

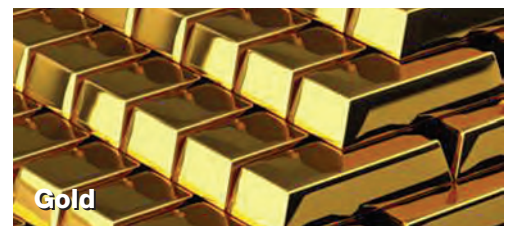
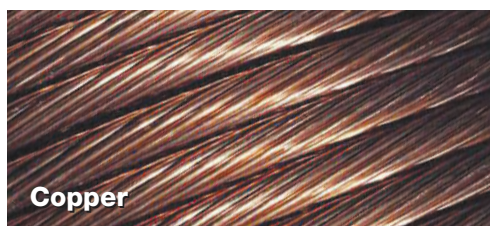


ActivEX Limited ABN 11 113 452 896

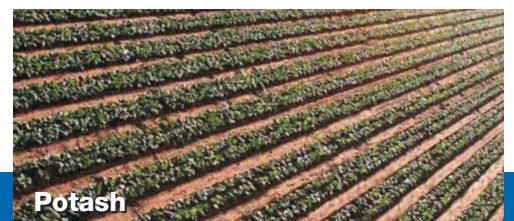
ANNUAL REPORT 2010



Active explorers



Moving towards development



DIRECTORS

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

COMPANY SECRETARY

Paul Crawford

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For Tenement Schedule
see inside back cover

www.activex.com.au



ActivEX is following up exciting new discoveries



ActivEX Board members

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 and development opportunities 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 exploration, 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:

- Follow-up exploration drilling, Cloncurry, NW Queensland
- Follow-up drilling, Barambah, eastern Queensland
- Ongoing exploration in joint venture areas, Boobyjan and Pentland, eastern Queensland
- Refining of process flow sheet and costings, Lake Chandler Potash Project, Western Australia

Highlights

August 2009	Metallurgical test work on washing and leaching processes yield encouraging results, Lake Chandler Potash Project
August 2009	Deep drilling program at Boobyjan completed – program fully funded by JV partners – further wide intervals of weak to moderate grade copper-gold mineralisation intersected
October 2009	New targets developed at Florence Creek – anomalous gold zones at Green Valley, high grade copper-gold in rock samples at Florence Bore North and South and anomalous molybdenum in rock chips at Dandy
October 2009	Purchase of Lake Chandler Potash Project, completed by shareholder approval at November AGM
October 2009	Engineering contract awarded for Scoping Study, Lake Chandler Potash Project
November 2009	Pentland Project farm out to expedite drilling, project now fully funded by joint venture partners
December 2009	New areas acquired, Ravenswood district, northern Queensland
January 2010	Pentland Project Joint Venture signed
March 2010	Drilling commences at Pentland, three hole program at Mt Remarkable and Norwood prospects
March 2010	New areas acquired in Cloncurry district, SAM survey completed at Florence Bore and radiometric targets identified at Selwyn East
March 2010	Drilling commences at Barambah Joint Venture
April 2010	New farm in to Mt Agate Project, Cloncurry district
June 2010	Barambah drilling results – significant gold-silver intersections returned
June 2010	Drilling to proceed following further SAM surveys, Florence Creek
June 2010	New copper-gold-cobalt target identified at Mt Agate
July 2010	Lake Chandler Scoping Study Report received
July 2010	Copper-gold-cobalt discovery, Florence Creek
August 2010	Drilling program, full results Florence Creek



*ActivEX has achieved
outstanding exploration successes*

*patience and persistence
laying a sound foundation for growth*

Dear Shareholders,

On behalf of the Board of Directors I am pleased to present to you the Annual Report for the 2010 financial year. The year started in difficult economic circumstances but your Company, ActivEX Limited, has made significant advances during the year culminating in exciting drilling successes at two of our Queensland projects.

The Company's key activities have been in exploration, where the prime objective is the discovery and development of economically attractive mineral deposits, principally with a copper and gold focus. Exploration success does not come easy but during the year our activities have shown some outstanding results in two project areas, in eastern Queensland and in the Cloncurry district. Drilling results show the Barambah Project in eastern Queensland has the potential to establish a small tonnage but very high grade gold-silver vein system in an area which has good logistics and facilities. At Florence Creek, near Cloncurry, drilling results have defined shallow, wide intercepts of copper-gold-cobalt mineralisation with good grades in several discrete locations. These mineralised zones remain open ended and require further drill programs to establish continuity but at this stage the Company is greatly encouraged by the results.

The Company has also been active in drilling programs at Boobyjan and Pentland where our joint venture partners have carried all costs of these deep drilling programs. While not finding economic mineralisation, drilling has shown the systems being tested are large and well developed and there is considerable scope for discovery in these areas.

The recent successful drill programs are planned to be followed in the coming months by further drilling, stepping back and out from the successful holes to confirm continuity to the mineralised zones. Patience and persistence are now laying a sound foundation for the growth of the Company.

Early in the period, ActivEX completed the acquisition of the Lake Chandler Potash Project in Western Australia and committed to a scoping study of the project to investigate the economic viability of establishing a potash and ammonium sulphate processing plant at the site. The study was completed after year end and found that the process envisaged would be marginal under current conditions of high labour costs and demand, high costs of reagents, energy and water in the area

and at the same time relatively soft potash prices on the world market. Notwithstanding these matters, your Directors consider the medium term outlook for potash and other fertiliser products to be very positive, being closely aligned with increasing demand for food security throughout the world. This outlook is clearly substantiated by recent investments and takeover activity in the sector by major international mining corporations such as Vale and BHP Billiton, seeking to establish a position in fertiliser commodities. The Lake Chandler fertiliser products should have a ready domestic market, a market which currently relies totally on imported product. Lake Chandler would therefore hold a substantial cost advantage gained through transportation savings over the imported product.

The Company considers there is a significant resource of potash at Lake Chandler which could support a long life operation of modest size. We are aiming to establish a viable operation with a significant cash flow from what would be the first modern potash producing project in Australia.

Our exploration successes are a tribute to our small but dedicated exploration team who have stuck with the Company through a particularly difficult period. The Company continues to run on limited budgets, being very mindful in capital raising of protecting shareholders from excessive dilution. The Company has also continued to seek out new opportunities to enhance shareholder value and have secured some new prospective areas, particularly in the Ravenswood district, which are highly prospective for large tonnage gold deposits.

In closing, I wish to thank Doug Young and his loyal management and technical team who have worked tirelessly in difficult conditions and appreciate their personal sacrifices. Thanks also go to my fellow Directors for all their contributions and to our shareholders for their support.

Yours faithfully

Ian Daymond, Chairman

a clear strategy to enhance shareholder value through organic growth, active exploration and acquisition of quality projects



Discovery leading to development is the prime purpose of the Company.

Over the past year the Company has achieved several significant milestones:

- the completion of our first phase drilling program at Florence Creek, discovering new shallow copper-gold-cobalt mineralisation
- the extension of holdings in the Cloncurry district through application for new ground and through farm-in to prospective ground close to Florence Creek and the definition of new targets in these areas
- the completion of a drilling program at Barambah intersecting significant gold-silver mineralisation
- the completion of deep drilling programs at Boobyjan and Pentland, both fully funded by joint venture partners
- the acquisition of new ground in the Ravenswood district, prospective for large tonnage gold deposits
- the acquisition of Lake Chandler, an advanced project with development potential
- the completion of a scoping study of the potash process and the refinement of costs to improve the viability of the project
- the raising of additional capital through a rights issue, placement of shares and options exercise being particularly mindful of dilution.

Each of these milestones reflects a clear strategy to enhance shareholder value through organic growth, active exploration and the identification and acquisition of quality advanced projects.

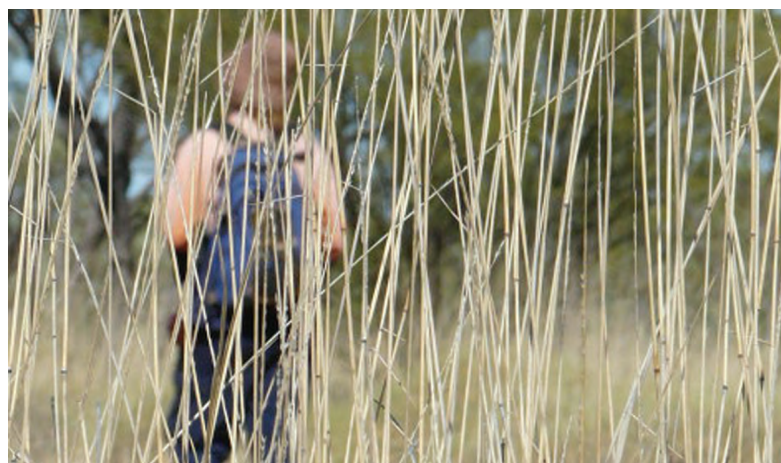
The Company sustains its belief that the Lake Chandler Project offers ActivEX the chance to move into mine development in a short time-frame leading to a long term cash flow. The Company considers that work on the project is based on sound market analysis and there is an opportunity to substantially improve the economics of the project with improving market conditions.

The strong focus on growth in the Cloncurry district has been justified by recent discoveries during the first phase of drilling at Florence Creek.

The efforts in this region of high mineral endowment and large sized ore bodies, coupled with recent spectacular discoveries by other companies adjacent to ActivEX ground, shows there is still much that exploration can deliver in the area. The utilisation

of state of the art technologies followed by drilling highlights that extensive shallow mineralisation zones are still to be found. By increasing activity in the region ActivEX has the potential to deliver significant value to shareholders at a relatively low risk.

The focus on proven mineralisation styles for high grade precious metals has sharpened during the year with a successful drilling campaign at Barambah. Given further success in follow-up drilling activities, Barambah has the potential to quickly convert to resources at relatively low cost per ounce, once again highlighting our ability to define and preparedness to follow through on low risk/high reward targets.



The Company continues to foster relations with strategic partners and during the year has completed substantial deep drilling programs at the Boobyjan Joint Venture with Minotaur Exploration and at Pentland in a new joint venture with China Yunnan Copper Australia Limited. These programs are fully funded by joint venture partners and reduce the Company's risk profile while bringing significant funding to the projects. They also establish a good working relationship with partners who have exploration and development skills, significant funding capacity and are potentially a purchaser of metal products.

The Company has successfully raised additional capital during the year through a fully underwritten shareholder entitlements issue along with the exercise of attached options. These funds have given shareholders opportunity to continue to support the Company whilst limited complementary placements have broadened the shareholder base, which has enabled the Company to survive a period of scarcity of capital.



significant source of potash
aiming to establish a viable
operation

Lake Chandler Potash Project

The Lake Chandler potash project consists of a granted Mining Lease (M77/22) and a Prospecting Licence application located 48km north of the Western Australian wheat-belt town of Merredin, 300km east of Perth.

Potash was produced from the deposit in the post war period from 1943 to 1947 but the operations have been idle since.

Lake Chandler is a salt lake with accumulations of potassium rich alunitic clay which the Company is investigating with a view to proving the commercial extraction of potash as potassium sulphate (SOP) and other fertiliser products such as ammonium sulphate (SOA) with possible alumina by-products.

Studies by ActivEX have shown that the Australian potash market currently relies completely on imports, principally from Canada, Taiwan and Germany. The lack of domestic production means that potash prices in Australia are at a significant premium to world prices. This premium is related to the lack of local production, tightness of world and local supplies and transportation costs.

Production of potash from Lake Chandler would command a significant cost advantage due to savings in transportation from foreign ports.

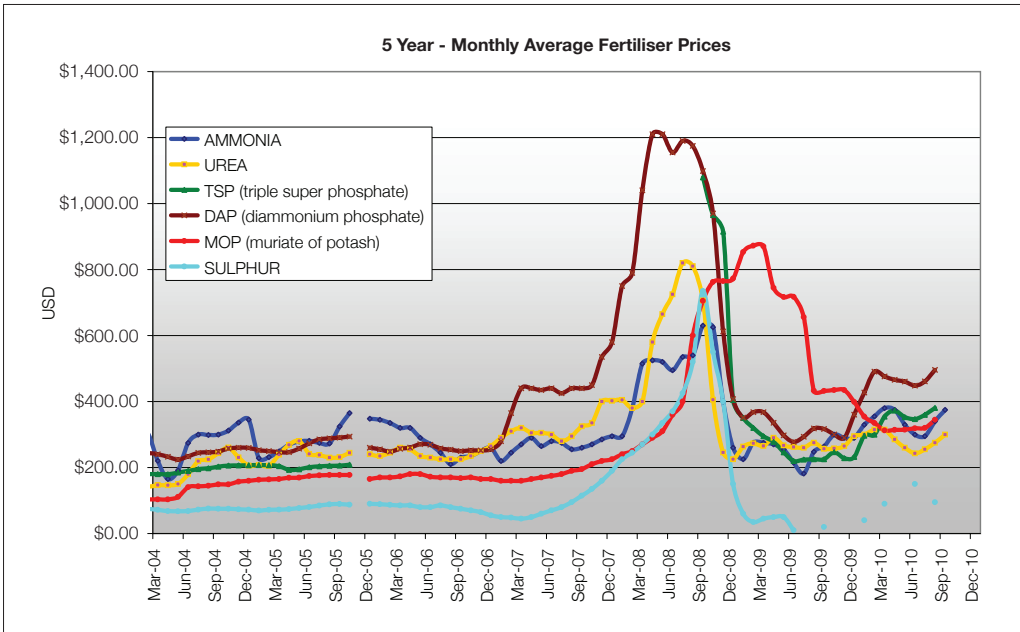
Potassium sulphate (SOP), the likely product from the project, also demands a significant premium to the more readily available potassium chloride (MOP). SOP is better suited to Australian soil conditions where high salinities prevail and the Company believes that as a reliable local producer it can substitute SOP into the chloride market. Much of the SOP consumption in Australia is related to crop and pasture application and the Western Australian wheat belt is a significant consumer.

Thus, transport of fertiliser product to market will also be at a significant cost advantage.

International potash prices are currently at a relatively low point as shown in the following chart. Over the last few years fertiliser prices have risen substantially which has caused buyer resistance and application rates have plummeted. While this can happen in the short term it will cause depletion of nutrients available in the soils and cannot be sustained without a reduction in yield. Return to more normal application practice will also lead to higher initial application rates to replace depleted soils. This trend of a return to normal application rates has shown a recent upswing in prices for other fertiliser products with potash showing a time lag but expected to follow.

