

# NOTICE OF ANNUAL GENERAL MEETING

## ACTIVEX LIMITED

ABN 11 113 452 896

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Notice is given that the Annual General Meeting of shareholders of ActivEX Limited will be held at Sky Level, 301 Coronation Drive Milton, Queensland, Australia on Monday 20 November 2006, at 10:00 a.m.

### ORDINARY BUSINESS:

#### Accounts

To receive and consider the financial report of the company and the reports of the directors and auditor for the year ended 30 June 2006.

To consider and if thought fit, to pass, with or without amendment, the following resolutions as ordinary resolutions:

#### 1. Directors' Remuneration Report

That the Directors' Remuneration Report for the year ended 30 June 2006 be adopted.

#### 2. Election of Director

That Mr I C Daymond, a Director appointed by the Board since the last Annual General Meeting, retires in accordance with provisions of the Constitution and being eligible, offers himself for re-election.

#### 3. Re-election of Mr. P A Crawford

That Mr P A Crawford, a director of the company, retires by rotation in accordance with provisions of the Constitution and being eligible for re-election, be re-elected as a director of the company.

### SPECIAL BUSINESS:

#### 4. Appointment of Auditor

That in accordance with section 372D(2) of the Corporations Act, the Company immediately appoint Robertsons Audit & Assurance Pty Ltd as auditor of the Company.

#### 5. Grant of Performance Options to Mr Doug Young - Managing Director

That for the purposes of Listing Rule 10.11 of the Australian Stock Exchange Ltd and Chapter 2E of the Corporations Act and all other purposes shareholders approve the issue to Mr Doug Young, a Director of the Company, of 200,000 options to subscribe for fully paid ordinary shares in the Company on the terms set out in the attached Explanatory Notes.

#### 6. Grant of Performance Options to Mr Paul Crawford - Non-Executive Director & Company Secretary

That for the purposes of Listing Rule 10.11 of the Australian Stock Exchange Ltd and Chapter 2E of the Corporations Act and all other purposes shareholders approve the issue to Mr Paul Crawford, a Non-Executive Director of the Company, of 100,000 options to subscribe for fully paid ordinary shares in the Company on the terms set out in the attached Explanatory Notes.

### By Order of the Board

Paul Crawford  
Company Secretary

## APPOINTMENT OF PROXIES

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in their stead. A proxy need not be a member of the company, but should be a natural person over the age of 18 years. Forms of proxy must be lodged at the registered office of the company or received by the company's share registrar, Computershare Investor Services Pty Ltd not less than 48 hours prior to the meeting. A form of proxy is attached.

## VOTING EXCLUSION STATEMENT

The company will disregard any votes cast on Resolutions 5 & 6 by:

- Mr Doug Young or Mr Paul Crawford ; and
- an associate of. Mr Doug Young or Mr Paul Crawford

However the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## EXPLANATORY NOTES

### Annual Financial Report

The financial report of the company for the year ended 30 June 2006, comprising the financial statements, notes, directors' report and auditors report, was included in the 2006 Annual Report of the company, which was distributed to shareholders along with this Notice of Annual General Meeting.

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

**Resolution 1, to adopt the Directors' Remuneration Report is a non-binding resolution providing an advisory vote from shareholders.**

The Corporation Act requires all listed companies to present their remuneration report for each financial year for adoption by shareholders at the company's annual general meeting. The report can be found as a separately identified "Remuneration Report" within the Directors' Report section of the company's 2006 Annual Report.

The vote on this resolution is advisory only and does not bind the directors or company. Time will be allowed during the annual general meeting for consideration and questions by shareholders of the Remuneration Report.

**Resolution 2, to elect Mr Daymond is an ordinary resolution, requiring the support of a majority of the votes cast by shareholders.**

Mr Daymond was appointed a non-executive director of the company on 22 December 2005. In accordance with the company's constitution and ASX Listing Rules, any director appointed to fill a casual vacancy or as an additional director holds office until the next annual general meeting of shareholders and is then eligible for re-election. Mr Daymond therefore retires at the forthcoming annual general meeting in accordance with the Constitution and being eligible, has offered himself for re-election.

Mr Daymond practises as a solicitor and consultant in the mining and resources area in Sydney and has acted as in-house counsel or external legal adviser to many public resources companies including as a senior employee with Western Mining Corporation, Hunter Resources/Technomin Australia and Delta Gold. He is also the non-executive chairman of listed companies Eldore Mining Corporation Ltd and Copper Range Limited and is a director of International Base Metals Ltd, an unlisted public company.

The Directors, with Mr Daymond abstaining, recommend that shareholders approve this resolution.

**Resolution 3, to re-elect Mr Crawford is an ordinary resolution, requiring the support of a majority of the votes cast by shareholders.**

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

Mr Crawford was a founding director of the company and is also company secretary. He is an accountant with 27 years of commercial experience, including 24 years in various technical and management roles within the minerals, coal and petroleum industries. Mr Crawford is a CPA and holds a Bachelor of Business (Accounting), a Master of Financial Management, a Graduate Diploma in Business Law and a Graduate Diploma in Company Secretarial Practice. Mr Crawford runs his own corporate consultancy firm, providing accounting, corporate governance, business advisory and commercial management services to a number of corporate clients.

The Directors, with Mr Crawford abstaining, recommend that shareholders approve this resolution.

**Resolution 4, to appoint an auditor of the Company is an ordinary resolution, requiring the support of a majority of the votes cast by shareholders.**

The Federal Government Corporations Law Economic Reform Program ("CLERP") enacted in 2004 allows for auditors to incorporate as an authorised audit company.

The company's existing auditor, Robertsons Chartered Accountants (RCA), have undertaken this incorporation process and have Australian Securities and Investment Commission (ASIC) approval to conduct future audits in the authorised audit company entity Robertsons Audit & Assurance Pty Ltd (RAA). Consequently, RCA/RAA approached the company seeking to move the audit from RCA to RAA.

The Board supports the move of auditor from RCA to RAA, as it is in effect an administrative matter only. The statutory duties and responsibilities of the auditor do not change. The Board reviewed the matter and is satisfied that the interests of shareholders are maintained.

ASIC requires that any such move be approved by shareholders at an AGM.

The Directors recommend that shareholders approve this resolution.

**Resolutions 5, and 6 inclusive seek shareholder approval for the grant of an aggregate total of 300,000 options by the Company to Messrs Young & Crawford (the Recipient Directors).**

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

Key details of the options to be granted to the Recipient Directors are set out below:

Recipient Director	Number	Offer Price	Exercise Price	Vesting date	Expiry Date
Mr Young Mr Crawford	200,000 100,000	No consideration is payable by the Recipient Directors	25 cents 25 cents	Within 30 days of shareholder approval	5 years from date of grant

A summary of the terms and conditions of the options is set out in Schedule 1 to this Explanatory Memorandum.

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

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of a financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, the Recipient Directors are related parties by virtue of the fact that they are directors of the Company and the grant of options by the Company constitutes the giving of a financial benefit.

In accordance with the requirements of Chapter 2E, and in particular with section 219 of the Corporations Act, the following information is provided to shareholders to allow them to assess the proposed grant of options by the Company to the Recipient Directors:

- (c) The Recipient Directors are related parties of the Company to whom the proposed Resolutions would permit the financial benefits to be given.
- (d) The nature of the financial benefit to be given to Mr Young is the grant of 200,000 options.
- (e) The nature of the financial benefit to be given to Mr Crawford is 100,000 options.
- (f) As at the date of this Explanatory Memorandum, the issued capital of the Company is 30,388,722 shares. The table below sets out the issued capital of the Company should the Recipient Directors exercise all of their options and no other securities are issued by the Company in the meantime.

Description	Shares
Existing Shares on issue	30,388,722
Options proposed to be issued to Recipient Directors	300,000
Maximum number of shares on issue following exercise of all options by Recipient Directors	30,688,722

- (g) If shareholders approve the grant of options to the Recipient Directors, the exercise of the options by the Recipient Directors will result in a dilution of all other shareholders' holdings in the Company of approximately 1%.
- (h) Assuming Resolutions 5 and 6 are approved by shareholders, the Recipient Directors will be entitled to the following securities in the Company, subject to satisfaction of the conditions relating to the exercise of the options and subsequent exercise of the options by the Recipient Directors:

Recipient Director	No. of Shares issued following exercise of all options	Shares currently held by Recipient Directors	Total Shares held after exercise of all options
Mr Young	200,000	8,025,002	8,225,002
Mr Crawford	100,000	370,000	470,000

- (g) Details of the current annual remuneration of the Recipient Directors are as follows:

Recipient Director	Salary/ Fees
Mr Young	\$175,000
Mr Crawford	\$21,800

- (h) The Recipient Directors do not wish to make a recommendation in relation to Resolutions 5, and 6 as each has a financial interest in the outcome of those Resolutions.
- (i) The highest trading price of the shares of the Company in the last 12 months was 27 cents. The lowest trading price in the last 12 months was 10 cents. The most recent closing price as at the date of this Explanatory Memorandum was 12.5 cents per share.
- (j) The options will be granted to the Recipient Directors for no consideration and therefore no funds will be raised by the grant of the options to the Recipient Directors. Any funds raised from time to time due to the exercise of any options will be used as the Board sees fit.
- (k) Other than the information set out in this Explanatory Memorandum the Company believes there is no other information that would be reasonably required by shareholders in order to decide whether it is in the best interests of the Company to pass Resolutions 5 and 6.

### Details Concerning Valuation of Executive options

The options to be granted to the Recipient Directors will not be quoted on the ASX and as such have no actual market value.

An indicative valuation for the options to be granted to the Recipient Directors is as follows:

Recipient Director	Exercise Price	Value per options	Number of options	Total Value
Mr Young	25 cents	3.37 cents	200,000	\$ 6,740
Mr Crawford	25 cents	3.37 cents	100,000	\$ 3,370
Total			300,000	\$10,110

The valuation was made using the Binomial Option Valuation Model on the basis of the following assumptions regarding the various inputs that comprise the valuation model:

- The shares of the Company are quoted and remain quoted on the ASX for the life of the options.
- As at the date of this Explanatory Memorandum, the Company has not forecast any future dividend payments. For the purposes of this valuation it has been assumed that the Company's projected annual dividend yield is nil.
- A volatility factor of 45.3% was assumed based on the volatility of the company's share price since admission to the Official List of the Australian Stock Exchange.
- A risk free rate of 5.75% which is the 5 year Commonwealth Treasury Bond as at 10 October 2006.

### ASX Listing Rules

ASX Listing Rule 10.11 prohibits the issue of securities to a director of a company unless the approval of the shareholders of the company is obtained. Listing Rule 7.1 broadly prohibits a company from issue more than 15% of its shares in any twelve month period. Pursuant to Listing Rule 7.2 (Exception 14), if shareholder approval is given under Listing Rule 10.11, further approval is not required for the purposes of Listing Rule 7.1.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under Listing Rule 10.11. In accordance with Listing Rule 10.13, the following information is provided to shareholders in relation to Resolutions 5 and 6:

- (a) The Company will grant up to 300,000 options to the Recipient Directors. If all options are exercised by the Recipient Directors, the Recipient Directors will be entitled to 300,000 shares.
- (b) The options are granted to each of the Recipient Directors for no consideration and, therefore, no funds will be raised by the grant of the options to the Recipient Directors. Any funds raised from time to time due to the exercise of any options will be used as the Board sees fit.
- (c) The Company acknowledges that the issue of options to non-executive directors is not in accordance with recommendation 9.3 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations. Despite the Recommendations the Company considers it appropriate to issue these options as an incentive to align the interests of the Directors' with the Company's strategic plan.
- (d) For details of the exercise prices and expiry dates of the options please refer to above.
- (e) The options will be granted to the Recipient Directors on a date which is not more than one month after the date of the General Meeting the subject of this Explanatory Memorandum.
- (f) For details of the indicative valuations of the options, please refer above.
- (g) The terms and conditions of the options to be issued to the Recipient Directors are set out in Schedule 1 to this Explanatory Memorandum.

The Directors, with Messrs Young and Crawford abstaining, recommend that shareholders approve this resolution.

## **SCHEDULE 1 - Terms and Conditions of options**

A summary of the rules of the Plan is as follows:-

- 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 (or, in the case of a senior consultant, having provided consulting services to the Company or its subsidiaries on a continuous basis for at least 12 months), although the Board may waive this requirement.
- The allocation of options under the Plan is at the discretion of the Board.
- If permitted by the Board, options may be issued to a nominee of a director, officer, employee or senior consultant (for example, to a spouse or family company).
- Each option allows the option holder to subscribe for one fully paid ordinary share in the Company and will expire five years from its date of issue.
- Options will be issued free.
- The options may be exercised at any time after their issue.
- The options may be exercised wholly or in part by notice in writing to the Company received at any time during the exercise period together with a cheque for the exercise price and the option certificate (if any).
- 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.
- If, prior to the expiry date of the options, a person ceases to be a director, officer, employee or senior consultant to the Company for any reason other than retirement at age 60 or more (or such earlier date as the Board may permit), permanent disability, redundancy or death, the options held by that person (or nominee) must be exercised within one month thereafter or they will automatically lapse.
- If a person dies, the options held by that person will be exercisable by that person's legal representative. Options cannot be transferred other than to the legal personal representative of a deceased optionholder.
- The Company will not apply for official quotation of any options.
- Shares issued as a result of the exercise of options will rank equally with the Company's issued shares at the time.
- Optionholders may only participate in new issues of securities by first exercising their options. If there is a bonus issue to the holders of shares, the number of shares over which an option is exercisable will be increased by the number of shares which the optionholder would have received if the option had been exercised before the record date for the bonus issue.
- Optionholders have no entitlement or right to to any variation in the option exercise price or to the number of underlying securities over which the option can be exercised.
- If there is a reorganisation of the issued capital of the Company, unexercised options will be reorganised in accordance with the Listing Rules.
- The Board may amend the Plan rules at any time subject to the requirements of the Listing Rules.

