler potash deposit, Western Australia



ActivEX Board

*ActivEX is committed to the acquisition, identification and delineation of quality resource projects that can create shareholder wealth*

## HIGHLIGHTS

- Sept 2007 QLD Government funding grant for drilling at Native Dog molybdenum prospect
- Oct 2007 Acquisition of first holdings in Cloncurry district — Florence Creek EPM granted in December
- Dec 2007 QLD Government funding grant for porphyry copper target generation at Esk Trough
- Feb 2008 Drilling at Prospect Creek gold project — completed early March
- Mar 2008 CSAMT anomalies defined at Barambah gold-silver project
- May 2008 Drilling commenced at Boobyjan porphyry copper-gold project
- May 2008 Encouraging copper-gold-uranium rock chip results received from initial exploration at Florence Creek
- June 2008 Preliminary gravity surveys completed at Florence Creek, applications for increased ground holdings in the district
- July 2008 Drilling commenced at Native Dog molybdenum prospect — completed in August
- July 2008 Assays return broad low grade copper-gold intercepts at Boobyjan project



Drilling at Native Dog



## CHAIRMAN'S LETTER

*... significant progress  
towards a sustainable  
future*



*... the year will be a  
very active one for the  
Company*

Dear Shareholders,

I am pleased to present to you the Annual Report for the 2008 financial year and highlight that ActivEX Limited has made significant progress towards a sustainable future in the past year.

The Company's prime objective continues to be the discovery and development of economically attractive mineral deposits. Our focus has principally been self-managed exploration coupled with the review of strategic opportunities that may provide an early entry to production.

Most of the opportunities that have come our way have been exploration properties available for joint venture or purchase, whereas our objective has been to seek opportunities which may provide an early entry to production. The environment for acquiring such advanced projects, particularly with already established resources has proved to be highly competitive so we are very pleased to have acquired one such opportunity, the Lake Chandler potash deposit in Western Australia. We believe this deposit offers ActivEX the chance to move into mine development in a short time frame leading to a sustainable cash flow. The deposit, under evaluation, has been defined by past drilling campaigns which will need limited additional drilling to upgrade it to JORC resource status. Extensive bench scale testing has been carried out on bulk samples from the deposit and whilst more testing is required we believe the established flow sheets have the potential to be profitable in today's economic environment.

The worldwide demand for fertilisers has escalated dramatically in the past 18 months as a result of several factors, principally the increased demand for foodstuffs and the competing demands on agricultural products for fuel stocks. Australia is a major importer of fertiliser, in particular potash products and new developments in this field should find a ready made market. Expectations for the worldwide fertiliser markets are for steady increases with sustained high prices over the 2009–2020 period. We believe this project can deliver high quality products into the WA markets in this timeframe.

Meanwhile, our copper-gold focused exploration has progressed significantly while not giving us the results we wanted. We have overseen active drilling programs this field season at three of our project areas. Plans are underway for further drilling this year and with drilling availability showing signs of freeing up in Australia, we believe we can make significant progress in the coming year.

Our exploration activities have seen close to \$1.5M of in-ground exploration on our projects, particularly at our Boobyjan JV and significant drilling campaigns carried out on our own behalf at Prospect Creek and Lake Monduran with the latter being partly funded by the Queensland Government's Smart Mining Initiatives.

Our in-house project generation work has consolidated our position in Queensland, rationalising some of our existing holdings but with several new Exploration Permit applications establishing the Company with a firm footing in the Cloncurry district. Our total ground holding of 2,907 km<sup>2</sup> is a small decrease in total but is evidence of our improved knowledge and fundamental judgement being applied to our portfolio.

In these times of very high demand in our industry, we have retained a strong technical team who have worked tirelessly throughout the year. Thanks go to my fellow directors, our management and staff for all their efforts during the year, and to our shareholders for their loyalty. Looking to 2009, the year will be a very active one for the Company. We will continue our exploration focus but also progress the Lake Chandler deposit as rapidly as possible towards production with the aim of delivering rewards for patient shareholders.

Ian Daymond  
Chairman

## REVIEW OF ACTIVITIES

ActivEX has identified three key areas in Queensland to be highly prospective for copper–gold mineralisation. They are:

- Cloncurry district of north-west Queensland where the targets are Skarns and Iron Oxide Copper Gold (IOCG) styles such as Ernest Henry
- Cairns—Townsville hinterland of north Queensland where the targets are Intrusive Related gold–copper and Porphyry copper–gold–molybdenum styles
- The Yarrol Province of south-east Queensland which includes the Esk Trough area, where targets are Porphyry copper–gold–molybdenum style and their associated Epithermal gold–silver styles.

The Company continues to strengthen its position in these areas of Queensland while rationalising its selections to the most prospective zones. The Company has principally targeted new ground in the exciting Cloncurry copper–gold district, with several applications in process. This is a very competitive area with recent new discoveries being announced at Mt Elliott, Kalman and Rocklands, so some of the applications in this area are subject to competitive tender.

Exploration programs continue with drilling carried out at the Boobyjan, Prospect Creek and Lake Monduran projects during the year. Ongoing geological, geochemical and geophysical programs continue in all our areas, to advance our understanding of the controls of mineralisation.

This has generated targets at Pentland and Barambah which are now ready to drill test.

To provide a balance to our on-ground exploration activities the Company has also continued to review many strategic opportunities seeking projects which may provide an early entry to production. Most of the opportunities that have come our way have been grass-roots exploration properties available for joint venture. These properties have been targeting a variety of commodities but have not compared well with our own projects. The environment for acquiring advanced projects, particularly with established resources has proved to be highly competitive. However we have secured an opportunity to evaluate one such deposit, the Lake Chandler potash deposit in Western Australia.



ActivEX Project Areas

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



Drilling at Boobyjan

*The Lake Chandler potash project represents an attractive commercial opportunity*



Potash



Bulk sampling by previous owners

*Alunite — a potential source of potash and alumina*

Lake Chandler Potash

In line with ActivEX's prime objective of acquiring economically attractive mineral deposits, the Company has secured the Lake Chandler potash project.

We believe this deposit, if proven economic, offers ActivEX the chance to move into mine development in a short timeframe leading to a sustainable cash flow. The Company believes the project is of a size which suits its risk profile enabling it to build a substantial asset in a rapidly growing market.

The deposit, under evaluation, lies 50 km north of the wheatbelt town of Merredin in WA. It is a salt lake with accumulations of alunite clay (alunite is hydrated aluminium potassium sulphate) which the Company will investigate with a view to proving the commercial extraction of potash and alumina.

Previous mining of the deposit occurred in the 1940s producing a considerable tonnage of potash using a roasting, leaching and crystallisation process. Extensive drilling of the deposit occurred in the 1980s outlining the deposit but further drilling is required upgrade to JORC Resource status.



Extensive bench scale testing has been carried out on bulk samples from the deposit and while more testing is required to be undertaken on both the extraction process and the marketing of potential products, we believe the established flow sheets indicate the project to be potentially economic in today's price environment.



Lake Chandler potash project, showing previous drill sections



The worldwide demand for fertilisers has escalated dramatically during the past 18 months as a result of several factors, principally the increased demand for foodstuffs and the competing demands on agricultural products for fuel stocks.

Australia is a major importer of fertiliser, in particular potash products, and new local developments in this field should find a ready made market. Expectations for the worldwide fertiliser markets are for steady demand increases with sustained high prices over the 2009–2020 period.

We believe this project has the potential to deliver high quality products into the WA markets in this time frame. The project is located in the middle of the WA wheatbelt agricultural area and should have a competitive advantage in transportation costs.

The project could produce substantial quantities of the fertiliser products potassium sulphate (SOP) and ammonium sulphate (SOA). High grade (low sodium) alumina (ATH) would also contribute a valuable by-product of processing the deposit.

Australia has little or no production of potash. Total imports are in the order of 500,000tpa, mostly of potassium chloride (Muriate of Potash — MOP) with SOP making up some 30,000tpa.

Ammonium sulphate is produced in Australia — primarily as a by-product of the nickel industry. However, substantial quantities are also imported and it is believed that significant tonnages can be readily placed into the local agricultural market.

Alumina Trihydrate (ATH) is a feedstock for a large number of metallurgical, chemical and industrial processes. It is generally produced through the Bayer process however the Lake Chandler process would be different and can produce a highly desirable (low soda) alumina product especially suitable for refractory and ceramic uses.

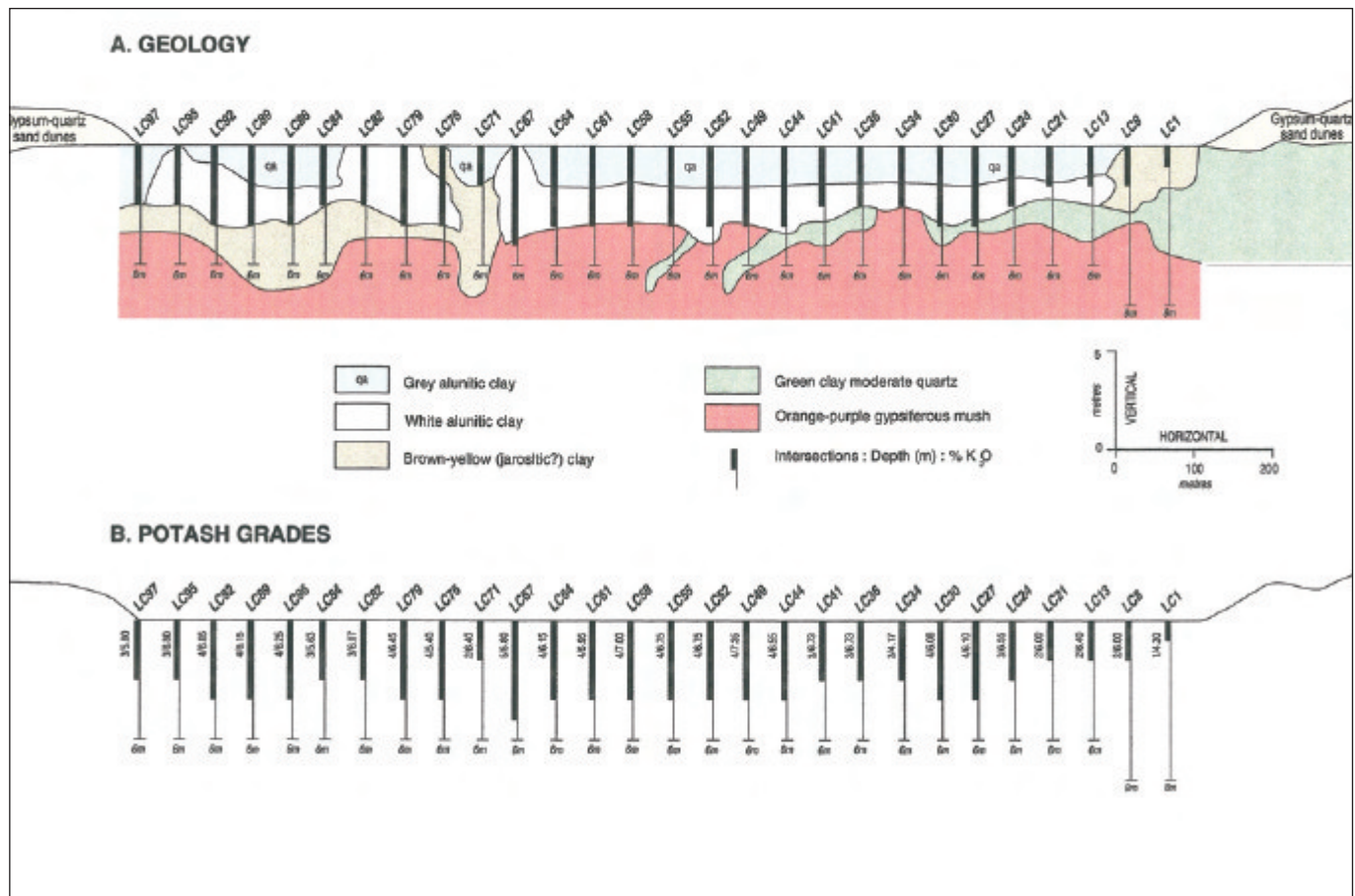
ActivEX has secured an exclusive one year option to purchase the project, during which time we would carry out a scoping study. If this shows the project to be viable we would work quickly towards a feasibility study.

*Australia is a major importer of potash*



Potash price prediction to 2020

*Potash prices are expected to remain high due to sustained demand worldwide*



Drilling Cross Section 00mN with potash grades

# EXPLORATION PROJECTS



Managing Director Doug Young with Joint Venture partners

*Drilling has intersected broad low grade mineralisation over a wide area*

## Boobyjan

During the year ActivEX has completed significant geochemistry, geophysical modelling and drill testing at the Boobyjan Joint Venture. Due to rig availability drilling did not commence until late in the period.

These activities, managed by ActivEX staff, have been fully funded by joint venture partners Minotaur Exploration along with Mitsubishi Corporation and Mitsubishi Materials Corporation.

This has given us a much better understanding of the porphyry style copper–gold mineralisation.

An Induced Polarisation (IP) survey completed in 2006 defined a circular chargeability anomaly, shown by our previous drilling to be caused by a pyrite shell that typically encloses the mineralised parts of a porphyry system. Last year we ran a controlled source audio–magneto–telluric (CSAMT)

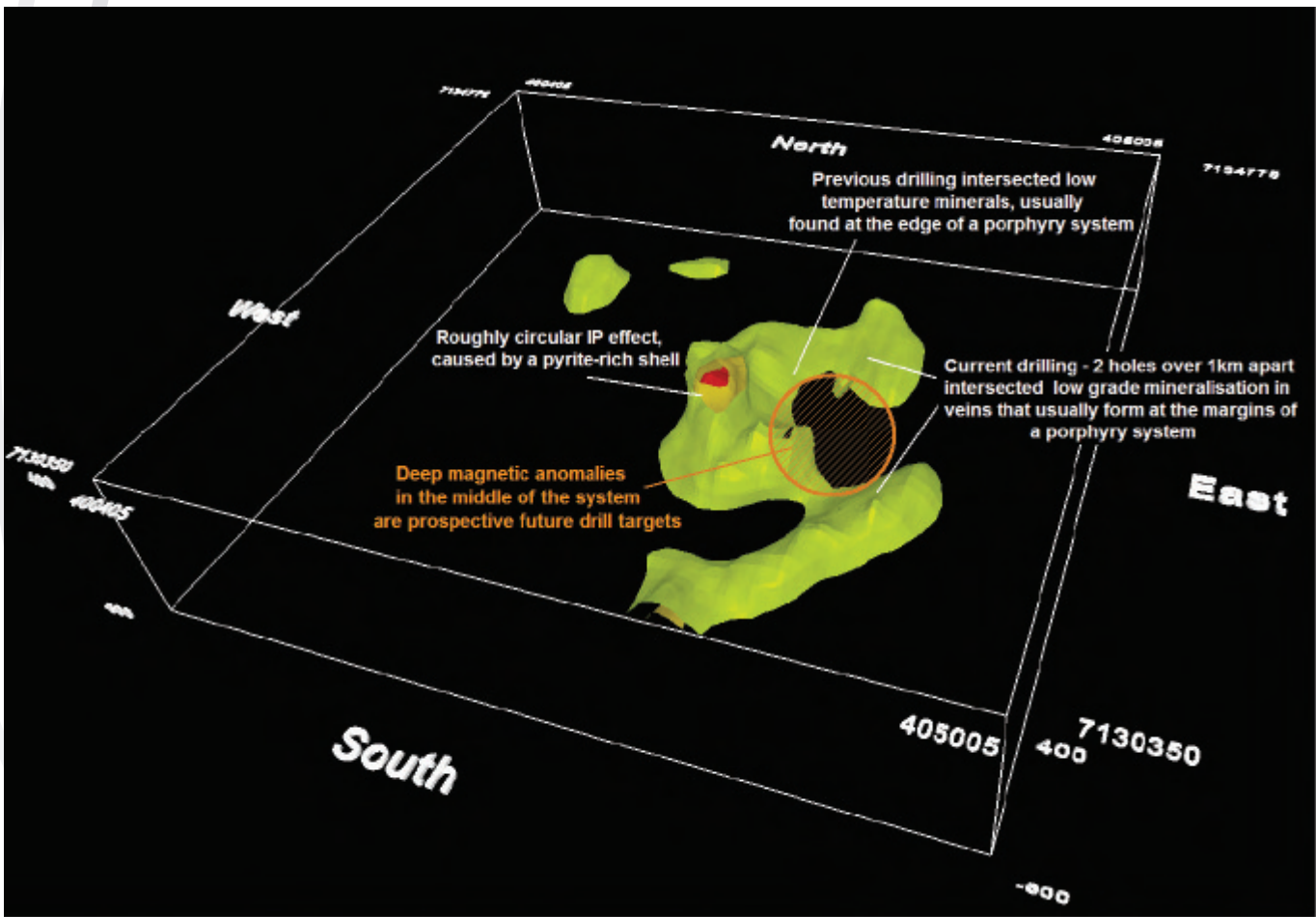
survey which outlined several resistive bodies that were targeted in the latest round of drilling.