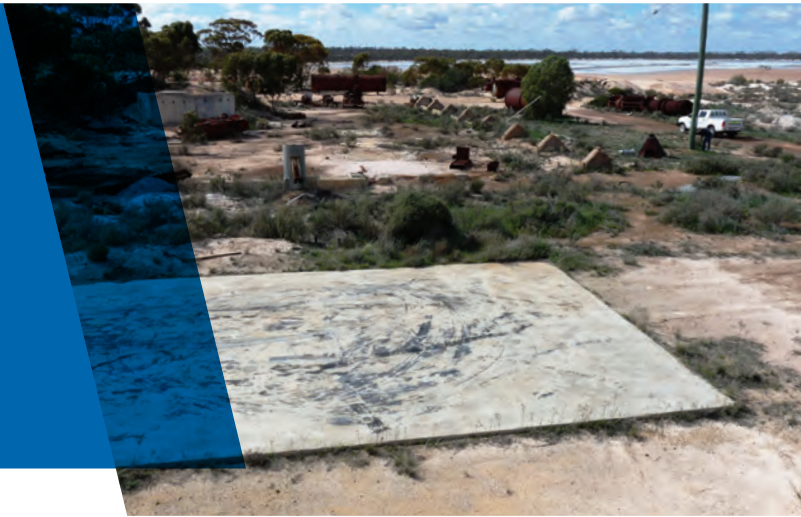
ActivEX believes the future markets for potash will stabilise after this period of uncertainty and extreme price fluctuation.

There are few new potash developments throughout the world. This lack of new supply, combined with expected depletion suggests that prices will stabilise at a new bench mark significantly above the traditional price curve. Recent acquisition activity in the potash sector by major international mining companies seeking to establish a position in potash supports this positive outlook for the commodity.



World potash price (red) and other fertiliser prices 2004-2010 showing volatility during 2007-09 (note the time lag shown by potash)

future markets for potash will stabilize at a new bench mark significantly above the traditional price curve

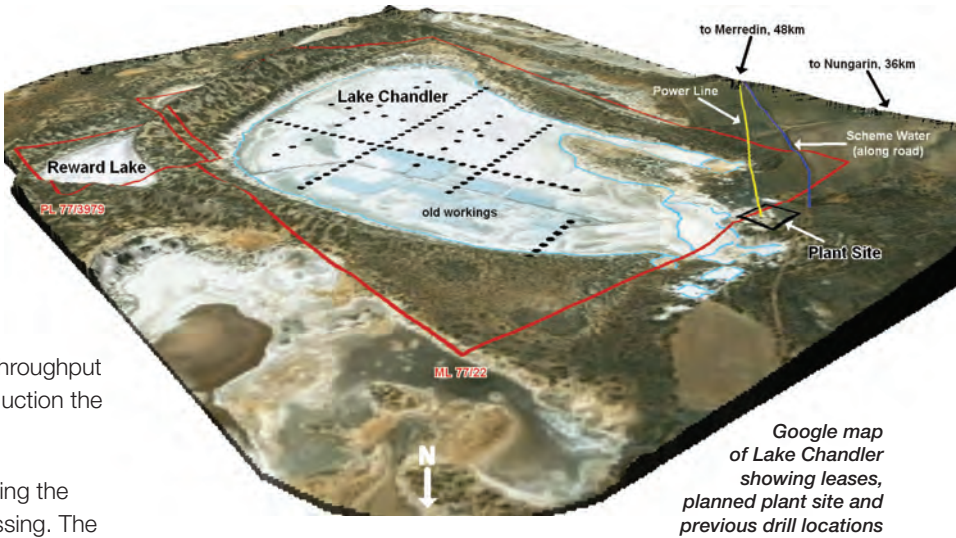


Following the definition of a JORC resource for the project in 2009, ActivEX has carried out extensive washing and settling tests, large scale leach tests, filtration and centrifuge tests to collect sufficient data to carry out a scoping study of the project. The scoping study was completed in July 2010 by engineering consultants Lycopodium Minerals.

The scoping study was carried out on a nominal throughput of 200,000 tonnes per annum. At this rate of production the project would have a mine life of 25 years.

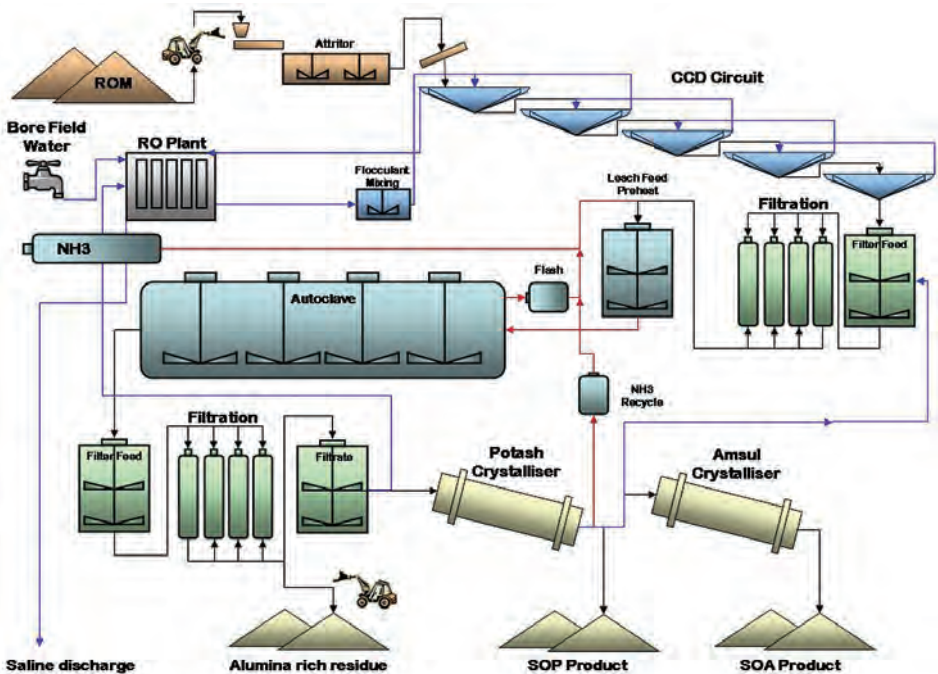
Mining would take place on a campaign basis during the drier months and stockpiled for year round processing. The processing plant, which would operate continuously, consists of two stage scrubbing, five stage counter current decantation (CCD), washed ore filtration, high pressure ammonia leaching, leach discharge and filtration, ammonia stripping and recycling and potassium sulphate and ammonium sulphate crystallisation and bagging units.

The Study shows that operating and capital cost estimates for the project were shown to be between 20 and 30% higher than previous estimates. This, combined with the softness of



the Potash market, means the project would be marginal under the current economic conditions.

The Company is continuing its investigations, striving towards establishing a viable operation by looking at areas for potential cost savings such as good quality second hand plant items and sources of low cost reagents such as ammonia, in addition to looking at ways to simplify the process flow sheet, in an effort to cut capital and operating costs.



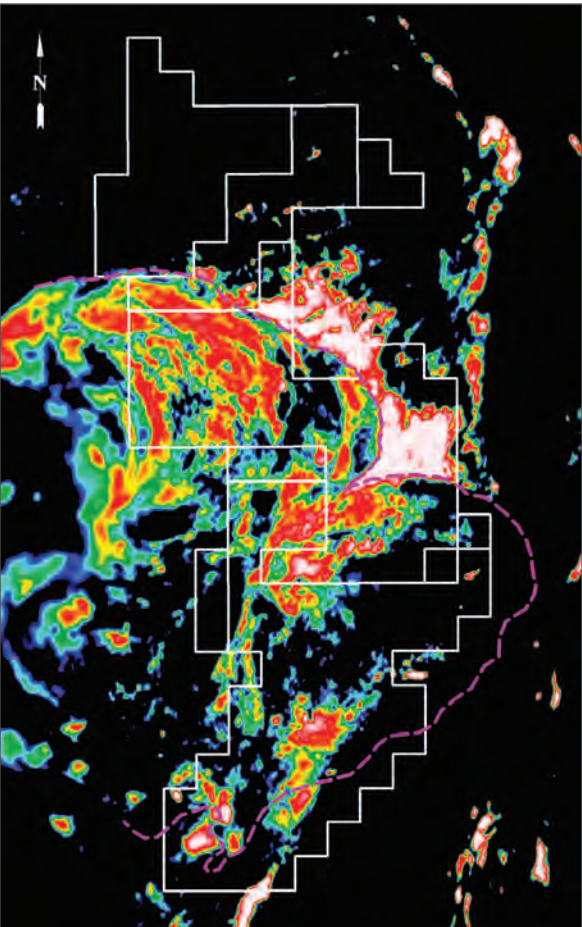
Simplified process flow sheet – ammonia pressure leach process



*new copper-gold-cobalt
discovery at Florence*

ActivEX continues to secure ground in the highly prospective Cloncurry copper-gold district of North West Queensland, concentrating on the area south of Cloncurry in the belt where recent discoveries have been made at Rocklands (Cudeco Limited) and Swan/Merlin (Ivanhoe Australia).

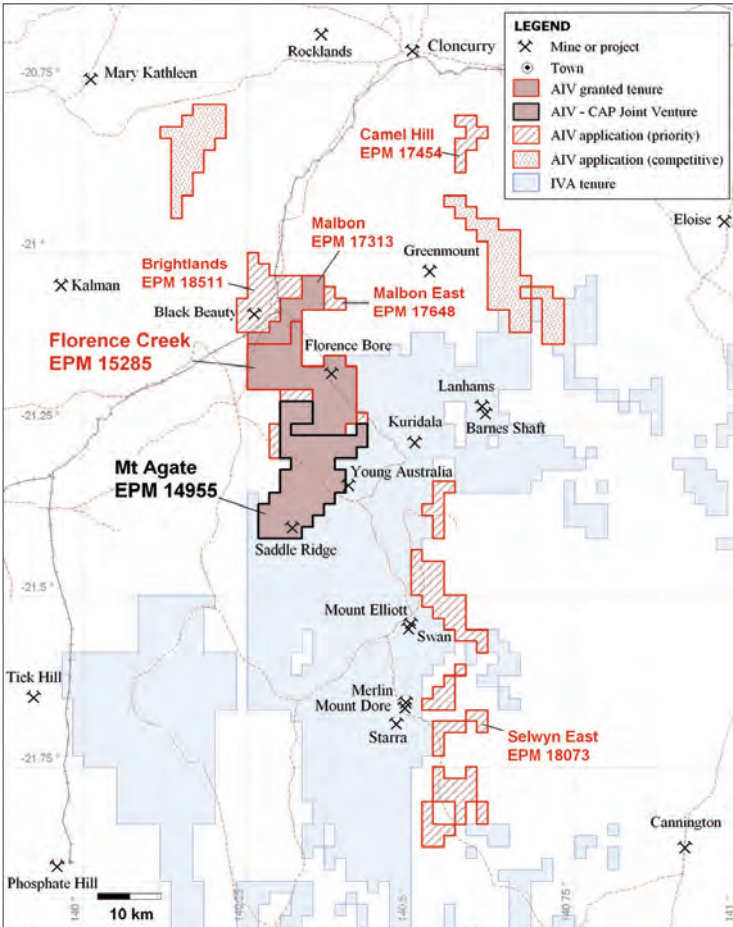
ActivEX has priority applications covering 391km² in this area in support of its granted Florence Creek exploration permit (163km²). In addition, the Company has entered into a new joint venture in the area with Carpentaria Exploration Limited at Mt Agate (192km²) giving it a commanding ground position surrounding the fertile Wimberu Granite in that area. This granite has evidence of extensive fluid flow around its contacts causing alteration of the meta-sediments and volcanics in the area (intense white zones on aeromagnetic image).



Aeromagnetics, showing Wimberu Granite contact, Florence Creek area

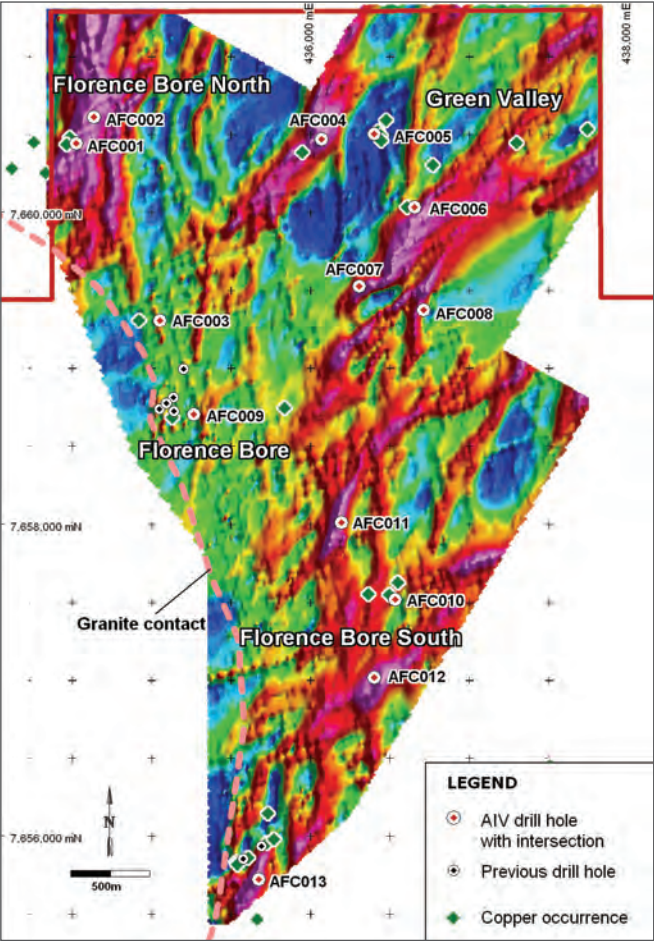
Florence Project

ActivEX has been actively exploring at Florence Creek, culminating with its first campaign of drilling in the area. The Company has identified structurally controlled, breccia related targets that fit the iron oxide copper gold (IOCG) and Rocklands/Merlin models. These targets have been prioritised using a combination of geophysical techniques including gravity, magnetics and conductivity. They occur within the Wimberu Granite and particularly around the edge of this granite where fluids have escaped into surrounding rocks. Most of the targets identified have not been drill tested and most are partly outcropping or obscured by thin alluvial cover. The Company's first drilling campaign has discovered new zones of copper-gold-cobalt mineralisation at Florence Bore.



ActivEX EPM holdings, joint venture areas in the Cloncurry district showing ground held by Ivanhoe Australia and other development projects in the area

further drilling planned to confirm continuity to the mineralised zones



Florence Bore area showing drill holes, key results over SAM conductivity image

In the Florence Bore area, the Company has collected high grade rock chip samples – up to 7% Cu and 4g/t Au at Florence Bore North and up to 8% Cu and 9.8g/t Au at Florence Bore South. As a result the Company carried out extensive SAM (sub-audio magnetic) surveys to delineate drill targets. Previous shallow drilling at Florence Bore (the only holes drilled in the area) had intersected significant mineralisation including 4m @ 3% Cu and 0.3g/t Au. This drilling was restricted to the Florence Bore magnetic anomaly as much of this area is masked by the alluvial flats of Florence Creek with limited outcrops.

In July 2010 the Company drilled 13 holes with the discovery of copper mineralisation in seven holes and significant intersections of copper-gold-cobalt mineralisation in five holes.