A full copy of the Plan Rules is available from the company's website: [www.activex.com.au](http://www.activex.com.au)



# **ActivEX**

ActivEX Limited ABN 11 113 452 896

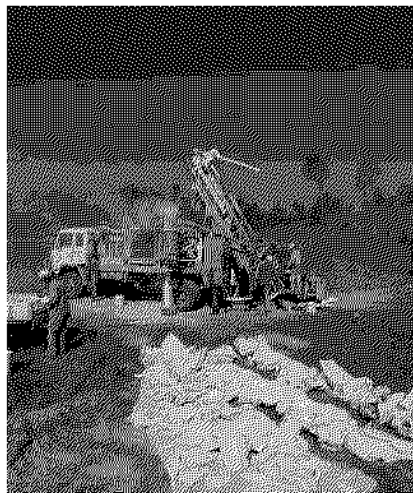


Active explorers for new gold-copper resources

## ANNUAL REPORT 2006



## CHAIRMAN'S LETTER



*The Company has consolidated its position in Queensland and commenced an active exploration program*

Dear Shareholders,

On behalf of the Board of ActivEX Limited I am pleased to present to you the Annual Report for the 2006 financial year, our second annual report.

During the year we have seen some rapid and exciting changes in your Company including the successful IPO and subsequent listing on the Australian Stock Exchange. This was followed by the successful issue of 'loyalty' Options, an entitlement issue for all Shareholders, completed in August 2006.

The Company's prime objective continues to be the discovery of economically attractive mineral deposits of sufficient grade and size to provide sustainable returns to Shareholders. Its principal focus is exploration for gold and copper deposits.

Since the successful listing of ActivEX Limited the Board of Directors has moved as quickly as possible to implement the exploration programs detailed in the Company's prospectus. In addition we have reviewed many strategic opportunities that have come to our notice. While none of these opportunities has led to an investment, we do seek to improve our portfolio with the highest quality projects to maximise our chances of success. To that end, we have consolidated our position in Queensland with the acquisition of three new Exploration Permit applications bringing our ground holding to 2,508 km<sup>2</sup>.

The Company's major exploration focus to date has been its two highest priority project areas, **Prospect Creek** where the target is epithermal bonanza style mineralisation and **Boobyjan** which the Company considers has similarities to the massive Cadia deposit in New South Wales. Both these styles are multi-million ounce targets. Details of our activities are presented here in the Annual Report but suffice to say we have enhanced our knowledge and understanding of our project areas considerably and are encouraged by some of the results we have been returning.

The next twelve months should see significant advances in our programs. We expect to carry out further drilling campaigns at Boobyjan where improvement in our understanding of the systems and structures has enhanced our targeting. We also expect to carry out our first drilling programs in the Prospect Creek area where we are delineating newly discovered extensions to the known mineralised areas. We will advance our other projects to drill target stage and continue to expand our portfolio seeking joint venture funding where appropriate.

I take this opportunity to thank sincerely my fellow directors (in particular Doug Young our Managing Director, Peter Hwang and Paul Crawford), our management and our staff for all their efforts during the year as well as Shareholders for their valuable support in the IPO and Options issue. We look forward to an active and exciting year as we move into 2007.

Yours faithfully



Ian Daymond  
Chairman



## DIRECTORS AND MANAGEMENT



**Ian Daymond**

B.A., LL.B.

*Non-Executive Chairman*

Appointed 22 December 2005

Ian practises as a solicitor and consultant in the mining and resources area in Sydney and has acted as in-house counsel or external legal adviser to many public resources companies including working as senior employee for 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 non-executive chairman of Eldore Mining Corporation Ltd since 21 October 2005 and of Copper Range since 30 March 2006. He is also a non-executive director of the unlisted International Base Metals Ltd.



**Doug Young**

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

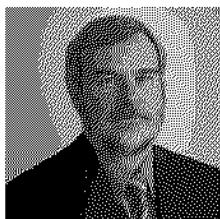
*Managing Director*

Appointed 18 March 2005

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 Noians Gold Deposit (North Queensland) and developed concepts and interpretation which led to the discovery of Isaac Plains, Isaac Plains South and Belvedere coal developments.

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



**Paul Crawford**

B.Bus (Accounting), CPA, M.FinMnt,

Grad Dip Bus Law, Grad Dip Company Secretarial Practice

*Non-Executive Director and Company Secretary*

Appointed 18 March 2005

Paul is an accountant with 28 years of commercial experience, including 26 years in various technical and management roles within the minerals, coal and petroleum industries.

He is Principal of his own corporate consultancy firm, providing accounting, corporate governance, business advisory and commercial management services to a number of corporate clients since 2001.

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



**Peter Hwang**

B.Sc. (Hons), LL.B.

*Non-Executive Director*

Appointed 18 March 2005

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

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

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



**Juli Hugenholtz**

B.Sc., MAIG

*Senior Geologist*

Juli has 15 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.

## REVIEW OF ACTIVITIES

*ActivEX's focus is exploration for gold and copper deposits*

The Company's prime objective continues to be the discovery of economically attractive mineral deposits of sufficient grade and size to provide sustainable returns to Shareholders. Its principal focus is exploration for gold and copper deposits (with possible base and precious metal credits) with key target styles being multi-million ounce deposits or their equivalent.

Queensland is prospective and well known for large high value "bonanza style" epithermal systems such as the gold operations at Vera Nancy and Cracow. The area is also known for large lower grade intrusive related systems such as Kidston and Mt Leyshon. The Cadia deposit in New South Wales is perhaps the largest of this style in Australia.

ActivEX has seized the opportunity to acquire substantial ground in Queensland prospective for these styles during the exploration downturn of the late 1990s and is ideally positioned to enhance these projects to discovery stage. In addition, the Company seeks to improve our portfolio with the highest quality projects to add value and to maximise our chances of success.

To that end, ActivEX has consolidated its position in Queensland with the acquisition of three new Exploration Permit applications. It now has granted title to 1580 km<sup>2</sup> with a further 927 km<sup>2</sup> under application.

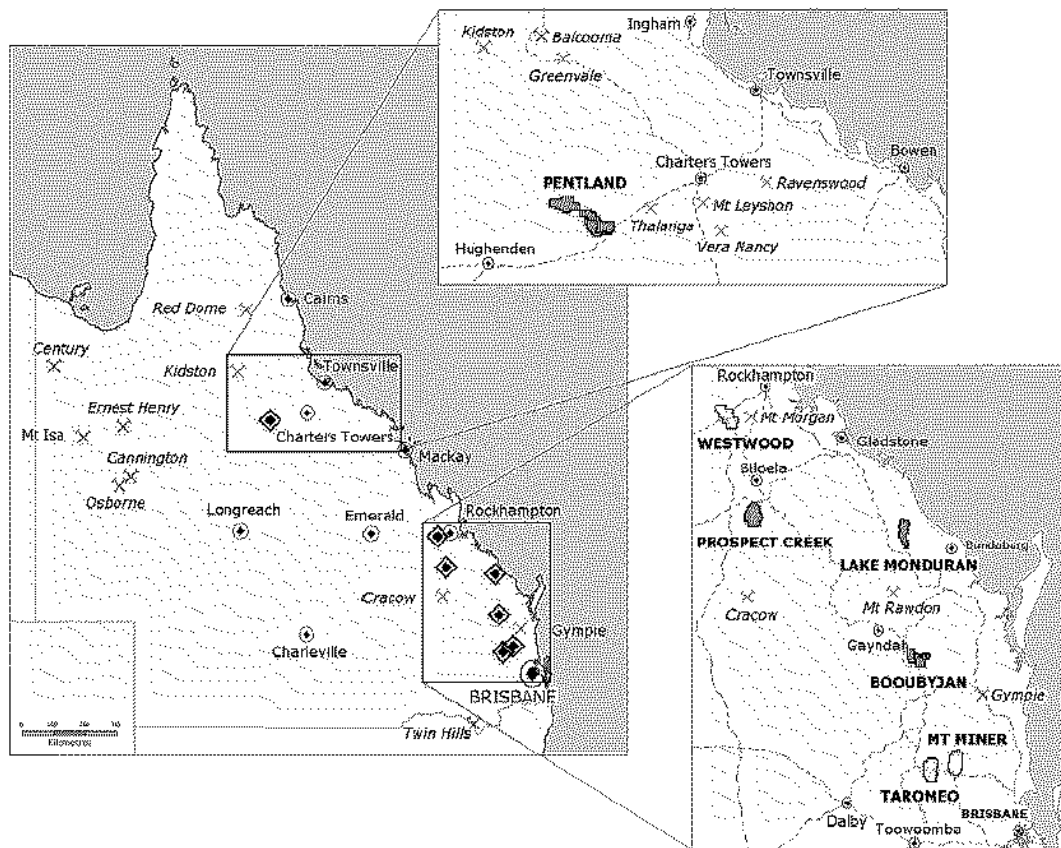
The Company's major exploration focus during its first year of exploration activities has been its two highest priority project areas,

**Prospect Creek** where the target is epithermal bonanza style mineralisation and **Boobyjan** which the Company considers has similarities to the massive Cadia deposit.

Exploration activities are well advanced on these properties with the initial drilling campaign being completed at Boobyjan.

Geochemical sampling at Prospect Creek has confirmed a north trend and results include the highest gold in soil values found to date at the prospect.

On our other properties early stage exploration has commenced and we expect to advance these to drill target status during the coming year.



ActivEX Project Areas

## EXPLORATION PROJECTS

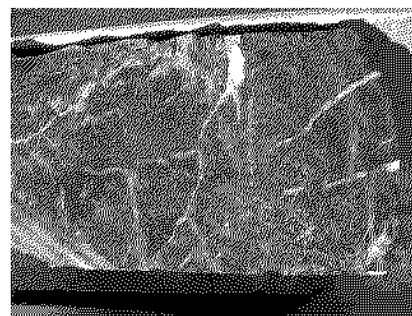
*Significant advances in our understanding of the systems and structures has enhanced our targeting at Boobyjan*

### Boobyjan

This project has been the main focus of the Company's exploration activities since listing.

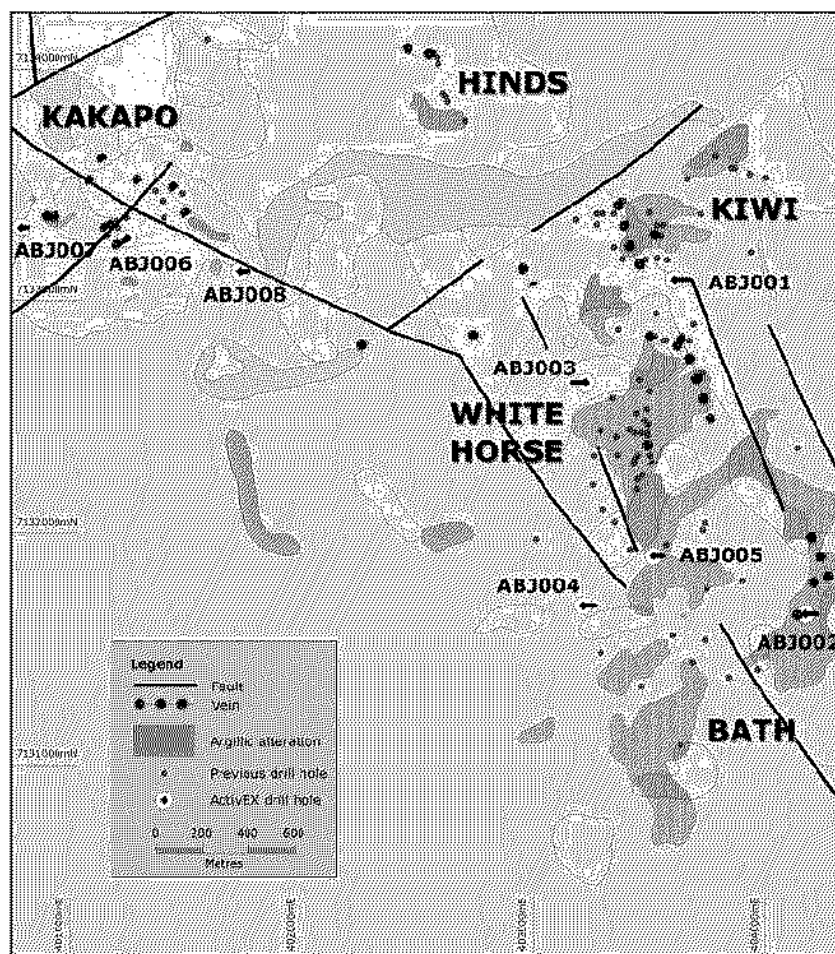
Utilising the funding of our joint venture partner, Minotaur Exploration, the Company has completed significant work programs on this site during the past year. The activities have included geological mapping, geophysical surveys in the form of ground magnetic surveys and dipole-dipole IP surveys, followed by RC percussion and diamond drilling.

The results of these activities provide significant advances in the understanding of the mineralising systems and structures which has enhanced our targeting in the area.



Mineralised core from Kakapo

Geological mapping has shown a large area of argillic alteration in the Kiwi-White Horse-Bath area is structurally confined and that these structures have a strong control on sheeted quartz veins and their associated copper-gold mineralisation.



Goonuloom Stock Prospects and alteration map



Mineralised stockworked veins at White Horse

*Geophysical data has given us a holistic view of the project area. Mapping has re-enforced the strong structural control of the mineralisation*

Dipole-dipole IP surveys are an electrical geophysical method carried out to search for zones of conductive minerals such as sulphides. ActiveX has completed extensions to the previous work and infill between some lines. This technique has given the Company a more holistic view of the prospective zones, enabling better interpretations to be made.

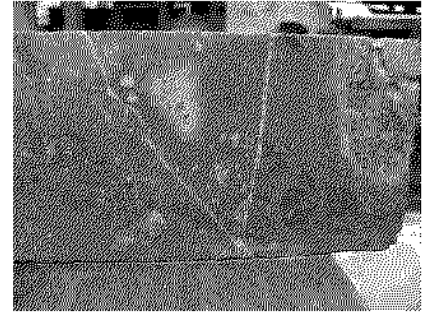
The data can be sliced at certain depths to indicate conductive zones (red and orange) as in the figure below.

These conductive features were the targets of the first campaign of drilling carried out in June and July.