Four holes have been completed at Boobyjan this year, totalling almost 1400 m, at three different prospects.

At Kiwi drilling has showed that resistive features defined by CSAMT surveys were in fact younger barren rhyolite dykes intruding the porphyry system. These dykes have displaced any stockwork veins in the area.

At Kakapo, drilling of IP anomalies down dip of previously intersected mineralisation has intersected only pyrite mineralised stockworks.

Logging has indicated that the three holes drilled in the Bath–White Horse area all intersected low grade copper (and probably gold) mineralisation over broad intervals.



Kakapo–Kiwi–Bath geophysical model — IP anomalous zones are broad yellow to red colours





ABJ009, 155.5 m

Breccia with carbonate, chlorite, sericite and chalcopyrite



ABJ010, 186.1 m

Quartz vein with chalcopyrite and galena



ABJ011, 214.5 m

Hydrothermal breccia with amphibole and pyrite

Significantly, the alteration and vein styles intersected in almost all of the Bath–White Horse holes suggest drilling has intersected a relatively low temperature part of the system. Veins were dominantly carbonate and gypsum, occurring within carbonate, sericite, chlorite, amphibole and magnetite alteration. Similar alteration styles have been noted in holes up to 1 km apart, confirming the large scale of the system.

However the targeted potassic alteration zones of a typical porphyry system which generally host the copper and gold mineralisation and occur in the core of the system have not yet been intersected. This suggests there is still potential for significant mineralisation and that future drilling needs to be targeted deeper, on the central parts of the system.

The **Dadamarine** prospect is located 5 km north-west of Boobyjan and is a molybdenum target located on the Perry Fault Zone. The area consists of a large sericite and iron-oxide alteration zone, with a weak molybdenum soil anomaly.

Last year's IP survey over this prospect identified several targets with very high chargeability values. These targets are planned to be tested by drilling.

Drilling is also underway at the **Sefton** molybdenum prospect, located 10 km north-west of Boobyjan along the Perry Fault Zone. Here, ActivEX has been targeting porphyry style molybdenum mineralisation, considered to reflect deeper levels in porphyry systems.

Previous shallow drilling by competitor exploration companies intersected grades of up to 1280ppm molybdenum, associated with potassic and phyllic alteration styles typical of a porphyry molybdenum system. ActivEX completed IP surveys over the prospect in 2007, which defined a broad zone of moderately anomalous IP underneath the Sefton valley. This zone, interpreted to indicate anomalous sulphides, was targeted in the current round of drilling.

Drilling has been slow due to poor ground conditions with one hole completed to date. The hole intersected highly fractured trachyte, with some high temperature alteration (potassium feldspar and epidote) and minor molybdenite in quartz veins. Vein densities, however were low.

*Significant IP anomalies being tested at Sefton and Dadamarine*



ABJ012, 132 m

Chalcopyrite and pyrite vein in porphyry



ABJ012, 143.5 m

Chalcopyrite and pyrite associated with spotty amphibole and magnetite alteration



Sefton ASF001, 107.8 m

Fractures with potassic alteration selvages



Geologist Jane Harvey with consultants Greg Corbett and Kaylene Camuti in the Esk Trough

## Esk Trough Projects

ActivEX holds tenements covering greater than 1,000 km<sup>2</sup> in the Esk Trough region of south-east Queensland, an area which is highly prospective for porphyry copper–gold–molybdenum and epithermal gold–silver mineralisation.

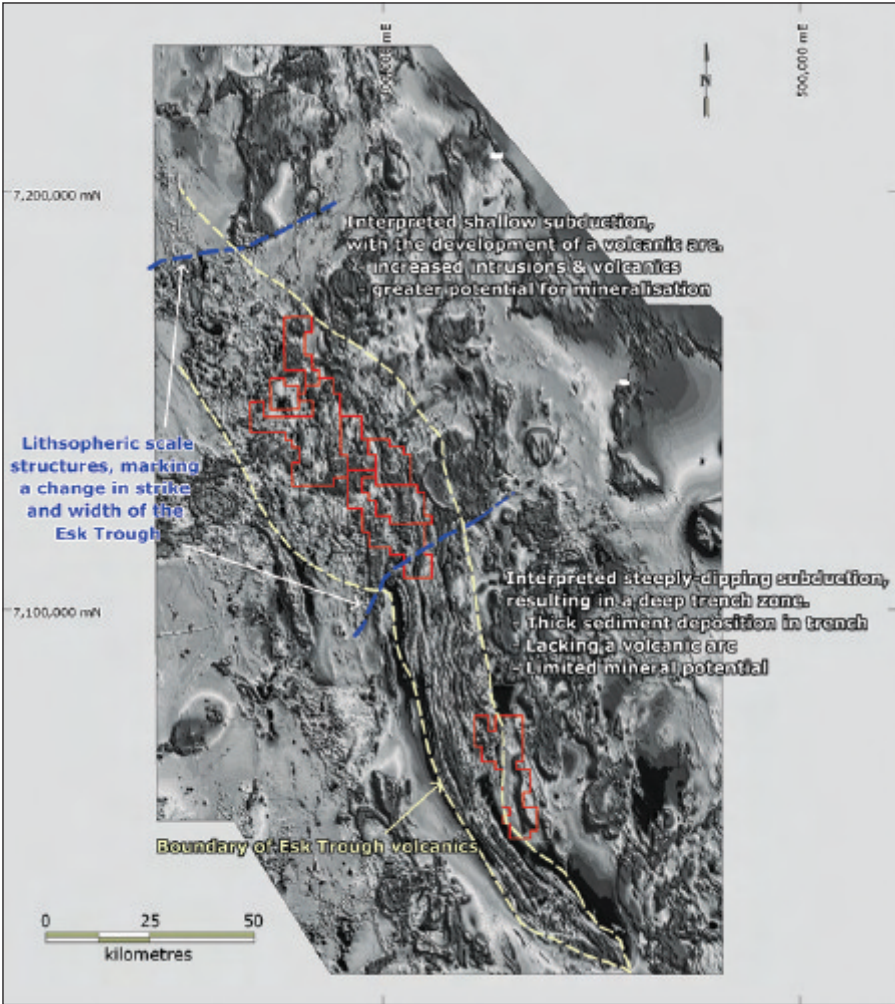
In November 2007, ActivEX won an Industry Network Initiative grant from the State Government to assist with research into the tectonic and geological history of the Esk Trough, with the aim of developing new concepts and exploration targets.

ActivEX has interpreted the Esk Trough to represent the remnants of a volcanic arc, similar to the Macquarie Volcanic Arc of NSW. The Macquarie Volcanic Arc boasts discoveries in the last 25 years of over 50 million ounces of gold with associated copper, including the giant Cadia deposits.

With the assistance of the grant, expert consultants Greg Corbett and Kaylene Camuti, in conjunction with our staff, have developed a conceptual model for the Esk Trough. It highlights areas of shallow subducting crust, identified in the giant Andean system as being most prospective for (large) porphyry system development. Within these highlighted areas we have consolidated our tenement holdings and identified all examples of known porphyry mineralisation such as at Boobyjan and Sefton and other occurrences which exhibit evidence for upper level alteration zones of a porphyry system.

These clay alteration zones, located along the Perry Fault, are an important indicator of hydrothermal activity and will be the focus of future work designed to point to mineralised porphyry and epithermal centres.

*Targeting prospective sections of the Esk Trough for porphyry and epithermal systems*



Esk Trough project map showing prospects and conceptual model



## Barambah

In 2007, ActivEX 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 and 1990s from an open pit.

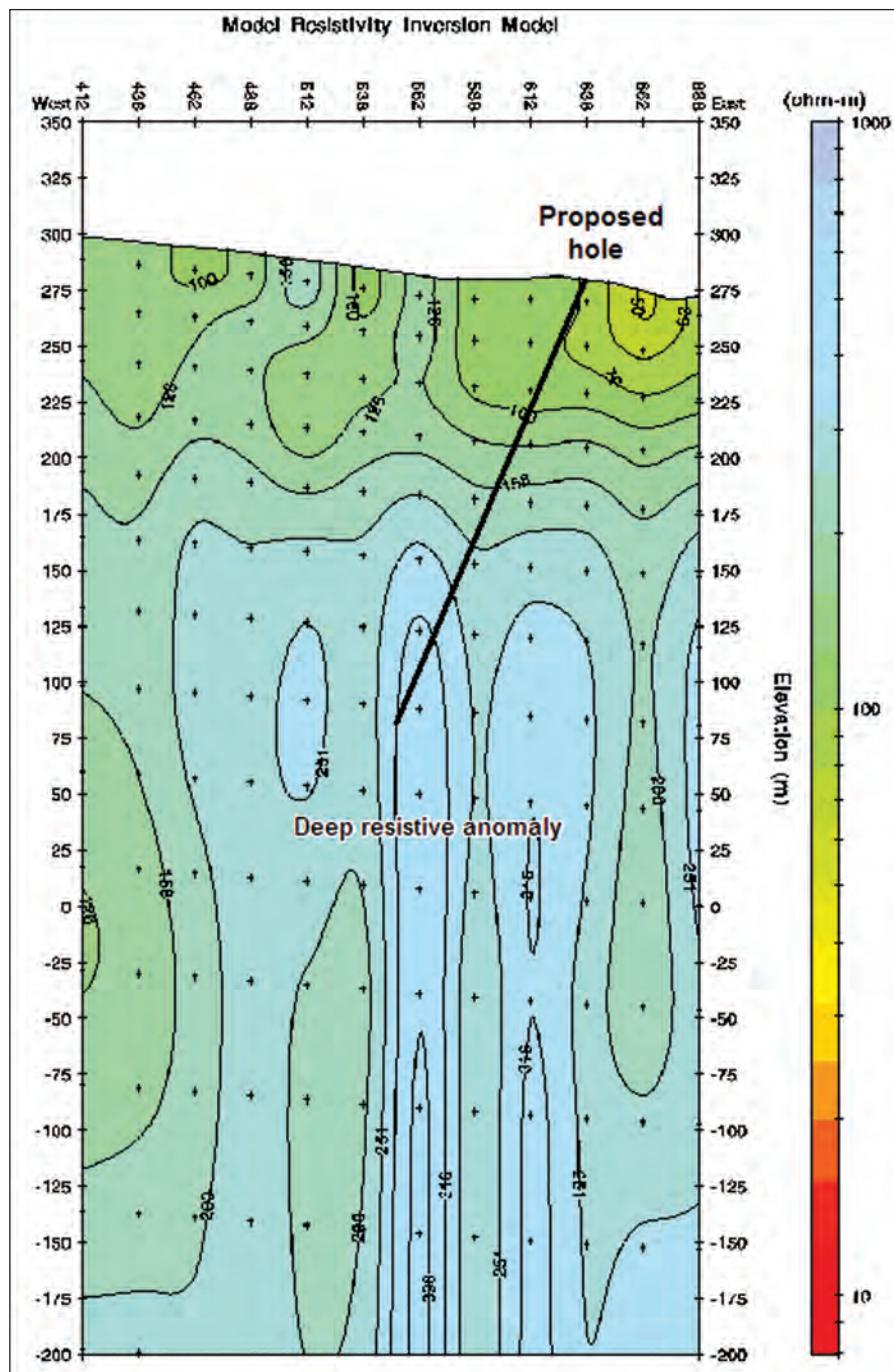
Previous drilling within the vicinity of the old mine recorded high grade intersections, including 1 m @ 14.7g/t Au and 385g/t Ag, and

1 m @ 30g/t Au and 144g/t Ag. These holes were limited to depths of less than 100 m, leaving potential for further untested resources at depth. Additional mineralisation may also occur along strike of the vein, which can be traced for more than 3.7 km.

ActivEX completed a CSAMT survey early in 2008 with the aim of identifying resistive quartz veins that host the mineralisation at Barambah. Several anomalies were identified that warrant drill testing.

The planned drill program will also test depth extensions to the known mineralisation, along a possible ore shoot apparent in previous drilling results.

A review of geochemical sampling completed by previous exploration companies is being completed, to identify any similar prospects within the area.



CSAMT section showing planned drilling



Gold–silver bearing vein

*Drilling planned to test depth extensions to high grade gold–silver vein deposit*



Barambah pit





## Cloncurry Projects

The Company continues to acquire exploration ground in the exciting Cloncurry copper–gold–uranium district of north-west Queensland.

Seven EPM applications are in progress, of which 4 are subject to competitive tender whilst three have priority. The Florence Creek area is granted.

The new areas mostly consolidate the Company's holdings in the Florence Creek area and have been selected due to the coincidence of important structures, fertile granite heat sources and known copper, gold and uranium mineralisation.

These factors are important in the exploration for Iron Oxide style copper–gold deposits, such as Ernest Henry, for which the Cloncurry district area is well known.

Skarn styles, such as the recently announced, very large Mt Elliott deposit south of Florence Creek,

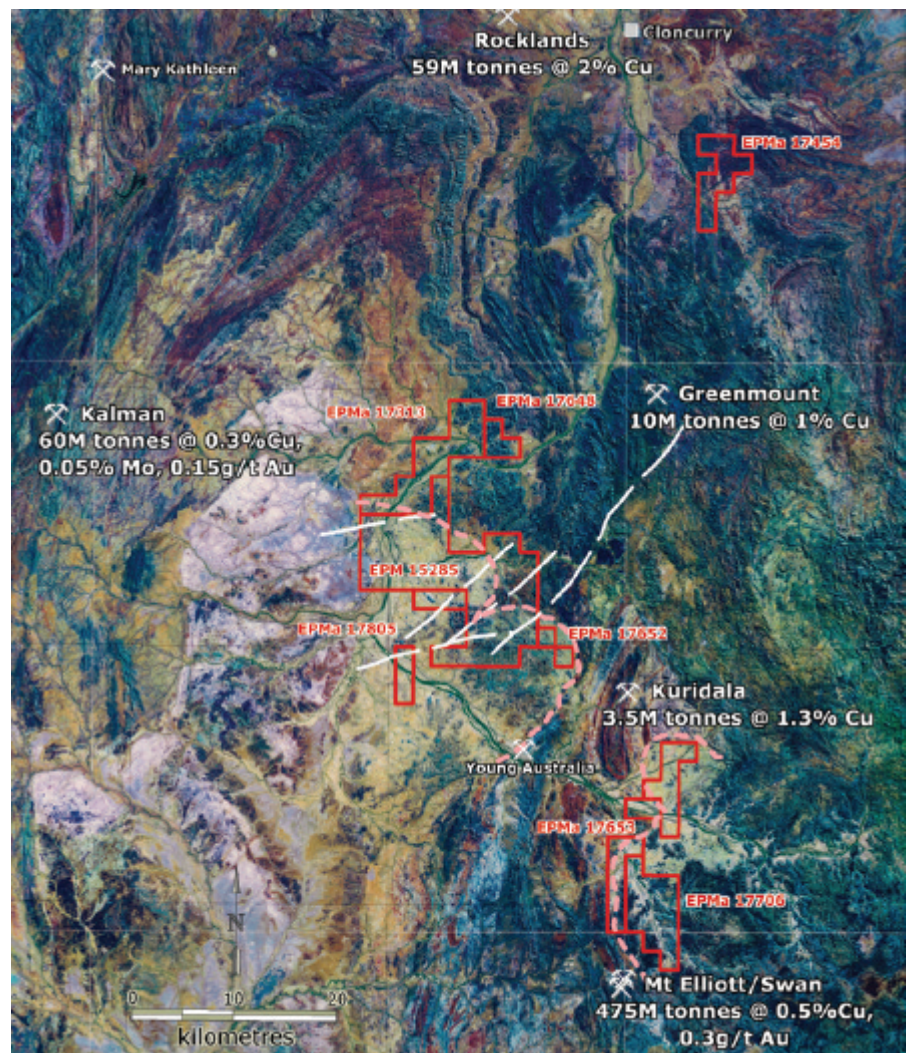
are also deposited by similar systems and the same factors are important in their formation and indicate prospective areas.