The mineralisation occurs as oxide copper in the form of carbonates and silicates and as sulphides in the form of chalcocite and chalcopyrite. The mineralisation is associated with structures represented by large multiple quartz veins, zones of brecciation, and clay and chlorite alteration zones within volcanics and metasediments.

Four of the five structures highlighted in the SAM survey were mineralised. These structures are mostly tested by only one hole, and so are open ended in all directions. Further drill holes are planned, stepping back and out from the successful holes, to prove continuity to the mineralised zones. In addition, further SAM surveys are planned for other prospective areas within the EPM.

Key results summary for 2010 program

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Co (g/t)
AFC001	21	73	52	0.72	0.08	109
incl	34	66	32	1.09	0.12	123
and	51	57	6	4.27	0.35	133
AFC002	40	74	34	0.19	0.04	65
incl	53	63	10	0.45	0.11	76
AFC006	58	65	7	1.00	0.02	47
incl	63	64	1	4.50	0.08	64
AFC011	35	71	36	0.26	0.07	63
AFC012	41	79	38	0.44	0.06	116
incl	54	59	5	0.95	0.14	106



ActivEX can earn 75% interest
in the Mt Agate Project
geochemically anomalous
structure 5km long

Mt Agate Project

ActivEX has farmed into the Mt Agate Project, located immediately south of Florence Creek, Cloncurry district.

It is an area with little previous drill testing but containing magnetic features around the edge of the Wimberu Granite, similar to Florence Creek. Structures found to be mineralised in Florence Creek extend into the Mt Agate area.

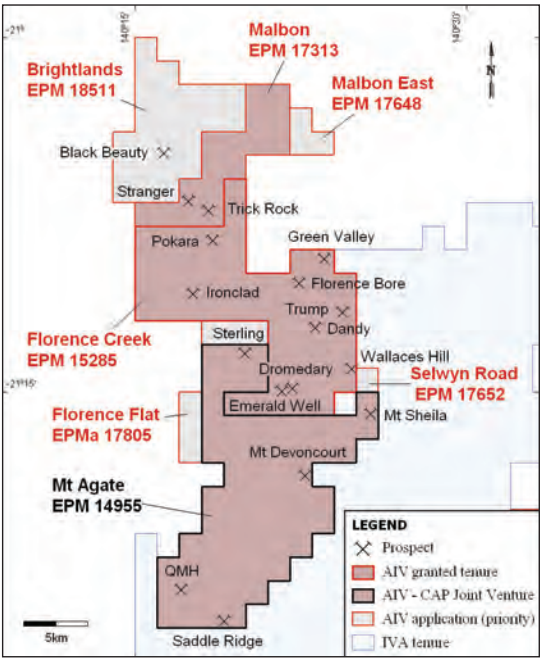
The Company's initial exploration has focussed on the Saddle Ridge prospect where previous drilling by MIM intersected 40m @ 0.32% Cu, 0.08g/t Au and 195g/t Co including 3.1m @ 2.63% Cu and 0.18g/t Au. This intersection is associated with a geochemically anomalous structure which has been shown to extend for over 5km. The drilling has concentrated in the southern part of the anomaly with the best hole being the most northern hole. Further north along the anomalous zone lies the Saddle Ridge and Saddle Ridge North workings where rock chip sampling has shown values of up to 6.75% Cu, 1.18g/t Au and 125g/t Co.

ActivEX plans to carry out drilling of this open ended anomaly.

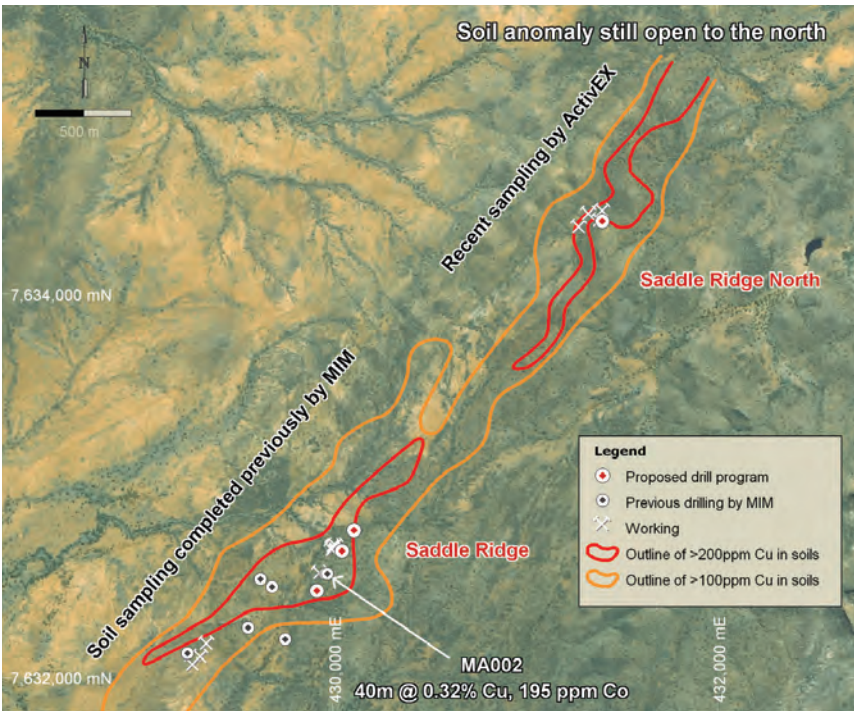
At the Sterling prospect, anomalous copper and gold values were recorded in soil samples on a strongly developed northeast trending structural zone.

Work by ActivEX has shown elevated molybdenum values are associated with these structures with values up to 1200ppm Mo. The structures extend into the Florence Creek EPM to the east and may link with anomalous Mo bearing structures in the Dandy area, also defined by ActivEX work.

Other targets have been identified in the EPM including strong coincident magnetic and IP anomalies at QMH and Mt Sheila which have been identified by work done by Carpentaria Exploration Limited. These prospects will also be targeted in future exploration activities.

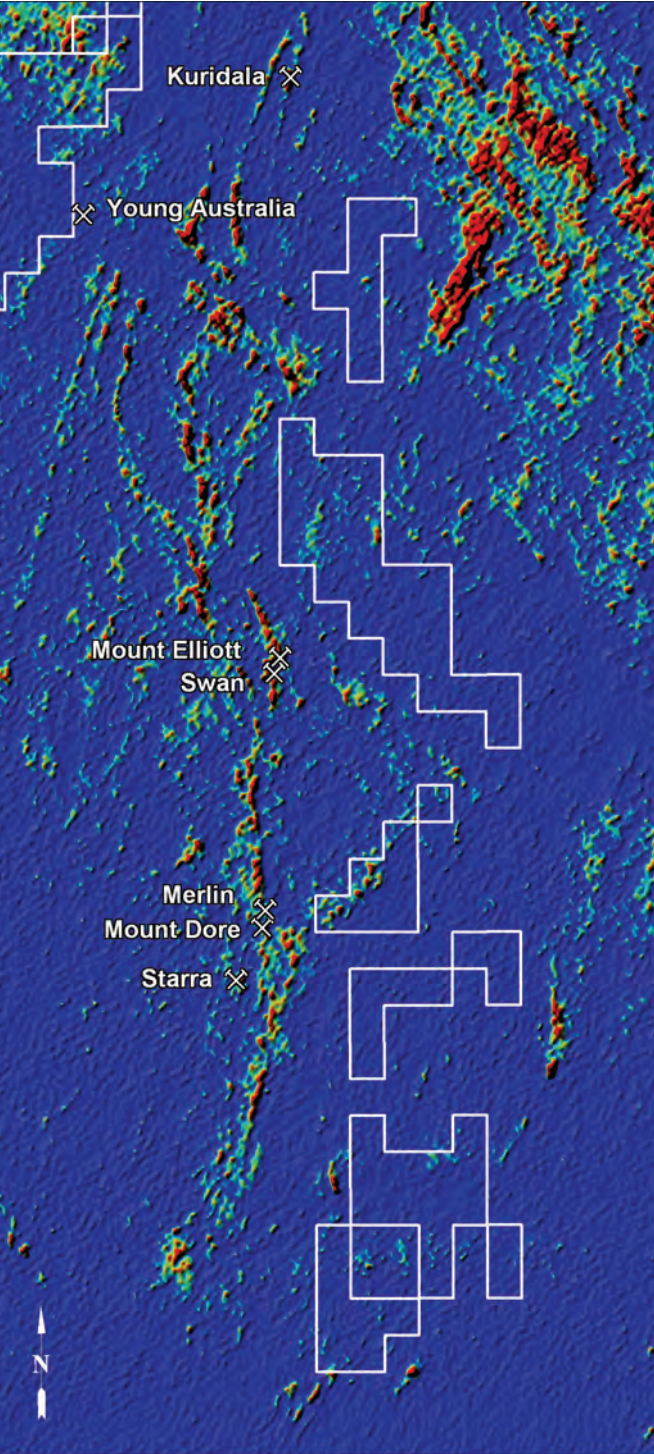
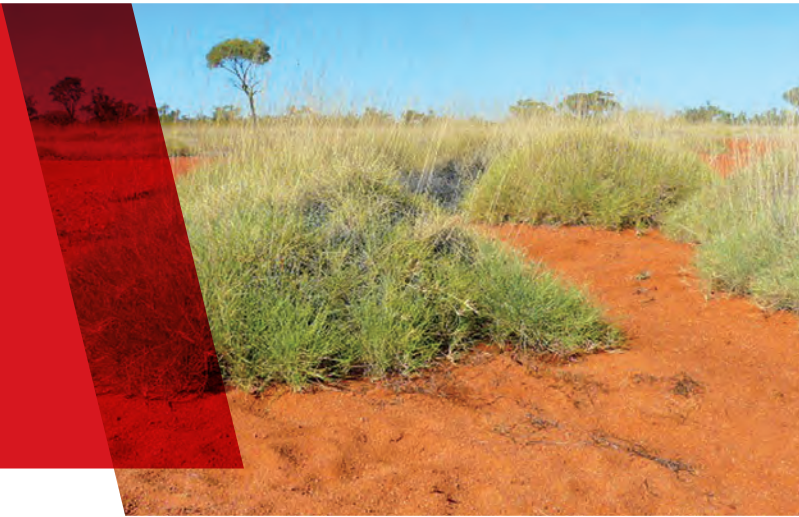


Mt Agate and Florence Creek Projects showing prospect locations



Saddle Ridge prospect – geochemical zone 5km long defined by ActivEX

*Selwyn East Project –
3km from Merlin
priority for grant*



Selwyn East radiometrics showing development projects and ActivEX tenements

Selwyn East Project

ActivEX has an EPM application at Selwyn East, located immediately east of significant discoveries by Ivanhoe Australia Limited, notably the Merlin high grade molybdenum-rhenium deposit and the large copper gold deposit at Mt Elliott-Swan.

The Company has priority for this application and expects the permit to be granted in the near future.

Meanwhile, ActivEX has carried out preliminary targeting using available aeromagnetic and radiometric data. The adjacent image highlights the development of a strong north-eastern trending structure that splays off the north-south trending Mt Dore-Mt Elliott structure. This structure has not had significant exploration attention and no systematic analytical work for molybdenum has been carried out in the application area.



Cloncurry River



*high grade gold-silver
epithermal vein system*

During the year ActivEX has been also been active in the Esk Trough area of South East Queensland.

ActivEX has interpreted the Esk Trough to represent the remnants of a volcanic arc, similar to the Macquarie Volcanic Arc of NSW which boasts discoveries of over 50 million ounces of gold and associated copper in the last 25 years. Key targets in the Esk Trough are porphyry copper-gold systems such as Boobyjan and high grade epithermal vein system such as Barambah. Porphyry systems often occur in clusters of deposits and ActivEX believes it has found an intrusive complex at Blairmore which hosts a series of alteration pipes at Blairmore and Demonbanga. Ground magnetic data collected during the year shows the link between these two alteration pipes.

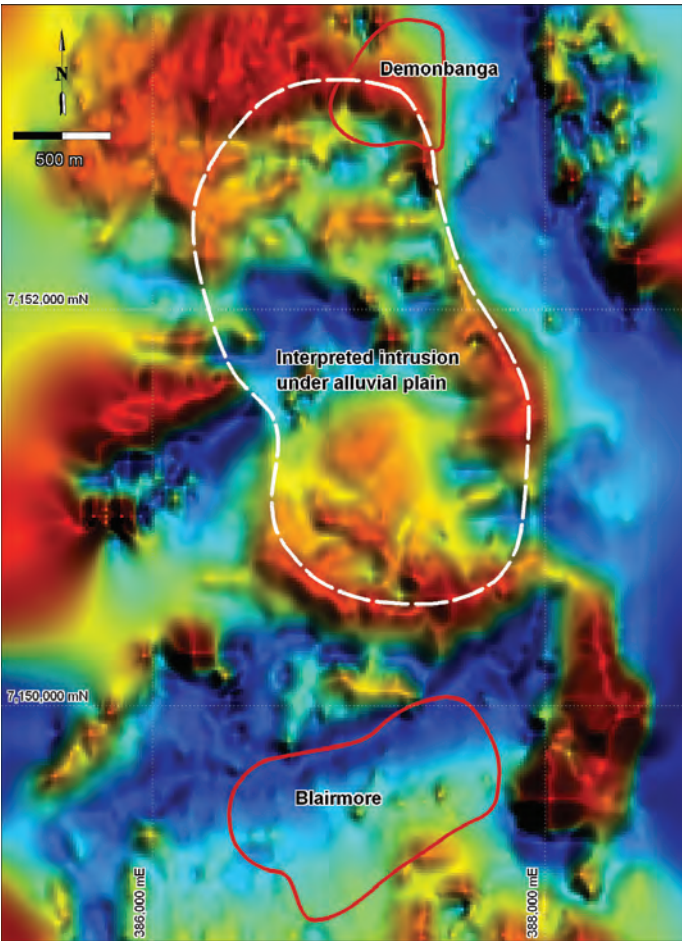
ActivEX have continued to seek prospective ground in this area and to that end have secured the Ban Ban Zinc deposit, north of Boobyjan, which is a zinc dominant distal skarn deposit with porphyry affinities. The Company considers the area has had insufficient testing for copper-gold porphyry style mineralisation. Electrical geophysics (IP) as used extensively at Boobyjan will be trialled in the Blairmore and Ban Ban Zinc areas to define targets for drilling.

Barambah Project

The Barambah Project is a joint venture between ActivEX and Norton Gold Fields Limited. ActivEX has completed sufficient work in the area to earn a 50% interest in the project and continues to fund exploration towards a 75% interest. The project is a high grade gold-silver epithermal vein system that has been partly mined following exploration in the 1980s. The veins are a low sulphidation epithermal system, which bears similarity to the Cracow deposit, which lies 100km to the west.

ActivEX has completed resistivity surveys in the area and conducted a drill program to test both the geophysical anomalies and the interpretation of a south plunging shoot of mineralisation under the open pit.