Drilling intersected low grade copper and gold mineralisation in several holes:

ABJ001 6–24 m 18 m @ 0.03g/t Au, 0.06% Cu  
ABJ001 49–62 m 13 m @ 0.02g/t Au, 0.12% Cu  
ABJ006 3–18 m 15 m @ 0.03g/t Au, 0.09% Cu.

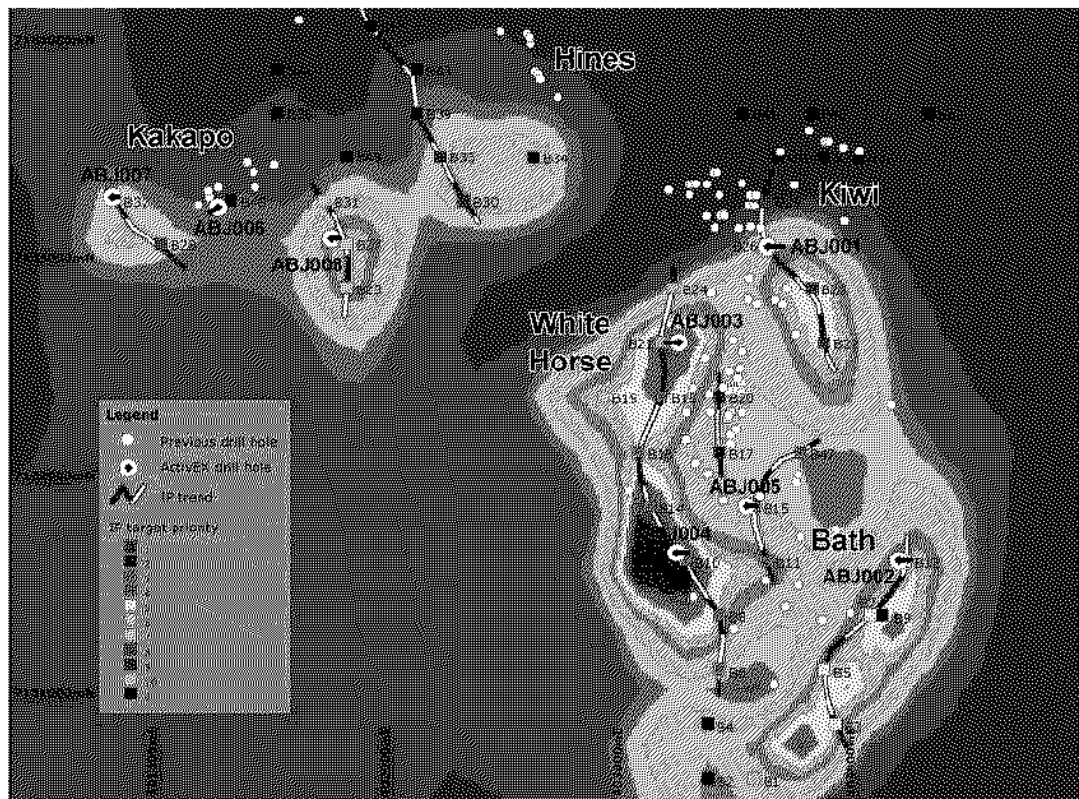
The conductive zones were found to be mostly pyrite (iron sulphide) with little associated copper or gold.



Potassic (pink) and phyllic (green) alteration at Bath

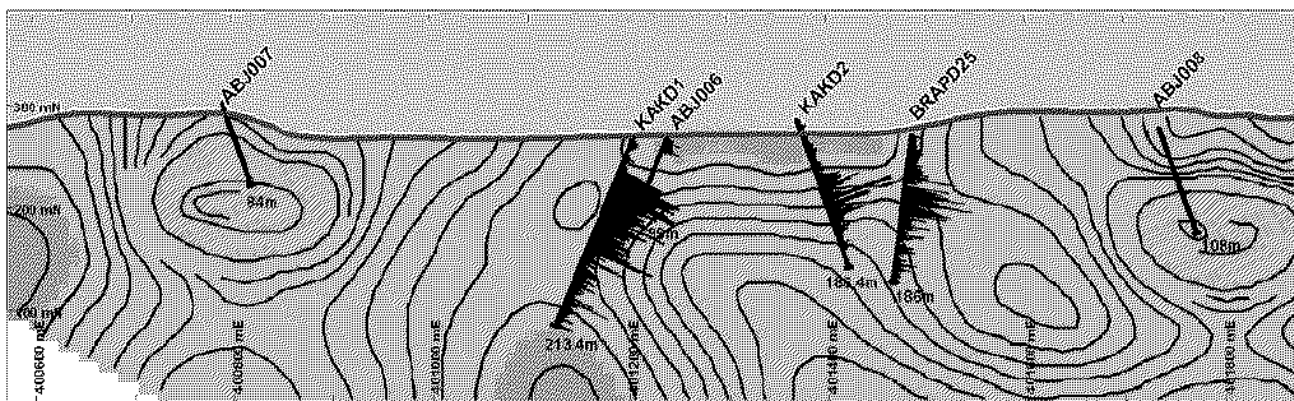
Importantly, significant alteration was seen in the holes indicating the development of mineralising fluids of the right chemistry and temperatures for ore formation in a porphyry system.

In the Kiwi–White Horse–Bath area the alteration patterns show drilling has intersected the upper parts of the system. ActiveX is currently carrying out clay analysis in order to estimate the depth of the core zones.



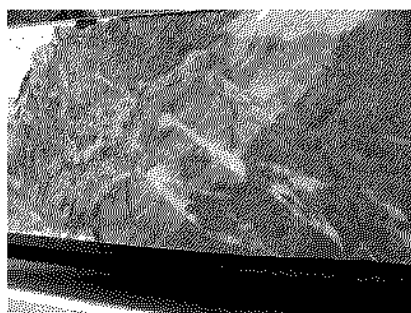
Kakapo–Kiwi–Bath area — IP image, depth slice at approximately –170 m





Drill Section at Kakapo against IP data

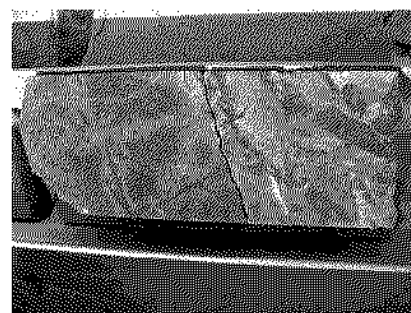
*Drilling at Kakapo has all the right signatures of a porphyry system*



Mineralised stockworked veins at Kakapo

At Kakapo the style of alteration is different and indicates that deeper levels of the system are outcropping. Phyllic (yellow and green) and potassic (pink) alteration have been mapped at surface and are seen in the drillholes.

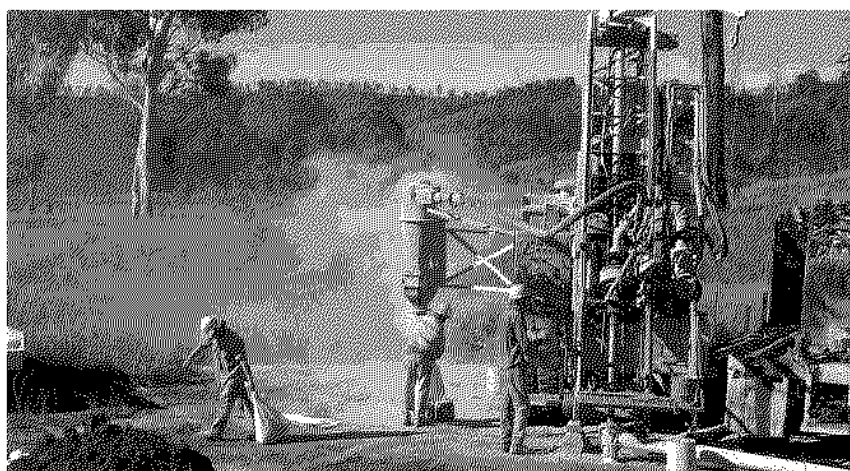
The cross section above depicts drilling results against IP data which shows the better mineralisation is associated with more subtle IP anomalies and that deeper drilling of these anomalies is warranted.



Potassic (pink) and phyllic (green) alteration at Kakapo

ActivEX has also carried out considerable research into the surrounding exploration permit areas. This work has uncovered an additional prospective target at Sefton in the northern part of the project. Anomalous molybdenum is associated with a strong magnetic anomaly in this area. This style is similar to the Dadamarine prospect where molybdenum is associated with alteration similar to that seen at White Horse and Bath.

These regional prospect areas will be thoroughly assessed in the coming year.



RC drilling at Kakapo

*Research has uncovered an additional prospective target area at Sefton where molybdenum values have been found*

## Prospect Creek

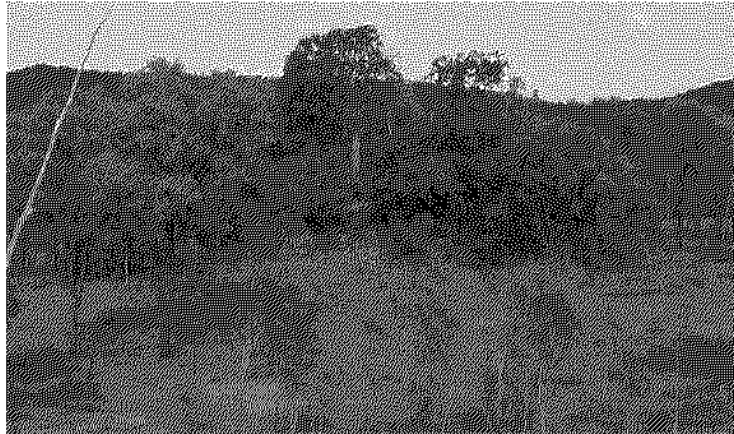
The **Prospect Creek** area lies in the Camboon Volcanics, which are the host lithologies at the Cracow gold deposit, 60 km to the south of the project.

The area is highly prospective for epithermal bonanza-style gold mineralisation, as indicated by geochemistry and alteration assemblages at the two key prospects, **Gossans West** and **Prairie Creek**.

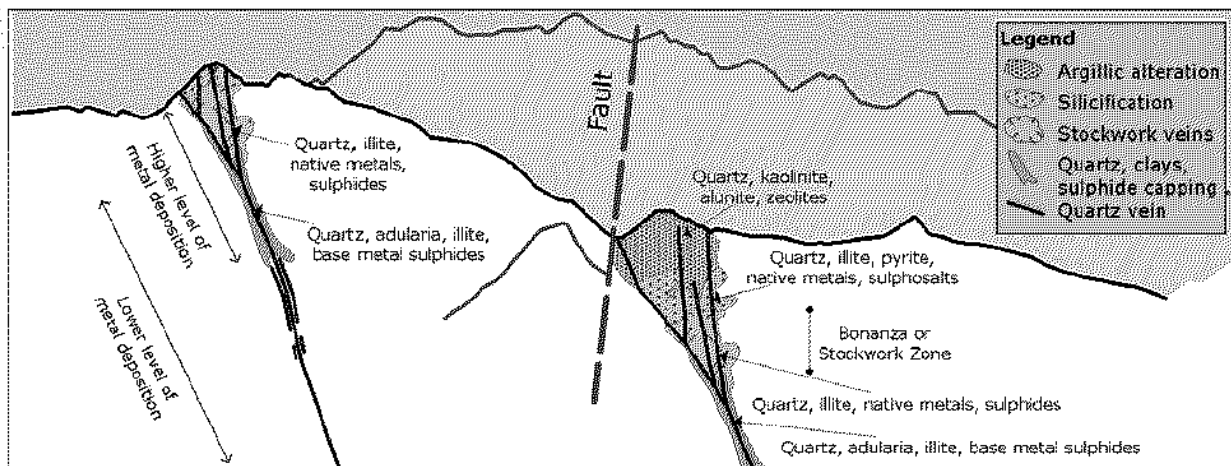
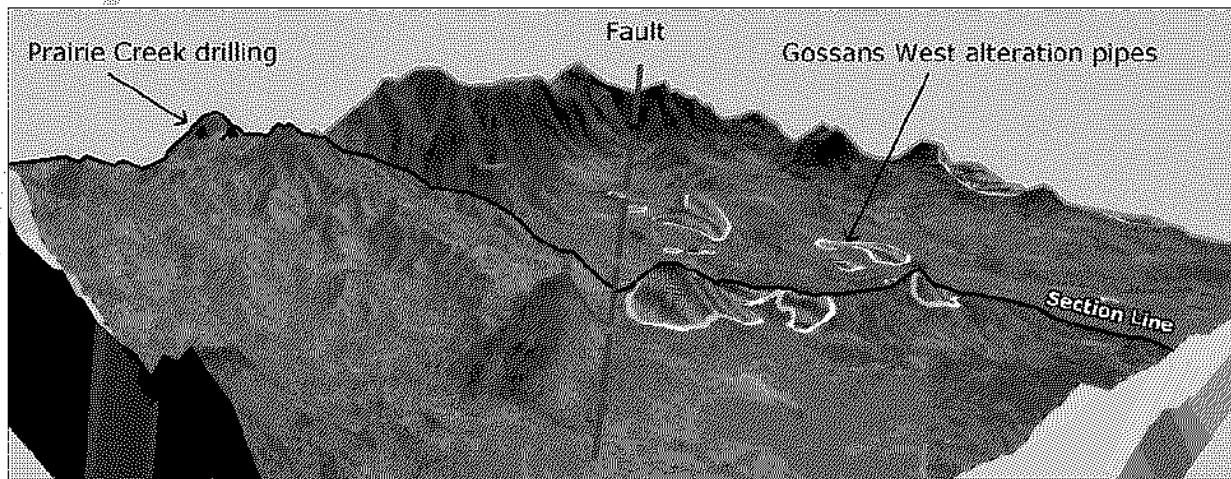
The prospects are separated by a large fault system that has uplifted the (lower) Prairie Creek prospect into its present position (shown below).

Recent rock chip and soil sampling at both prospects has revealed the areas of interest are more widespread than originally interpreted.