### Old Dandy workings, Florence Creek

Initial work in the Florence Creek area has identified many IOCG and skarn style targets with magnetics and gravity being the principal exploration tools.

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



ActivEX EPM holdings in the Cloncurry district showing other development projects in the area



## Florence Creek

Previous explorers have carried out several exploration campaigns targeting magnetite hosted mineralisation. These programs culminated in shallow drilling which intersected significant copper including 4 m @ 3% Cu and 0.3g/t Au at **Florence Bore** and intersections of up to 12 m @ 2.9% Cu and 0.38g/t Au from the **Trump** line of lode.

Little attention has been paid to magnetite poor skarns and haematite dominant IOCG occurrences. Roxby Downs in South Australia is the best known of the haematite dominant deposits.

These targets may be only weakly magnetic but may present as gravity anomalies.

Our field work has identified several occurrences of copper mineralised haematitic granite breccias and copper gold mineralised skarns. We have carried out ground gravity and magnetic surveys to delineate targets in these areas.



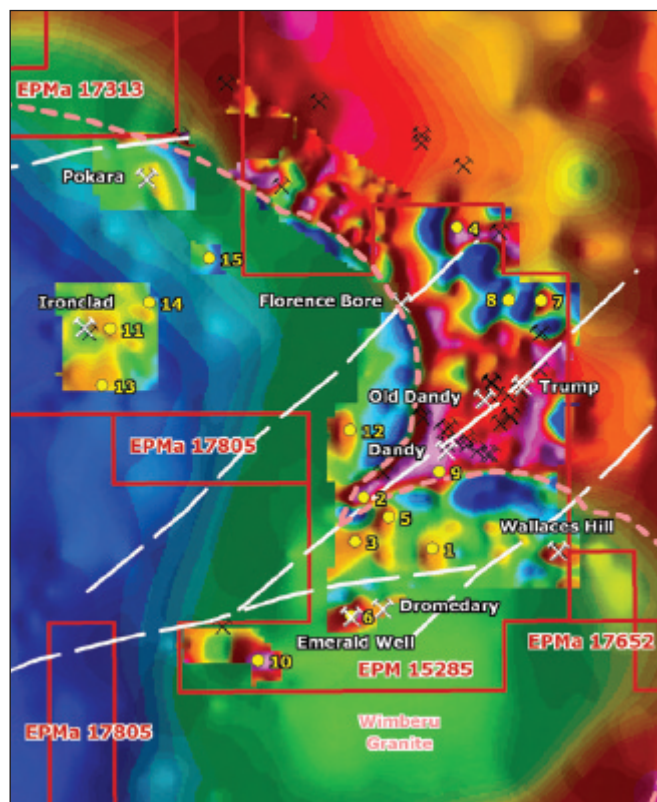
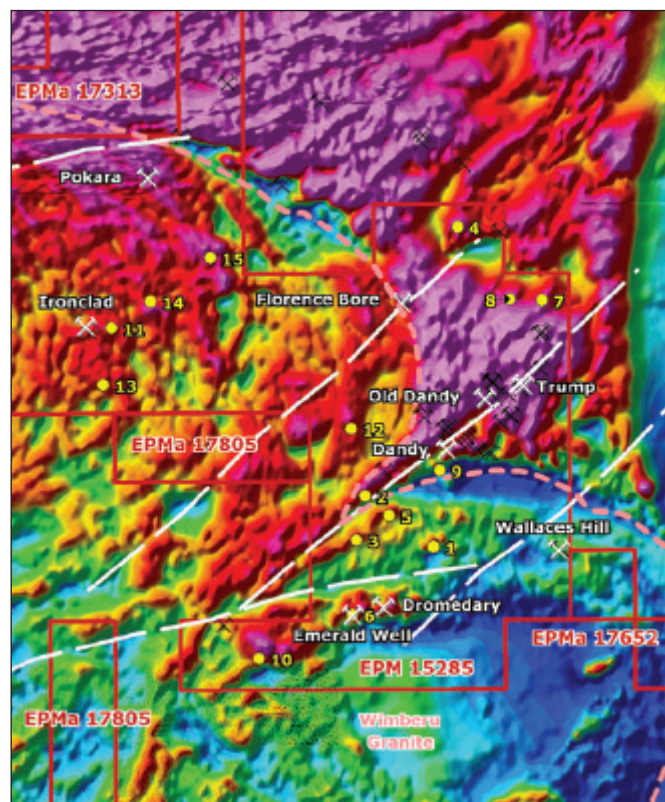
Copper mineralised granite breccia — Florence Creek area

Several coincident magnetic and gravity anomalies have been found including areas with known copper–gold mineralisation at **Emerald Well**, **WC Prospect**, **Green Valley** and **Dandy Extended**.

Haematite dominant granite breccias with copper mineralisation have also been located at **Pokara** and **Ironclad**. Both are associated with strong structures and extensive red rock alteration.

ActivEX continues to develop targets in the field in this area with a view to drill testing in the coming year.

*Strong structural trends with haematite alteration, copper–gold occurrences and coincident gravity and magnetic anomalies*



Florence Creek EPM showing aeromagnetics (LHS) and gravity (RHS) with targets identified

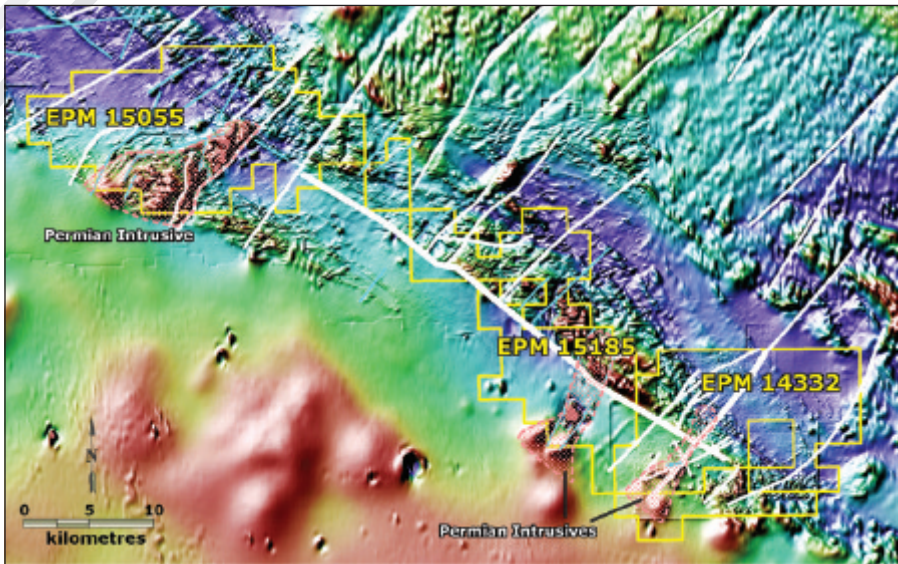


*Permian intrusive events on strong NE structures*



Mt Remarkable stockwork veins

*Zones of magnetite destruction associated with gold–copper–molybdenum mineralisation*



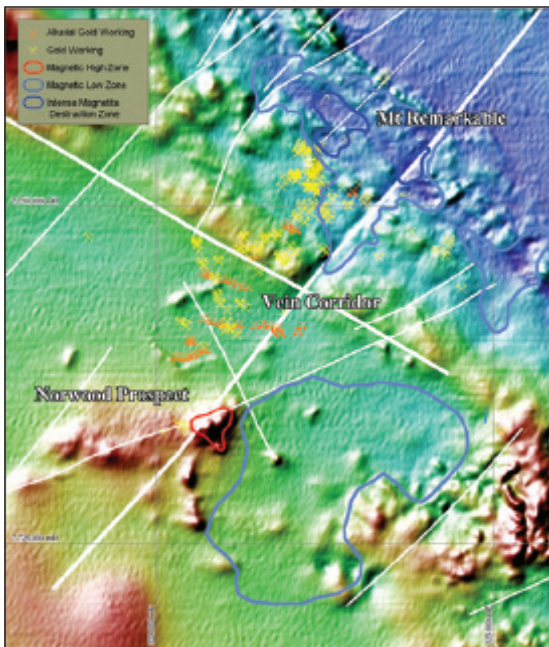
Pentland aeromagnetics, tenements and Permian intrusives

## Pentland

ActivEX has conducted significant ground surveys in the Pentland area which have refined several targets for porphyry style copper–gold–molybdenum mineralisation. The main focus in this project has been the Mt Remarkable (Mt Specimen) — Norwood Corridor but several Permian intrusive centres associated with north-east structures have been identified in regional work. These centres are the focus for our ground surveys which are in progress and they have the potential to host other mineralised systems similar to Mt Remarkable.

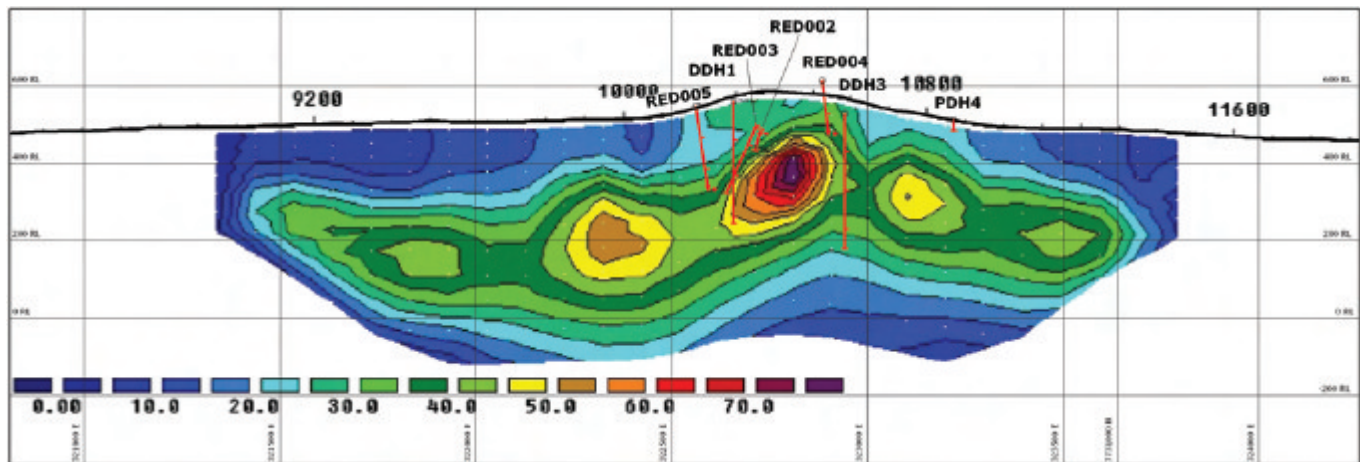
Detailed infill IP surveys at both Mt Remarkable and Norwood have significantly improved our knowledge of the areas and modelling of results has shown large IP anomalies which have not been effectively tested.

At **Mt Remarkable/Mt Specimen** the prospect is coincident with a large magnetite destruction zone. This represents destruction by hot hydrothermal fluids associated with mineralisation. A significant IP anomaly has been 3D modelled and is 800 m long and 400 m wide, plunging steeply to the north-north-east.



Mt Remarkable — Norwood Corridor aeromagnetics





Mt Remarkable IP section showing anomaly and previous drilling

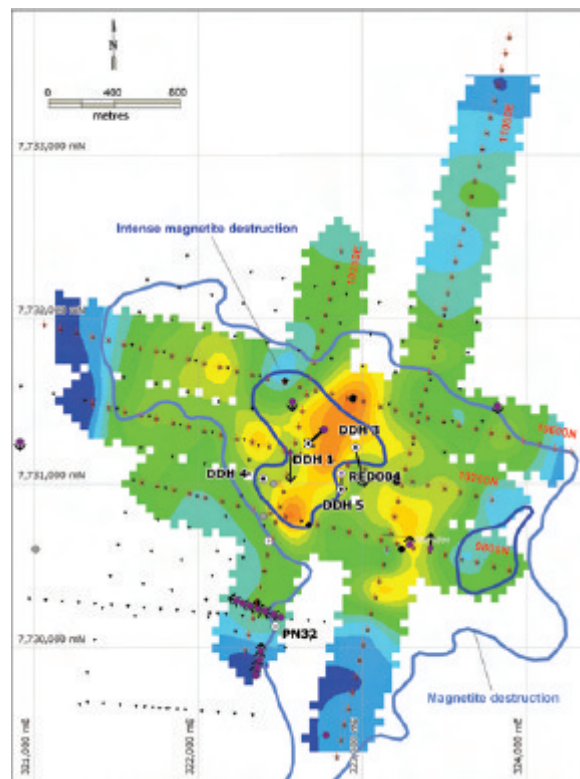
The only hole that has effectively tested the IP anomaly intersected 47 m @ 0.92g/t Au with associated copper mineralisation at the base of the hole. Other holes which intersect above and generally to the south of the anomaly have shown scattered intersections of gold–copper mineralised stockwork veins similar to those seen in outcrop.

The IP target is a high priority target ready for test drilling.

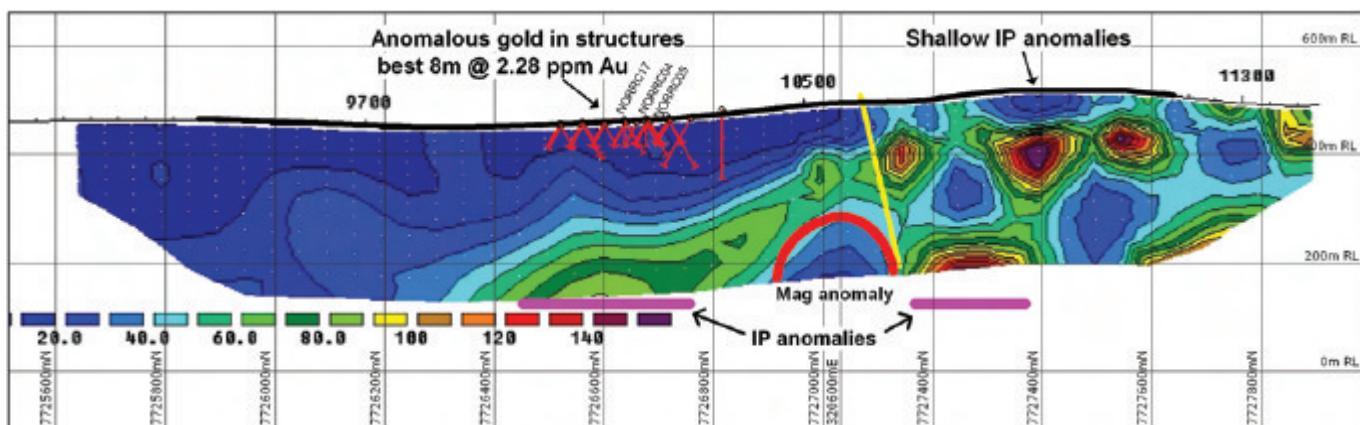
At **Norwood**, previous drilling campaigns have intersected significant gold mineralisation at shallow depths including 18 m @ 0.98g/t Au and 8 m @ 2.28g/t Au.

These intersections are adjacent to a magnetite bearing porphyry which has associated gold mineralisation. Surrounding this porphyry are shallow and deeper IP anomalies which have never been tested and indicate sulphide enrichment zones.

The Company is considering its funding options for this project.



Mt Remarkable IP depth slice at -270m



Norwood IP section showing targets

Visible molybdenum encountered during drilling at Native Dog

Lake Monduran

ActivEX Limited has completed an RC percussion drilling program at the **Native Dog** prospect.

The program has been partly funded by a Cooperative Drilling Initiative grant from the Queensland Department of Mines and Energy.

Seven holes for a total of 555 metres were drilled to test a 2 km structurally controlled greisen zone at the contact of Watalgan Granite and Gympie Group sediments.