Drill testing of the plunging mineralised shoot was successful in intersecting a narrow but high grade intersection in hole ABA03. This intersection confirms the interpretation of a plunging high grade zone and opens the zone up for testing at greater depth.

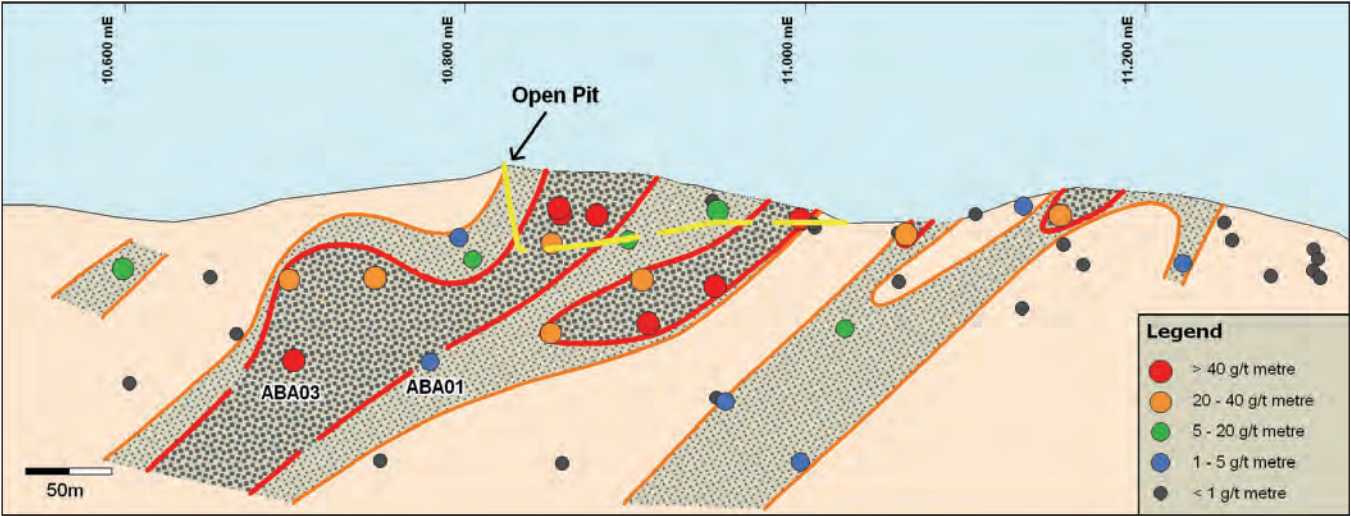
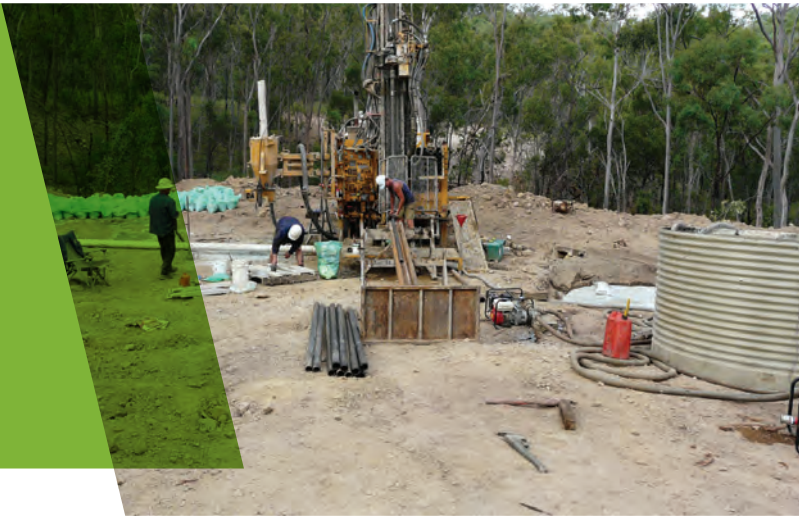


Blairmore magnetic map showing identified porphyry intrusive

It also shows that narrow intersections can still carry significant grades and means that other narrow quartz vein systems in the Barambah area that carry high grade gold and silver need to be followed up by drill testing.

Drill testing of the geophysical anomalies was also successful in intersecting quartz vein systems in most of the holes but results were disappointing in that no gold-silver mineralisation accompanied the veins. This focuses our targets in the area to high grade mineralised areas, a focus which has worked well in the Cracow district where similar high grade shoots contain significant gold-silver mineralisation supporting a long life operation.

low risk exploration –
farming into potential
development



Barambah schematic long section – view west (note hole ABA01 was abandoned before target reached)

ActivEX is currently building a 3D geological model to interpret the drilling results and to aid in planning future drilling programs. The Company intends to embark on a follow-up drill program which would test the mineralised shoot at deeper levels between 130 and 180m below surface.

ActivEX has defined an exploration target⁽¹⁾ in this area (from surface to 180m depth below surface) ranging between 12,000 ozs gold and 80,000 ozs silver, up to 115,000 ozs of gold and 580,000 ozs of silver.

This target is represented by a range of 60,000 to 115,000 tonnes of material ranging in grade from 6g/t Au and 40g/t Ag up to 30g/t Au and 150g/t Ag.

In carrying out the next phase of drilling the Company will be consulting with its resource advisors to determine the level of drilling required to upgrade this target to an inferred resource. This target is of a size which would enable the Company to consider early production either through treatment at a mill nearby or by proceeding to the next stage of exploration to define resources of suitable size to warrant a stand alone operation.

Key Results summary for 2010 program

Hole ID	From	To	Interval	Au (g/t)	Ag (g/t)
ABA01			abandoned before target		
ABA03	50	52	2	15.96	1556
including	51	52	1	31.30	3040



ABA03 – brecciated quartz veining with pyrite / manganese oxide infill



ABA03 – epithermal quartz veining in brecciated porphyry volcanic

⁽¹⁾ Note: This exploration target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource under the JORC Code. It is uncertain if further exploration will result in the determination of a Mineral Resource.



*drilling continues to intersect
broad zones of low grade
copper-gold mineralisation
indicating a large system*

Boubyjan Project

During the first half of the year ActivEX has continued its joint venture program at Booubyjan in conjunction with Minotaur Exploration. Drilling activity during the 2009 year was managed by ActivEX staff, but fully funded by Mitsubishi Corporation and Mitsubishi Materials Corporation under an option agreement.

Five deep drill holes for a total of 2681 metres of core were completed in August 2009. The holes targetted pipe-like bodies interpreted to be related to zones of potassic alteration (magnetite rich) which could host economic porphyry style copper gold mineralisation.

Drilling intersected broad zones of magnetite as expected, however much of the magnetite appeared to be primary in origin, not associated with potassic alteration and without significant associated copper mineralisation.

All holes have intersected weak chalcopyrite (copper) mineralisation over intervals of up to 30 metres with grades similar to previous drilling. These results continue to show that the system is a well developed, large copper-gold system.

Of note in the drilling is the intersection of multiple quartz vein systems, brecciated quartz veins, as well as crackle and milled breccias at White Horse. This indicates significant fluid and gas flow occurs in the area and points to the potential for sheeted vein sets at depth.

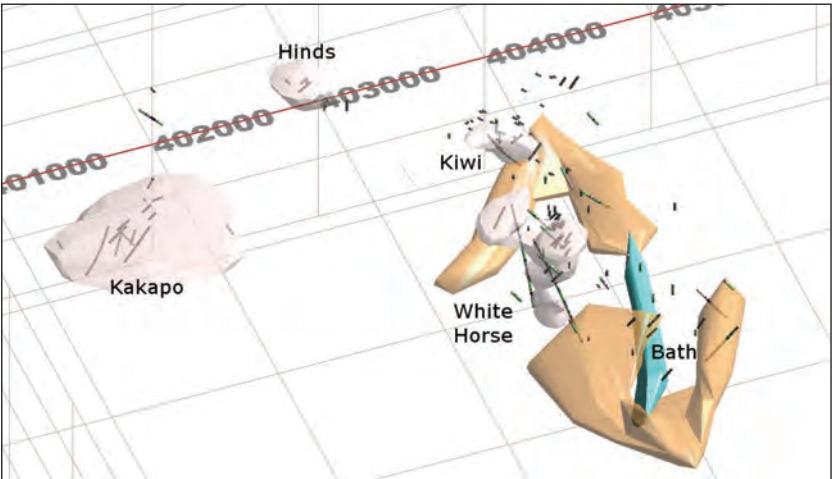
ActivEX’s interpretation is that the drilling has still not intersected the hotter parts of the system, as significant potassic alteration is yet to be intersected.



ABJ014 hydrothermal breccia with veining



ABJ014 breccia quartz veining



Example of 3D model of Booubyjan showing interpreted porphyry bodies (pale pink), conductive bodies (orange) and resistive body (green)

A 3D geological model was constructed to aid in understanding the system and to better direct future drilling. The model has defined several new target zones worthy of further drilling.

Since to year end, the Mitsubishi Companies have declined to continue the funding of exploration at Booubyjan. In order to seek further funding for the project, ActivEX has reached agreement with Minotaur to purchase their 51% interest in the joint venture for \$200,000 worth of ActivEX ordinary shares. With 100% ownership ActivEX will seek a new funding partner for the project.

*alteration hotspots with
anomalous copper
geochemistry highlighted*

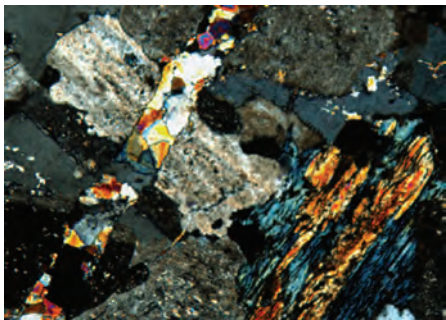


Prospect Creek Project

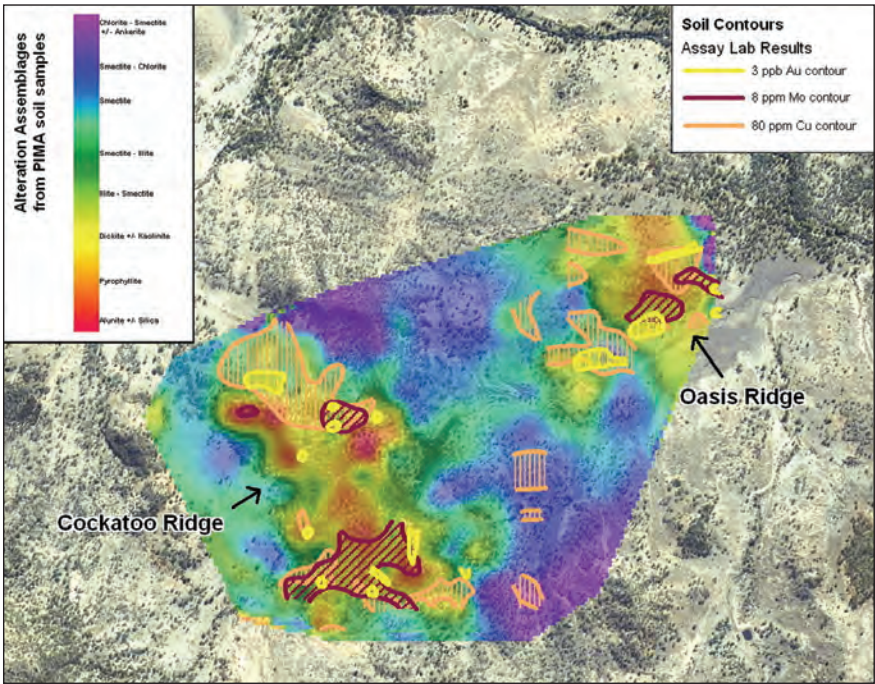
During the year ActivEX has completed a research project at Prospect Creek designed to develop new drill targets related to the alteration pipes at Gossans West. This research has been supported by a Queensland Government Industry Network Initiative (INI) Grant and was conducted in conjunction with consultants, Lantana Exploration.

The Prospect Creek area is thought to be highly prospective for porphyry and epithermal style targets as it contains several large areas where hydrothermal alteration has been identified but a mineralised source is yet to be located.

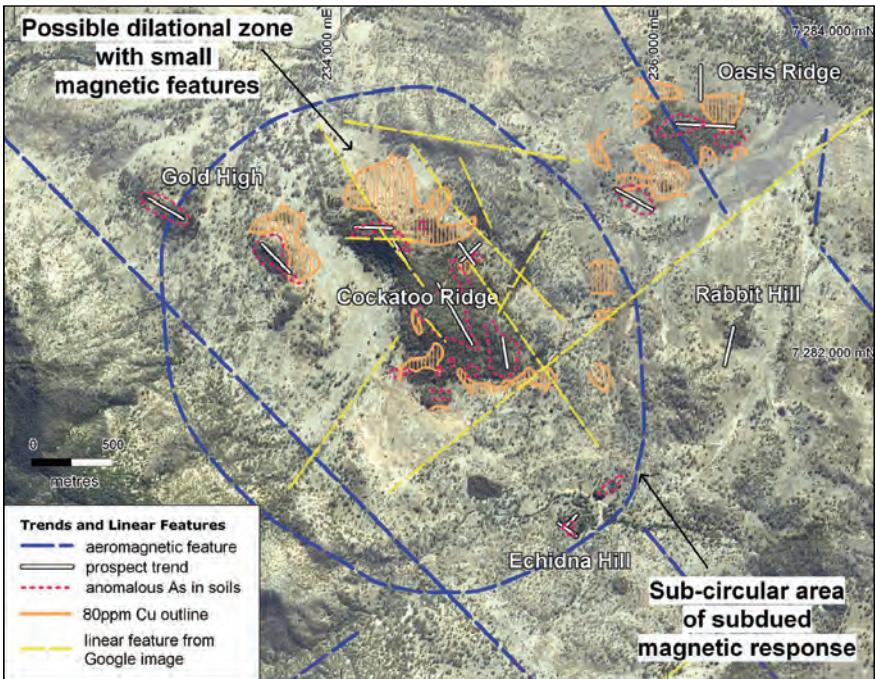
The research project has used state of the art technology by correlating results from PIMA spectroscopy and Niton handheld XRF. It has effectively mapped the alteration present and identified the “hotspots” in the alteration areas. Overlaying the Niton geochemistry has highlighted copper anomalous targets peripheral to the peak alteration facies which carry strongly anomalous arsenic geochemistry. These targets will be further developed prior to drilling, with a ground magnetic survey similar to that carried out at Blairmore being planned.



Thin section showing chlorite and epidote pseudomorphing biotite, bordering a quartz vein



PIMA alteration mineral assemblages and soil geochemistry contours



Linear and magnetic features on Google image



high risk exploration fully funded by joint venture partner

Pentland Project

ActivEX’s Pentland Project is located in the highly prospective North Queensland region.