*Drilling at Prairie Creek and Gossans West will proceed after the current sampling program*



Typical alteration pipe at Gossans West



Prospect Creek geology showing interpreted epithermal systems

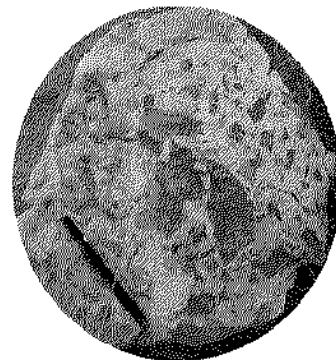
*ActivEX has recorded the highest gold in soil result to date which has opened up the Prairie Creek area to the north and south*

The **Prairie Creek Prospect** represents the mid levels of an epithermal system and is highly gold anomalous. Significant gold intercepts (e.g. 52 m @ 2.1g/t Au) were achieved by a previous explorer's drilling within the epidote veining and silica zones present in the area.

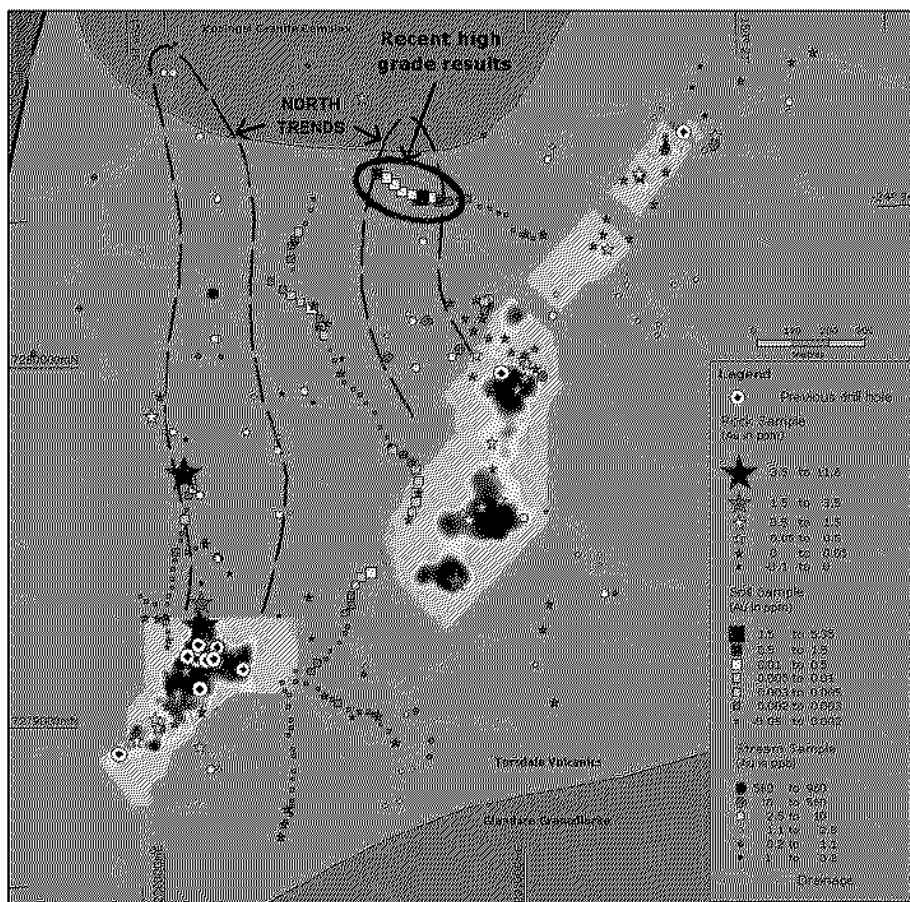
Results of the recent soil and rock sampling program have identified the highest values of gold in soil sampling found to date in the area. A peak value of 5.3 g/t Au in soils within an anomalous zone 200 m wide is associated with quartz epidote veining and alteration located 450 m north of the previous soil grid.

The results confirm the interpretation of an anomalous north trend and opens up the area to possible significant extensions both north and south of the grid area.

The discovery of new anomalous areas means that further sampling of the trend and its extensions will be prudent prior to selecting drill targets in the area. This program has commenced.



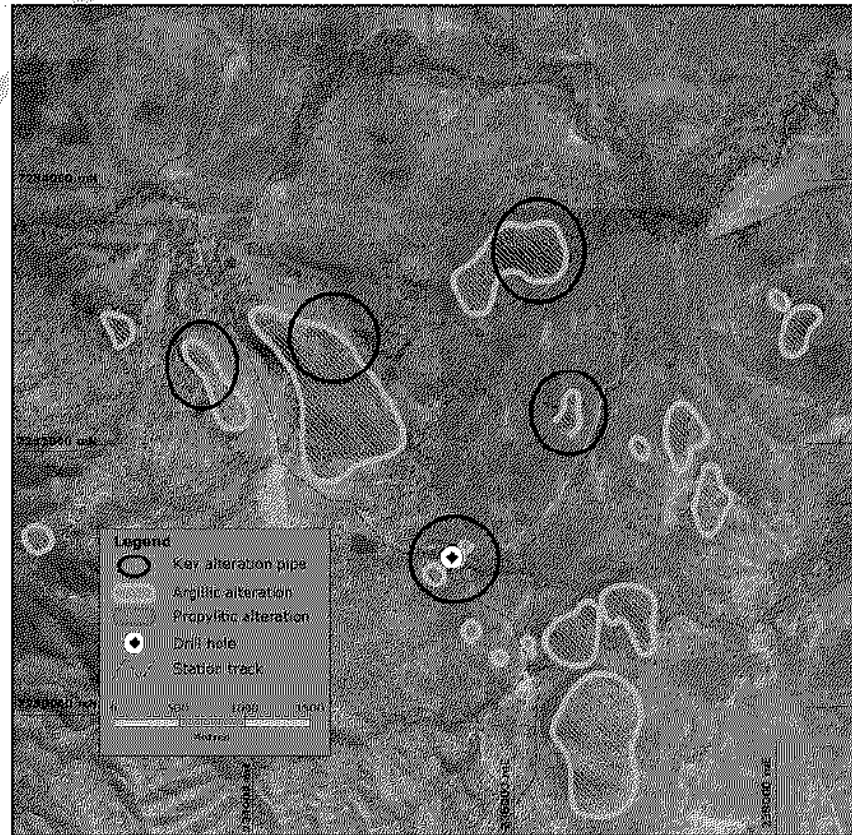
Epithermal textures in outcrop



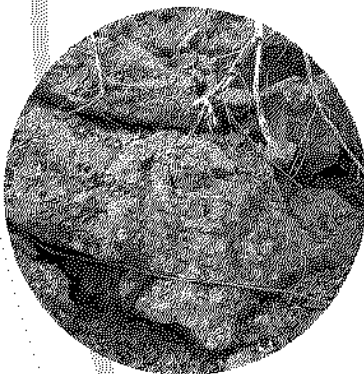
Prairie Creek soil grid showing recent sampling and newly defined anomalous zone



*Results of the recent sampling program have enabled the definition of key pipes at Gossans West*



Aerial photograph of Gossans West showing alteration pipes



Outcrop at Gossans West

The **Gossans West Prospect** represents the upper levels of an epithermal system and the area consists of numerous alteration pipes.

Outcropping in the area are the clay rich caps of alteration pipes. These caps have the typical high arsenic and mercury, but low gold geochemistry of a barren epithermal 'cap' which sits above the mineralisation.

The caps are silica and clay rich, but epithermal quartz textures have been recognised at several locations.

Recent rock chip and soil sampling has confirmed the anomalous nature of the alteration caps and have enabled their prioritisation.

ActivEX has found the alteration pipes are actually complex centres and not simple discrete bodies. This may reflect multiple mineralised events within the system.

Further mapping and sampling will be carried out over key pipes prior to drilling to define internal structure and distribution of mineralisation in more detail.

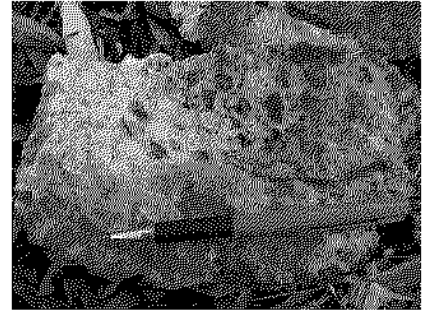
Drilling campaigns will follow, aimed at identifying high grade bonanza style mineralisation, interpreted to be sitting below the outcropping alteration caps.

## Lake Monduran

Lake Monduran is an under-tested region of eastern Queensland comprising two target styles, porphyry copper-gold and VMS base metal deposits.

The **Pinnacle Prospect** is a VMS target featuring an outcropping mineralised volcanic pile. Past explorers have drilled one section across the volcanic pile which intersected a broad zone of 126 m @ 1% Zn. This represents stringer style disseminated mineralisation within the volcanic fragmentals making up the pile.

Key targets of the VMS style are massive sulphide lenses which lie in sediments, stratigraphically above the stringer mineralisation. At Pinnacle these will be peripheral to the volcanic pile.

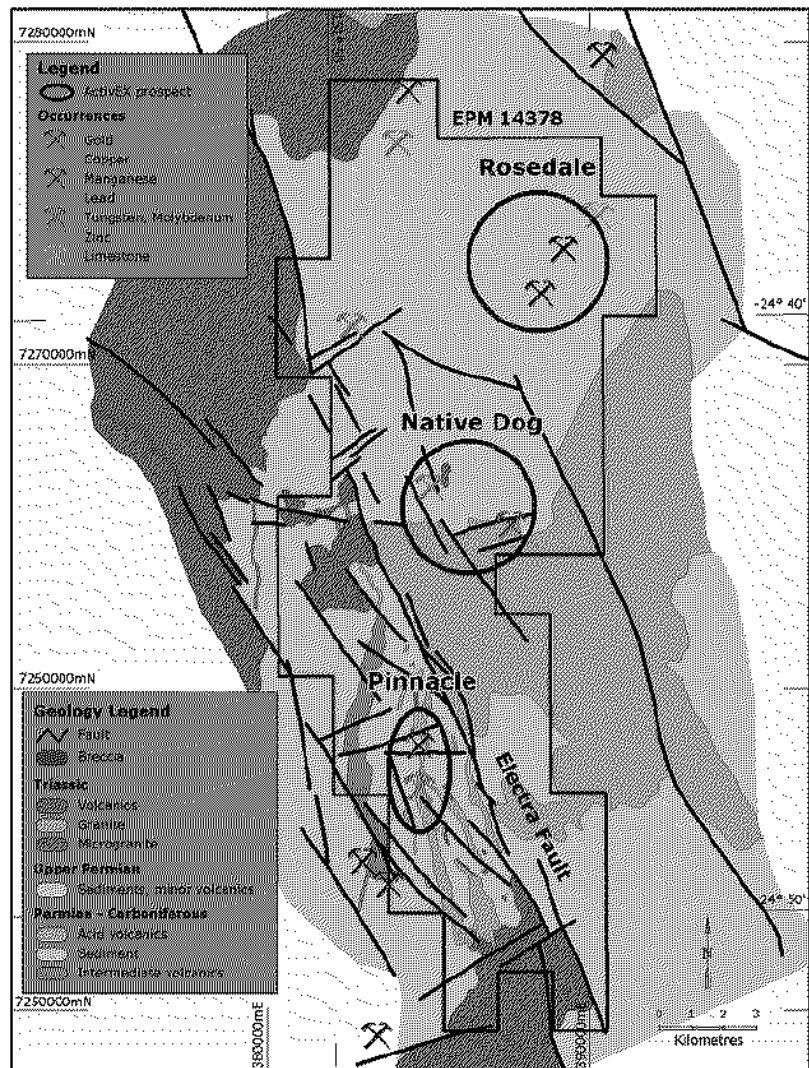


Pinnacle Prospect — mineralised fragmentals

Previous exploration has identified a geochemical anomalous zone which is open ended.

Gravity and soil sampling programs are planned to delineate density and stratigraphic targets within the peripheral zone.

*Wide intercepts of zinc mineralisation occurring in a volcanic pile*



Lake Monduran target areas

*Anomalous gold values returned from the Native Dog greisen zone*



**Native Dog — stockwork veining**

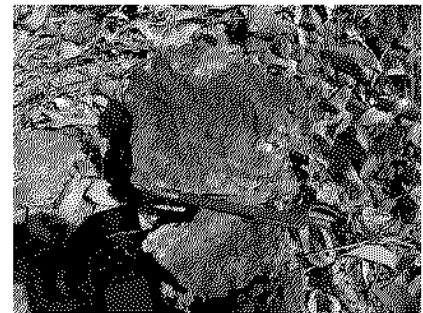
Two targets, prospective for a porphyry copper-gold style occur at Native Dog and Rosedale. These are defined by anomalous copper geochemistry identified in stream samples.