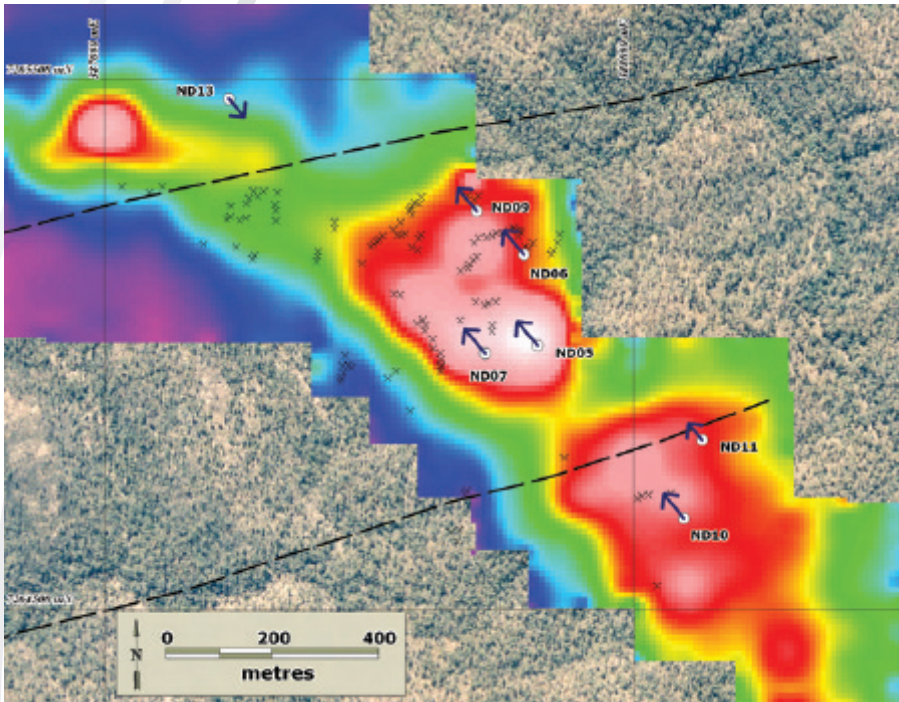
Visible molybdenite mineralisation was seen in 5 of the holes, often through to the bottom of the holes (72–102 m — note 102 m was the limit of the capability of the drill rig). Molybdenite was seen to be associated with both quartz veining and disseminated through the greisen.

The greisen occurs at the contact zone of an intruding granite where hot mineralising fluids are pooled against the sediments, causing considerable alteration to the granite host. Structures affect the zone on cooling allowing late stage fluids to deposit, often forming sheeted quartz veins in dilational structures.

Historic workings for wolframite (Fe,MnWO<sub>4</sub> — ore mineral of tungsten) contain evidence of molybdenite (MoS<sub>2</sub> — ore mineral of molybdenum) with both minerals hosted by quartz vein systems.

Previous exploration by ActivEX defined a molybdenum soil anomalous zone, 2 km by 490 m wide, associated with the greisen. Drilling has confirmed visible molybdenite disseminated throughout the greisen. The presence of disseminated mineralisation within the greisenised granite confirms the potential for a large tonnage target in the area. However, grades achieved are not economic in the current market.

The Company plans to review the project to seek zones of higher grade molybdenum mineralisation in the area.



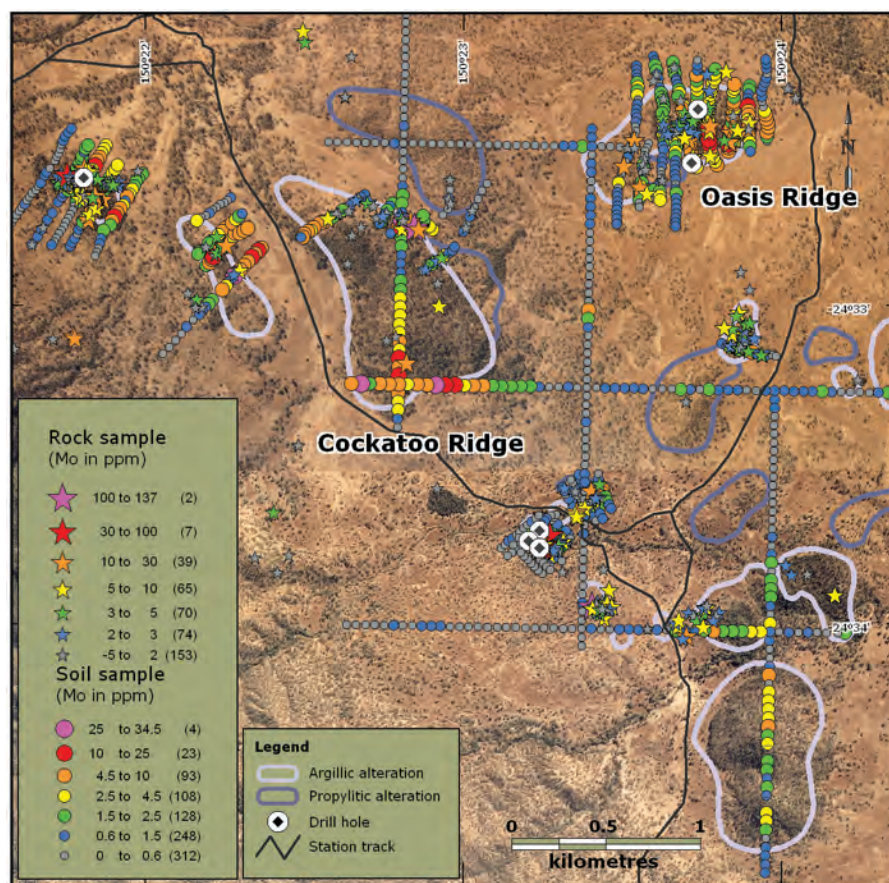
Native Dog — old workings on molybdenum soil geochemistry with drill holes

Drilling at Native Dog returned anomalous molybdenum zones up to 33 m thick

Hole ID	From (metres)	To (metres)	Interval (metres)	Mo ppm
ND 05	0	25	25	240
including	8	16	8	395
ND06	81	102	21	271
including	82	88	6	640
ND 07	4	7	3	378
ND09	37	56	19	292
including	40	47	7	567
ND 10	3	36	33	194
including	24	27	3	373

Native Dog significant drill intersections





Gossans West prospect with molybdenum geochemistry over aerial photograph

*Drilling at Gossans West suggests potential for a deeper porphyry copper–molybdenum target*

## Prospect Creek

A first pass RC drilling program was conducted at Prospect Creek. Two holes were drilled at Prairie Creek and six holes were drilled at Gossans West. Drilling at the **Gossans West** prospect was disappointing for gold, but has presented other possibilities for the area.

Drilling at **Prairie Creek** returned only weakly anomalous results, with a maximum of 2 m @ 0.9g/t Au in the first hole. The 5.3g/t Au soil anomaly was not explained by the drilling in the second hole.

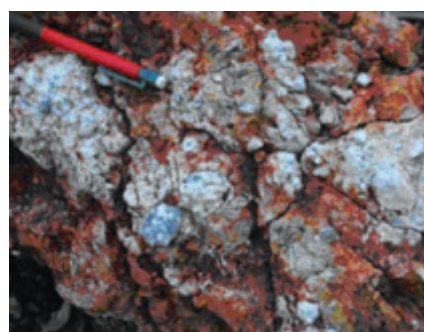
**Gossans West** displays features of a high sulphidation epithermal gold mineralisation system probably overprinted by a late stage low sulphidation system. Drilling was aimed to test these systems but only very low gold values were intersected.

Anomalous molybdenum values from both the drilling and previous soil geochemistry at **Cockatoo Ridge** and **Oasis Ridge** suggest the potential for a deeper copper–molybdenum porphyry system.

Advanced argillic alteration zones can also be derived by the degassing of intrusions at depth and so may point towards buried porphyries.

Cockatoo Ridge is a hydrothermal breccia pipe, with quartz–feldspar porphyry clasts containing secondary molybdenum minerals formed by the weathering of molybdenite within these clasts. This breccia may overlie a molybdenum-bearing mineralised intrusion at depth. Further geochemical and PIMA testing will be carried out to better define the anomalies and zoning within the advanced argillic alteration.

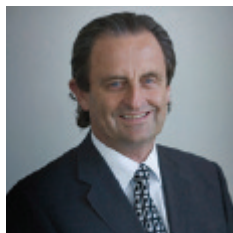
Geochemical sampling is also planned for the **Tarramba Creek** prospect, to follow up anomalous molybdenum and copper results in rock chip samples.



Quartz feldspar porphyry breccia at Cockatoo Ridge



## THE ACTIVEX TEAM



**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 and non-executive director of Hill End Gold since 5 September 2008. He is also a non-executive director of unlisted International Base Metals Ltd. and has been the Honorary Consul for Botswana in New South Wales since May 2008.



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

*Appointed 18 March 2005*

Paul is an accountant with 29 years of commercial experience, including 26 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.

Paul is also a Director and Company Secretary of DiamonEx Limited since 10 March 2000 and Director and Company Secretary of Orocobre Limited since 20 January 2005.



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

*Appointed 18 March 2005*

Doug is a geologist with over 30 years experience in exploration for gold, base metals, coal and some industrial minerals. His career has included regional management roles for major Australian companies and 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.

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



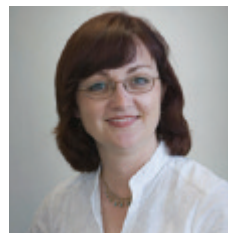
**Peter Hwang**  
B.Sc (Hons), LL.B.  
*Non-Executive  
Director*

*Appointed 18 March 2005*

Peter 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.



**Jane Harvey**  
B.Sc (Hons)  
*Geologist*

Jane graduated from UQ in 2006 with first class honours project at Boobyjan and has worked with the company since. She has gained considerable experience in epithermal and porphyry style mineralisation systems.



**Dean Magaina**  
*Field Assistant*

Dean is an experienced field assistant having worked for several exploration companies in QLD and SA. He supervises field programs, maintains company equipment and liaises with landowners.



# TENEMENT SCHEDULE

Project	Name	Tenement	Grant	Expiry	ActivEX Holding	Size (km²)
QUEENSLAND						
Prospect Creek	Prospect Creek	EPM 14121	3 Aug 2005	2 Aug 2010	100%	172
	Westwood	EPM 15814	12 Dec 2006	11 Dec 2011	100%	173
	Mt Tam	EPM 15980	14 Feb 2007	13 Feb 2011	100%	312
Pentland	Pentland	EPM 14332	10 Dec 2004	9 Dec 2009	100%	241
	Oxley Creek	EPM 15055	11 Jan 2006	10 Jan 2011	100%	248
	Norwood South	EPM 15185	3 Aug 2006	2 Aug 2011	100%	145
Lake Monduran	Lake Monduran	EPM 14378	1 Aug 2005	31 July 2010	100%	100
Boobyjan	Boobyjan	EPM 14476	8 Jun 2004	7 Jun 2009	ActivEX Limited 100%, (Minotaur earning up to 51%, Mitsubishi earning up to 24%)	87
	Dadamarine	EPM 14979	12 April 2005	11 April 2010		77
Barambah	Barambah	EPM 14937	14 Mar 2005	13 March 2009	Norton Gold Fields 100%, ActivEX earning up to 75%	43
Cloncurry	Florence Creek	EPM 15285	30 Oct 2007	29 Oct 2012	100%	163
	Malbon	EPM 17313	Application – priority		100%	51
	Camel Hill	EPM 17454	Application – competitive		100%	26
	Malbon East	EPM 17648	Application – competitive		100%	10
	Selwyn Road	EPM 17652	Application – competitive		100%	6
	Company Hole	EPM 17653	Application – competitive		100%	26
	Company Hole Extended	EPM 17706	Application – priority		100%	64
	Florence Flats	EPM 17805	Application – priority		100%	19
Esk Trough	Blairmore	EPM 16265	4 Sep 2007	3 Sep 2012	100%	309
	Ban Ban	EPM 16327	31 Jul 2007	30 Jul 2012	100%	90
	Goomeri	EPM 16817	7 May 2008	6 May 2010	100%	194
	Tansey	EPM 16993	7 May 2008	6 May 2010	100%	117
	Elginvale	EPM 17092	Application – priority		100%	230
WESTERN AUSTRALIA						
Lake Chandler	Lake Chandler	M77/22	17 Jan 1985	16 Jan 2027	Option to purchase 100%	3.6

Current as at 30 September 2008

# **ACTIVEX LIMITED**

**ABN 11 113 452 896**

**FINANCIAL REPORT  
FOR THE PERIOD ENDED  
30 JUNE 2008**



## 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" 2<sup>nd</sup> Edition (the "Principles") 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.

The Board has clearly delegated all powers to the Managing Director necessary to effectively and efficiently carry out the business of the Company. The exceptions to this, where Board approval is required, have been clearly stated in the Company's Corporate Governance Manual.

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

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

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

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

The Non-executive Directors are responsible for regularly evaluating the Managing Director's performance. This evaluation is based on the Company's business performance and whether strategic objectives are being achieved. The Managing Director reviews other executives and staff performance. Performance pay components of executives' packages are dependent on the outcome of the evaluations. The results of the Managing Director's performance reviews of senior executives and staff are reported to the Board for information. The performance of senior executives and staff is reviewed on a formal basis annually and this has taken place for 2008 in accordance with the process detailed above.

## **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 Principles.

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 the intention of ActivEX to consider the appointment of additional independent non-executive directors as the Company's activities expand and additional skill sets are required.

## **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.

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

## **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 current year review is planned for December 2008.

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

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

### **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**

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

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

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

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

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

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 ASX listing rules on continuous disclosure. 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 continuous disclosure, 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 reviews of risk and a regular update of the risk profile is undertaken by the Board. This normally occurs in conjunction with the strategic planning process. The internal audit is carried out to analyse and give an independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control system. The internal audit function is independent of the external auditor.

Given the size and scale of operations and stage of development of the Company, the Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of 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 and other senior executives and staff receive a base salary, superannuation and fringe benefits and equity based performance remuneration. Superannuation payments consist of the 9% superannuation guarantee contribution. Individuals may elect to salary sacrifice part of their salary to increased payments towards superannuation. No other form of retirement benefit is paid.

Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is not linked to the performance of the Company. However, to align 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. Any equity based remuneration proposed to be granted to executive directors will only be granted with shareholder approval.

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

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

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



**ACTIVEX LIMITED**  
ABN 11 113 452 896

**DIRECTORS' REPORT**

---

Your Directors present their report of the Company for the financial year ended 30 June 2008.

**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 8 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	8	8
Douglas I Young	Managing Director	8	8
Paul A Crawford	Non Executive Director	8	8
Peter H Hwang	Non Executive Director	8	8

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 since 30 March 2006. Hill End Gold Ltd since 5 September 2008. ElDore Mining Corporation Ltd from 21 October 2005 to 2 February 2007.

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

*Directorships held in other listed companies*

DiamonEx Limited since 10 March 2000. Orocobre Limited since 20 January 2005.

## **DIRECTORS' REPORT**

---

**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 business law qualifications. He has been Company Secretary and a Director of the Company since its incorporation.

### **5. Principal Activities**

The principal activity of the Company during the course of the year was mineral exploration. The Company holds mineral exploration tenements in Queensland. 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 \$427,049 (2007: \$328,420). Exploration and evaluation expenditure during the period totalled \$1,072,275 (2007: \$586,698).

During the year the Company has continued to experience a lack of available drill rigs. However this has been overcome in the early part of 2008 and to date active drilling programs have been carried out on three of the Company's prospective areas.

At **Booubyjan** (joint venture with Minotaur: Mitsubishi companies have option to join joint venture) the work has included:

- Drilling of 4 holes in the Goonuloom area with geophysical targets at Kiwi, Bath, White Horse and Kakapo being tested. Results received to date are from the first hole drilled which returned two broad zones of moderate copper and gold mineralisation associated with magnetite alteration. They were:-
  - from 28 to 44m; **16m @ 0.13%Cu, 0.06g/t Au**
  - from 60 to 102m; **42m @ 0.13% Cu, 0.04g/t Au.**
- Commencement of drilling of two holes at Sefton to test IP targets with associated molybdenum mineralisation.