Whilst the Company was successful in securing a \$136,000 drilling grant for the project from the Queensland Government as part of the 2009 Smart Mining – Future Prosperity Program, this project was viewed as being high risk exploration. For that reason the Company decided to joint venture the project to China Yunnan Copper Australia Limited (CYU). CYU can earn up to 70% of the project by spending \$3M on exploration. The joint venture completed a three hole drilling program at the Mt Remarkable and Norwood prospects.

At **Mt Remarkable**, shallow drilling by previous explorers has encountered gold-copper-molybdenum mineralisation of porphyry style. Work by ActivEX has identified a strong Induced Polarisation (electrical geophysics) anomaly close to the previously identified mineralisation but at a deeper level. The closest drill hole to the anomaly (DDH1) has intersected 47m @ 0.92g/t Au to 306m. The target anomaly, 800 metres long and 400 metres wide, was tested by one deep hole (MRD001) which intersected widespread but low density quartz stockwork veining throughout the hole. The stockwork contained traces of molybdenite and chalcopyrite throughout and is overprinted by an argillic alteration with associated pyrite, which

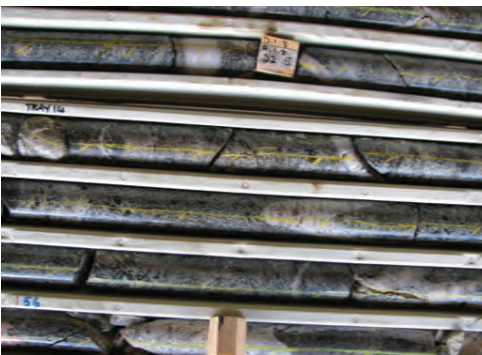


Diamond drilling, Mt Remarkable

accounts for the geophysical anomaly. This hole appears to have intersected the peripheral parts of a large mineralised system.

At **Norwood**, gold workings at the surface were historically worked by the Chinese. Shallow drilling by previous explorers looking for oxide gold, intersected scattered gold mineralisation with better intersections of 18 m @ 0.98g/t Au and 8 m @ 2.28g/t Au.

ActivEX identified shallow dipping IP anomalies surrounding a magnetic intrusive diorite (porphyry) which has low grade gold associated. Two holes (NWD001 and 002) were drilled to test these anomalies. The drilling intersected dacitic volcanics and a sedimentary sequence which has been intruded by a large diatreme breccia. Once again late stage argillic alteration with disseminated pyrite overprints the lithologies, causing the IP anomalies. Narrow, sporadic quartz veins with low gold values were intersected in the drilling.



Quartz stockwork veins, Mt Remarkable

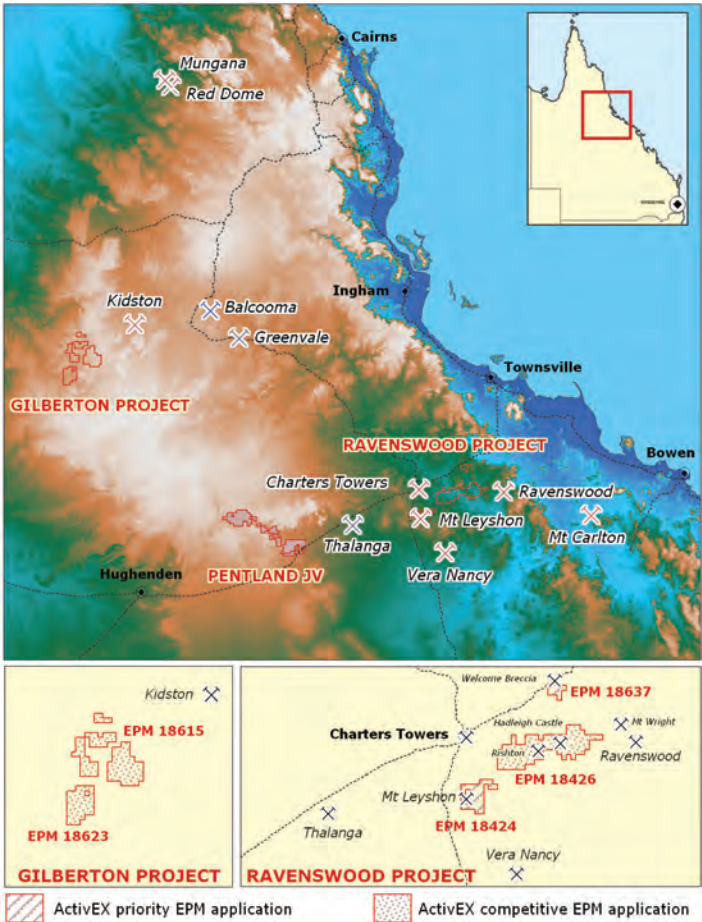


Molybdenite in quartz stockwork, Mt Remarkable

ongoing application
for high quality ground



New Projects Ravenswood/Gilberton



Project acquisition is one of ActivEX's core skills. The Company has built its portfolio predominantly by in-house project generation, seeking copper and gold projects with ready made targets and low exploration risk. Projects of this nature are difficult to come by, however the Company continues to build a very prospective portfolio through ongoing application for high quality ground. Joint ventures are also a mechanism for acquiring prospective ground and ActivEX has successfully acquired two areas with low risk targets identified which had been undervalued by previous explorers, these being the Barambah and Mt Agate joint ventures.

Highly prospective ground has been targeted by ActivEX in the north Queensland region where large intrusive related gold deposits (Mt Leyshon, Kidston, Ravenswood) and high grade epithermal gold deposits (Vera Nancy) are well known. The Company is already active in this area through the Pentland Project and during the year has applied for highly prospective ground in the Gilberton and Ravenswood areas. Two of the Ravenswood areas are priority applications with the third area and the application areas at Gilberton being competitive applications. Competitive applications may or may not be granted to ActivEX.

The Ravenswood areas include the Mt Leyshon EPM (surrounding the Mt Leyshon mining lease) and the King Solomon EPM, northwest of Ravenswood. Adjacent to this application, a recent discovery of high grade gold has been made by Resolute at Welcome Breccia. Limited exploration has been carried out in the application area, despite high grade gold being known at the King Solomon workings, where rock chip samples up to 77g/t Au have been found.



Ironstone outcrop, Cloncurry



Boobyjan core yard



Niton sampling termite mound, Oxley Creek

The information in this report which relates to exploration results is based on information compiled by Ms J Hugenoltz who is a Member of the Australian Institute of Geoscientists and Mr D. I. Young, who is a Fellow of the Australian Institute of Geoscientists. Both Ms Hugenoltz and Mr Young are full time employees of ActivEX Limited and have sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and the activities which they are undertaking to qualify as Competent Persons as defined by the 2004 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Ms Hugenoltz and Mr Young consent to the inclusion of their names in this report and to the inclusion in this report of the exploration results in the form and context in which they appear.

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 a non-executive director of Hill End Gold Ltd since September 2008.



Juli Hugenholtz

B.Sc., MAIG
Exploration Manager

Juli has 18 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.



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.



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 ever since. She has gained considerable experience in epithermal and porphyry style mineralisation systems and IOCG and breccia related copper-gold systems in the Cloncurry district. Jane has undertaken further training in the application and interpretation of geophysical methods becoming the Company's in-house specialist in these techniques.



Paul Crawford

B.Bus (Accounting), CPA, M.FinMmt,
Grad Dip Bus Law, Grad Dip Company
Secretarial Practice

Non-Executive Director and
Company Secretary

Appointed 18 March 2005

Paul is an accountant with over 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.

Paul is also Company Secretary of Orecobre Limited since 2005 and Company Secretary of Elementos since 2009.



Marius Brooks

Field Assistant

Marius is a new member of the ActivEX team coming from a background of several years experience as a field technician in the coal and gas industry with diverse skills covering laboratory, field and office based tasks. He is responsible for execution of field programs, landowner and other stakeholder liaison and maintenance of Company vehicles and data recording equipment.



TENEMENT SCHEDULE

Project	Name	Tenement	Grant	Expiry	ActivEX Holding	Size (km²)
QUEENSLAND						
Prospect Creek	Prospect Creek	EPM 14121	3 Aug 2005	Renewal Lodged	100%	156
Pentland	Pentland	EPM 14332	10 Dec 2004	9 Dec 2014	100%	222
	Oxley Creek	EPM 15055	11 Jan 2006	10 Jan 2011	100%	213
	Norwood South	EPM 15185	3 Aug 2006	2 Aug 2011	100%	58
Lake Monduran	Lake Monduran	EPM 14378	1 Aug 2005	Renewal Lodged	100%	81
Boobyjan	Boobyjan	EPM 14476	8 Jun 2004	7 Jun 2012	ActivEX Limited 49%, (Minotaur 51%, Mitsubishi earning up to 24%)	80
	Dadamarine	EPM 14979	12 Apr 2005	11 Apr 2015		65
Barambah	Barambah	EPM 14937	14 Mar 2005	13 Mar 2012	Norton Gold Fields 50%, ActivEX 50%, earning up to 75%	28
Cloncurry	Florence Creek	EPM 15285	30 Oct 2007	29 Oct 2012	100%	163
	Malbon	EPM 17313	24 May 2010	23 May 2015	100%	51
	Camel Hill	EPM 17454	Application – priority		100%	26
	Malbon East	EPM 17648	Application – priority		100%	10
	Selwyn Road	EPM 17652	Application – competitive		100%	3
	Florence Flat	EPM 17805	Application – priority		100%	19
	Bulonga	EPM 18053	Application – competitive		100%	93
	Selwyn East	EPM 18073	Application – priority		100%	211
	Brightlands	EPM 18511	Application – priority		100%	74
	Robur	EPM 18852	Application – competitive		100%	144
Mt Agate	Mt Agate	EPM 14955	29 Jun 2006	28 Jun 2011	Carpentaria Exploration 100%, ActivEX earning up to 75%	192
Gilberton	Mt Hogan	EPM 18615	Application – competitive		100%	294
	Gilberton	EPM 18623	Application – competitive		100%	123
Esk Trough	Blairmore	EPM 16265	4 Sep 2007	3 Sep 2012	100%	124
	Ban Ban	EPM 16327	31 Jul 2007	30 Jul 2012	100%	62
	Elginvale	EPM 17092	30 Jun 2009	29 Jun 2011	100%	230
	Stockhaven	EPM 18717	Application – priority		100%	89
	One Mile	EPM 18732	Application – priority		100%	95
Ravenswood	Mt Leyshon	EPM 18424	Application – priority		100%	89
	King Solomon	EPM 18637	Application – priority		100%	25
	Disraeli	EPM 18426	Application – competitive		100%	306
WESTERN AUSTRALIA						
Lake Chandler	Lake Chandler	M77/22	17 Jan 1985	16 Jan 2027	100%	3.6
	Reward Lake	P77/3977	Application – priority		100%	0.25

Current as at 30 September 2010



ACTIVEX LIMITED

ABN 11 113 452 896

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2010**

Corporate Governance Statement

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

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

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

PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

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

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

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

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

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

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

The Board has clearly delegated all powers to the Managing Director necessary to effectively and efficiently carry out the business of the Company. 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 review has taken place during the year in accordance with the process detailed above.

1.3 Reporting on Principle 1

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

PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE

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

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

2.1 A majority of the Board should be independent Directors

Currently, ActivEX does not have a majority of independent Directors. As at the date of this report, the Board comprises one Executive Director, Mr Douglas Young, who is the Managing Director and two Non-Executive Directors: Mr Ian Daymond and Mr Paul Crawford. One 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 Mr Crawford to remain a member of the Board. The other Non-Executive Director, Mr Daymond, meets the criteria for independence proposed by the ASX Principles and Recommendations.

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

- a) holds less than five percent of the voting shares of the Company (in conjunction with their associates); or is an officer of the Company, or otherwise associated directly with a shareholder of more than five percent of the voting shares of the Company;

- b) has within the last three years, been employed in an executive capacity by the Company or another group member;
- c) has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided. In this context, the relationship with the professional adviser or consultant shall be deemed to be material if payments from the Company exceed 10% of the Company's annual expenditure to all professionals and consultants or exceed 10% of the recipient's annual revenue for advisory or consultancy services;
- d) is a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer. In this context, the relationship with the supplier or customer shall be deemed to be material if annual payments to or from that supplier or customer exceed 10% of the annual consolidated gross revenue of either the Company or that supplier or customer; and
- e) has a material contractual relationship with the Company or other group member other than as a Director of the Company.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that they can offer, 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 chairperson should be an independent director

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

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

The Managing Director, Mr Douglas Young, is for all practical purposes the Chief Executive Officer of ActivEX and as mentioned above, the Mr Ian Daymond is the Chairperson of the Board. This makes ActivEX compliant with this recommendation.

2.4 The Board should establish a nomination committee

ActivEX does not comply with this recommendation as a nomination committee has not been established. Currently, the role of the nomination committee 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 Directors of the Board.

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

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

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

The Chairperson provides each Non-Executive Director with confidential feedback on his or her performance. The Board does not endorse the re-appointment of a Director who is not satisfactorily

performing the role. Further details of the evaluation process form part of the Corporate Governance Manual which is available on the Company's website.

Induction and Education

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

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

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

Access to information and Independent Professional Advice

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

2.6 Reporting on Principle 2

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

PRINCIPLE 3 - PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

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

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

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

community. Directors are required to adhere to industry standards in conduct and dealings and promote a culture of honesty, fairness and ethical behaviour into its internal compliance policy and procedures as well as dealing with stakeholders.

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

A copy of the Code of Ethics and Conduct is given to all contractors and relevant personnel, including Directors and each individual is accountable for such compliance. Any breach of applicable laws, accepted ethical commercial practices or other aspects of the Code of Ethics and Conduct will result in disciplinary action.

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

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

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

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

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

The Company has adopted a formal Securities Trading Policy. A summary of the policy is available on the Company's website.

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

3.3 Reporting on Principle 3

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

PRINCIPLE 4 - SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Principle 4 is to have a structure of review and authorisation in place which independently verifies and safeguards the integrity of the Company's financial reports. The compilation and timely disclosure of accurate and 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 has not established an audit committee. The role of the audit committee has been assumed by the full Board. The size and nature of the Company's activities does not justify the establishment of an audit committee at this time. The audit committee will be established as and when the need for such a committee arises and when established, will be structured in accordance with the ASX Principles and 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 arrangements in place for the rotation of the audit engagement partner on a regular basis.

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

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

PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE

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

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

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

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

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

5.2 Reporting on Principle 5

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

PRINCIPLE 6 - RESPECT THE RIGHTS OF SHAREHOLDERS

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

6.1 Communications policy

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

- communicating effectively with shareholders through releases to the market via the ASX, the Company's website, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;

- making it easy for shareholders to participate in general meetings of the Company and ask questions regarding the conduct of audit and 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 Shareholder Communications Policy is available on the Company's website.

PRINCIPLE 7 - RECOGNISE AND MANAGE RISK

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

7.1 Risk Management and Internal Control System

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

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

The system covers:

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

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

7.2 Report on risk management and internal control system

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

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

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

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

- the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control ; and

- the Company's risk management and internal control system is operating effectively in all material respects in relation to financial reporting risks.