The most prospective zone is at **Native Dog** where extensive old tungsten and molybdenum workings are developed within a greisenised granite contact. Workings are developed on extensive quartz vein stockworks and sheeted veins within the greisen over a strike length of 2 km and up to 490 m wide. Soil sampling in the 1970s indicated a zone of anomalous

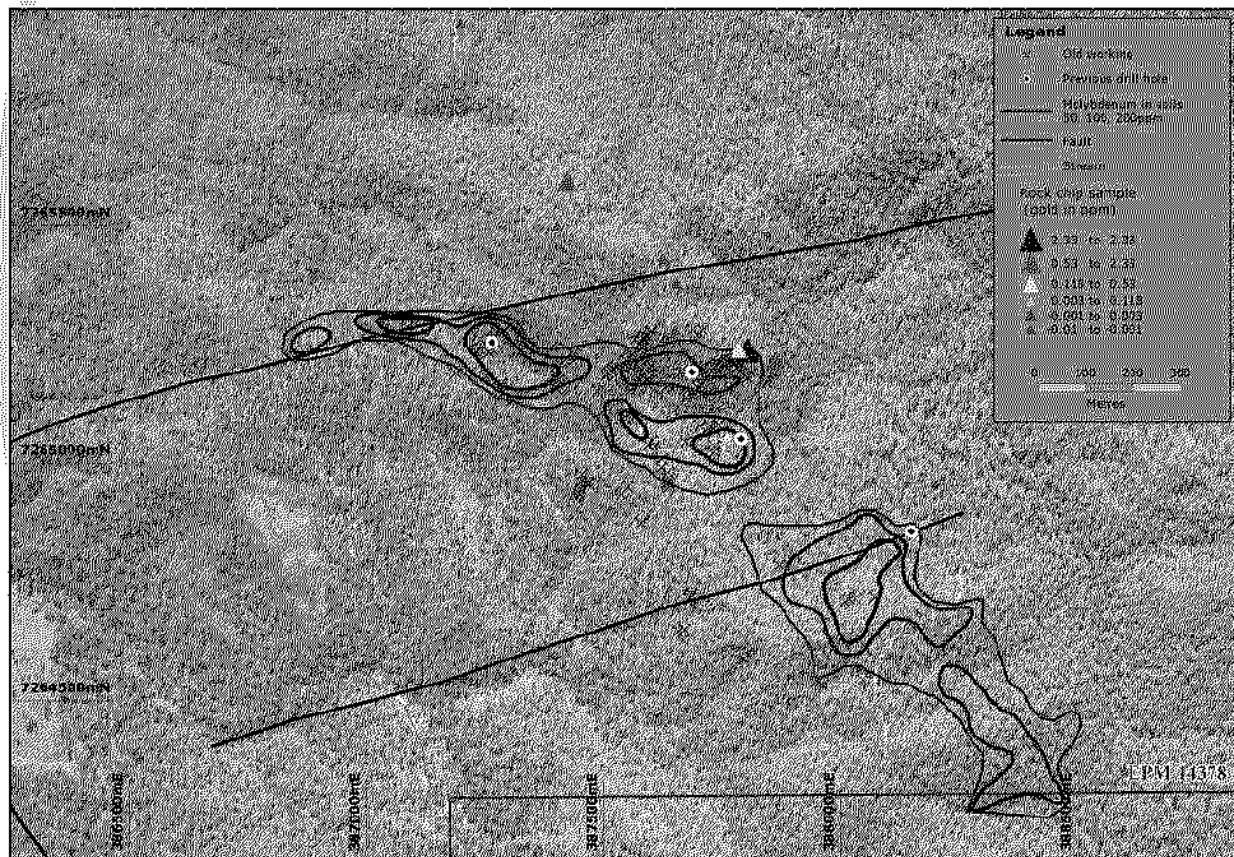
molybdenum but no assays for gold were carried out at the time.

Recent sampling by ActivEX from the central part of this zone has returned anomalous gold from 45% of the samples with a high of 2.3 g/t gold. Anomalous values of copper up to 0.2% and molybdenum up to 405 ppm were also returned.

The Company is progressing with systematic sampling of the area and may consider a geophysical survey to help define potential drill targets.



**Native Dog — gossans in outcrop**



**Native Dog workings — gold geochemistry and molybdenum soil anomaly**



The **Pentland** project is located 100 km west of Charters Towers.

Distinct NE trending gold mineralised structures occur in the project area and reflect cross structures on which significant dilation, intrusion, extrusives, brecciation and dyking has occurred.

Two structural corridors (Norwood–Mt Specimen and Oxley Creek–Gypsy Pocket) are particularly well mineralised. They also host Permo–Carboniferous igneous rocks which are a key mineralising age group in north Queensland, hosting the Kidston and Mt Leyshon multi-million ounce deposits.

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Pentland — geology, tenements and prospect locations

### Old gold workings at Norwood

Copper and molybdenum mineralisation also occurs in quartz veins at Quartz Hill. A single drill hole at Quartz Hill returned 186 m @ 0.13% copper and 13 ppm molybdenum.

In the Chinaman's Creek area, IP anomalies have been defined that are yet to be drilled.

### Stockwork veining at Mt Specimen

The **Norwood Prospect** was previously thought to be related to a diatreme breccia pipe system. Interpretation by ActivEX from its field activities suggests the 'breccias' are in fact gently dipping dacitic fragmental volcanics with extensive pyrite-sericite alteration. This association often hosts volcanogenic massive sulphide style mineralisation.

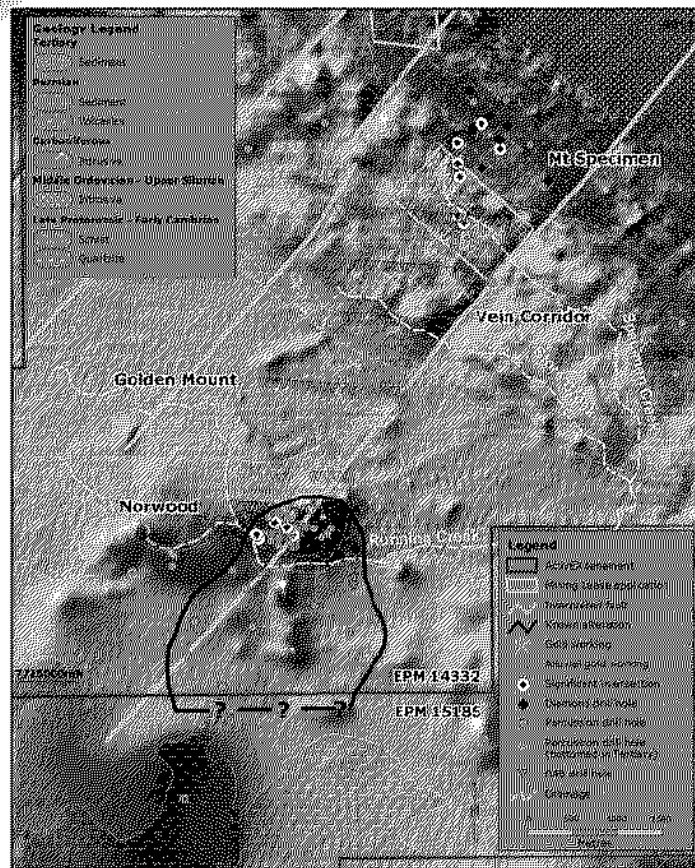
Gold has been worked from alluvial/alluvial deposits derived from the volcanic unit.

Altered volcanic outcrop extends over an area of at least 3 km<sup>2</sup> and is overlain by younger Permian sediments and Tertiary cover to the south. The volcanics show gentle dips to the south which indicate targets would be relatively shallow.

A large positive magnetic feature lies in the Tertiary cover and is interpreted to be caused by the altered volcanics and associated intrusives beneath the cover, possibly associated with mineralisation.

Previous drilling was not deep enough to test for relatively flat lying massive sulphide bodies and so this feature remains untested. 3D compilation of this drilling data is currently underway.

Exploration methods targeting breccia pipe styles are different to those used in a VMS environment so ActivEX will conduct appropriate geophysical surveys to locate semi-massive sulphide bodies, prior to drilling.

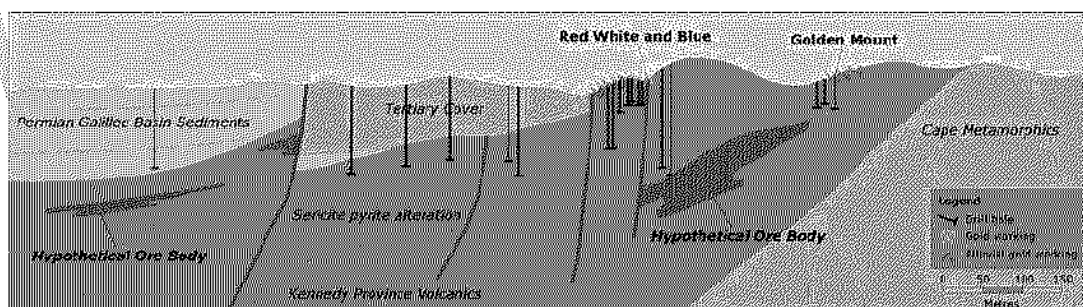


Aeromagnetic image showing Norwood-Mt Specimen mineralised corridor



Pyritic fragmentals and volcanics from Norwood prospect

*Ground geophysical surveys are planned for the Pentland Project*



Schematic cross section of Norwood Prospect

## PROJECT GENERATION

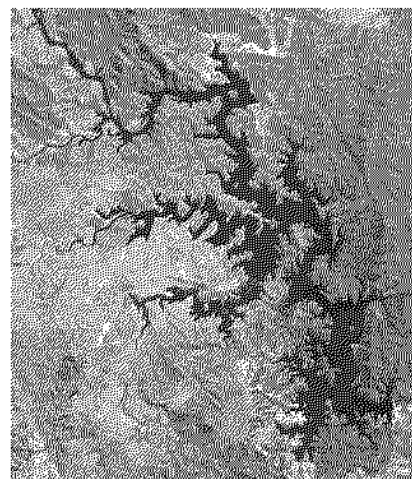
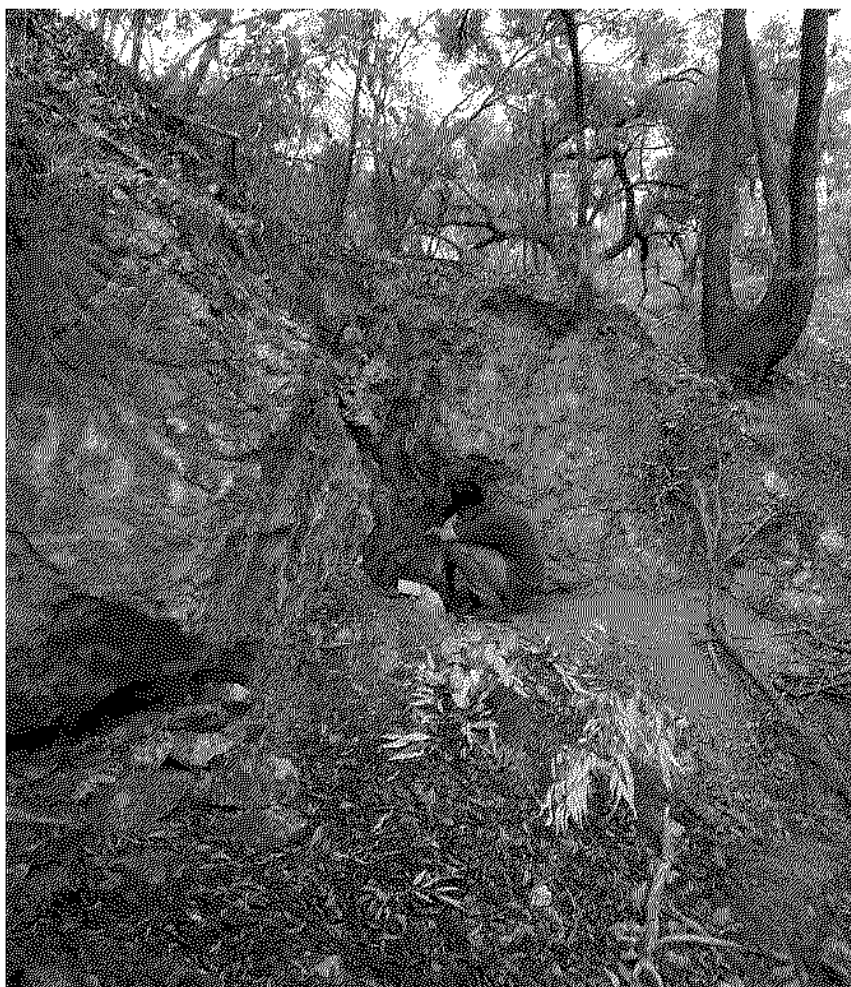
ActivEX has acquired substantial prospective ground in Queensland during the downturn in exploration of the last decade. Using its in-house team the Company continues to research and develop concepts leading to the application for new ground in Queensland. This utilises considerable advances in the knowledge of key deposit styles and the improved but under utilised data-sets available.

### *Project generation is a core skill*

The Company has consolidated its position in Queensland with three new Exploration Permit applications. It now has granted title to 1580 km<sup>2</sup> with a further 927 km<sup>2</sup> under application.

The new applications are targeting intrusive related gold and copper deposits and the Company has priority for grant in each area.

The **Taromeo** application area has historic gold, copper, lead and silver workings surrounding an intrusive complex with a complex magnetic aureole. The magnetic features are targets for skarn mineralisation associated with the intrusion.



The **Mt Miner** application area is a structural position bearing similarities to the Boobyjan setting with Triassic intrusions into volcanics of the Esk Trough. The intrusives have a similar aeromagnetic signature to Boobyjan and also have associated gold workings.

The **Westwood** application is targeting gold and copper mineralisation in an area where there has been recorded platinoïd mineralisation and uranium anomalies.

This area lies 60 km west of Rockhampton and is considered prospective for intrusive related precious metal and copper deposits with possible associated uranium.

In addition to this conceptual work the Company also seeks to improve our portfolio through acquisition and joint venture. The key aim of this exercise is to secure the highest quality projects to maximise our chances of exploration success.

None of the many opportunities reviewed to date has led to an investment, however this work will be ongoing.

The focus of our activities is currently the Eastern States of Australia which is attractive because of its mineral endowment in the key commodities sought. ActivEX will not be limited to this region if worthy opportunities arise elsewhere.



## TENEMENT SCHEDULE

Name	Tenement	Grant	Expiry	Minerals	Holder	Size (km <sup>2</sup> )
Prospect Creek	EPM 14121	3 Aug 2005	2 Aug 2010	All	ActivEX Limited	312
Pentland	EPM 14332	10 Dec 2004	9 Dec 2009	All	ActivEX Limited	322
Lake Monduran	EPM 14376	1 Aug 2005	31 July 2010	All	ActivEX Limited	225
Boobyjan	EPM 14476	8 Jun 2004	7 Jun 2009	All	ActivEX Limited	93
Dadamarine	EPM 14979	12 April 2005	11 April 2010	All	ActivEX Limited	117
Oxley Creek	EPM 15055	11 Jan 2006	10 Jan 2011	All	ActivEX Limited	322
Norwood South	EPM 15185	3 Aug 2006	2 Aug 2011	All	ActivEX Limited	190
Taromeo	EPM 15650	Application		All	ActivEX Limited	306
Mount Miner	EPM 15770	Application		All	ActivEX Limited	306
Westwood	EPM 15814	Application		All	ActivEX Limited	315

## MANAGEMENT

*Technical expertise, strong business skills with extensive regional operating experience are keys to the success of ActivEX*

Fundamental to the success of the Company is a focused exploration team with a high level of technical expertise and experience in the latest exploration technologies and best practice. The team is led by Managing Director Doug Young and Senior Geologist Juli Hugenholz who have a proven track record of success.

