



**ActivEX Limited**

ABN 11 113 452 896

**ANNUAL REPORT 2019**

## CONTENTS

|   |    |
|---|----|
| Corporate Information .....                                     | 2  |
| Company Overview .....  | 3  |
| Chairman’s Letter .....   | 5  |
| Operations Report.....  | 6  |
| Corporate Governance Statement .....                            | 23 |
| Directors’ Report .....   | 31 |
| Competent Person Statement.....                                 | 40 |
| Auditor’s Independence Declaration .....                        | 41 |
| Statement Of Profit Or Loss And Other Comprehensive Income..... | 42 |
| Statement Of Financial Position .....                           | 43 |
| Statement Of Changes In Equity .....                            | 44 |
| Statement Of Cash Flows .....                                   | 45 |
| Notes To The Financial Statements.....                          | 46 |
| Directors’ Declaration .....                                    | 66 |
| Independent Auditor’s Report .....                              | 67 |
| ASX Additional Information.....                                 | 71 |

## **CORPORATE INFORMATION**

### **Directors**

Min Yang (Non-executive Chairman)

Geoff Baker (Non-executive Director)

Dongmei Ye (Non-executive Director)

Mark Derriman (General Manager/Executive Director)

### **Company Secretary**

Craig McPherson

### **Registered Office**

Suite 2, 3B Macquarie Street

Sydney NSW 2000

### **Share Register**

Boardroom Pty Limited

Level 12, 225 George Street

Sydney, NSW, 2000

### **Auditors**

Nexia Brisbane Audit Pty Ltd

Level 28, 10 Eagle Street

Brisbane, QLD, 4000

### **Stock Exchange Listing**

ActivEX Limited shares are listed on the Australian

Securities Exchange (ASX code: AIV)

## COMPANY OVERVIEW

ActivEX Limited is an Australian Securities Exchange listed company (ASX: AIV) focusing on the acquisition, identification and delineation of quality mineral resource projects through active exploration.

The ActivEX Limited portfolio is extensive, with 29 granted Exploration Permits for Minerals, covering over 1,959 km<sup>2</sup> in Queensland and 1 granted Mining Lease in Western Australia (Figure1)

These licence areas cover highly prospective terrain for copper and gold mineralisation in north Queensland at the Gilberton Project (Etheridge Province), Cloncurry Project (Eastern Succession of Mount Isa Inlier), Pentland Project (Macrossan and Cape River Provinces), Ravenswood Project (Charters Towers Province) and southeast Queensland at the Esk, Barambah and Coalstoun Projects (Tasman Fold Belt). The Company also has an advanced potash project in Western Australia.

Activex has defined JORC2012 compliant resources in Queensland and a JORC2004 compliant resource in Western Australia.

### **Southeast Queensland Projects:**

Barambah Project: 363Kt @ 1.47g/t Au and 61.8g/t Ag for 17.2Koz Au and 722Koz Ag

Coalstoun Project: 26.86Mt @ 0.38% Cu for 102.7Kt Cu

### **Northwest Queensland Project:**

Cloncurry Project:

Florence Prospect 1.61Mt @ 0.77% Cu and 0.15g/t Au for 12.4Kt Cu and 7.6Koz Au

### **Western Australia Project:**

Lake Chandler Project: 5.8Mt @ 5.7% K<sub>2</sub>O for 330.6Kt K<sub>2</sub>O (JORC2004 Compliant).

*This information above relating to the Lake Chandler Project was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

At the Gilberton Gold Project ActivEX collected 79 rock samples for the 5 tenements including detailed face sampling and mapping within the Mt Hogan open pit. The Company will report the results when they have been finalised.

At the Cloncurry Copper and Gold Project, rock chip samples completed within the Florence Creek tenement at the Sinking Sun, Trump, Dandy and Old Dandy historic workings, with high copper and elevated cobalt values at Cloncurry Copper and Gold Project. Multi-element assay results returned high values from rock chip sampling at Cloncurry Copper and Gold Project. Best results are: 2.88 g/t Au, 39.8% Cu and 232 ppm Co.

A Farm-in & Joint Venture agreement (JV) finalised with unlisted company Au NQ Gold Pty Ltd (ACN 628 566 709) (Au NQ Gold) over five (5) key 100% owned gold copper tenements located 60km south of Cloncurry in Northwest Queensland. The tenements are located in the highly mineralised Cloncurry Mineral Province. Au NQ Gold Pty Ltd completed initial field target testing of the 5 tenements utilising their in-house electromagnetic technology. Further target testing is planned for the 2<sup>nd</sup> half of 2019

At the Pentland Gold Project. A total of 11 rock chips were collected and assayed. The best result is up to 8.16g/t Au and 4,210 ppm. In addition, the Company has executed an offer to earn into the project with Rockland Resources Pty Ltd, a private mineral exploration company based in Brisbane. Rockland has adjacent tenure to the Pentland Project and as part of the earn in will be flying a 50m line spaced aeromagnetic/radiometric survey across both tenements.