7.4 Reporting on Principle 7

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

PRINCIPLE 8 - REMUNERATE FAIRLY AND RESPONSIBLY

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

8.1 The Board should establish a remuneration committee

ActivEX has not established a remuneration committee. The role of the remuneration committee has been assumed by the full Board. The size and nature of the Company's activities does not justify the establishment of a committee at this time.

The committee will be established as and when the need for such a committee arises and when established, will be structured in accordance with the ASX Principles and Recommendations including the establishment of a formal charter.

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

8.2 Structure of Non-Executive and Executive Director Remuneration

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

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

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

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

8.3 Reporting on Principle 8

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

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DIRECTORS' REPORT

Your Directors present their report, together with the financial statements, of the Company for the financial year ended 30 June 2010.

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 10 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	10	10
Douglas I Young	Managing Director	10	10
Paul A Crawford	Non Executive Director	10	10

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 a non-executive director of ASX listed Hill End Gold Ltd and is Honorary Consul in NSW for the Republic of Botswana.

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

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

Managing Director

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

He is a Councillor of the Australian Institute of Geoscientists.

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

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

Non-Executive Director

Mr Crawford is an accountant with 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. He is a non-executive director of DiamonEx Limited.

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

DIRECTORS' REPORT

3. Directors Interests

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

Directors	Shares	Options
Ian C Daymond	360,000	222,000
Douglas I Young	8,802,502	2,610,400
Paul A Crawford	555,000	361,000

4. Company Secretary

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

5. Principal Activities

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

6. Review of Operations & Operating Results

The Company's operating loss for the financial period, after applicable income tax was \$809,634 (2009: \$586,995). Exploration and evaluation expenditure during the period totalled \$2,081,025 (2009: \$1,251,974).

The Company has had an active year and has had exploration successes with significant intersections in drilling campaigns in Queensland at Barambah and Florence Creek. It has also completed the acquisition of the Lake Chandler Potash Project and subsequently completed a Scoping Study of the project using engineering consultants. Other significant events include the completion of the major Boobyjan drilling program, negotiation of a significant joint venture and subsequent first pass drilling at the Pentland Project and significant progress elsewhere in the Cloncurry district including a new joint venture at Mt Agate.

The Company has also completed its June 2009 Rights issue which included an attached bonus option issue of 1 for 5 shares held, the options being exercisable by 31 July 2010. A further capital raising in February 2010 was carried out by placement of shares to sophisticated investors through Shaw Corporate Finance to raise \$1.1M in two tranches, the first being within the allowable limits of 15% of the Company's capital and the remainder requiring shareholder approval which was subsequently achieved at an EGM held on 16 March 2010. The bonus option issue expired on 31 July 2010 with 24% of the options being exercised, raising an additional \$0.3M.

At **Lake Chandler, Western Australia**, the Company had secured an option to purchase the potash deposit held under ML77/22. Work on this project has included:

- Exercise of and validation by shareholders of the option to purchase
- Pegging of additional PL over Reward Lake, adjacent to the Lake Chandler ML
- Bench scale testing including large scale leach tests, laser sizing, filtration and precipitation tests
- Commissioning and completion of a scoping study of the Project using engineering consultants Lycopodium
- Marketing and environmental studies in parallel with the scoping study

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DIRECTORS' REPORT

The Company has made an initial review of the Scoping Study which has shown the operating costs and capital cost estimates are between 25% and 30% above the expected range. The Company believes that as a result of the cost increases the project is marginal, particularly given current softness in potash prices and the short term outlook for potash. ActivEX will continue to review the project to investigate potential cost savings to the current flow sheet and to consider other low cost alternative processing routes.

The Company has been concentrating its exploration efforts in the **Cloncurry District** of north-west Queensland. Activities in this district include:-

At **Florence Creek**, the Company has carried out follow up work on its granted EPM at Florence Creek including:

- Identification of new copper gold targets at Green Valley through soil sampling programs with subsequent SAM surveys
- Identification of high grade gold associated with copper mineralisation at Florence Bore North and Florence Bore South. Subsequent SAM surveys have further delineated conductive structures in the area
- Identification of anomalous molybdenum associated with structures in the Dandy area
- First phase drilling campaign in the Florence Bore/Green Valley area including cultural heritage clearance.

Drilling has intersected 5 discrete zones of copper-gold-cobalt mineralisation with significant intersections up to 38 metres downhole. These encouraging intersections will be the subject of a further drilling program which is in the planning stages.

At **Selwyn East**, the EPM application is being progressed through native title process and grant is expected in the first half of 2010-11.

- Aeromagnetic and radiometric data has been interpreted defining a strong north-east trending structure passing through the EPM.

At **Mt Agate**, ActivEX has agreed to farm-in to EPM14955 held by Carpentaria Exploration. Following signing of a heads of agreement work has commenced in this area including:-

- Field inspection of all anomalies
- Soil sampling followup of the Saddle Ridge prospect where a >3km copper anomaly has been defined
- Detailed sampling of the Sterling and QMH prospects.

In **Eastern Queensland**, the Company has continued an active exploration program on its wholly owned and joint venture tenements.

At **Barambah**, south east Queensland, (joint venture with Norton Gold Fields Limited) the work has included:

- Completion of a six hole, 936m drilling program
- Intersection of high grade gold-silver lode in one hole has confirmed the interpretation of a narrow plunging shoot of high grade mineralisation.

This exploration success has defined a zone of high grade mineralisation which is anticipated to continue to depth. A 3D geological model is being constructed to aid in planning the next phase of drilling to further test this target zone.

At **Boobyjan**, south east Queensland, (joint venture with Minotaur Exploration) the work has included:

- Completion, review and interpretation of the 2009 drilling program totalling 5 holes for 2681m of percussion and core drilling
- Results of the drilling indicated further broad zones of low grade copper/gold mineralisation

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DIRECTORS' REPORT

- Following the drilling a complete review of the project has been completed which has included a consultant's review, 3D geological and geophysical modelling and further petrological sampling.

The review has identified several drill targets which are currently subject to assessment by the joint venture partners. Refer to Note 9 for details of further option rights available to Mitsubishi Corporation and Mitsubishi Materials Corporation.

At **Pentland**, north Queensland, the ActivEX has established a joint venture with China Yunnan Copper Australia Limited. The joint venture, established in November has led to the first phase of drilling being completed in the first quarter of 2010. Work on this area has included:

- Regional mapping, soil and rock chip sampling in the Oxley Creek area
- Completion of three hole drilling program by joint venture partners at Mt Remarkable and Norwood, total of 1257 metres completed
- China Yunnan report that the drilling has indicated a district scale alteration system despite only narrow intervals of gold mineralisation being intersected.

The joint venture is currently constructing a 3D model of the system to direct the next phase of work.

At **Prospect Creek**, south east Queensland, the work has included:

- Completion of Industry Network Initiative program 50% funded by the Queensland Government under the Smart Mining – Future Prosperity Program.

The Company has also progressed its numerous EPM applications and applied for EPMs in several new districts within Queensland. Most of these are competitive and will take some time to progress to grant. Priority applications are held over King Solomon (Ravenswood district) and at One Mile and Stockhaven (Esk Trough).

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

7. Financial Position

The Directors believe that the group is in a stable financial position, but will need to raise further capital in 2010 to continue the development of the Lake Chandler Potash Project and undertake its ongoing exploration activities. The net asset position of the Company at 30 June 2010 is \$4,021,964 including a cash balance of \$575,552.

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 2010, the Company's balance sheet shows total assets of \$4,215,898, total liabilities of \$193,934 and net assets of \$4,021,964, including cash assets of \$575,552. Conditions of exploration permits held include minimum expenditure commitments. Committed expenditure in the next 12 months totals \$585,113.

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 the next 12 months.

Since balance date, the Company has received \$321,707 through the exercise of 4,021,332 options issued in July 2009. The remaining 11,744,430 options expired unexercised on 31 July 2010. On the basis of completing currently planned activities, further funds 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' REPORT

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

8. Dividends

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

9. Significant Changes to the state of affairs

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

- On 9 July 2009, the Company issued 20,494,361 shares at \$0.05 each through a rights issue to shareholders.
- On 21 August 2009, 29 September 2009, 17 March 2010 & 10 May 2010, the Company issued a total of 40,850 shares at \$0.08 each pursuant to the exercise of options.
- On 30 November 2009 the Company issued 8,500,000 shares at \$0.06 each as consideration for exercising the option to acquire the Lake Chandler project.
- On 1 February & 17 March 2010, the Company issued a total of 13,750,000 shares at \$0.08 each, as a placement to sophisticated investors.
- On 30 July 2009, the Company issued 15,806,612 options pursuant to a 1 for 5 bonus issue of options to shareholders. Options were issued for no consideration and are exercisable at \$0.08 each prior to 31 July 2010. The options are listed on the Australian Securities Exchange.; and
- During the year, the Company granted a total of 1,350,000 options to employees, pursuant to the Company's Employee & Officer Share Option Plan.

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

10. Events Subsequent to balance date

Since the end of the financial year the Company has issued 4,021,332 new shares at \$0.08 each to raise \$321,707, pursuant to the exercise of options. The funds will be applied to working capital and to enable the Company to evaluate potential projects and activities. A further 11,744,430 options expired on 31 July 2010.

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

11. Future Developments, Prospects and Business Strategies

The Directors will continue to carry out an active exploration and evaluation program on its tenements as detailed in the Company's various public announcements. The level of activity will be determined by the continued availability of funding.

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

12. Remuneration Report (audited)

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.

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DIRECTORS' REPORT

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

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

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

The Company's remuneration policy provides for long-term incentives through participation in the Company's Employee and Officers Share Option Plan. Company policy prohibits holders of such options from entering hedge arrangements on any unvested options. Further details on options issued under the Plan are set out in note 18 in the financial statements. The Company currently does not have any other performance-based incentive component built into Director and executive remuneration. Nor does the Company remunerate any management personnel with securities that are not performance based.

The 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:

2010 Key Management Personnel	Short term benefits		Equity Settled Options	Post- employment Superannuation	Long term benefits	Total	Performance Related (i) %
	Salary & Fees	Non- Cash Benefits					
Douglas I. Young	181,686	-	3,648	17,864	26,254	229,452	1.59%
Ian C. Daymond	30,000	-	489	2,700	-	33,189	1.47%
Paul A. Crawford	-	-	1,162	21,800	-	22,962	5.06%
	211,686	-	5,299	42,364	26,254	285,603	1.86%

2009 Key Management Personnel	Short term benefits		Equity Settled Options	Post- employment Superannuation	Long term benefits	Total	Performance Related (i) %
	Salary & Fees	Non- Cash Benefits					
Douglas I. Young	169,021	-	1,837	14,312	-	185,170	1.00%
Ian C. Daymond	26,000	-	-	2,340	-	28,340	-
Paul A. Crawford	-	-	672	18,893	-	19,565	3.43%
Peter H. Hwang	14,333	-	-	1,290	-	15,623	-
	209,354	-	2,509	36,835	-	248,698	1.00%

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

Amounts shown as equity settled options reflect the current year's amortised expense of options granted. The grant of the options to the Directors is intended to act as a strong incentive to align the

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DIRECTORS' REPORT

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.

Options granted as remuneration (audited)

In the current year the Company issued equity based performance remuneration to the Managing Director and non-executive directors in the form of share options. These were long term incentives to better align the interests of the Company and Directors. This was approved by the shareholders at the 2009 Annual General Meeting. Details of these options and remuneration options granted in prior years are summarised below.

Key Management Personnel	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date	Total Value	Terms & Conditions of Grant		
						Exercise price	First Exercise Date	Last Exercise Date
D I Young	200,000	200,000	20.11.2006	3.37 cents	\$6,740	25 cents	20.11.06	20.11.11
D I Young	200,000	200,000	27.11.2008	0.60 cents	\$1,200	15 cents	27.11.08	26.11.13
PA Crawford	100,000	100,000	20.11.2006	3.37 cents	\$3,370	25 cents	20.11.06	20.11.11
I C Daymond	150,000	150,000	1.12.2009	2.81 cents	\$4,221	15 cents	1.12.09	30.11.14
D I Young	450,000	450,000	1.12.2009	2.81 cents	\$12,662	15 cents	1.12.09	30.11.14
PA Crawford	150,000	150,000	1.12.2009	2.81 cents	\$4,221	15 cents	1.12.09	30.11.14

All options vested immediately and expire within 5 years of granting. All options were granted for nil consideration. There have not been any alterations to the terms and conditions of any options since grant date. The options entitle the holder to one ordinary share in the Company for each option held.

No options have been exercised in 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 (audited)

The contract for service between the Company and the Managing Director was renewed in 2008 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 (audited)

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.

	2007	2008	2009	2010
Exploration expenditure (\$)	586,698	1,072,275	1,251,974	2,081,025
Exploration tenements (no.)	10	16	13	15
Net assets (\$)	2,777,259	2,353,621	2,373,383	4,021,964
Share Price at Year-end (\$)	0.13	0.08	0.068	0.063
Dividends Paid (\$)	NIL	NIL	NIL	NIL

DIRECTORS' REPORT

13. Indemnifying Officers and Auditor

During the financial year the Company has entered into a Deed with each of the Directors whereby the Company has agreed to provide certain indemnities to each Director to the extent permitted by the Corporations Act and to use its best endeavours to obtain and maintain Directors and officers indemnity insurance, subject to such insurance being available at reasonable commercial terms.

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

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

14. Corporate Governance

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

15. Options

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

Grant Date	Expiry Date	Exercise Price	No. Under Option
20 November 2006	20 November 2011	\$0.25	450,000
1 January 2008	31 August 2012	\$0.25	150,000
27 November 2008	27 November 2013	\$0.15	200,000
27 November 2008	30 September 2010	\$0.12	750,000
1 January 2009	31 December 2013	\$0.12	600,000
1 December 2009	30 November 2014	\$0.15	1,350,000

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

During the year 40,850 options were exercised. Since the end of the financial year the Company has issued 4,021,332 new fully paid ordinary shares, pursuant to the exercise of options granted under the July 2009 bonus options issue. The bonus options expired 31 July 2010, with 11,744,430 options expiring unexercised.

16. Environmental Issues

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

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

17. Proceedings on Behalf of the Company

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

DIRECTORS' REPORT

18. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2010 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.

A handwritten signature in dark ink, appearing to read 'Ian C. Daymond', with a long horizontal flourish extending to the right.

Ian C. Daymond
Chairman

A handwritten signature in blue ink, appearing to read 'Douglas I. Young', with a long horizontal flourish extending to the right.