## **DIRECTORS' REPORT**

---

At **Prospect Creek** the Company has completed a drilling program of 8 holes:

- At **Prairie Creek Prospect**, targets are along strike to the north and northeast of previous drilling by CRA Exploration which recorded significant gold intercepts (e.g. 52m @ 2.1g/t Au). Two holes were drilled but results of the holes were below expectations with significant gold values recorded in one hole only, the best zone being 2m @ 0.93g/t Gold in PCKH01 (56-58m). Both holes intersected zones of quartz veining but in general the gold values were low.
- At **Gossans West Prospect**, alteration pipes over multiple centres with widespread, significant alteration caps and epithermal quartz textures were targeted. Drilling was aimed to test anomalous zones of low level gold, arsenic and mercury interpreted to sit above high grade bonanza-style epithermal targets. Despite intersecting significant silica-clay alteration and pyrite (iron sulphide) mineralisation the assay results recorded no significant gold values.

At **Lake Monduran**, drilling is in progress at the Native Dog prospect. Six holes have been completed of the 11 hole program with visible molybdenum seen throughout three of the completed holes. Assays for this drilling are pending.

Geophysical surveys and interpretation has been carried out at **Barambah** (joint venture with Norton Goldfields) and **Pentland** and in both cases drill targets have been selected for testing.

The Company has acquired the **Florence Creek Project** during the year and has applied for six additional EPMs in the area all targeting the focus elements of copper and gold. Initial field and gravity surveys have been carried out at Florence Creek with anomalies identified in the gravity and rock chip samples and several IOCG (iron oxide copper gold) and skarn targets have been identified.

The Company has made application for new EPMs in the Esk trough area, two of which have been granted. 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.

Applications for funding assistance with the Department of Mines and Energy have been made on two occasions during the year, both of which were successful. The successful grants made under the Cooperative Drilling Initiative and the Industry Network Initiative respectively have been for 50% of drilling costs at Native Dog and for target generation in the Esk Trough area and total up to \$95,000.

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 group is in a stable financial position, but will need to raise further capital to undertake its ongoing exploration activities. Directors are currently considering a number of funding options. The net asset position of the Company at 30 June 2008 is \$2,353,621 including a cash balance of \$688,339.

#### **Continued Operations and Future Funding**

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

At 30 June 2008, the Company's balance sheet shows total assets of \$2,579,990 total liabilities of \$226,369 and net assets of \$2,353,621, including cash assets of \$688,339. Conditions of exploration permits held include minimum expenditure commitments. Committed expenditure in the next 12 months totals \$865,000.

The Company undertakes exploration activity on a number of projects. Historically, this activity has been financed by equity and joint ventures. The Company's ability to continue with these planned



## **DIRECTORS' REPORT**

---

exploration activities is dependent on having finance available. For that purpose, the Company will need to raise further funds in next 12 months.

Since balance date, the Company has entered into a Placement Agreement to raise \$270,000 and Directors are reviewing exploration activity and corporate expenditures. On the basis of completing currently planned activities, a further \$400,000 will also need to be raised. Directors are confident that funding initiatives will be successful, however no commitment has yet been made as to the source of any additional funding.

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

### **8. Dividends**

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

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

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

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

Since the end of the financial year the Company has entered into a placement agreement with Scintilla Corporate Pty Ltd to place up to 4.5 million shares at 6 cents per share to raise up to \$270,000. The funds will be contributed to working capital and to enable the Company to evaluate potential projects and activities. It is anticipated that the placement will be completed by 26 September 2008.

The agreement also provides for the issue to Scintilla of up to 750,000 placement options in lieu of fees and will depend upon performance for the services provided. The options to acquire shares are issued without monetary consideration and will be exercisable by 30 September 2010 at an exercise price of 12 cents each. The issue of these placement options will be subject to shareholder approval at the Company's AGM later this year

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 various public announcements. The level of activity will be determined by the continued availability of funding.

The Directors will continue to review external opportunities which may arise with a view to acquisition, farm-in or corporate investment.

### **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.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**DIRECTORS' REPORT**

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 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. Further details on options issued under the Plan are set out in note 11 in the financial statements. The Company currently does not have any other performance-based incentive component built into Director and executive remuneration.

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:

2008 Key Management Personnel	Short term benefits		Equity Settled Options	Post- employment Superannuation	Total	Performance Related (i) %
	Salary & Fees	Non- Cash Benefits				
Douglas I. Young	183,486	13,462	1,352	16,514	214,814	0.629%
Ian C. Daymond	30,000	-	-	2,700	32,700	0.000%
Paul A. Crawford	-	-	676	21,800	22,476	3.008%
Peter H. Hwang	20,000	-	-	1,800	21,800	0.000%
	233,486	13,462	2,028	42,814	291,790	0.695%

2007 Key Management Personnel	Short term benefits		Equity Settled Options	Post- employment Superannuation	Total	Performance Related (i) %
	Salary & Fees	Non- Cash Benefits				
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%

(i) Represents the percentage of total remuneration represented by options.

**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

# ACTIVEX LIMITED

ABN 11 113 452 896

## DIRECTORS' REPORT

In the previous year the company issued equity based performance remuneration to some Directors, in the form of share options. No additional equity based performance remuneration was paid in the current year. Amounts shown as equity settled options reflect the current year's amortised expense of options granted in the previous year. 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. All options vested immediately and expire within 5 years of granting. All options were granted for nil consideration.

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

### Employment Contract of Managing Director:

The contract for service between the Company and the Managing Director was renewed in the current year for an additional period of 3 years, ending April 2011 and provides for annual review of the compensation value. The agreement is subject to renewal at the end of the period. The terms of this agreement are not expected to change in the immediate future.

The Company may terminate the Managing Director's contract without cause by giving 3 months notice. If terminated without cause, the Managing Director is entitled to payment of accrued entitlements, together with the payout of the remaining term of the contract, subject to a minimum payment of \$100,000. Termination payments are not payable on resignation or serious misconduct. In the case of serious misconduct the Company can terminate employment at any time.

### Company performance, shareholder wealth and director and executive remuneration

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

	2005	2006	2007	2008
Exploration expenditure (\$)	80,154	372,409	586,698	1,072,275
Exploration tenements (no.)	7	7	10	16
Net assets (\$)	220,935	2,973,902	2,777,259	2,353,621
Share Price at Year-end (\$)	N/A	0.14	0.13	0.08
Dividends Paid (\$)	NIL	NIL	NIL	NIL

### 13. Indemnifying Officers and Auditor

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



## DIRECTORS' REPORT

### 15. Options

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

Grant Date	Expiry Date	Exercise Price	No. Under Option
31 July 2006	27 February 2009	\$0.20	15,194,361
20 November 2006	20 November 2011	\$0.25	450,000
1 January 2008	31 August 2012	\$0.25	150,000

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.

No options were exercised during the year or to the date of this report.

### 16. Environmental Issues

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

In August 2008 the Company suspended drilling on the Lake Monduran project when it was advised that a number of proposed drill holes were located in a buffer zone surrounding a State forest. Environmental approvals did not provide for this activity. Drilling was suspended pending submission of a revised environmental plan to provide for the proposed drilling.

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 other 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 2008 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: 24 September 2008  
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 2008, I declare that, to the best of my knowledge and belief, there have been:

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

*Hayes Knight Audit (Qld) Pty Ltd*

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

*Nigel Bamford*

**N D Bamford**  
Director

Date: 24 September 2008

## DIRECTORS' DECLARATION

---

The Directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2008 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: 24th day of September 2008



**ACTIVEX LIMITED**

ABN 11 113 452 896

**INCOME STATEMENT**  
for the year ended 30 June 2008

	Note	2008 \$	2007 \$
Revenue and other income	2	94,437	141,520
Less expenses:	3		
Corporate & administrative expenses		(248,339)	(266,807)
Employee benefits expense		(103,123)	(95,901)
Occupancy costs		(55,701)	(29,659)
Current year exploration & evaluation expenditure written-off		(89,106)	(64,814)
Capitalised exploration & evaluation expenditure written-off		(25,217)	(12,679)
Finance costs		-	(80)
<b>Loss before income tax expense</b>		<b>(427,049)</b>	<b>(328,420)</b>
Income tax expense	4	-	-
<b>Loss for the year</b>		<b>(427,049)</b>	<b>(328,420)</b>
<b>Loss attributable to members of the company</b>		<b>(427,049)</b>	<b>(328,420)</b>
Basic earnings per share (cents per share)	21	(1.41)	(1.08)
Diluted earnings per share (cents per share)	21	(1.41)	(1.08)
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 2008

	Note	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	688,339	1,983,342
Trade and other receivables	6	210,603	51,208
Other	7	36,328	-
<b>Total Current Assets</b>		<b>935,270</b>	<b>2,034,550</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	87,569	102,048
Exploration and evaluation assets	9	1,521,851	835,695
Other receivables	6	35,300	-
<b>Total Non-Current Assets</b>		<b>1,644,720</b>	<b>937,743</b>
<b>TOTAL ASSETS</b>		<b>2,579,990</b>	<b>2,972,293</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	226,369	195,034
<b>Total Current Liabilities</b>		<b>226,369</b>	<b>195,034</b>
<b>TOTAL LIABILITIES</b>		<b>226,369</b>	<b>195,034</b>
<b>NET ASSETS</b>		<b>2,353,621</b>	<b>2,777,259</b>
<b>EQUITY</b>			
Issued Capital	11	3,196,964	3,196,964
Reserves	12	135,188	131,777
Retained Earnings		(978,531)	(551,482)
<b>TOTAL EQUITY</b>		<b>2,353,621</b>	<b>2,777,259</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 2008**

	Note	Share Capital \$	Option Reserve \$	Retained Earnings \$	Total Equity \$
<b>Balance at 1 July 2006</b>		3,196,964	-	(223,062)	2,973,902
Options issued during the period		-	151,944	-	151,944
Transaction costs		-	(22,020)	-	(22,020)
Share based payment - company share option plan		-	1,853	-	1,853
Loss attributable to members of entity		-	-	(328,420)	(328,420)
<b>Balance at 30 June 2007</b>		<u>3,196,964</u>	<u>131,777</u>	<u>(551,482)</u>	<u>2,777,259</u>
Share based payment - company share option plan	11	-	3,411	-	3,411
Loss attributable to members of entity		-	-	(427,049)	(427,049)
<b>Balance at 30 June 2008</b>		<u>3,196,964</u>	<u>135,188</u>	<u>(978,531)</u>	<u>2,353,621</u>

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 2008

	Note	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(651,204)	(468,392)
Interest received		94,437	120,813
Finance costs		-	(80)
<b>Net cash provided by (used in) operating activities</b>	13	<u>(556,767)</u>	<u>(347,659)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capitalised exploration expenditure	9	(983,169)	(574,019)
Earn-in contribution by joint venture partner	9	271,796	178,208
Purchase of property, plant and equipment	8	(26,863)	(92,161)
<b>Net cash provided by (used in) investing activities</b>		<u>(738,236)</u>	<u>(487,972)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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>		<u>-</u>	<u>129,924</u>
<b>Net increase/(decrease) in cash held</b>		(1,295,003)	(705,707)
<b>Cash at beginning of year</b>		1,983,342	2,689,049
<b>Cash at 30 June 2008</b>	5	<u>688,339</u>	<u>1,983,342</u>

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 2008

---

### 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.

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

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.

#### Continued Operations and Future Funding

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

At 30 June 2008, the Company's balance sheet shows total assets of \$2,579,990 total liabilities of \$226,369 and net assets of \$2,353,621, including cash assets of \$688,339. Conditions of exploration permits held include minimum expenditure commitments. Committed expenditure in the next 12 months totals \$865,000.

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

Since balance date, the Company has entered into a Placement Agreement to raise \$270,000 and Directors are reviewing exploration activity and corporate expenditures. On the basis of completing currently planned activities, a further \$400,000 will also need to be raised. Directors are confident that funding initiatives will be successful, however no commitment has yet been made as to the source of any additional funding.

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

#### Income Tax

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

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

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

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2008

---

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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

#### Property, Plant and Equipment

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

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%.

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.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2008

---

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

#### **Restoration Costs**

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

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

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

#### **Financial Instruments**

##### *Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

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

##### *Derecognition*

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

##### *Loans and receivables*

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

##### *Financial Liabilities*

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

#### **Impairment**

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

#### **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.



# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2008

---

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

#### Cash and Cash Equivalents

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

#### 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.

#### 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.

#### 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.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2008

---

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

#### 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.

Furthermore, as outlined above, the financial report has been prepared on a going concern basis.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2008**

	2008 \$	2007 \$
<b>NOTE 2: REVENUE &amp; OTHER INCOME</b>		
<b>Revenue from operating activities:</b>		
Interest received from other persons	94,437	141,520

**NOTE 3: EXPENSES**

Included in expenses are the following items:

Exploration expenditure expensed	89,106	64,814
Capitalised exploration & evaluation expenditure written-off	25,217	12,679
Depreciation & amortisation	41,342	20,756
Rental expense on operating leases	52,529	28,381

**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% (2007: 30%).	(128,115)	(98,526)
--	-----------	----------

**Adjust for tax effect of:**

Non-deductible amounts	1,024	598
Tax losses and temporary differences not brought to account	127,091	97,928

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

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

Temporary differences (comprising exploration expenditure, provisions and other items)	(596,596)	(315,939)
Tax losses	832,558	464,389
Net unbooked deferred tax asset	235,962	148,450

The Company has unconfirmed carry forward losses of approximately \$2,775,000 (2007: \$1,548,000).

**NOTE 5: CASH AND CASH EQUIVALENTS**

Cash at bank and on hand	188,339	983,342
Short term deposits	500,000	1,000,000
	688,339	1,983,342

The effective interest rate on short term deposits was 7.2% (2007: 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 2008**

	2008 \$	2007 \$
<b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>		
<b>Current:</b>		
Deposits	-	25,300
Other receivables	210,603	25,908
	<u>210,603</u>	<u>51,208</u>
<b>Non-current:</b>		
Deposits	<u>35,300</u>	<u>-</u>

There are no balances within trade and other receivables that contain assets that are impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

**NOTE 7: OTHER ASSETS**

<b>Current:</b>		
Prepayments	<u>36,328</u>	<u>-</u>

**NOTE 8: PLANT AND EQUIPMENT**

<b>Plant and equipment</b>		
At cost	151,272	124,409
Accumulated depreciation	(63,703)	(22,361)
Total plant and equipment	<u>87,569</u>	<u>102,048</u>
Reconciliation of the carrying amounts for property, plant and equipment is set out below:		
Balance at the beginning of year	102,048	30,643
Additions	26,863	92,161
Disposals	-	-
Depreciation expense	(41,342)	(20,756)
Carrying amount at the end of year	<u>87,569</u>	<u>102,048</u>

**NOTE 9: EXPLORATION AND EVALUATION ASSET**

Exploration and evaluation expenditure carried forward in respect of areas of interest are:

Exploration and evaluation phase - at cost	<u>1,521,851</u>	<u>835,695</u>
<b>Movement in exploration and evaluation asset:</b>		
Opening balance	835,695	452,563
Capitalised exploration expenditure	983,169	574,019
Earn-in contribution by joint venture partner	(271,796)	(178,208)
Exploration expenditure written-off	(25,217)	(12,679)
Carrying amount at the end of year	<u>1,521,851</u>	<u>835,695</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**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2008**

	2008	2007
	\$	\$

**NOTE 9: EXPLORATION AND EVALUATION ASSET (continued)**

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

**Booubyjan 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 \$271,796 towards exploration expenditure on the joint venture area. Total expenditure contributed to balance date is \$450,000.

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. During the year the Company incurred \$69,387 expenditure, which has been charged directly to the income statement. Total expenditure incurred under the joint venture is \$96,080.

**NOTE 10: TRADE & OTHER PAYABLES****Current:**

Sundry payables and accrued expenses	182,492	167,905
Short term employee benefits	43,877	27,129
Total payables (unsecured)	226,369	195,034

**NOTE 11: ISSUED CAPITAL**

30,388,722 (2007: 30,388,722) fully paid ordinary shares	3,196,964	3,196,964
--	-----------	-----------

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.