At the Ravenswood Project rock chip sampling within the Birthday Hills and Cornishman tenements returned Au assays to 7.44g/t at Birthday Hills and 4.36g/t at Cornishman. Field based exploration is planned to recommence in the 2<sup>nd</sup> half of 2019.

ActivEX Limited completed focussed exploration activities, such as geological mapping, soil sampling (portable XRF) and rock chip sampling on several Projects during the year. These activities have identified several high priority gold and copper targets.

ActivEX Limited's vision is to be a sustainable minerals exploration company which provides value to its shareholders via discovery, development and mining opportunities.

## CHAIRMAN'S LETTER

### Dear Fellow Shareholders

On behalf of the Board of Directors, I take pleasure in presenting the ActivEX Limited ("ActivEX" or the "Company") 2019 Annual Report. The past 12 months has seen significant improvement in the commodities and equity markets, which in turn has resulted in exciting developments for the Company at an operational level.

The Company's portfolio consists of 29 granted Exploration Permits for Minerals, covering over 1,959 km<sup>2</sup> in Queensland and 1 granted Mining Lease in Western Australia. These licence areas cover highly prospective terrain for copper and gold mineralisation in north and southeast Queensland and in the Cloncurry district of northwest Queensland. ActivEX also has an advanced potash project in Western Australia.

The Company's exploration focus during the year has been on gold exploration in north Queensland where the Company completed detailed geological mapping, soil (portable XRF) and rock chip sampling at the Gilberton, Ravenswood and Cloncurry Projects. ActivEX has made significant progress towards the discovery of a gold deposit at Mt Hogan, which is part of the Company's 100%-owned Gilberton Gold Project. In addition, two broad zones of gold mineralisation have been identified and highlighted in the Fenian prospect at the Ravenswood Gold Project. The process of advancing the Fenian prospect is a high priority for the company, with additional data being interpreted before field work on these prospects commences in late-2019 and early-2020.

ActivEX has clear exploration strategies and will also pursue growth opportunities that offer near term production potential. Divestment of non-core assets is also a priority of the Company and will be pursued in 2020.

The Company's shareholders have again shown substantial support for the Company during the year, for which we are appreciative. In September 2018, ActivEX entered into a Loan Facility Agreement with ASF Group Limited ("ASF"). Pursuant to the Loan Facility, ASF has agreed to provide up to \$2 million in standby funding under which ActivEX can draw down as required.

The proceeds of the Loan Facility are being utilized to pursue on-going exploration activity by the Company as well as to meet working capital requirements. ActivEX continues to monitor and maintain strict controls on overhead expenses and cashflow management.

In November 2018, the Company finalised a Farm-in & Joint Venture (JV) with unlisted company Au NQ Gold Pty Ltd (ACN 628 566 709) (ANG) over five (5) key 100% owned gold copper tenements (Table 1) located 60km south of Cloncurry in North Queensland. The tenements are located in the highly mineralised Cloncurry Mineral Province. ANG has developed a proprietary technique that combines geochemical and geophysical data into a powerful exploration tool that has already proved successful for gold exploration in the Yilgarn Province of Western Australia. This will be the first time the technique has been applied to mineral exploration in North Queensland and preliminary test work is highly encouraging.

Current efforts are being devoted to generating shareholder returns by maximising the potential of the Company's mineral projects, including advancing mineral resources towards project development and also seeking joint venture arrangements to build on the Company's current project base.