This team is being expanded with additional contract geological support commencing recently and a new graduate geologist joining the team in early 2007.

Specialist services, drilling and analytical services are provided by consultants and reputable contractors where required.

With these skills, along with strong Board skills in the areas of accounting, law and business, the Company has a firm base to build on its value.





## GLOSSARY

aeromagnetic survey	a survey made from the air for the purpose of recording magnetic characteristics of rocks
alteration	change in the physical or chemical composition of a rock commonly brought about by reactions with hydrothermal solutions
argillic alteration	alteration dominated by clays, found in the upper parts of the system
aureole	a term applied to the zone of contact metamorphosed rocks surrounding an intrusion
bonanza	a miner's term for a rich body of ore or a rich part of a deposit; a mine is "in bonanza" when it is operating profitably. Also, discontinuous locally rich ore deposits, especially epithermal ones. Spanish for "prosperity, success"
breccia	rock fragmented into angular pieces; often rock consisting of angular fragments in a finer-grained matrix; distinct from conglomerate
buck quartz	a miner's or prospector's term for white massive quartz, essentially free of accessory minerals and valueless as ore. Synonyms: bastard quartz; ball quartz
Carboniferous	a time period, approximately 290 to 354 million years ago
diamond drilling	rotary drilling using diamond-impregnated bits, to produce a solid continuous core sample of rock
diatreme	a breccia filled volcanic vent or pipe created by a violent gas driven eruption of magma
dipole-dipole	a method of completing an IP survey
EM survey	an electromagnetic geophysical exploration technique based on measuring magnetic fields from currents usually artificially induced into the ground
EPM	Exploration Permit for Minerals, an exploration tenement in Queensland
epithermal	a hydrothermal mineral deposit formed at a relatively low temperature near the Earth's surface, mainly in veins
fragmental	volcanic rock dominated by fragments, usually result of violent volcanic eruption
greisen	alteration zone in the roof of a granite intrusive, dominated by silica and sericite minerals
hydrothermal	pertaining to heated water, particularly of magmatic origin associated with the formation of mineral deposits or the alteration of rocks
induced polarisation (IP)	and resistivity a geophysical exploration method which measures changes in magnetic and electrical fields induced in the earth by the application of an electrical current to the ground
resistivity	is the inverse of conductivity
intrusion	the process of formation of a rock mass emplaced within surrounding rock
intrusive	a rock mass emplaced within surrounding rock, usually a plutonic rock formed by intrusion of molten magma into a high level, below the surface, of the Earth's crust where it cooled and crystallised to form a solid rock
intrusive/intrusion related mineralisation	mineralisation associated with intrusives. In this report a gold dominant style of mineralisation which may or may not be related to porphyry style mineralisation
lineament	a linear feature of regional extent that is believed to reflect the Earth's crustal structure
mesothermal	a hydrothermal mineral deposit formed at a moderate temperature deep in the Earth's crust, mainly in veins
ML (MLA)	Mining Lease (Application), a mining tenement
meta	a prefix denoting a metamorphosed rock
Permian	a time period, approximately 248 to 290 million years ago
phyllitic alteration	alteration dominated by sericite and chlorite, found just outside the core of the system
porphyry	a rock with conspicuous crystals in a fine-grained groundmass.
porphyry style mineralisation	mineralisation with similarities to base- and precious-metal porphyry mineralisation models developed from deposits studied in North America and the south-western Pacific regions
potassic alteration	alteration dominated by feldspar and biotite, found near the core of the system
ppb	parts per billion (1000 million)
ppm	parts per million — is the same as grams per tonne, g/t
radiometric	pertaining to the measurement of radiation produced by the spontaneous decay of certain atoms
RC (Reverse Circulation)	a drilling method in which the sample is brought to the surface inside the drill rods, thereby reducing contamination. Conventional percussion drilling retrieves the sample exterior to the rods between the rods and the wall of the drill hole
skarn	a thermally metamorphosed impure limestone
stockwork	a network of usually quartz veins/diffused in the original rock
stringer	veinlike mineralisation below massive sulphide mineralisation, is related to feeder zones
syngenetic	said of a mineral deposit formed at the same time, and by essentially the same processes as the enclosing rocks
terrane	a rock or group of rocks together occurring as a discrete structural block
Tertiary	a time period, approximately 1.8 to 65 million years ago
Triassic	a time period, approximately 206 to 248 million years ago
VMS	volcanogenic massive sulphide — a style of ore deposit with copper, lead and zinc in varying proportions with silver and gold credits



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# **ACTIVEX LIMITED**

ABN 11 113 452 896

**FINANCIAL REPORT  
FOR THE PERIOD ENDED  
30 JUNE 2006**



## Corporate Governance Statement

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

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

### **Lay Solid foundations for management and oversight (Principle 1):**

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

The Board of Directors' role is to govern the Company rather than to manage it. 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.

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

### **Structure the Board to add value (Principle 2)**

Principle 2 is to have a board of an effective size, composition and commitment to adequately discharge its responsibilities and duties.

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

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

In relation to the best practice recommendation "**2.1 A majority of the Board should be independent directors**", ActivEX is compliant with this recommendation. 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.

Messrs Daymond, and Hwang are Non-Executive Directors and in addition to being Non-Executive Directors, Messrs Daymond (Chairman) and Hwang also meet the criteria for independence proposed by the ASX Council.

ActivEX does not comply with the best practice recommendation "**2.4 The Board should establish a nomination committee**". The role of the Nomination Committee has been assumed by the full Board. The size and nature of the Company's activities does not justify the establishment a separate committee at this time. The Board regularly reviews the composition, skill base and effectiveness of the Board and its members. All directors are subject to re-election by rotation at least once every three years.

### **Promote ethical and responsible decision-making (Principle 3)**

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

The ActivEX Board requires high standards of conduct and responsibility from Directors, officers and employees at all times. The Company has established a Code of Ethics and Conduct for Directors and employees within its Corporate Governance Manual.

The Board encourages its members to seek independent professional advice to allow a director to carry out his duties. The advice is obtained at the Company's expense.

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.

#### **Safeguard integrity in financial reporting (Principle 4).**

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.

In relation to the best practice recommendation "**4.1 Chief executive officer (or equivalent) and chief financial officer (or equivalent) sign-off of the financial accounts**", this sign-off is completed after scrutiny by the full Board.

ActivEX is not compliant with best practice recommendation "**4.2, 4.3 and 4.4 Establishment of 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.

#### **Make timely and balanced disclosure (Principle 5)**

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

The ActivEX Board has adopted a policy and rules to ensure the Company complies with its obligations under the continuous disclosure rule 3.1. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

#### **Respect the rights of shareholders (Principle 6)**

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

The ActivEX Board 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.

#### **Recognise and manage risk (Principle 7)**

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

Any matters of significance to the Company or material relevant to its assets, liabilities or profits are signed off by the Board after discussion and evaluation of submissions made by the Managing Director or other party. Regular review of risk is undertaken by the Board including discussions with the Managing Director and others as applicable. The Managing Director reviews risk in response to changing business conditions and regulations.

#### **Encourage enhanced performance (Principle 8)**

Principle 8 is that companies should fairly review and encourage Board and management effectiveness.

ActivEX operates in an open manner and has a teamwork approach to ensure directors, officers and employees are equipped with the knowledge and information they need to carry out their duties and obligations effectively.

The Board meets at least once a year to review its own performance. The Chairman also holds individual discussions with other directors to discuss their performance when appropriate. 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.

#### **Remunerate fairly and responsibly (Principle 9)**

ASX Principle 9 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.

In relation to the best practice recommendation "9.1 Remuneration Policy", details of the Company's remuneration policy are provided in the accompanying Directors' Report and Financial Statements.

In relation to the best practice recommendation "9.2 Establishment of a remuneration committee", ActivEX is compliant with this principle.

#### **Recognise the legitimate interest of stakeholders (Principle 10)**

Principle 10 is that companies should recognise the legal and other obligations to all legitimate stakeholders.

The Board has a primary duty of responsibility to shareholders, but it also recognises that it has responsibilities to parties other than its shareholders. The Company acknowledges that the community expects businesses to be aware of their wider social obligations. The Company's Corporate Governance Manual has a policy that addresses the interests of stakeholders.



# ACTIVEX LIMITED

ABN 11 113 452 896

## DIRECTORS' REPORT

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Your Directors present their report of the Company for the financial year ended 30 June 2006.

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

Directors	Status	Appointed	Eligible to Attend	Attended
Ian C Daymond	Non Executive Chairman	22 December 2005	4	4
Douglas I Young	Managing Director	18 March 2005	7	7
Paul A Crawford	Non Executive Director	18 March 2005	7	7
Peter H Hwang	Non Executive Director	18 March 2005	7	7

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

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

### 2. Information on Directors

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

##### *Non-Executive Chairman*

Mr Daymond practises as a solicitor and consultant in the mining and resources area in Sydney and has acted as in-house counsel or external legal adviser to many public resources companies including as a senior employee with Western Mining Corporation, Hunter Resources/Technomin Australia and Delta Gold. He is also the non-executive chairman of listed companies Eldore Mining Corporation Ltd and Copper Range Limited and is a director of International Base Metals Ltd, an unlisted public company.

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

Copper Range Limited – appointed 30 March 2006 to date

Eldore Mining Corporation Limited – appointed 21 October 2005 to date

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

##### *Managing Director*

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

He is a Councillor of the Australian Institute of Geoscientists.

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

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

Mr Crawford is an accountant with 27 years of commercial experience, including 25 years in various technical and management roles within the minerals, coal and petroleum industries. He is Principal of his own corporate consultancy firm, providing accounting, corporate governance, business advisory and commercial management services to a number of corporate clients since 2001.

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

DiamonEx Limited since 10 March 2000.

# ACTIVEX LIMITED

ABN 11 113 452 896

## DIRECTORS' REPORT

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

***Non-Executive Director***

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

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

### 3. Directors Interests

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

Directors	Shares	Options
Ian C Daymond	150,000	75,000
Douglas I Young	8,025,002	2,512,500
Paul A Crawford	370,000	185,000
Peter H Hwang	240,000	120,000

### 4. Company Secretary

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

### 5. Principal Activities

The principal activity of the Company during the course of the year was mineral exploration. The Company holds mineral exploration tenements in Queensland. The Company's focus is on exploration for gold and copper deposits. There was no change in the principal activity during the year.

### 6. Review of Operations

The Company's operating loss for the financial period, after applicable income tax was \$168,995 (2005:\$54,067). Exploration and evaluation expenditure during the period totalled \$387,806 (2005:\$40,154).

Since the successful listing of ActivEX Limited on 11 April 2006, the Board of Directors has moved quickly to implement the exploration programs detailed in the Company's prospectus.

At the Boobyjan the work has included:

- Dipole-dipole IP surveys completed in March 2006
- Ground magnetic surveys completed in April 2006
- Drilling of eight RC percussion/diamond holes on the interpreted targets.

At Prospect Creek the Company has completed a rock chip and soil sampling program designed to assist in drill target definition.

At Lake Monduran and Pentland Project areas the Company has carried out initial field appraisal and sampling programs and is currently designing follow-up geophysical programs on these areas.

The Company has been granted four Exploration Permits during the year and has applied for three new EPMs all targeting the focus elements of copper and gold. These permits are expected to be granted in late 2006 or early 2007.

# ACTIVEX LIMITED

ABN 11 113 452 896

## DIRECTORS' REPORT

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

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

### 7. Financial Position

The net assets of the Company have increased by \$2,752,967 during the year to 30 June 2006 to \$2,973,902 including cash balances of \$2,689,049. This increase has resulted largely from the proceeds from share issues, including the initial public offer by the Company in April 2006.

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

As a result of the introduction of Australian equivalents to international accounting standards (AIFRS), the Company's financial report has been prepared in accordance with those standards.

### 8. Dividends

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

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

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

- a. The Company issued 1,245,000 shares for cash to raise \$124,500 on 20 July 2005;
- b. The Company issued 3,005,000 shares for cash to raise \$300,500 on 12 January 2006;
- c. The Company issued 15,438,720 shares for cash to raise \$2,496,962 pursuant to a prospectus dated 17 February 2006;
- d. The Company was admitted to the Official List of the Australian Stock Exchange on 11 April 2006; and
- e. The Company issued a Short Form Prospectus dated 27 June 2006 in relation to a rights issue of options to existing shareholders.

As a result of the introduction of Australian equivalents to international accounting standards (AIFRS), the Company's financial report has been prepared in accordance with those standards.

### 10. Events Subsequent to balance date

An issue of "loyalty options" was foreshadowed in the Company's January 2006 Prospectus and where the options are exercised, gives the Company a source of future funding of up to \$3M (approximately) to continue to expand its exploration programs and add value to the Company.

The Options Issue, which was fully underwritten, was a non-renounceable rights issue of 1 option for every 2 shares held by shareholders as at 5 July 2006 at an issue price of 1 cent per option to raise approximately \$151,944. The options are exercisable at 20 cents each on or before 27 February 2009. Proceeds from the options Issue have gone towards the costs of the issue and to working capital.

Since the end of the financial year the Company has been granted an additional exploration tenement and has applied for a further exploration tenement.

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

# ACTIVEX LIMITED

ABN 11 113 452 896

## DIRECTORS' REPORT

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

The Directors will continue to carry out an active exploration program on its Queensland tenements as detailed in the Company's January 2006 Prospectus, including seeking to balance risk and reward by way of joint venture. The Directors will continue to review external opportunities which may arise with a view to acquisition, farm-in or corporate investment.

### 12. Remuneration Report

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

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

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

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

The remuneration policy, setting the terms and conditions for the managing director was developed and approved by non-executive directors. Executive directors receive a base salary, superannuation and fringe benefits. No equity or performance incentives are provided. Superannuation payments consist of the 9% superannuation guarantee contribution. Individuals may elect to salary sacrifice part of their salary to increased payments towards superannuation. No other form of retirement benefit is paid.

Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is not linked to the performance of the Company. However, to align directors' interests with shareholder interests, directors are encouraged to hold shares in the Company.

The Company's remuneration policy provides for long-term incentives through participation in the Company's Employee and Officers Share Option Plan. No options have been issued under the plan at the date of this report.

The Board of Directors is responsible for determining and reviewing the Company's remuneration policy, remuneration levels and performance of both executive and non-executive directors. Independent external advice will be sought when required. The remuneration of each director and key officer of the Company during the year was as follows:

Key Management Personnel	Short term benefits		Post Retirement Benefit Superannuation	Total	Performance Related %
	Salary & Fees	Non-Cash Benefits			
Douglas I. Young	117,813	-	10,603	128,416	-
Ian C. Daymond	22,500	-	675	23,175	-
Paul A. Crawford	-	-	5,450	5,450	-
Peter H. Hwang	5,000	-	450	5,450	-
	145,313	-	17,178	162,491	-

# ACTIVEX LIMITED

ABN 11 113 452 896

## DIRECTORS' REPORT

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### Employment Contract of Managing Director:

The contract for service between the Company and managing director is for an initial period of 3 years, and provides for annual review of the compensation value. The service agreement is subject to renewal at the end of the initial period. The terms of this service agreement are not expected to change in the immediate future.

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

### 13. Indemnifying Officers and Auditor

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

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

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

### 14. Corporate Governance

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

### 15. Options

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

Grant Date	Expiry Date	Exercise Price	No. Under Option
31 July 2006	27 February 2009	\$0.20	15,194,361

### 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

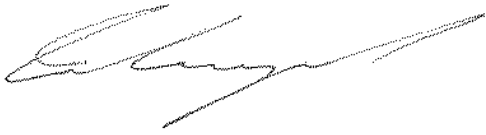
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**18. Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2006 has been received and is attached to the directors' report.

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

Signed in accordance with a resolution of Directors.



Ian C. Daymond  
Chairman



Douglas I. Young  
Managing Director

Signed: 25 September 2006  
Brisbane, Queensland



**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF ACTIVEX LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

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

Robertsons  
Chartered Accountants

A W Thomas  
Partner

Date: 25 September 2006





**ACTIVEX LIMITED**

ABN 11 113 452 896

**INCOME STATEMENT**  
for the year ended 30 June 2006

	Note	2006 \$	2005 * \$
Revenue and other income	2	60,191	780
Less expenses:	3		
Administrative expenses		(113,333)	(30,136)
Employee benefits expense		(95,853)	(24,711)
Occupancy Costs		(20,000)	-
Finance costs		-	-
<b>Loss before income tax expense</b>		<b>(168,995)</b>	<b>(54,067)</b>
Income tax expense	4	-	-
<b>Loss for the year</b>		<b>(168,995)</b>	<b>(54,067)</b>
<b>Loss attributable to members of the company</b>		<b>(168,995)</b>	<b>(54,067)</b>
Basic earnings per share (cents per share)	6	(1.0021)	(0.6897)
Diluted earnings per share (cents per share)	6	(1.0021)	(0.6897)
Dividends per share (cents per share)		-	-

\* For the period from incorporation on 18 March 2005 to 30 June 2005.

The accompanying notes form part of these financial statements.

**ACTIVEX LIMITED**

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**BALANCE SHEET**

As at 30 June 2006

	Note	2006 \$	2005 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	2,689,049	257,769
Trade and other receivables	9	23,371	-
Other	10	-	7,387
<b>Total Current Assets</b>		<b>2,712,420</b>	<b>265,156</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	30,643	-
Exploration and evaluation assets	12	452,563	80,154
<b>Total Non-Current Assets</b>		<b>483,206</b>	<b>80,154</b>
<b>TOTAL ASSETS</b>		<b>3,195,626</b>	<b>345,310</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	221,724	124,375
<b>Total Current Liabilities</b>		<b>221,724</b>	<b>124,375</b>
<b>TOTAL LIABILITIES</b>		<b>221,724</b>	<b>124,375</b>
<b>NET ASSETS</b>		<b>2,973,902</b>	<b>220,935</b>
<b>EQUITY</b>			
Issued Capital	14	3,196,964	275,002
Retained Earnings		(223,062)	(54,067)
<b>TOTAL EQUITY</b>		<b>2,973,902</b>	<b>220,935</b>

The accompanying notes form part of these financial statements.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**STATEMENT OF CHANGES IN EQUITY**

for the year ended 30 June 2006

	Note	Share Capital \$	Retained Earnings \$	Total Equity \$
Opening balance 18 March 2005	-	-	-	-
Shares issued during the period	14	275,002	-	275,002
Loss attributable to members of entity	-		(54,067)	(54,067)
<b>Balance at 30 June 2005</b>		<b>275,002</b>	<b>(54,067)</b>	<b>220,935</b>
Shares issued during the period	14	3,512,744	-	3,512,744
Transaction costs		(590,782)		(590,782)
Loss attributable to members of entity	-		(168,995)	(168,995)
<b>Balance at 30 June 2006</b>		<b>3,196,964</b>	<b>(223,062)</b>	<b>2,973,902</b>

The accompanying notes form part of these financial statements.

**ACTIVEX LIMITED**

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**CASH FLOW STATEMENT**

for the year ended 30 June 2006

	Note	2006 \$	2005 * \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(146,216)	62,141
Interest received		60,191	780
<b>Net cash provided by (used in) operating activities</b>	15	<b>(86,025)</b>	<b>62,921</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Exploration expenditure	12	(372,409)	(40,154)
Purchase of property, plant and equipment		(32,248)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(404,657)</b>	<b>(40,154)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		3,512,744	235,002
Costs associated with share issue		(590,782)	-
<b>Net cash provided by (used in) financing activities</b>		<b>2,921,962</b>	<b>235,002</b>
<b>Net increase in cash held</b>		<b>2,431,280</b>	<b>257,769</b>
<b>Cash at beginning of year</b>		<b>257,769</b>	<b>-</b>
<b>Cash at 30 June 2005</b>	8	<b>2,689,049</b>	<b>257,769</b>

\* For the period from incorporation on 18 March 2005 to 30 June 2005.

The accompanying notes form part of these financial statements.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2006

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. Australian Accounting Standards include AIFRS. Compliance with AIFRS ensures that the financial statements and notes of the company comply with International Financial Reporting Standards (IFRS).

The company was incorporated on 18 March 2005. Accordingly, comparatives are for the period from incorporation to 30 June 2005.

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

#### Income Tax

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

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

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

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

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

#### Property, Plant and Equipment

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

##### Plant and equipment

Plant and equipment are measured on the cost basis. 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.

# **ACTIVEX LIMITED**

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## **Notes to the Financial Statements for the financial year ended 30 June 2006**

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

#### **Depreciation**

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. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### **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 they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

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

#### **Restoration Costs**

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

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

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

#### **Impairment of Assets**

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

# **ACTIVEX LIMITED**

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## **Notes to the Financial Statements for the financial year ended 30 June 2006**

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

#### **Employee Benefits**

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

#### **Provisions**

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

#### **Cash and Cash Equivalents**

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

#### **Payables**

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

#### **Issued Capital**

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

#### **Revenue**

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

#### **Goods and Services Tax (GST)**

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

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

#### **Comparative Figures and Financial Period**

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

#### **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.

**ACTIVEX LIMITED**

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**Notes to the Financial Statements  
for the financial year ended 30 June 2006****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Earnings per Share (EPS)**

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

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

**Critical Accounting Estimates and Judgements**

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

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

	2006 \$	2005 \$
<b>NOTE 2: REVENUE &amp; OTHER INCOME</b>		
Revenue from operating activities:		
Other income	-	-
Interest received from other persons	60,191	780
	<u>60,191</u>	<u>780</u>

**NOTE 3: EXPENSES**

Included in expenses are the following items:

Exploration expenditure	15,397	-
Depreciation & amortisation	1,606	-
Rental expense on operating leases	<u>20,000</u>	<u>-</u>

**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% (2005: 30%).	(50,699)	(16,220)
<b>Adjust for tax effect of:</b>		
Non-deductible amounts	55	-
Deferred tax balances not brought to account	(143,911)	(11,135)
Tax losses not brought to account	<u>194,555</u>	<u>27,355</u>
Income tax expense/(benefit) attributable to entity	<u>-</u>	<u>-</u>
Weighted average effective tax rate	<u>0.00%</u>	<u>0.00%</u>



# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2006

### NOTE 4: INCOME TAX EXPENSE (continued)

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.

	2006 \$	2005 \$
Temporary differences (comprising exploration expenditure and provisions)	(155,046)	(11,135)
Tax losses	221,910	27,355
	66,864	16,220

The company has unconfirmed carry forward losses of approximately \$739,000 (2005: \$91,000).

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

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

Key Management Person	Position
Ian C. Daymond	Chairman (appointed 22 December 2005)
Douglas I. Young	Managing Director - Executive
Paul A. Crawford	Director - Non-Executive
Peter H. Hwang	Director - Non-Executive

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

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

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

The contract for service between the company and managing director is for an initial period of 3 years, and provides for annual review of the compensation value. The service agreement is subject to renewal at the end of the initial period. The terms of this service agreement is not expected to change in the immediate future.

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

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

All key management personnel and employees of the company have the opportunity to qualify for the allotment of options under the company's Employees and Officers Share Option Plan. The allocation of options under the plan is at the discretion of directors of the company. No options were granted under the plan during the financial year.

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

**ACTIVEX LIMITED**

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**Notes to the Financial Statements  
for the financial year ended 30 June 2006****NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION & EQUITY (continued)****(b) Key Management Personnel Compensation**

2006	Short term benefits		Post Employment	Total
	Salary & Fees	Non-Cash Benefits	Benefits Superannuation	
Douglas I. Young	117,813	-	10,603	128,416
Ian C. Daymond	22,500	-	675	23,175
Paul A. Crawford	-	-	5,450	5,450
Peter H. Hwang	5,000	-	450	5,450
	145,313	-	17,178	162,491

2005	Short term benefits		Post Employment	Total
	Salary & Fees	Non-Cash Benefits	Benefits Superannuation	
Douglas I. Young	27,188	-	2,447	29,635
Paul A. Crawford	7,500	-	-	7,500
Peter H. Hwang	7,500	-	-	7,500
	42,188	-	2,447	44,635

**(c) Compensation Options**

No options were granted or vested during the current and prior reporting period. No compensation options were held by key management personnel at year end.

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

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

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

Key Management Personnel (i)	Balance 1 July 2005	Compensation (ii)	Purchased / (Sold)	Balance 30 June 2006
Ian C Daymond	-	-	150,000	150,000
Douglas I. Young	8,000,002	-	25,000	8,025,002
Paul A. Crawford	150,000	-	220,000	370,000
Peter H. Hwang	150,000	-	90,000	240,000
Total	8,300,002	-	485,000	8,785,002

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

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

**(f) Number of non-compensation options held by Key Management Personnel**

On 31 July 2006, the company granted options to applicants pursuant to a prospectus dated 27 June 2006. The options were offered to existing shareholders on the basis of 1 option for every 2 shares held, at an issue price of \$0.01 per option. Directors acquired 2,892,500 options under the entitlement.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2006**

	2006 \$	2005 \$
<b>NOTE 6: AUDITORS' REMUNERATION</b>		
Remuneration of the auditor for:		
- auditing or reviewing the financial report	6,000	5,000
- preparation of Independent Accountants Report for Prospectus	8,600	-
<b>NOTE 7: EARNINGS PER SHARE</b>		
Net loss used to calculate basic and dilutive EPS	168,995	54,067
	No	No
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and dilutive EPS	16,863,457	7,839,425
Options are considered potential ordinary shares. The company had granted no options until 31 July 2006. Accordingly no options were included in the determination of diluted earnings per share for both the 2005 and 2006 reporting periods. Details relating to the issue of the options are set out at note 19.		
<b>NOTE 8: CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	2,689,049	257,769
<b>NOTE 9: TRADE AND OTHER RECEIVABLES</b>		
Current:		
Deposits	15,000	-
Other receivables	8,371	-
	23,371	-
<b>NOTE 10: OTHER ASSETS</b>		
Current:		
Prepayments	-	7,387
<b>NOTE 11: PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	32,248	-
Accumulated depreciation	(1,605)	-
Total plant and equipment	30,643	-
<b>Reconciliation</b>		
Reconciliation of the carrying amounts for property, plant and equipment is set out below:		
Balance at the beginning of year	-	-
Additions	32,248	-
Disposals	-	-
Depreciation expense	(1,605)	-
Carrying amount at the end of year	30,643	-

**ACTIVEX LIMITED**

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**Notes to the Financial Statements  
for the financial year ended 30 June 2006**

	2006	2005
	\$	\$
<b>NOTE 12: EXPLORATION AND EVALUATION ASSET</b>		
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	452,563	80,154
<b>Movement in exploration and evaluation asset:</b>		
Opening balance	80,154	-
Capitalised exploration expenditure	372,409	40,154
Acquisition of tenements	-	40,000
Carrying amount at the end of year	452,563	80,154

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.

One of the company's exploration projects is subject to joint venture. Under the joint venture agreement, Minotaur Investments Pty Ltd subscribed for 2,000,000 million shares at \$0.10 each in the company on the condition the funds are expended on the exploration tenements subject to the joint venture agreement within 18 months of the date of the agreement. At that time Minotaur has the right to earn a minimum 51% interest in the tenements by funding further exploration. At balance date that decision point had not been reached. Expenditure commitments under this agreement have been met.

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

Sundry payables and accrued expenses	203,974	64,336
Short term employee benefits	17,750	3,039
Capital subscriptions in advance	-	57,000
Total payables (unsecured)	221,724	124,375

**NOTE 14: ISSUED CAPITAL**

30,388,722 (2005: 10,700,002) fully paid ordinary shares	3,196,964	275,002
Ordinary shares	No.	No.
Balance at the beginning of the reporting period	10,700,002	-
Shares issued during the period:		
18 March 2005	-	2
1 April 2005	-	8,000,000
12 April 2005	-	700,000
10 June 2005	-	2,000,000
20 July 2005	1,245,000	-
12 January 2006	3,005,000	-
6 April 2006	15,438,720	-
Balance at reporting date	30,388,722	10,700,002

On 6 April 2006 the company issued 15,438,720 shares pursuant to an initial public offering. The company successfully applied to the Australian Stock Exchange for admission to the Official List of the Exchange and commenced trading on 11 April 2006.