<b>Options</b>	<b>No.</b>	<b>No.</b>
<b>Options listed on Australian Stock Exchange</b>	15,194,361	15,194,361
Balance at the beginning of the reporting period	15,194,361	-
Options issued during the period:		
Issued for cash on 31 July 2006	-	15,194,361
Balance at reporting date	15,194,361	15,194,361

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2008**

	2008	2007
	\$	\$

**NOTE 11: ISSUED CAPITAL (continued)**

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 nil (2007: \$151,944) have been taken up in the Option Reserve in equity.

**Unlisted Employee & Officer Options (see also note 18)**

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

	No.	No.
Balance at the beginning of the reporting period	450,000	-
Options issued during the period:		
- 20 November 2006	-	450,000
- 1 January 2008	150,000	-
Balance at reporting date	600,000	450,000

The amount of the expense during the period in relation to these options is \$3,411 (2007: \$1,853). This amount has been credited to the Option Reserve.

Other details of the options granted are:

Grant Date & Vesting	20/11/06	1/01/08
Options granted and vesting	450,000	150,000
Contractual Life of Options	5 years	4.7 years

The fair value of share options, calculated using a binomial option valuation model and assumptions for the year ended 30 June 2008:

Fair value at grant date	3.37 cents	2.31 cents
Share price	12.5 cents	12.0 cents
Exercise price	25 cents	25 cents
Expected volatility (expressed as weighted average volatility used in the modelling under binomial lattice model)	45.27%	36.24%
Option life (expressed as weighted average life used in the modelling under binomial lattice model)	5 years	4.7 years
Expected dividends	nil	nil
Risk-free interest rate (based on government bonds)	5.75%	6.75%

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.

**Capital Management**

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

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

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

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2008

	2008 \$	2007 \$
<b>NOTE 12: 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 13: CASH FLOW INFORMATION</b>		
<b>Reconciliation of Cash Flow from Operations with Loss after Income Tax:</b>		
Loss from ordinary activities after income tax	(427,049)	(328,420)
Non-cash flows in loss from ordinary activities:		
Movement in employee benefits	16,748	9,379
Depreciation	41,342	20,756
Employee options expense	3,411	1,853
Write-off of exploration & evaluation expenditure	25,217	12,679
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	(194,695)	(27,837)
(Increase)/Decrease in prepayments	(36,328)	-
(Decrease)/Increase in creditors and accruals	14,587	(36,069)
Cash flows from operations	<u>(556,767)</u>	<u>(347,659)</u>

## NOTE 14: RELATED PARTY TRANSACTIONS

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

### Key Management Personnel transactions with the Company

Key Management Personnel compensation and equity interests are detailed in note 20.

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 \$33,449 (2007:\$44,450) for accounting, Company secretarial and other services provided to the entity. The amount owing by the Company at 30 June is nil (2006:\$9,640).

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 \$5,117 (2007: \$7,425) for use of its motor vehicle for fieldwork. The amount owing by the Company at 30 June is \$3,780 (2007: \$2,822).

At the Company's annual general meeting, held in November 2007, shareholders authorised the Company to perform its obligations under a sale and purchase agreement between the Company and Findex Pty Ltd (Findex) for the acquisition by the Company of an application for an exploration permit (EPM) for minerals from Findex. Findex is a Company controlled by Mr Doug Young, a director of the Company. In accordance with the agreement, the Company has reimbursed Findex \$17,814 for expenditure incurred on the EPM. The EPM was transferred to the Company on 9 April 2008.

Shareholders further authorised the Company to perform its obligations under a net smelter return royalty deed between the Company and Findex for the payment by the Company to Findex of a 2.5% net smelter royalty on the proceeds of mineral production from the Tenement area.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2008**

	2008 \$	2007 \$
<b>NOTE 15: COMMITMENTS</b>		
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements, payable:		
Not later than 1 year	55,611	52,948
Later than 1 year but not later than 5 years	31,993	85,521
Total commitment	<u>87,604</u>	<u>138,469</u>
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>(b) Exploration Commitments</b>		
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	865,000	877,000
Later than 1 year but not later than 5 years	1,920,000	1,522,000
Total commitment	<u>2,785,000</u>	<u>2,399,000</u>
The Company has successfully applied for grants totalling up to \$95,000 from the Queensland Government, to assist in specific exploration activities. Receipt of these monies is expected over the next 12 months, subject to the Company meeting its exploration obligations.		
In addition to the above tenement commitments, the Company has exploration joint venture earn-in commitments as follows:		
Not later than 1 year	3,920	-
Later than 1 year but not later than 5 years	-	73,037
Total commitment	<u>3,920</u>	<u>73,037</u>
<b>(c) Capital expenditure Commitments</b>		
Capital expenditure commitments contracted for:		
Plant and equipment purchases payable:		
Not later than 1 year	47,727	-
Later than 1 year but not later than 5 years	-	-
Total commitment	<u>47,727</u>	<u>-</u>



# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2008

2008	2007
\$	\$

### NOTE 16: EVENTS AFTER BALANCE SHEET DATE

Since the end of the financial year the Company has entered into a placement agreement with Scintilla Corporate Pty Ltd to place up to 4.5 million shares at 6 cents per share to raise up to \$270,000. The funds will be contributed to working capital and to enable the Company to evaluate potential projects and activities. It is anticipated that the placement will be completed by 26 September 2008.

The agreement also provides for the issue to Scintilla of up to 750,000 placement options in lieu of fees and will depend upon performance for the services provided. The options to acquire shares are issued without monetary consideration and will be exercisable by 30 September 2010 at an exercise price of 12 cents each. The issue of these placement options will be subject to shareholder approval at the Company's AGM later this year

The financial report was authorised for issue on 24 September 2008 by the Board of Directors.

### NOTE 17: SEGMENT REPORTING

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

### NOTE 18: SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2008:

On 20 November 2006, 150,000 share options were granted to employees with more than 1 year of full-time service under the ActivEX Limited Employees and Officers Share Option 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 and are not transferable. At the date of this report, no share options have lapsed or been exercised.

On 1 January 2008, 150,000 share options were granted to employees under the ActivEX Limited Employees and Officers Share Option Plan to take up ordinary shares at an exercise price of \$0.25 each. The options are exercisable by employees with more than 1 year of full-time service, and can be exercised on or before 31 August 2012. The options hold no voting or dividend rights and are not transferable. At the date of this report, no share option have lapsed or been exercised.

On 20 November 2006, 300,000 share options were granted to directors to accept ordinary shares at an exercise price of \$0.25. The options are exercisable before 20 November 2011. The options hold no voting or dividend rights and are not transferable. At the date of this report, no share options have lapsed or been exercised.

The Company established the ActivEX Limited Employees and Officers Share Option Plan on 11 April 2005. All directors, officers, employees and senior consultants (whether full- or part-time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by the Company or its subsidiaries. The allocation of options under the Plan is at the discretion of the Board. The exercise price of options will be determined by the Board and will be equal to, or higher than the market value of the Company's shares at the time the Board resolves to issue the options. The total number of shares the subject of options issued under the Plan, when aggregated with other options issued under the Plan during the previous five years must not exceed five per cent of the Company's issued share capital at the time.

During the year 150,000 (2007:450,000) 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. Refer to Note 11 for more details.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2008**

	2008	2007
	\$	\$

**NOTE 18: SHARE BASED PAYMENTS (continued)**

All options granted under the Plan are over ordinary shares in ActivEX Limited, which confer a right of one ordinary share per option. These options are summarised as:

	2008		2007	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	No	\$	No	\$
Outstanding at the beginning of the year	450,000	0.25	-	-
Granted	150,000	0.25	450,000	0.25
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	600,000	0.25	450,000	0.25
Exercisable at year-end	600,000	0.25	450,000	0.25

The options outstanding at 30 June 2008 had a weighted average exercise price of \$0.25 and a weighted average remaining contractual life of 3.6 years. Refer to Note 11 regarding assessment of fair value of options granted.

Included under employee benefits expense in the income statement is \$3,411 (2007: \$1,853) and relates, in full, to equity-settled share-based payment transactions.

**NOTE 19: AUDITORS' REMUNERATION**

	2008	2007
	\$	\$
Remuneration of the auditor for:		
- auditing or reviewing the financial report	15,740	10,950

No fees were paid for non-audit services.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2008****NOTE 20: KEY MANAGEMENT PERSONNEL COMPENSATION & EQUITY**

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

<b>(a) Key Management Person</b>	<b>Position</b>
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.	

<b>(b) Key Management Personnel Compensation</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	246,948	213,873
Post-employment benefits	42,814	40,749
Other long-term benefits	-	-
Share-based payments	2,028	1,235
	<u>291,790</u>	<u>255,857</u>

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

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

	<b>Balance 1 July 2007</b>	<b>Compen- sation (ii)</b>	<b>Options Exercised</b>	<b>Purchased/ (Sold)</b>	<b>Balance 30 June 2008</b>
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	<u>8,785,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,785,002</u>

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

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

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

	<b>Balance 1 July 2007</b>	<b>Compen- sation (e)</b>	<b>Options Exercised</b>	<b>Purchased/ (Sold)</b>	<b>Balance 30 June 2008</b>	<b>Total Vested</b>	<b>Total Exercisable</b>
Ian C Daymond	75,000	-	-	-	75,000	75,000	75,000
Douglas I. Young	2,712,500	-	-	-	2,712,500	2,712,500	2,712,500
Paul A. Crawford	285,000	-	-	-	285,000	285,000	285,000
Peter H. Hwang	120,000	-	-	-	120,000	120,000	120,000
Total	<u>3,192,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,192,500</u>	<u>3,192,500</u>	<u>3,192,500</u>

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

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2008

### NOTE 20 KEY MANAGEMENT PERSONNEL COMPENSATION & EQUITY (continued)

#### (e) Compensation Options

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

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

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

### NOTE 21: EARNINGS PER SHARE

	2008	2007
	\$	\$
Net loss used to calculate basic and dilutive EPS	427,049	328,420
	No	No
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	30,388,722	30,388,722
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive EPS	30,388,722	30,388,722

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

### NOTE 22: FINANCIAL INSTRUMENTS

#### (a) Financial Risk Management Policies

The company's financial instruments comprise deposits with banks, accounts receivable and payable.

The main purpose of these 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.

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

##### Financial Risks

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

##### Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, arises in relation to the company's cash on deposit.

This risk is managed through the use of variable rate term deposits.



# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial period ended 30 June 2008

### NOTE 22: FINANCIAL INSTRUMENTS (continued)

#### Liquidity Risk

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

The company's activities are funded from equity sources.

#### Credit Risk

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

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

#### (b) Financial Instruments

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

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

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

At 30 June 2008, there was a concentration of credit risk in that \$190,095 (2007: nil) is receivable from Minotaur Investments Pty Ltd, a joint venture partner.

#### (ii) Financial instrument composition and maturity analysis:

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

Financial assets:	2008	2007
	\$	\$
Within 6 months		
- cash & cash equivalents (a)	688,339	1,983,342
- receivables (b)	210,603	51,208
	<u>898,942</u>	<u>2,034,550</u>
1 - 2 years		
- receivables (b)	35,300	-
Total	<u>934,242</u>	<u>2,034,550</u>
Financial liabilities:		
Within 6 months		
- payables (b)	<u>226,369</u>	<u>195,034</u>

(a) Floating interest rates, with weighted average effective interest rate 7.2% (2007: 6.3%).

(b) Non-interest bearing.

**ACTIVEX LIMITED**  
ABN 11 113 452 896

**Notes to the Financial Statements**  
**for the financial period ended 30 June 2008**

---

**NOTE 22: FINANCIAL INSTRUMENTS (continued)**

**(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.

**(d) Sensitivity Analysis**

The company has performed sensitivity analysis relating to its exposure to interest rate risk. At year end, the effect on profit and equity as a result of a 1% change in the interest rate, with all other variables remaining constant would be +/- \$6,883 (2007: \$19,833).

**NOTE 23: COMPANY DETAILS**

The registered office and principal place of business is:

ActivEX Limited  
117 Quay Street  
Brisbane Qld 4000

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2008****NOTE 24: 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.

<b>AASB Amendment</b>	<b>Affected standards</b>	<b>Outline of Amendment</b>	<b>Application date</b>	<b>Application date for the Company</b>
AASB 2007-3 Amendments to Australian Accounting Standards	AASB 5 Non-current Assets Held for AASB 6 Exploration for and Evaluation of Mineral AASB 102 Inventories AASB 107 Cash Flow Statements AASB 119 Employee Benefits AASB 127 Consolidated and Separate Financial Statements AASB 134 Interim Financial Reporting AASB 136 Impairment of Assets AASB 1023 General Insurance Contracts AASB 1038 Life Insurance Contracts	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report.	1.1.2009	1.7.2009
AASB 8 Operating Segments	AASB 114 Segment Reporting	As above	1.1.2009	1.7.2009
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1 First time adoption of AIFRS  AASB 101 Presentation of Financial Statements AASB 107 Cash Flow Statements AASB 111 Construction Contracts AASB 116 Property, Plant and Equipment AASB 138 Intangible Assets	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as there are no planned future borrowings.	1.1.2009	1.7.2009
AASB 123 Borrowing Costs	AASB 123 Borrowing Costs	As above	1.1.2009	1.7.2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101 Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1.1.2009	1.7.2009
AASB 101	AASB 101 Presentation of Financial Statements	As above	1.1.2009	1.7.2009

## **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 2008, 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 and that the remuneration disclosures in the directors' report comply with Accounting Standard AASB 124.

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 and the remuneration disclosures in the directors' report.

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

#### ***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.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ACTIVEX LIMITED (continued)

#### *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 2008 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.

#### *Inherent Uncertainty - Continued Operations and Future Funding*

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the company's ability to continue with its planned exploration activities is dependent on having finance available. Cash forecasts indicate up to an additional \$770,000 working capital will be required to continue with planned activities.

As indicated in the note, the Directors are reviewing exploration activity and corporate expenditures, with a view to obtaining future funding. Since balance date, the company has entered into a Placement Agreement to raise \$270,000, and further funding will need to be raised. The Directors are confident these initiatives will be successful, and no commitment has yet been made as to the source of any additional funding. The Directors have formed the view that it is appropriate to prepare the financial report on a going concern basis.

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

#### **Report on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

#### *Auditor's Opinion*

In our opinion the Remuneration Report of ActivEX Limited for the year ended 30 June 2008 complies with section 300A of the *Corporations Act 2001*.

*Hayes Knight Audit (Qld) Pty Ltd*

Hayes Knight Audit (Qld) Pty Ltd

*Nigel Bamford*

ND Bamford

Director

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

Date: 24 September 2008



**ACTIVEX LIMITED**  
ABN 11 113 452 896

**ASX INFORMATION**

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

**1. Shareholding:**

The following information is provided as at 6 October 2008.

Distribution of Shareholders Number

<b>Category Number (Size of Holding)</b>	<b>Ordinary Shares (Number)</b>	<b>Listed Options (Number)</b>
1 - 1,000	2	0
1,001 - 5,000	16	70
5,001 - 10,000	99	25
10,001 - 100,000	162	93
100,001 - and over	42	20
	321	208

The number of shareholdings held in less than marketable parcels is 18.