Douglas I. Young
Managing Director

Signed: 6 September 2010
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 2010, 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: *6 September 2010*

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STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue and other income	2	28,826	22,390
Less expenses:	3		
Corporate & administrative expenses		(234,325)	(220,255)
Employee benefits expense		(242,179)	(175,593)
Occupancy costs		(53,587)	(63,295)
Current year exploration & evaluation expenditure written-off		(234,658)	(86,502)
Capitalised exploration & evaluation expenditure written-off		(73,711)	(63,740)
Loss before income tax expense		(809,634)	(586,995)
Income tax expense	4	-	-
Loss for the year		(809,634)	(586,995)
Other comprehensive income		-	-
Total comprehensive loss attributable to members		(809,634)	(586,995)
Basic earnings per share (cents per share)	22	(1.13)	(1.66)
Diluted earnings per share (cents per share)	22	(1.13)	(1.66)
Dividends per share (cents per share)		-	-

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	5	575,552	1,133,291
Trade and other receivables	6	73,553	211,368
Other	7	41,796	37,978
Total Current Assets		690,901	1,382,637
NON-CURRENT ASSETS			
Property, plant and equipment	8	86,802	124,294
Exploration and evaluation assets	9	3,410,695	2,022,062
Other receivables	6	27,500	35,000
Total Non-Current Assets		3,524,997	2,181,356
TOTAL ASSETS		4,215,898	3,563,993
CURRENT LIABILITIES			
Trade and other payables	10	154,520	1,190,610
Total Current Liabilities		154,520	1,190,610
NON -CURRENT LIABILITIES			
Trade and other payables	10	39,414	-
Total Non-Current Liabilities		39,414	-
TOTAL LIABILITIES		193,934	1,190,610
NET ASSETS		4,021,964	2,373,383
EQUITY			
Issued Capital	11	6,255,886	3,785,714
Reserves	12	141,238	153,195
Retained Earnings		(2,375,160)	(1,565,526)
TOTAL EQUITY		4,021,964	2,373,383

The accompanying notes form part of these financial statements.

ACTIVEX LIMITED

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STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2010

	Note	Share Capital \$	Option Reserve \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2008		3,196,964	135,188	(978,531)	2,353,621
Shares issued during the period	11	615,000	-	-	615,000
Transaction Costs		(26,250)	-	-	(26,250)
Options issued during the period	11	-	13,500	-	13,500
Share based payment - Company share option plan	11	-	4,507	-	4,507
Loss for the year		-	-	(586,995)	(586,995)
Balance at 30 June 2009		3,785,714	153,195	(1,565,526)	2,373,383
Shares issued during the period	11	2,637,986	-	-	2,637,986
Transaction Costs		(167,814)	-	-	(167,814)
Options issued during the period	11	-	-	-	-
Transaction Costs	11	-	(21,463)	-	(21,463)
Share based payment - Company share option plan	11	-	9,506	-	9,506
Loss for the year		-	-	(809,634)	(809,634)
Balance at 30 June 2010		6,255,886	141,238	(2,375,160)	4,021,964

The accompanying notes form part of these financial statements.

ACTIVEX LIMITED

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STATEMENT OF CASH FLOWS

for the year ended 30 June 2010

	Note	2010	2009
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(695,419)	(544,280)
Interest received		28,426	22,390
Net cash provided by (used in) operating activities	13	(666,993)	(521,890)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capitalised exploration expenditure	9	(1,303,402)	(1,004,651)
Earn-in contribution by joint venture partner	9	523,944	530,700
Purchase of property, plant and equipment	8	(25,679)	(96,175)
Proceeds from sale of property, plant & equipment		400	-
Net cash provided by (used in) investing activities		(804,737)	(570,126)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	11	1,103,268	525,000
Costs associated with shares issue	11	(167,814)	(12,750)
Costs associated with options issue	11	(21,463)	-
Proceeds from capital subscriptions in advance	11	-	1,024,718
Net cash provided by (used in) financing activities		913,991	1,536,968
Net increase/(decrease) in cash held		(557,739)	444,952
Cash at beginning of year		1,133,291	688,339
Cash at 30 June 2010	5	575,552	1,133,291

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements for the financial year ended 30 June 2010

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.

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 2010, the Company's balance sheet shows total assets of \$4,215,898, total liabilities of \$193,934 and net assets of \$4,021,964, including cash assets of \$575,552. Conditions of exploration permits held include minimum expenditure commitments. Committed expenditure in the next 12 months totals \$585,113.

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 received \$321,707 through the exercise of 4,021,332 options issued in July 2009. The remaining 11,744,430 options expired unexercised on 31 July 2010. On the basis of completing currently planned activities, further funds 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 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.

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Notes to the Financial Statements for the financial year ended 30 June 2010

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.

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Notes to the Financial Statements for the financial year ended 30 June 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Restoration Costs

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

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

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

Financial Instruments

Recognition and Initial Measurement

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

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

Derecognition

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

Loans and receivables

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

Financial Liabilities

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

Impairment

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

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Notes to the Financial Statements for the financial year ended 30 June 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Assets

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

Cash and Cash Equivalents

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

Equity Settled Payments

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

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

Employee Benefits

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

Provisions

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

Issued Capital

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

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.

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Notes to the Financial Statements for the financial year ended 30 June 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Leases

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

Earnings per Share (EPS)

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

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

Critical Accounting Estimates and Judgements

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

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

New Accounting Standards for Application in Future Periods

During the current year the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Company.

AASB 8: Operating Segments

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting.

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Notes to the Financial Statements for the financial year ended 30 June 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. Under AASB 114, segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered.

As the Company operates in a single segment, the adoption of the 'management approach' to segment reporting has had no impact.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Company's financial statements.

Disclosure impact:

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Company's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards.

The following standards and amendments to standards have been identified as those which may impact on the company in the period of initial application:

AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined the potential impact on the financial statements. The changes made to accounting requirements include:

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**Notes to the Financial Statements
for the financial year ended 30 June 2010****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a. the objective of the entity's business model for managing the financial assets; and
 - b. the characteristics of the contractual cash flows.

AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.

AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Company.

AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Company.

NOTE 2: REVENUE & OTHER INCOME

	2010	2009
	\$	\$
Revenue from operating activities:		
Interest received from other persons	28,426	22,390
Gain on disposal of property, plant & equipment	400	-
	<u>28,826</u>	<u>22,390</u>

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**Notes to the Financial Statements
for the financial year ended 30 June 2010**

	2010	2009
NOTE 3: EXPENSES	\$	\$
Included in expenses are the following items:		
Exploration expenditure expensed during year	234,658	86,502
Capitalised exploration & evaluation expenditure written-off	73,711	63,740
Depreciation & amortisation	63,171	59,450
Rental expense on operating leases	51,094	58,447
Employee benefits expense comprises:		
Short term benefits	561,286	484,085
Contributions to defined contribution plans	46,499	55,972
Other long term benefits	39,415	-
Shared base payments	9,506	3,787
	656,706	543,844
Less recharged to exploration & evaluation assets	(414,527)	(368,251)
	242,179	175,593

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% (2009: 30%).	(242,890)	(176,098)
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Adjust for tax effect of:

Non-deductible amounts	2,852	1,364
Tax losses and temporary differences not brought to account	240,038	174,734
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 and provisions)	(1,186,068)	(727,246)
Tax losses	1,865,436	1,182,116
Net unbooked deferred tax asset	679,368	454,870

The Company has unconfirmed carry forward losses of approximately \$6,218,000 (2008: \$3,940,000).

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	75,552	1,133,291
Short term deposits (a)	500,000	-
	575,552	1,133,291

(a) The effective interest rate on short term bank deposits was 5.4%.
Deposits have an average maturity of 45 days.

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**Notes to the Financial Statements
for the financial year ended 30 June 2010**

NOTE 6: TRADE AND OTHER RECEIVABLES	2010	2009
	\$	\$
Current:		
Other receivables	73,553	211,368
	<u>73,553</u>	<u>211,368</u>
Non-current:		
Deposits	27,500	35,000
	<u>27,500</u>	<u>35,000</u>

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

Credit Risk – Trade and Other Receivables

In the prior year, the Company had a significant concentration of credit risk with respect to a single counter party in relation to the reimbursement of expenditure incurred by the Company on behalf of a joint venture partner. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Company.

NOTE 7: OTHER ASSETS	2010	2009
	\$	\$
Current:		
Prepayments	41,796	37,978
	<u>41,796</u>	<u>37,978</u>

NOTE 8: PLANT AND EQUIPMENT**Plant and equipment**

At cost	272,717	247,447
Accumulated depreciation	(185,915)	(123,153)
	<u>86,802</u>	<u>124,294</u>

Reconciliation of the carrying amounts for property, plant and equipment is set out below:

Balance at the beginning of year	124,294	87,569
Additions	25,679	96,175
Disposals	-	-
Depreciation expense	(63,171)	(59,450)
	<u>86,802</u>	<u>124,294</u>

NOTE 9: EXPLORATION AND EVALUATION ASSET

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

Exploration and evaluation phase – subject to joint venture	295,182	210,418
Exploration and evaluation phase – company interest 100%	3,115,513	1,811,644
	<u>3,410,695</u>	<u>2,022,062</u>

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**Notes to the Financial Statements
for the financial year ended 30 June 2010**

NOTE 9: EXPLORATION AND EVALUATION ASSET (continued)	2010	2009
	\$	\$
Movement in exploration and evaluation expenditure:	Non-Joint Venture	
Opening balance - at cost	1,811,644	1,521,851
Transfer to joint venture	-	(210,418)
Capitalised exploration expenditure	1,416,580	634,772
Government grants received	(39,000)	(70,821)
Capitalised exploration expenditure written-off	(73,711)	(63,740)
Carrying amount at end of year	3,115,513	1,811,644
Movement in exploration and evaluation expenditure:	Subject to Joint Venture	
Opening balance - at cost	210,418	-
Transfer from other exploration to joint venture	-	210,418
Capitalised exploration expenditure	429,787	530,700
Earn in contribution by joint venture partner	(345,023)	(530,700)
Carrying amount at end of year	295,182	210,418

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.

On 20 October 2008 the Company entered into an agreement with RC Saddleir Pty Ltd and Mr Michael Ruane granting the Company an exclusive option to purchase West Australian mining tenement M77/22, known as Lake Chandler. The Company exercised its option to purchase during the year. Total consideration paid during the option period was the issue of 10,000,000 shares at consideration of \$0.06 each, less 1,500,000 shares previously issued.

Capitalised costs amounting to \$1,303,402 (2009: \$1,004,651) have been included in cashflows from investing activities in the Statement of Cash Flows.

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

Boobyjan Joint Venture:

Minotaur Investments Pty Ltd has earned a 51% interest in the tenements by funding exploration.

Minotaur's interest can increase to 75% through the contribution of a further \$1,000,000 in exploration expenditure on the joint venture area by 24 November 2011. During the period, Minotaur contributed \$345,023 toward this earn-in expenditure. Mitsubishi Corporation and Mitsubishi Materials Corporation have an option to acquire 24% of this interest.

Barambah Joint Venture:

The Company has satisfied the initial earn-in provisions of the joint venture agreement with Norton Goldfields Limited. The Company earned a 50% interest in the tenements subject to the joint venture by funding \$250,000 on exploration.

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. During the year the Company incurred expenditure of \$174,224, of which \$145,242 was charged directly to the statement of comprehensive income.

Pentland Joint Venture:

On 4 January 2010, the Company entered into a joint venture with China Yunnan Copper Australia Limited. The joint venture commenced on 1 January 2010.

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**Notes to the Financial Statements
for the financial year ended 30 June 2010****NOTE 9: EXPLORATION AND EVALUATION ASSET (continued)**

Under the terms of the joint venture, China Yunnan Copper Australia ("CYU") will farm-in to the Pentland Project area and can earn up to a 70% interest in the project area by spending \$3 million over 5 years in a two stage earn-in. In the first stage, CYU can earn up to 51% of the project by spending \$1.25 million within three years, including carrying out a drilling program at Mt Remarkable and Norwood prospects which must commence in the March 2010 Quarter. If CYU elects to continue it can earn an additional 19% by spending a further \$1.75 million within five years from commencement. CYU's minimum commitment to the project is the first year's expenditure commitments on the tenements including the drilling program.

In addition, if CYU elects to continue earning after 24 November 2010, it will grant ActivEX one million unlisted options to acquire shares in CYU, exercisable at \$0.40. The options are exercisable from 20 December 2010 and expire on 20 December 2012.

Mt Agate Joint Venture:

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

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

Under the joint venture, the Company has committed to a minimum of \$100,000 of exploration expenditure. During the year the Company incurred expenditure of \$20,833 which was charged directly to the statement of comprehensive income.

NOTE 10: TRADE & OTHER PAYABLES

	2010 \$	2009 \$
Current:		
Sundry payables and accrued expenses	73,432	97,804
Share subscriptions received (note 16)	-	1,024,718
Short term employee benefits	81,088	68,088
Total payables (unsecured)	154,520	1,190,610
Non-current:		
Employee benefits	39,414	-
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
Total current	154,520	1,190,610
Total non-current	39,414	-
	193,934	1,190,610
Less leave entitlements	(120,502)	(68,088)
Financial liabilities as trade and other liabilities	73,432	1,122,522

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**Notes to the Financial Statements
for the financial year ended 30 June 2010**

NOTE 11: ISSUED CAPITAL	2010	2009
	\$	\$
84,273,933 (2009: 41,488,722) fully paid ordinary shares	6,255,886	3,785,714
Ordinary shares	No.	No.
Balance at the beginning of the reporting period	41,488,722	30,388,722
Shares issued during the year:	-	11,100,000
9 July 2009	20,494,361	-
21 August 2009	6,250	-
29 September 2009	3,000	-
30 November 2009	8,500,000	-
1 February 2010	10,500,000	-
17 March 2010	3,250,000	-
17 March 2010	3,000	-
10 May 2010	28,600	-
Balance at reporting date	84,273,933	41,488,722

On 9 July 2009, the Company issued 20,494,361 shares at \$0.05 each through a rights issue to shareholders.

On 21 August 2009, 29 September 2009, 17 March 2010 & 10 May 2010, the Company issued a total of 40,850 shares at \$0.08 each pursuant to the exercise of options.

On 30 November 2009 the Company issued 8,500,000 shares at \$0.06 each as consideration for exercising the option to acquire the Lake Chandler project (refer note 9).

On 1 February & 17 March 2010, the Company issued a total of 13,750,000 shares at \$0.08 each, as a placement to sophisticated investors.

Transaction costs totalling \$167,814 were incurred in relation to these share issues and applied against the proceeds received.

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.

Options	No.	No.
Options listed on Australian Securities Exchange	15,765,762	-
Balance at the beginning of the reporting period	-	15,194,361
Issued during the period	15,806,612	-
Exercised during the period	(40,850)	-
Expired during the period	-	(15,194,361)
Balance at reporting date	15,765,762	-

On 30 July 2009, the Company issued options pursuant to a 1 for 5 bonus issue of options to shareholders. Options were issued for no consideration and were exercisable at \$0.08 each prior to 31 July 2010. The options are listed on the Australian Securities Exchange. Transaction costs totalling \$21,463 were incurred in relation to this issue and applied against the options reserve. During the year, 40,850 of these options were exercised.