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.

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the financial year ended 30 June 2006

### NOTE 14: ISSUED CAPITAL (continued)

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.

The company had no options on issue at balance date. An entitlement issue of options was undertaken in July 2006. Refer to note 19 for further details.

### NOTE 15: CASH FLOW INFORMATION

	2006 \$	2005 \$
<b>Reconciliation of Cash Flow from Operations with Loss after Income Tax:</b>		
Loss from ordinary activities after income tax	(168,995)	(54,067)
Non-cash flows in loss from ordinary activities:		
Movement in employee provisions	14,711	3,039
Depreciation	1,605	-
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	(23,371)	-
(Increase)/Decrease in prepayments	7,387	(7,387)
(Decrease)/Increase in creditors and accruals	82,638	121,336
Cash flows from operations	(86,025)	62,921

### Non-cash Financing and Investing Activities

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

### NOTE 17: RELATED PARTY TRANSACTIONS

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

#### Directors' transactions with the company

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

During the period the company agreed to pay Cambridge Business & Corporate Services, an entity controlled by Mr Paul Crawford, a director of the company, professional fees of \$27,350 (2005:\$5,000) for accounting, company secretarial and other services provided to the entity. The amount owing by the company at 30 June is \$22,200.

During the period the company agreed to pay Findex Pty Ltd, an entity controlled by Mr Doug Young, a director of the company, vehicle hire fees of \$7,506 (2005:nil) for use of its motor vehicle for fieldwork. The amount owing by the company at 30 June is \$7,506.

The company is party to a tenancy agreement with DiamonEx Limited, a company of which Mr Paul Crawford, a director of the company, is also a director. Total expense of \$20,000 (2005: nil) was incurred under this agreement during the year. The tenancy has no fixed term and is on a month to month basis. The amount owing by the company at 30 June is \$20,000.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the financial year ended 30 June 2006

### NOTE 18: COMMITMENTS

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

#### Exploration Commitments

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

	2006	2005
	\$	\$
Not later than 1 year	421,482	292,000
Later than 1 year but not later than 5 years	1,566,000	2,192,000
Total commitment	1,987,482	2,484,000

### NOTE 19: EVENTS AFTER BALANCE SHEET DATE

On 31 July 2006 the company granted 15,194,361 options to eligible shareholders through a non-renounceable rights issue of 1 option for every 2 shares held on the record date. The options have an exercise price of 20 cents and an expiry date of 27 February 2009.

Since the end of the financial year the company has been granted an additional exploration tenement and has applied for a further exploration tenement. Expenditure commitment relating to the additional tenement granted is as follows:

	2006	2005
	\$	\$
Not later than 1 year	46,000	-
Later than 1 year but not later than 5 years	225,000	-
Total commitment	271,000	-

The financial report was authorised for issue on 25 September 2006 by the Board of Directors.

### NOTE 20: FINANCIAL INSTRUMENTS

#### (a) Financial Risk Management

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

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

#### Treasury Risk Management

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

#### Financial Risks

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

#### (b) Interest Rate Risk

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

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the financial year ended 30 June 2006

### NOTE 20: FINANCIAL INSTRUMENTS (continued)

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest Bearing		Total	
	2006 %	2005 %	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
<b>Financial Assets:</b>								
Cash and cash equivalents	5.14%	5.40%	2,639,338	222,703	49,711	35,066	2,689,049	257,769
Trade and other receivables	-	-	-	-	23,371	-	23,371	-
Total Financial Assets			2,639,338	222,703	73,082	35,066	2,712,420	257,769
<b>Financial Liabilities:</b>								
Trade and other payables	-	-	-	-	221,724	121,336	221,724	121,336
Total Financial Liabilities			-	-	221,724	121,336	221,724	121,336

#### (c) Net Fair Values

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

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

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

### NOTE 21: SEGMENT REPORTING

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

### NOTE 22: CHANGE IN ACCOUNTING POLICY

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

AASB Amend-ment	Affected standards	Nature of change to accounting policy	Application date*	Application date for the Company
2005-1	AASB 139: Financial Instruments Recognition and Measurement	No expected change to accounting policy required. Therefore no expected impact	1 Jan 2006	1 July 2006
2005-5	AASB 1: First-time adoption of AIFRS  AASB 139: Financial Instruments Recognition and Measurement	No expected change to accounting policy required. Therefore no expected impact	1 Jan 2006	1 July 2006

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
for the financial year ended 30 June 2006****NOTE 22: CHANGE IN ACCOUNTING POLICY (continued)**

<b>AASB Amend- ment</b>	<b>Affected standards</b>	<b>Nature of change to accounting policy</b>	<b>Application date*</b>	<b>Application date for the Company</b>
2005-10	AASB 132 Financial Instruments: Disclosures and Presentation; AASB 101 Presentation of Financial Statements; AASB 114 Segment Reporting; AASB 117 Leases; AASB 133 Earnings per Share. AASB 139 Financial Instruments: Recognition and Measurement; AASB 1 First-time Adoption of AIFRS; AASB 4 Insurance Contracts AASB 1023 General Insurance Contracts; and AASB 1038 Life Insurance Contracts.	No expected change to accounting policy required. Therefore no expected impact	1 Jan 2007	1 July 2007
New Standard	AASB 7 Financial Instruments: Disclosures	No expected change to accounting policy required. Therefore no expected impact	1 Jan 2007	1 July 2007

\* Application date is for the annual reporting periods beginning on or after the date shown in the table.

The following amendments are not currently applicable to the company and therefore have no expected impact:

<b>AASB Amendment</b>	<b>Affected standards</b>
2004-3	AASB 1 First-time adoption of AIFRS; AASB 101 Presentation of Financial Statements; and AASB 124 Related Party Disclosures.
New Standard	AASB 119 Employee Benefits
New Standard	UIG 4 Determining whether an Arrangement contains a Lease
New Standard	UIG 5 Rights to Interests in Decommissioning, Restoration and Environmental Rehabilitation Funds
New Standard	UIG 7 Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies
New Standard	UIG 8 Scope of AASB 2
New Standard	UIG 9 Reassessment of Embedded Derivatives
2005-4	AASB 1023 General Insurance Contracts; AASB 1038 Life Insurance Contracts; AASB 139 Financial Instruments: Recognition and Measurement; AASB 132 Financial Instruments: Disclosure and Presentation; AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards.
2005-6	AASB 3 Business Combinations



**ACTIVEX LIMITED**

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**Notes to the Financial Statements  
for the financial year ended 30 June 2006****NOTE 22: CHANGE IN ACCOUNTING POLICY (continued)**

<b>AASB Amendment</b>	<b>Affected standards</b>
2005-9	AASB 4 Insurance Contracts AASB 1023 General Insurance Contracts AASB 139 Financial Instruments: Recognition and Measurement; AASB 132 Financial Instruments: Disclosure and Presentation.
2006-1	AASB 121 The Effects of Changes in Foreign Exchange Rates

**NOTE 23: COMPANY DETAILS**

The registered office and principal place of business is:

ActivEX Limited  
Sky Level  
301 Coronation Drive  
Milton Qld 4064

**ACTIVEX LIMITED**

ABN 11 113 452 896

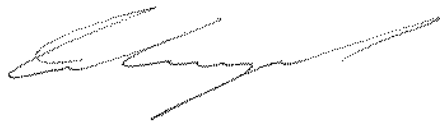
**DIRECTORS' DECLARATION**

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The directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2006 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: 25th day of September 2006



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

### **Scope**

#### *The financial report and directors' responsibility*

The financial report comprises the income statement, balance sheet, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for ActivEX Limited (the company), for the financial year ended 30 June 2006.

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

#### *Audit approach*

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

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

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

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

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



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

**Independence**

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

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

**Audit Opinion**

In our opinion:

1. The financial report of ActivEX Limited is in accordance with:
  - (a) the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and
    - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
  - (b) other mandatory financial reporting requirements in Australia.



ROBERTSONS  
Chartered Accountants



A W THOMAS  
Partner

Brisbane

Date: 25 September 2006

**ACTIVEX LIMITED**

ABN 11 113 452 896

**ASX INFORMATION**

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

**1. Shareholding:**

The following information is provided as at 18 September 2008.

## Distribution of Shareholders Number

Category Number (Size of Holding)	Ordinary Shares (Number)	Listed Options (Number)
1 - 1,000	2	1
1,001 - 5,000	19	88
5,001 - 10,000	143	29
10,001 - 100,000	198	116
100,001 - and over	42	25
	404	259

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

## Twenty Largest Holders - Ordinary Shares

		Number of Shares Held	% of Total Issued Capital
1	Findex Pty Ltd	8,000,002	26.33
2	Minotaur Resources Investments Pty Ltd	2,000,000	6.58
3	Mr Wensley Carroll <Zipp 2001 Super Fund A/C>	1,881,500	6.19
4	Saracen Mineral Holdings Limited	500,000	1.65
5	Ms Christine Wyn	500,000	1.65
6	Merrill Lynch (Australia) Nominees Pty Limited	499,999	1.65
7	Ms Sonia Kathleen Gilroy <Clan Gilroy A/C>	375,000	1.23
8	Kuratyn Pty Ltd <Crawford Family A/C>	320,000	1.05
9	Aquila Resources Limited	250,000	0.82
10	Clodene Pty Ltd	250,000	0.82
11	Mr Keith Middleton + Mrs Christine Middleton <Middleton Super Fund A/C>	250,000	0.82
12	Middleton Nominees (Sa) Pty Ltd <The Middleton Family A/C>	250,000	0.82
13	SA Capital Pty Ltd	250,000	0.82
14	Mr Andrew Joseph Shearman	250,000	0.82
15	Tornado Nominees Pty Ltd <Angus Middleton S/Fund A/C>	250,000	0.82
16	Mr Tso Shan Wu	231,000	0.76
17	Mr Robert Leslie Sarkany	225,000	0.74
18	Gregory J Wood & Associates Pty Ltd <The G J Wood Family Account>	200,000	0.66
19	Gregory J Wood & Assoc Pty Ltd <Wood Family A/C>	200,000	0.66
20	Ms Juliet Jocelyn Hugenholtz	200,000	0.66
		<b>16,882,501</b>	<b>55.55</b>

**ACTIVEX LIMITED**

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**ASX INFORMATION**

Twenty Largest Holders – Listed Options expiring 27 February 2009

		<b>Number of Options Held</b>	<b>Percentage of Total Options</b>
1	Findex Pty Ltd	2,500,000	16.45
2	Minotaur Resources Investments Pty Ltd	1,000,000	6.58
3	Gazump Resources Pty Ltd	914,500	6.02
4	Mr Wensley Carroll<Zipp 2001 Super Fund A/C>	790,750	5.2
5	Gregory J Wood & Associates Pty Ltd<The G J Wood Family Account>	633,905	4.17
6	B2B Holdings Pty Limited	525,000	3.46
7	SA Capital Pty Ltd	375,000	2.47
8	Mr Kenneth Yu	325,000	2.14
9	Mr Gregory Wood<GJ Wood S/F A/C>	297,500	1.96
10	Fortis Clearing Nominees P/L<Settlement A/C>	252,000	1.66
11	Carmant Pty Ltd<Carmant Super Fund A/C>	250,000	1.65
12	Merrill Lynch (Australia) Nominees Pty Limited	250,000	1.65
13	Saracen Mineral Holdings Limited	250,000	1.65
14	Ms Christine Wyn	250,000	1.65
15	Ms Sonia Kathleen Gilroy<Clan Gilroy A/C>	187,500	1.23
16	Mr Paul Anthony Crawford & Ms Robyn Lynelle Crawford<Kuratyn Super Fund A/C>	185,000	1.22
17	Dawesville Nominees Pty Ltd<Peter Avery Super Fund A/C>	175,000	1.15
18	Mr Tso Shan Wu	140,500	0.92
19	Mr Carsten Hans Huebner	140,000	0.92
20	Clodene Pty Ltd	125,000	0.82
		<b>9,566,655</b>	<b>62.96</b>

The names of the substantial shareholders listed in the company's register as at 18 September 2006 are:

<b>Shareholder</b>	<b>Number of Shares Held</b>	<b>Percentage of Issued Capital</b>
Findex Pty Ltd	8,000,002	26.33
Minotaur Investments Pty Ltd	2,000,000	6.58
Mr Wensley Carroll <Zipp 2001 Super Fund A/C>	1,881,500	6.19

**Voting Rights**

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

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

**2. Company Secretary:**

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



## ACTIVEX LIMITED

ABN 11 113 452 896

### ASX INFORMATION

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

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

**4. Stock Exchange Listing**

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

Quotation has also been granted for all the non-restricted ordinary shares of the company on the Venture Capital Board of the Botswana Stock Exchange.

**5. Restricted Securities**

The company has issued the following restricted securities:

Security	Number of Restricted Securities	Date of Cessation of Restriction
Ordinary Shares	1,332,500	12 January 2007
Ordinary Shares	8,857,720	11 April 2008
Options	NIL	

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

During the period from admission to the official list of the Australian Stock Exchange to 30 June 2006, the company has used cash and assets readily convertible to cash in a manner consistent with its business activities. The company is involved in mineral exploration in Queensland.

**7. Schedule of Tenements**

Tenement Name	Tenement Number	Area Km <sup>2</sup>	ActivEX Interest	Date of Grant
Booubyjan	14476	93	100%	7/06/04
Booubyjan	14979	117	100%	11/04/05
Lake Monduran	14378	225	100%	31/07/05
Prospect Creek	14121	312	100%	2/08/05
Pentland	14332	322	100%	9/12/04
Pentland	15055	322	100%	11/01/06
Pentland	15185	190	100%	11/01/06



*ActivEX Limited.*

*A.C.N. 113 452 896*

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