Twenty Largest Holders - Ordinary Shares

		<b>Number of Shares Held</b>	<b>% of Total Issued Capital</b>
1	Findex Pty Ltd	8,000,002	22.93
2	Scintilla Capital Pty Ltd	2,326,000	6.67
3	Minotaur Resources Investments Pty Ltd	2,000,000	5.73
4	Slade Technologies Pty Ltd <Embray Family Super A/C>	2,000,000	5.73
5	Kelsi Chemicals Pty Ltd <Ruane A/C>	1,400,000	4.01
6	Arnold Getz & Ruth Getz	596,722	1.71
7	Carmant Pty Limited <Carmant Superfund A/C>	554,940	1.59
8	Gregory J Wood & Associates Pty Ltd <The G J Wood Family Account>	500,000	1.43
9	Saracen Mineral Holdings Limited	500,000	1.43
10	Merrill Lynch (Australia) Nominees Pty Limited	499,999	1.43
11	Clodene Pty Ltd	480,950	1.38
12	Marekar Pty Ltd <Marekar A/C>	453,000	1.30
13	Raymond Douglass	395,334	1.13
14	Paul Anthony Crawford & Robyn Lynelle Crawford <Kuratyn Super Fund A/C>	370,000	1.06
15	Scintilla Strategic Investments Limited	360,000	1.03
16	Kerry William Harris	300,000	0.86
17	John Larking <Superannuation Fund A/C>	300,000	0.86
18	Romulus Pty Ltd <John Sendziuk S/F A/C>	274,000	0.79
19	Paso Holdings Pty Ltd	254,516	0.73
20	Andrew Joseph Shearman	250,000	0.72
		<b>21,815,463</b>	<b>62.52</b>

**ACTIVEX LIMITED**  
ABN 11 113 452 896

**ASX INFORMATION**

Twenty Largest Holders – Listed Options expiring 27 February 2009

		Number of Options Held	Percentage of Total Options
1	Findex Pty Ltd	2,500,000	16.45
2	Gazump Resources Pty Ltd	1,904,250	12.53
3	Clodene Pty Ltd	1,552,000	10.21
4	Minotaur Resources Investments Pty Ltd	1,000,000	6.58
5	B2B Holdings Pty Limited	525,000	3.46
6	Mr Kenneth Yu	425,000	2.80
7	Firewall Holdings Pty Ltd <Firewall Super Fund A/C>	400,000	2.63
8	Togolosh Pty Ltd	400,000	2.63
9	John Robyn Adamson & Fay Jynette Ngataua	350,000	2.30
10	Gregory John Wood<GJ Wood S/F A/C>	297,500	1.96
11	Gregory J Wood & Associates Pty Ltd<The G J Wood Family Account>	253,905	1.67
12	Saracen Mineral Holdings Limited	250,000	1.65
13	Sonia Kathleen Gilroy<Clan Gilroy A/C>	187,500	1.23
14	Paul Anthony Crawford & Robyn Lynelle Crawford<Kuratyn Super Fund A/C>	185,000	1.22
15	Nonda Pty Ltd	150,000	0.99
16	Tso Shan Wu	140,500	0.92
17	Andrew Joseph Shearman	125,000	0.82
18	Techinvest Holdings Pty Ltd	112,500	0.74
19	Ian John Morrison & Kaylene Sherese Camuti	105,000	0.69
20	Kelly Anne Bite	100,000	0.66
		<b>10,963,155</b>	<b>72.14</b>

Unlisted Equity Securities:

The following unlisted securities were on issue as at 6 October 2008.

Security	Number	No. of Holders
Options exercisable at 25 cents on or before 18 December 2011	450,000	3
Options exercisable at 25 cents on or before 31 August 2012	150,000	1

The names of the substantial shareholders listed in the company's register as at 6 October 2008 are:

Shareholder	Number of Shares Held	Percentage of Issued Capital
Findex Pty Ltd	8,000,002	22.93
Minotaur Resources Investments Pty Ltd	2,000,000	5.73

**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.

**ACTIVEX LIMITED**  
ABN 11 113 452 896

**ASX INFORMATION**

---

**2. Company Secretary:**

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

**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 Stock Exchange Limited.

**5. Restricted Securities**

The company has no restricted securities on issue:

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

During the period from admission to the official list of the Australian Stock Exchange to 30 June 2008, 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.

**NOTICE OF ANNUAL GENERAL MEETING**  
**ActivEX Ltd ACN 113 452 896**

Notice is given that the annual general meeting of ActivEX Ltd ACN 113 452 896 will be held at 117 Quay Street, Brisbane on Monday, 24 November 2008 and will commence at 10.00 am Brisbane time.

The Explanatory Memorandum accompanying this Notice provides additional information on the matters to be considered at the Meeting. The Explanatory Memorandum is intended to be read in conjunction with, and forms part of, this Notice.

Words that are defined in the Explanatory Memorandum have the same meaning when used in this Notice, unless the context requires otherwise.

**Ordinary business**

**1. Annual financial report, Directors' report and auditor's report**

*To receive and consider the annual financial report of the Company and the Directors' and auditor's reports for the year ended 30 June 2008.*

**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 2008 be adopted.*

**3. Re-election of Paul Crawford**

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

*That Paul Crawford, a Director who retires by rotation in accordance with the provisions of the constitution of the Company, and being eligible for re-election, be re-elected as a Director.*

**Special business**

**4. Ratification of placement of Shares**

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

*For the purposes of Listing Rule 7.4 and for all other purposes, the issue of 4,500,000 Shares to the investors described, and for the purposes and on the terms described in the Explanatory Memorandum, be ratified.*

**Voting exclusion statement**

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

- (a) each relevant investor to whom Shares were issued; and
- (b) any of their associates.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- (d) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as their proxy decides.

## **5. Issue of options to Scintilla Corporate**

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

*For the purposes of Listing Rule 7.1 and for all other purposes, the issue of 750,000 options to Scintilla Corporate pursuant to the Placement Deed, for the purposes and on the terms and conditions that are summarised in the Explanatory Memorandum, be approved.*

### **Voting exclusion statement**

The Company will disregard any votes cast on resolution 5 by:

- (a) Scintilla Corporate; and
- (b) any of its associates.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as their proxy decides.

## **6. Approval of issue of options to Doug Young pursuant to Employee and Officer Share Option Plan**

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

*For the purposes of Listing Rule 10.14 and for all other purposes, the grant of 200,000 options to Mr Young, a Director, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Memorandum, be approved.*

### **Voting exclusion statement**

The Company will disregard any votes cast on resolution 6 by:

- (a) a Director (except any Director who is ineligible to participate in the Employee and Officer Share Option Plan or any other employee incentive scheme of the Company); and
- (b) any of their associates.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as their proxy decides.

## **7. Approval of issue of shares pursuant to Option to Purchase**

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

*For the purposes of Listing Rule 7.1 and for all other purposes, the issue of 1,000,000 Shares to RC Sadleir Pty Ltd ACN 008 667 052 and Mr Michael Ruane pursuant to the Option to Purchase, the terms of conditions of which are summarised in the Explanatory Memorandum, be approved.*

### **Voting exclusion statement**

The Company will disregard any votes cast on resolution 7 by:

- (a) RC Sadleir Pty Ltd ACN 008 667 052 and Mr Michael Ruane; and
- (b) any of their associates.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as their proxy decides.

## **8. Renewal of Employee and Officer Share Option Plan**

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

*For the purposes of Listing Rule 7.2 exception 9 and for all other purposes, the grant of options under the Employee and Officer Share Option Plan be approved.*

### **Voting exclusion statement**

The Company will disregard any votes cast on resolution 8 by:

- (a) a Director (except any Director who is ineligible to participate in the Employee and Officer Share Option Plan or any other employee incentive scheme of the Company); and
- (b) any of their associates.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as their proxy decides.

### **By order of the Board**

Paul Crawford  
Director and Company Secretary  
2008



## SHAREHOLDER INFORMATION

### HOW TO VOTE

You may vote at the Meeting in person, by proxy or authorised corporate representative.

### VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the time set out in the Notice. The Meeting will commence at 10:00am Brisbane time.

### VOTING BY PROXY

A shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy. A form of appointment of proxy is enclosed with this Notice.

The proxy need not be a member of the Company. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify a percentage or number and two proxies are appointed, each may exercise half of the votes to which the shareholder is entitled (in which case any fraction of votes will be disregarded).

All Proxy Forms will need to be lodged with the Company no later than 48 hours prior to the Meeting. Any proxy form received after this time will not be valid.

If you wish to appoint a proxy and are entitled to do so, then complete the enclosed Proxy Form in accordance with the instructions on it and return it to the Company's share registry by the deadline for lodgement:

- by using the enclosed **reply paid envelope**
- by **posting or faxing** the Proxy Form to ActivEX's share registry as follows:

Computershare Investor Services Pty Ltd  
GPO Box 242  
Melbourne VIC 3001  
Australia

Facsimile: 61 7 32372152

Proxies given by corporate shareholders must be executed in accordance with their constitutions, or signed by a duly authorised attorney. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the company's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote as he or she thinks fit. If a shareholder appoints the chair of the Meeting as the shareholder's proxy and does not specify how the chair is to vote on an item of business, the chair will vote, as proxy for that shareholder, in favour of the item on a poll.

### VOTING BY CORPORATE REPRESENTATIVES

A corporate shareholder wishing to appoint a person to act as its representative at the Meeting must provide that person with an authority executed in accordance with the company's constitution and the Corporations Act authorising him or her to act as the company's representative. The authority must be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

### RIGHT TO VOTE

The Board has determined that, for the purposes of the Meeting, shares will be taken to be held by the persons who were the registered holders of those shares at 10am Brisbane time on Saturday, 22 November 2008. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the information of shareholders in relation to the business to be conducted at the annual general meeting of the Company to be held at 117 Quay Street, Brisbane on Monday, 24 November 2008 at 10:00am Brisbane time. This Explanatory Memorandum should be read in conjunction with the Notice.

A number of words and terms that are used in this Explanatory Memorandum have defined meanings, which are set out in the glossary.

### **1. Annual financial report**

The financial report of the Company for the year ended 30 June 2008, comprising the financial statements, notes, Directors' report and auditor's report, was included in the 2008 annual report of the Company, which was sent to shareholders along with the Notice.

Time will be allowed during the Meeting for questions by shareholders regarding the financial report and the Directors' and auditor's reports.

Each shareholder is entitled to submit a 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 for the year ended June 2008.

All written questions must be received by the Company no later than five business days before the Meeting. 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 Corporations 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 Directors' remuneration report can be found as a separately identified "Remuneration Report" within the Directors' report section of the Company's 2008 annual report.

Time will be allowed during the Meeting for questions by shareholders regarding the Directors' remuneration report.

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

### **3. To re-elect Paul Crawford 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.

Paul Crawford will therefore retire at the Meeting in accordance with the Company's constitution and being eligible, has offered himself re-election.

Mr Crawford (B.Bus (Accounting), CPA, M.FinMmt, Grad Dip Bus Law, Grad Dip Company Secretarial Practice) 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, a position he has held since 10 March 2000.

The Directors, with Paul Crawford abstaining, **unanimously recommend you vote in favour of resolution 3.**

#### **4 Ratification of placement of Shares**

On 30 September 2008 the Company issued 4,500,000 Shares (**Placement Shares**) to the professional and sophisticated investors listed in the table below who were introduced to the Company by Scintilla Corporate pursuant to the terms of the Placement Deed (the terms of which are summarised in the discussion relating to resolution 5 below) at an issue price of \$0.06 per Placement Share to raise a total of \$270,000.

<b>Investor</b>	<b>Number of Shares issued</b>
Scintilla Strategic Investments Ltd	2,000,000
Kesli Chemicals Pty Ltd <Ruane Super Fund a/c>	1,400,000
Romulus Pty Ltd <John Sendziuk S/F a/c>	300,000
Mr Kerry William Harris	300,000
Techinvest Holdings Pty Ltd <ANM a/c>	200,000
BCP Alpha Investments Pty Ltd	200,000
Marekar Pty Ltd	100,000
<b>Total</b>	<b>4,500,000</b>

Listing Rule 7.1 imposes a limit on the number of equity securities (e.g., Shares or options to subscribe for Shares) that the Company can issue without shareholder approval. In general terms, a company may not, without shareholder approval, issue equity securities representing more than 15% of its share capital in a 12 month period.

Shares that are issued with shareholder approval do not reduce the number of equity securities that may be issued by the Company under Listing Rule 7.1.

Under Listing Rule 7.4, a shareholder approval for the purposes of Listing Rule 7.1 can be obtained after the Placement Shares are issued if the issue did not breach the 15% limit in Listing Rule 7.1 when made. The issue of the Placement Shares did not breach the 15% limit.

Under resolution 4 the Company seeks approval from shareholders for, and the ratification of, the issue of the Placement Shares to provide the Company with greater flexibility to make future issues during the next 12 months without first having to obtain the prior approval of shareholders under Listing Rule 7.1.

The Placement Shares were issued on the same terms and conditions as other Shares in the capital of the Company.

The Company has used the funds raised from the issue of the Placement Shares for the purpose of working capital.

None of the Directors have an interest in the issue of the Placement Shares, and **unanimously recommend that you vote in favour of resolution 4.**

## **5 Issue of options to Scintilla Corporate**

### ***Introduction***

On 5 September 2008 the Company entered into a deed with Scintilla Corporate pursuant to which Scintilla Corporate agreed to assist the Company to raise additional capital by introducing professional and sophisticated investors to the Company (**Placement Deed**). The Placement Shares were issued to investors introduced to the Company by Scintilla Corporate pursuant to the Placement Deed.

Under the Placement Deed the Company agreed, in consideration for the services provided by Scintilla Corporate, to issue it with up to 750,000 options over unissued Shares on the terms described below (**Placement Options**). Under the Placement Deed, the Company's obligation to issue the Placement Options is subject to, and conditional upon, prior shareholder approval.

### ***Why is shareholder approval required?***

Shareholder approval of the issue of the Placement Options is required because, as noted in relation to resolution 4 above, Listing Rule 7.1 imposes a limit on the number of equity securities (e.g., Shares or options to subscribe for Shares) that the Company can issue without shareholder approval.

As a result of the issue of the Placement Shares, the Company cannot issue all of the Placement Options without exceeding the limit imposed by Listing Rule 7.1. The Company therefore seeks approval from the shareholders for the issue of Placement Options to Scintilla Corporate. If resolution 5 is approved, the Placement Options will not reduce the number of equity securities that may be issued by the Company under Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the Company advises that if resolution 5 is approved, the Company will issue 750,000 Placement Options to Scintilla Corporate on the terms summarised in Annexure A.

Because the Placement Options are to be issued for no consideration, the Company will not raise any funds from the issue. If any or all of the Placement Options are exercised, the funds raised from the issue of Shares pursuant to that exercise will contribute to the Company's working capital.

The Placement Options will be issued to Scintilla Corporate as soon as practicable after the Meeting, but in any event, no later than three months after the date of the Meeting.

### ***Directors' interests and recommendations***

None of the Directors have an interest in resolution 5 and **unanimously recommend that you vote in favour of it.**

## **6 Approval of issue of options to Doug Young pursuant to the Plan**

### ***Introduction***

Pursuant to resolution 6 shareholder approval is sought for the purposes of Listing Rule 10.14 and for all other purposes, for the grant of 200,000 options, for no consideration, to Mr Doug Young, a Director, pursuant to the Plan and otherwise on the terms set out below.

### ***Why is shareholder approval required?***

Listing Rule 10.14 provides that an entity must not permit any Director, or any associate of a Director, to acquire securities under an employee incentive scheme, without the prior approval of its ordinary shareholders. As Mr Young is a Director, the proposed issue of options to him pursuant to the Plan therefore requires the prior approval of the Company's shareholders under Listing Rule 10.14.

### ***Details of options***

If resolution 6 is approved the Company will issue to Mr Young 200,000 options which, if exercised, will entitle him to acquire one Share per option. The options are to be issued under the rules of the Plan, a summary of which is set out in Annexure B and otherwise each option will be issued:

- for no consideration;
- with an exercise price is \$0.15 per option; and
- with an expiry date that is five years from the date of issue.

### ***Why are the options being issued?***

The primary purpose of the grant of the options to Mr Young under resolution 6 is not to raise capital but to better align the interests of the Company and Mr Young by providing an incentive to him to remain with the Company and increase shareholder value.

### ***Value of options***

The Board has determined the value of the options to be issued pursuant to resolution 6 to be approximately 1.78 cents per option (representing a total value of approximately \$3,560).

This value has been derived using both a Black Scholes Option Pricing Model and a Binomial Model Option Pricing Model assuming the following:

- a Share price of 8.4 cents (being the closing price of Shares on the ASX on 30 September 2008);
- an exercise price of 15 cents;
- a risk free rate of 6.75% per annum;
- a volatility factor of 33.58%, which has been determined having regard to the historical trading of Shares on ASX;
- an expiry date of five years from the date of issue; and
- all other terms and conditions as outlined in this Explanatory Memorandum.

### ***Other information***

For the purposes of Listing Rule 10.15, and for all other purposes, the following information is provided to shareholders for the purposes of resolution 6:

- under resolution 6, approval is being sought to issue a maximum of 200,000 options to Mr Young;
- the options will be granted to Mr Young as soon as practicable after the Meeting, but in any event, no later than 12 months after the date of the Meeting;

- because the options are to be issued for no consideration, the Company will not raise any funds from the issue. If any or all of the options are exercised, the funds raised from the issue of Shares to Mr Young will contribute to the Company's working capital;
- each of the Directors (being Mr Young, Mr Ian Daymond, Mr Paul Crawford and Mr Peter Hwang) is entitled to participate in the Plan;
- since the Plan was adopted, 600,000 options (with an exercise price of 25 cents) have been granted under the Plan, including 250,000 to Doug Young and 100,000 to Paul Crawford. The remainder of the options have been issued to employees of the Company. All options were issued for no consideration; and
- the Company will not provide a loan in connection with the exercise of any options issued pursuant to resolution 6.