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**Notes to the Financial Statements
for the financial year ended 30 June 2010****NOTE 11: ISSUED CAPITAL (continued)****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:

	2010 No.	2009 No.
Balance at the beginning of the reporting period	1,400,000	600,000
Options issued during the period: 1 December 2009	- 1,350,000	800,000 -
Balance at reporting date	<u>2,750,000</u>	<u>1,400,000</u>

The amount expensed during the period in relation to all these options is \$9,506 (2009: \$4,507). This amount has been credited to the Option Reserve.

Other details of the employee options granted are:

Grant Date & Vesting	1/12/09
Options granted and vesting (for nil consideration)	1,350,000
Contractual Life of Options	5 years

The fair value of share options, calculated using a binomial option valuation model and assumptions for the year ended 30 June 2010:

Fair value at grant date	2.814 cents
Share price	9 cents
Exercise price	15 cents
Expected volatility	44.3%
Option life - expiring on 30 November 2014	5 years
Expected dividends	nil
Risk-free interest rate (based on government bonds)	5.75%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements, which may not eventuate.

Other Unlisted Options (see also note 18)

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

Capital Management

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

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

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

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**Notes to the Financial Statements
for the financial year ended 30 June 2010****NOTE 12: RESERVES****Options Reserve**

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

NOTE 13: CASH FLOW INFORMATION

	2010	2009
	\$	\$
Reconciliation of Cash Flow from Operations with Loss after Income Tax:		
Loss from ordinary activities after income tax	(809,634)	(586,995)
Non-cash flows in loss from ordinary activities:		
Depreciation	63,171	59,450
Employee options expense	9,506	4,507
Write-off of exploration & evaluation expenditure	73,711	63,740
Profit on sale of property, plant & equipment	(400)	-
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	(27,574)	(465)
(Increase)/Decrease in prepayments	(3,818)	(1,650)
(Decrease)/Increase in creditors and accruals	(11,370)	(60,477)
(Decrease)/Increase in provisions	39,415	-
Cash flows from operations	<u>(666,993)</u>	<u>(521,890)</u>

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

During the year, the Company issued 8,500,000 shares, representing \$510,000 as consideration for the exercise of the option to acquire the Lake Chandler mining lease.

Share issues in the year include \$1,024,718 for which proceeds were received prior to 30 June 2009.

During the previous financial year, the Company issued a total of 1,500,000 shares, representing \$90,000 as consideration for option payments due under the Lake Chandler acquisition agreement.

During the previous financial year, the Company also issued 750,000 options, valued at \$13,500 as consideration for services rendered in relation to a capital raising.

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 21.

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 \$69,860 (2009:\$52,891) for accounting, company secretarial and other services provided to the entity. The amount owing by the Company at 30 June is \$16,440 (2009: 6,680).

During the period the Company agreed to pay Doug Young & Associates, an entity controlled by Mr Doug Young, a director of the Company, vehicle hire fees of \$1,485 (2009: \$2,673) for use of its motor vehicle for fieldwork. No amount is owing by the Company at 30 June 2010 (2009: nil).

In a previous financial year, the Company entered into a net smelter return royalty deed with Findex Pty Ltd, an entity controlled by Mr Doug Young, for the payment by the Company to Findex of a 2.5% net smelter royalty on the proceeds of mineral production from the Florence Creek tenement area. The area is still in exploration phase, consequently there are no royalty payments due.

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**Notes to the Financial Statements
for the financial year ended 30 June 2010**

	2010	2009
	\$	\$
NOTE 15: COMMITMENTS		
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements, payable:		
Not later than 1 year	61,810	31,933
Later than 1 year but not later than 5 years	95,872	-
Total commitment	157,682	31,993
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 5% per annum.		
(b) Exploration Commitments		
The entity must meet minimum expenditure commitments in relation to granted exploration tenements to maintain those tenements in good standing. If the relevant mineral tenement is relinquished the expenditure commitment also ceases.		
The following commitments exist at balance date but have not been brought to account.		
Not later than 1 year	572,300	1,017,100
Later than 1 year but not later than 5 years	1,795,300	1,427,400
Total commitment	2,367,600	2,444,500
(c) Contract services		
The Company has entered into a contract with Lycopodium Minerals Pty Ltd for the provision of engineering services in relation to the Lake Chandler project. At year end a commitment arises in relation to services still to be provided under the contract.		
Not later than 1 year	12,813	-
Later than 1 year but not later than 5 years	-	-
Total commitment	12,813	-

NOTE 16: EVENTS AFTER BALANCE SHEET DATE

Since the end of the financial year the Company has issued 4,021,332 new shares at \$0.08 each to raise \$321,707, pursuant to the exercise of options. The funds will be applied to working capital and to enable the Company to evaluate potential projects and activities. A further 11,744,430 options expired on 31 July 2010.

The financial report was authorised for issue on 6 September 2010 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 2010:

The Company had 600,000 share options on issue at the start of the year, being options issued during the 2007 and 2008 financial years. Options were granted under the Company's Employees and Officers

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**Notes to the Financial Statements
for the financial year ended 30 June 2010****NOTE 18: SHARE BASED PAYMENTS (continued)**

Share Purchase Plan with an exercise price \$0.25 with 450,000 options expiring November 2011 and 150,000 options expiring August 2012.

The Company had 800,000 share options on issue at the start of the year, being options granted under the Company's Employees and Officers Share Purchase Plan to take up ordinary shares. 200,000 options have an exercise price \$0.15, expiring 31 November 2013 and 600,000 options are exercisable at \$0.12 expiring 31 December 2013.

During the year, 1,350,000 share options were granted under the Company's Employees and Officers Share Purchase Plan to take up ordinary shares. Refer to Note 11 for more details.

On 30 November 2009, the Company issued 8,500,000 shares at \$0.06 as the final consideration paid for exercising the option to acquire the Lake Chandler project (see note 8 & 11). This issue was approved at the 2009 AGM.

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.

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

	Options
Granted 20 November 2006	300,000
Granted 27 November 2008	200,000
Granted 1 December 2009	750,000

The Company also had 750,000 share options on issue at the start of the year, being options granted by external parties for services rendered in relation to a capital raising, with an exercise price of \$0.12 expiring 30 September 2010.

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

	2010		2009	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	No	\$	No	\$
Outstanding at the beginning of the year	2,150,000	0.159	600,000	0.250
Granted	1,350,000	0.150	1,550,000	0.124
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	3,500,000	0.156	2,150,000	0.159
Exercisable & vested at year-end	3,500,000	0.156	2,150,000	0.159

The options outstanding at 30 June 2010 had a weighted average exercise price of \$0.156 and a weighted average remaining contractual life of 2.8 years. Refer Note 11 for assessment of fair value of options granted during the year.

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**Notes to the Financial Statements
for the financial year ended 30 June 2010****NOTE 19: AUDITORS' REMUNERATION**

	2010	2009
	\$	\$
Remuneration of the auditor for:		
- auditing or reviewing the financial report	17,000	16,350

No fees were paid for non-audit services.

NOTE 20: CONTINGENT LIABILITIES

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

NOTE 21: KEY MANAGEMENT PERSONNEL COMPENSATION & EQUITY

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

(a) Key Management Person	Position
Ian C. Daymond	Chairman
Douglas I. Young	Managing Director - Executive
Paul A. Crawford	Director - Non-Executive
Other than the directors, the company has no Key Management Personnel.	

(b) Key Management Personnel Compensation	2010	2009
	\$	\$
Short-term employee benefits	211,686	209,354
Post-employment benefits	42,364	36,835
Other long-term benefits	26,254	-
Share-based payments	5,299	2,509
	285,603	248,698

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)

2010	Balance 1 July 2009	Compensation (ii)	Options Exercised	Purchased / (Sold)	Balance 30 June 2010
Ian C Daymond	250,000	-	-	110,000	360,000
Douglas I. Young	8,135,002	-	-	667,500	8,802,502
Paul A. Crawford	370,000	-	-	185,000	555,000
Total	8,755,002	-	-	962,500	9,717,502
2009	Balance 1 July 2007	Compensation (ii)	Options Exercised	Purchased / (Sold)	Balance 30 June 2009
Ian C Daymond	150,000	-	-	100,000	250,000
Douglas I. Young	8,025,002	-	-	110,000	8,135,002
Paul A. Crawford	370,000	-	-	-	370,000
Peter H. Hwang (iii)	240,000	-	-	-	240,000
Total	8,785,002	-	-	210,000	8,995,002

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

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

(iii) Shares held at date of resignation.

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**Notes to the Financial Statements
for the financial year ended 30 June 2010****NOTE 21 KEY MANAGEMENT PERSONNEL COMPENSATION & EQUITY (continued)****(d) Number of options held by Key Management Personnel (i)**

2010	Balance 1 July 2009	Compensation (e)	Options Acquired	Options Expired	Balance 30 June 2010	Total Vested	Total Exercisable
Ian C Daymond	-	150,000	72,000	-	222,000	222,000	222,000
Douglas I. Young	400,000	450,000	1,760,400	-	2,610,400	2,610,400	2,610,400
Paul A. Crawford	100,000	150,000	111,000	-	361,000	361,000	361,000
Total	500,000	750,000	1,943,400	-	3,193,400	3,193,400	3,193,400

2009	Balance 1 July 2007	Compensation (e)	Options Exercised	Options Expired	Balance 30 June 2009	Total Vested	Total Exercisable
Ian C Daymond	75,000	-	-	(75,000)	-	-	-
Douglas I. Young	2,712,500	200,000	-	(2,512,500)	400,000	400,000	400,000
Paul A. Crawford	285,000	-	-	(185,000)	100,000	100,000	100,000
Peter H. Hwang	120,000	-	-	(120,000)	-	-	-
Total	3,192,500	200,000	-	(2,892,500)	500,000	500,000	500,000

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

(e) Compensation Options

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

(f) Shares Issued on Exercise of Compensation Options

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

NOTE 22: EARNINGS PER SHARE

	2010 \$	2009 \$
Net loss used to calculate basic and dilutive EPS	809,634	586,995
	No	No
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	71,648,433	35,335,571
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive EPS	71,648,433	35,335,571

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

(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.

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Notes to the Financial Statements for the financial year ended 30 June 2010

NOTE 23: FINANCIAL INSTRUMENTS

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 bank balances.

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

Liquidity Risk

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

The Company's activities are funded from equity sources.

Credit Risk

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

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

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

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

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

At 30 June 2010, there was no concentration of credit risk (2009: \$184,706 receivable from Minotaur Investments Pty Ltd, a joint venture partner).

(b) 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.

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**Notes to the Financial Statements
for the financial year ended 30 June 2010****NOTE 23: FINANCIAL INSTRUMENTS (continued)****(c) Financial instrument composition and contractual maturity analysis**

Financial assets:	2010	2009
	\$	\$
Within 6 months		
- cash & cash equivalents (a)	575,552	1,133,291
- receivables (b)	73,553	211,368
	<u>649,105</u>	<u>1,344,659</u>
1 - 2 years		
- receivables (b)	27,500	35,000
Total	<u>676,605</u>	<u>1,379,659</u>
Financial liabilities:		
Within 6 months		
- payables (b)	<u>73,432</u>	<u>1,122,522</u>

(a) Floating interest rates, with weighted average effective interest rate 4.15% (2009: 3.8%).

(b) Non-interest bearing.

(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 +/- \$7,348 (2009: \$11,333).

NOTE 24: COMPANY DETAILS

The registered office and principal place of business is:


117 Quay Street
Brisbane Qld 4000

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2010 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: 6th day of September 2010

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 statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

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

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

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

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 2010 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 statements which indicates the company's ability to continue with its planned exploration activities is dependent on having finance available.

As indicated in the note, at balance date the company had cash assets of \$575,552 and committed exploration expenditure in the next 12 months of \$585,113. Since balance date the company has received \$321,707 cash from the exercise of options. On the basis of completing currently planned activities, further funds 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. 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 Directors cannot presently be determined with any certainty. The company's ability to continue as a going concern will be dependent on obtaining future finance.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2010. 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 2010 complies with section 300A of the *Corporations Act 2001*.

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Migel Bamford

ND Bamford
Director

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

Date: *6 September 2010*

ACTIVEX LIMITED
ABN 11 113 452 896

ASX INFORMATION

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

1. Shareholding:

The following information is provided as at 15 October 2010.

Distribution of Shareholder Number

Category Number (Size of Holding)	Number of Holders
1 - 1,000	5
1,001 - 5,000	18
5,001 - 10,000	90
10,001 - 100,000	274
100,001 - and over	108
	495

The number of shareholdings held in less than marketable parcels is 41.

Twenty Largest Holders - Ordinary Shares

		No of Shares Held	% of Total Issued Capital
1.	Findex Pty Ltd	9,100,002	8.96
2.	Mr Michael Ruane	6,561,278	6.46
3.	Intermin Resources Ltd	4,905,000	4.83
4.	Kesli Chemicals Pty Ltd <Ruane S/F A/C>	4,673,164	4.60
5.	R C Sadleir Pty Ltd	4,483,722	4.42
6.	Slade Technologies Pty Ltd <Embrey Family Superfund>	3,123,900	3.08
7.	Tyson Resources Pty Ltd	3,000,000	2.95
8.	Scintilla Strategic Investments Limited	2,427,500	2.39
9.	Minotaur Resources Investments Pty Ltd	2,300,000	2.27
10.	Scintilla Strategic Investments Ltd	1,847,500	1.82
11.	Calama Holdings Pty Ltd <Mambat Super Fund A/C>	1,756,850	1.73
12.	Taycol Nominees Pty Ltd	1,700,000	1.67
13.	Welas Pty Ltd <The Wales Family A/C>	1,279,000	1.26
14.	Mr Colin James Mccavana + Mrs Debra Dianne Mccavana <Colin Mccavana S/Fund A/C>	1,250,000	1.23
15.	Imperium Nominees Pty Ltd	1,211,024	1.19
16.	Gasmere Pty Limited	1,010,888	1.00
17.	Mr John Darroch + Mrs Gloria Darroch + Mr Richard Darroch + Ms Helen Darroch <J N Darroch Private S/F>	1,000,000	0.98
18.	Kavalex Pty Limited	1,000,000	0.98
19.	Leet Investments Pty Limited	1,000,000	0.98
20.	Mr Peter Robert Otton + Mrs Carole Anne Otton <Otton Super Fund A/C>	1,000,000	0.98
		54,629,828	53.80

ACTIVEX LIMITED
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ASX INFORMATION

The names of the substantial shareholders listed in the Company's register as at 15 October 2009

Shareholder	Number of Shares Held	% of Issued Capital
Mr Michael Ruane	6,561,278	6.46
Findex Pty Ltd	9,100,002	8.96

Voting Rights

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

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

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

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

3. Securities Exchange Listing

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

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

4. Restricted Securities

The Company has no restricted securities on issue.



REGISTERED OFFICE

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