Pursuant to Listing Rule 7.2 Exception 14, where an issue is made with the approval of shareholders under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

### ***Chapter 2E of the Corporations Act***

Chapter 2E of the Corporations Act prohibits a company, subject to certain exceptions, from giving a financial benefit to a related party of the company, except with the approval of the company's members. Issuing of securities (including options) to a related party is an example of giving a financial benefit that requires shareholder approval under Chapter 2E.

An exception to the requirement for shareholder approval for the giving of a financial benefit to a related party is where the financial benefit is remuneration given to a related party as an officer or employee of the company and to give the remuneration would be reasonable given the circumstances of the company and the related party.

The Board has formed the view that the issue of options to Mr Young is reasonable remuneration within the meaning of Chapter 2E of the Corporations Act and accordingly shareholder approval under Chapter 2E is not required.

### ***Directors' interests and recommendations***

None of the Directors, other than Mr Young, has an interest in resolution 6. As the proposed recipient of options under resolution 6, Mr Young has an interest in resolution 6, and therefore makes no recommendation in relation to it.

The Directors, other than Mr Young, **unanimously recommend that you vote in favour of resolution 6.**

## **7 Approval of issue of shares pursuant to option agreement**

### ***Introduction***

On or around 21 October 2008 the Company entered into an agreement with RC Sadleir Pty Ltd and Mr Michael Ruane (**Holders**) pursuant to which the Company has been granted an exclusive option to purchase (**Option to Purchase**) West Australian mining tenement M77/22 (**Lake Chandler**). A description of Lake Chandler is set out below.

The fee payable by the Company to the Holders for the grant of the Option to Purchase is the issue of 1,000,000 Shares (**Option Fee Shares**).

The Company may exercise the Option to Purchase at any time within six months of the date the conditions precedent to the agreement are satisfied (i.e., within six months of the date shareholders approve resolution 4). The Company has the right to extend the exercise period



for a further six months. If the Company exercises its right of extension it must issue the Holders an additional 500,000 Shares (**Option Extension Shares**).

If the Company exercises the Option to Purchase it must, in consideration for the acquisition of Lake Chandler, issue the Holders a further 9,000,000 Shares (or 8,500,000 Shares if the Company has extended the exercise period) (**Consideration Shares**).

The Company's obligations under the Option to Purchase to issue the Option Fee Shares are subject to, and conditional upon, the Company's eligible ordinary shareholders approving the issue of the Option Fee Shares for the purposes of Listing Rule 7.1 and for all other purposes. If the Company exercises its right to extend the option period, or exercises its option, its obligation to issue the Option Extension Shares and the Consideration Shares (as the case requires) is also subject to and conditional upon the Company's eligible ordinary shareholders approving the issue of those Shares for the purposes of Listing Rule 7.1 and for all other purposes.

### ***Why is shareholder approval required?***

As discussed in relation to resolution 4 above, Listing Rule 7.1 imposes a limit on the number of equity securities (e.g., Shares or options to subscribe for Shares) that the Company can issue, or agree to issue, without shareholder approval. Holders should refer to the 'Why is shareholder approval required' section in resolution 4 for more information in this regard.

If resolution 7 is approved the Company will issue the Holders with the Option Fee Shares promptly following the date of the Meeting, but in any event, within three months of the date of the Meeting. The Company requires an approval under Listing Rule 7.1 because, if all of the Option Fee Shares are issued, the Company will exceed the 15% limit imposed by Listing Rule 7.1.

As the Option Fee Shares will be issued for no consideration, the Company will not raise any funds from the issue.

The Option Fee Shares will be issued on the same terms and conditions as other fully paid ordinary Shares in the Company.

### ***Overview of Lake Chandler***

Lake Chandler lies 50km north of the wheatbelt town of Merredin in Western Australia. It is a salt lake with accumulations of alunitic clay (alunite is hydrated aluminium potassium sulphate), which the Company will investigate with a view to proving the commercial extraction of potash and alumina.

Previous mining of the deposit for potash occurred in the 1940s and produced commercial quantities of potash using a roasting, leaching and crystallisation process. This was considered the best technology available at the time.

Extensive drilling of the deposit occurred in the 1980s that outlined the deposit and established its likely potash content but further drilling is required to upgrade the deposit to resource status under the JORC Code.

Extensive bench scale testing has been carried out on bulk samples from the deposit utilising current extraction technologies and, while more testing is required to be undertaken on both the extraction process and the marketing of potential products, the currently available information indicates that the project may be commercially feasible in the current price environment.

The Company believes, on the basis of presently available information, that the Lake Chandler deposit could, if exploited, produce substantial quantities of the fertiliser products potassium sulphate (SOP) and ammonium sulphate (SOA). High grade (low sodium) alumina (ATH) would also be a valuable by-product of processing.

Australia is not a major producer of potash. Total potash imports are approximately 275,000 tonnes per annum (tpa), most of which is potassium chloride (Muriate of Potash – MOP) with SOP making up the balance<sup>1</sup>.

Ammonium sulphate is produced in Australia – primarily as a by-product of the nickel industry - however substantial quantities are also imported and ActivEX considers that the West Australian agricultural sector may potentially be a significant market.

Alumina Trihydrate (ATH) is a feedstock for a large number of metallurgical, chemical and industrial processes. ActivEX believes that Lake Chandler is a potential source of (low soda) alumina product especially suitable for refractory and ceramic uses.

The worldwide demand for fertilisers has escalated dramatically over the past 18 months as a result of several factors, including the increased demand for foodstuffs and the competing demands on agricultural products for fuel stocks. The availability of arable land is decreasing, so to meet demand worldwide, farmers will have to become more productive, which is expected to increase the use of fertilisers<sup>2</sup>. Australia is already a major importer of fertiliser.

The Directors believe that the Lake Chandler deposit, if proven to be commercially exploitable, offers the Company an opportunity to move into mine development in a relatively short timeframe and to generate an on-going revenue stream. The Directors believe the project is of a size that suits the Company's risk profile and may present a good opportunity to benefit from attractive market conditions.

Upon entry into the Option to Purchase the Company will seek to carry out a scoping study for the Lake Chandler project. If the outcome of this study proves favourable, the Company then intends to commence a more detailed feasibility study with a view to confirming the project's commercial feasibility before deciding whether or not to exercise the Company's option to acquire the deposit.

#### ***Directors' interests and recommendations***

None of the Directors have an interest in the Option to Purchase or in the issue of the Option Fee Shares to the Holders pursuant to the Option to Purchase.

The Directors **unanimously recommend that you vote in favour of resolution 7.**

### **8 Renewal of Employee and Officer Option Plan**

The purpose of resolution 8 is to enable the Company to issue securities under its Employee and Officer Share Option Plan (**Plan**) as an exemption to Listing Rule 7.1.

Listing Rule 7.2 exception 9 provides that Shares or options granted under an employee incentive scheme approved within the last three years are not required to be included in the 15% calculation where shareholders approve the grant of the Shares or options under the scheme as an exception to Listing Rule 7.1.

The Company has adopted the Plan on 11 April 2005, the terms and conditions of which were summarised in the Company's prospectus dated 24 January 2006. As at the date of the Meeting, it will be almost three years since the Company lodged its prospectus, and accordingly, it is necessary for the Company to obtain shareholder approval of the issue of securities under the Plan to enable it to continue to rely on the exemption provided in Listing Rule 7.2 exception 9.

This will give the Company more flexibility to issue Shares or other securities during the next three years as the number of Shares that can be issued within the 15% limit will not be reduced by any securities issued under the Plan during that period.

<sup>1</sup> [http://www.potashcorp.com/media/flash/world\\_map/](http://www.potashcorp.com/media/flash/world_map/)

<sup>2</sup> [http://www.anglopotash.com/about\\_potash/index.htm#drivers](http://www.anglopotash.com/about_potash/index.htm#drivers)

<http://www.fifa.asn.au/files/pdf/conf2007/presentations/International%20Fertilizer%20Supply%20&%20Demand.%20Maene.pdf> ).

Since the Plan was adopted, 600,000 Options have been granted under the Plan.

A summary of the principal terms of the Plan are set out in Annexure B. The full terms and conditions of the Plan may be inspected during normal business hours at the registered office of the Company.

## **Glossary of terms**

In the Notice and Explanatory Memorandum the following words and expressions have the following meanings:

**Annual General Meeting or Meeting** means the annual general meeting of the Company to be held on 24 November 2008.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the ASX Limited ACN 008 624 691 and the market that it operates.

**Board** means the board of Directors of the Company.

**Company** means ActivEX Limited ACN ACN 113 452 896.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company from time to time, and **Director** means any one of them.

**Explanatory Memorandum** means the explanatory memorandum to the notice of meeting contained in this booklet.

**Listing Rules** means the official listing rules of ASX.

**Notice** means the notice of meeting convening the Meeting.

**Plan** means the employee and officer share option plan that was approved by the Company on 11 April 2005, the terms of which are summarised in the Explanatory Memorandum.

**Proxy Form** means a proxy form accompanying the Notice.

**Scintilla Corporate** means Scintilla Corporate Pty Ltd ACN 126 817 703.

**Share** means an ordinary share in the capital of the Company, the terms of which are contained in the Company's constitution.

**Annexure A**  
**Summary of terms of Placement Options**

<b>Nature of option</b>	Each Placement Option entitles the holder to subscribe for one Share on exercise of the Placement Option.
<b>Issue price</b>	Placement Options are to be issued for no consideration.
<b>Expiry date</b>	30 September 2010.
<b>Exercise price</b>	12 cents per Placement Option.
<b>Transfer</b>	There are no restrictions on the transfer of Placement Options in the Placement Deed.
<b>Ranking</b>	Shares issued on the exercise of Placement Options will rank equally with all existing Shares then on issue.
<b>Conditions of exercise</b>	Placement Options may be exercised by the delivery to the Company of a written notice together with payment in cash of the aggregate Exercise Price payable in respect of the Placement Options exercised.
<b>Lapse</b>	The Placement Options lapse on the expiry date, after which the Placement Options are null and void.
<b>New issues</b>	<p>Subject to the Listing Rules, in respect of any Placement Options that have not been exercised and remain exercisable:</p> <ol style="list-style-type: none"> <li>1. if any bonus Shares are issued, the number of Shares to which the holder of a Placement Option is entitled, if the Placement Option is exercised, will be adjusted so that it equals the number of Shares that would have been issued to the holder if it had exercised the Placement Option before the bonus Share issue and participated in that issue in respect of those Shares; and</li> <li>2. if and whenever the Company offers shareholders the opportunity to participate in a rights issue pro rata to their existing shareholding, then the holder of a Placement Option is entitled to participate in the rights issue only in respect of those Shares issued upon the exercise of any Placement Options that are registered in the holder's name prior to the record date for determining entitlements to participate in the rights issue.</li> </ol>
<b>Reorganisation of capital</b>	<p>If the Company consolidates its capital the number of Shares into which a Placement Option converts must be consolidated in the same ratio as the ordinary capital.</p> <p>If the Company sub-divides its capital the number of Shares held into which a Placement Option converts must be sub-divided in the same ratio as the ordinary capital.</p> <p>In respect of any other reorganisation of capital of the Company the number of Shares attributable to each Placement Option must be reorganised so that the holder of the Placement Option will not receive a benefit that the holders of ordinary Shares do not receive.</p> <p>If any of the above adjustments would result in the holder of the Placement Option becoming entitled to a fraction of a Share, the fraction is to be disregarded.</p>
<b>Quotation</b>	Placement Options will not be listed for quotation on ASX.

**Annexure B**  
**Summary of terms of Employee and Officer Share Option Plan**

<b>Eligibility</b>	All Directors, employees and senior consultants (whether full or part time) are eligible to participate in the Plan after a qualifying period of 12 months employment with the Company or its subsidiaries. The Board may waive this requirement.
<b>Grant of option</b>	The allocation of options is at the discretion of the Board.
<b>Nature of option</b>	Each option entitles the holder to subscribe for one Share on exercise of the option.
<b>Issue price</b>	The options are to be issued for no consideration.
<b>Expiry date</b>	Six years from the date of the issue of the options (unless otherwise determined by the Board).
<b>Exercise price</b>	The exercise price will be determined by the Board in its absolute discretion, but it cannot be less than any minimum price specified in the Listing Rules.
<b>Maximum number of options to be issued</b>	The Company will not make an offer of options, if the total number of Shares to be received on exercise of the options, when aggregated with the number of securities issued during the previous five years under all employee share schemes established by the Company will exceed 5% of the Company's issued capital (subject to certain exemptions).
<b>Transfer</b>	The options are personal to the participant and may not be transferred or exercised by any other person or body corporate, except with the consent of the Board, or to a legal personal representative of a deceased option holder.
<b>Ranking</b>	Shares issued on the exercise of options will rank equally with all existing Shares then on issue.
<b>Conditions of exercise</b>	The options may be exercised wholly or in part by notice in writing to the Company received at any time during the exercise period together with a cheque for the exercise price.
<b>Lapse of Options - ceasing to be an Eligible Employee</b>	<p>If for any reason the participant ceases to be an eligible employee:</p> <ul style="list-style-type: none"> <li>■ within 30 days after the participant ceases to be an eligible employee, the participant may exercise some or all of the Participant's Options; and</li> <li>■ any unexercised options automatically lapse at the end of the 30 day period.</li> </ul>
<b>Lapse of Options – expiry of Exercise Period</b>	An option automatically lapses if it is not exercised on or before the last exercise date.
<b>New issues</b>	Option holders may only participate in new issues of securities by first exercising their options. If there is a bonus issue to the holders of Shares, the number of Shares over which an option is exercisable will be increased by the number of Shares which the option holder would have received if the option had been exercised before the record date for the bonus issue.
<b>Reorganisation of capital</b>	If there is a reorganisation of the issued capital of the Company, unexercised options will be reorganised in accordance with the Listing Rules.
<b>Quotation</b>	Options will not be listed for quotation on ASX.
<b>Change in control</b>	If a take over bid is made to the Company, or if the Board concludes that there has been a change in control of the Company, the Board may resolve that the Company notify each participant in writing that all of his or her unexercised options will be exercisable.



<b>Amendment</b>	The Board may amend the Plan rules at any time subject to the requirements of the Listing Rules.
<b>Administration</b>	The Plan will be administered by the Board in accordance with the Plan Rules, and if the Board determines, by a committee of the Board.
<b>Termination and Suspension</b>	The Plan may be suspended or terminated at any time by resolution of the Board. Suspension or termination of the Plan will not affect the rights of participants who were granted options prior to that termination or suspension.



**ActivEX Limited**  
ABN 11 113 452 896

000001 000 AIV  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

## For all enquiries call:

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

## Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

**[www.investorvote.com.au](http://www.investorvote.com.au)**



**Cast your proxy vote**



**Access the annual report**



**Review and update your securityholding**

**Your secure access information is:**

**Control Number: 999999**

**SRN/HIN: I999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 10.00am (Brisbane time) Saturday 22 November 2008**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing 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 percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

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

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.computershare.com](http://www.computershare.com).

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of ActivEX Ltd hereby appoint

☐

the Chairman  
of the Meeting OR



**PLEASE NOTE:** 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 Ltd to be held at 117 Quay Street on Monday, 24 November 2008 at 10.00am (Brisbane time) and at any adjournment of that meeting.

**Important for Item/s 6 & 8:** If the Chairman of the Meeting is your proxy and you have not directed him how to vote on Item/s 6 & 8 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item/s 6 & 8 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item/s 6 & 8 of business.

☐

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he has an interest in the outcome of that Item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest.

### STEP 2 Items of Business



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

	For	Against	Abstain
2 Pass the Directors' remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-elect Paul Crawford as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Special Business

4 Ratification of placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of options to Scintilla Corporate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of issue of options to Doug Young	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of issue of shares pursuant to Option to Purchase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Renewal of Employee and Officer Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

A I V

2 4 1 1 0 8 A

Computershare +



**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)