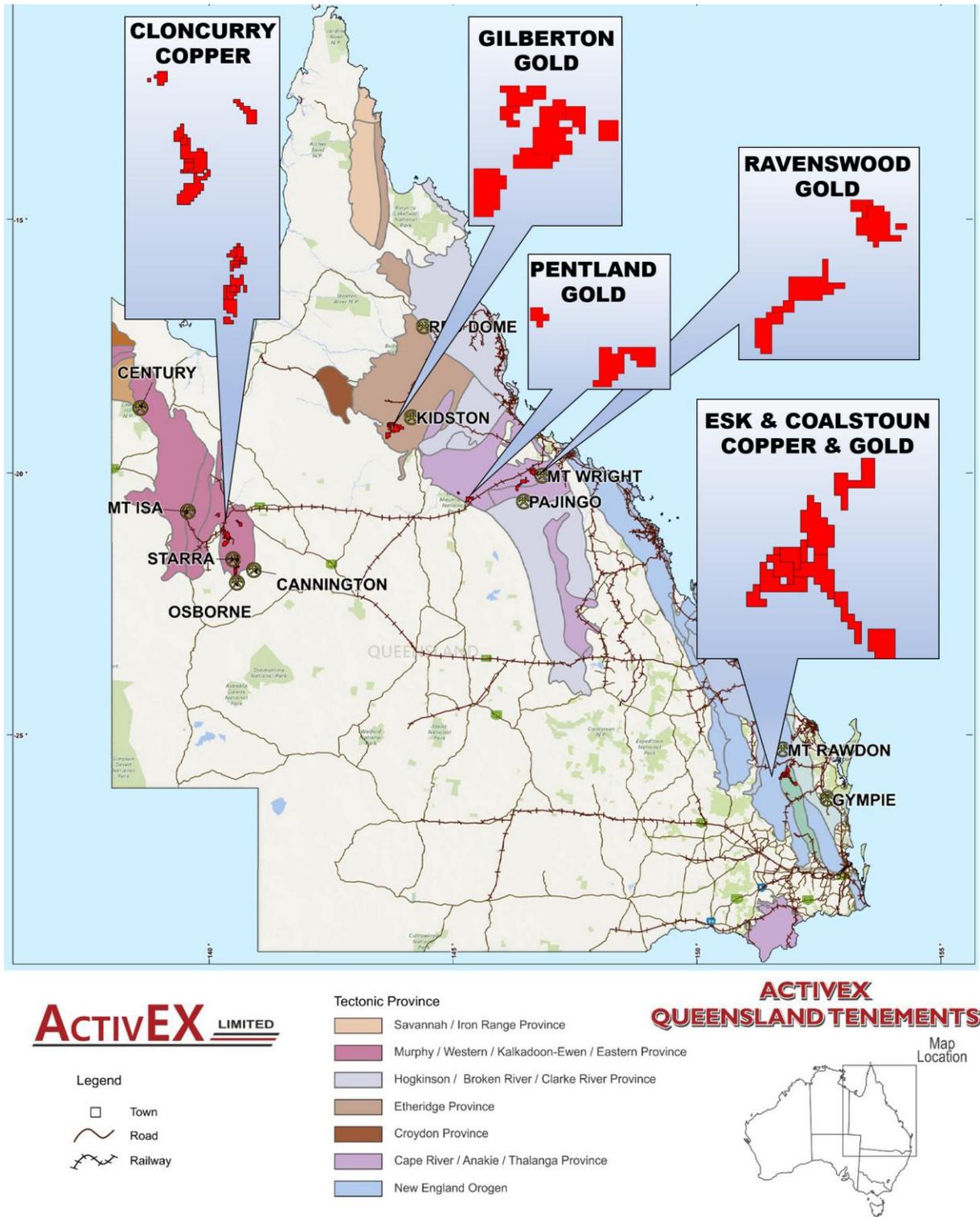
I would like to thank our Directors, staff, contractors and shareholders for their continued support and contribution over the past year and we all look forward to continued growth and exploration success by ActivEX in the year to come.

Yours faithfully



Min Yang  
Chairman

**OPERATIONS REPORT**



**Figure 1.** ActivEX Limited Queensland Projects and tenements.

## **RAVENSWOOD GOLD PROJECT – North Queensland**

### **(EPMs 18424, 18426, 18637, 25466 and 25467 – ActivEX 100%)**

The Ravenswood Gold Project is situated in the Charters Towers Province in northeast Queensland, approximately 60km south of Charters Towers. The Project consists of EPMs 18424, 18637, 18426, 25466 and 25467, which comprise a total of 104 sub-blocks and encompass an area of 335km<sup>2</sup>. ActivEX Limited holds 100% interest in all the tenements (Figure 2).

The Project is located in the highly prospective Charters Towers – Ravenswood region which has produced over 12Moz of Au and hosts the 3.5Moz Mount Leyshon deposit as well as the 1Moz Mount Wright Au deposit. Mineralisation styles in the district include mesothermal gold veins (e.g. Charters Towers and Ravenswood Goldfields), breccia hosted gold (e.g. Mount Leyshon, Welcome Breccia) and epithermal gold veins (e.g. the Pajingo group).

The **Butterfly East** Prospect is in the central area of King Solomon EPM 18637. Brecciated and quartz veined grey and pink granite together with sulphide quartz veins containing pyrite/galena and sulphur staining have been observed at the prospect (Figure 3).

The **Cornishman** Prospect consists of a series of small pits beside the road. The veining has a narrow sericite alteration selvage which grades into grey biotite granite. Dump samples comprised dog tooth quartz with galena, chalcopyrite and malachite (Figure 4).

The **Red Dust Workings** Prospect consists of a series of outcrops of biotite granite as tors. A quartz vein with unusual coliform brown/black surface texture extended for 200m and trending 200°. A small prospecting pit at the southern end is evident with several veins in biotite granite trending 280°. This is similar to the Cornishman workings. Fresh biotite granite occurs adjacent to the small prospecting pit.

The high-grade rock chip sampling results collected from within the Cloncurry Copper and Gold and Ravenswood Gold Projects clearly highlight the prospectivity of the projects. Further exploration activities, such as pXRF surveys and focussed rock chip and conventional soil sampling will be undertaken at the two projects along with geological and regolith mapping with a view to selecting the most prospective targets for drill testing.

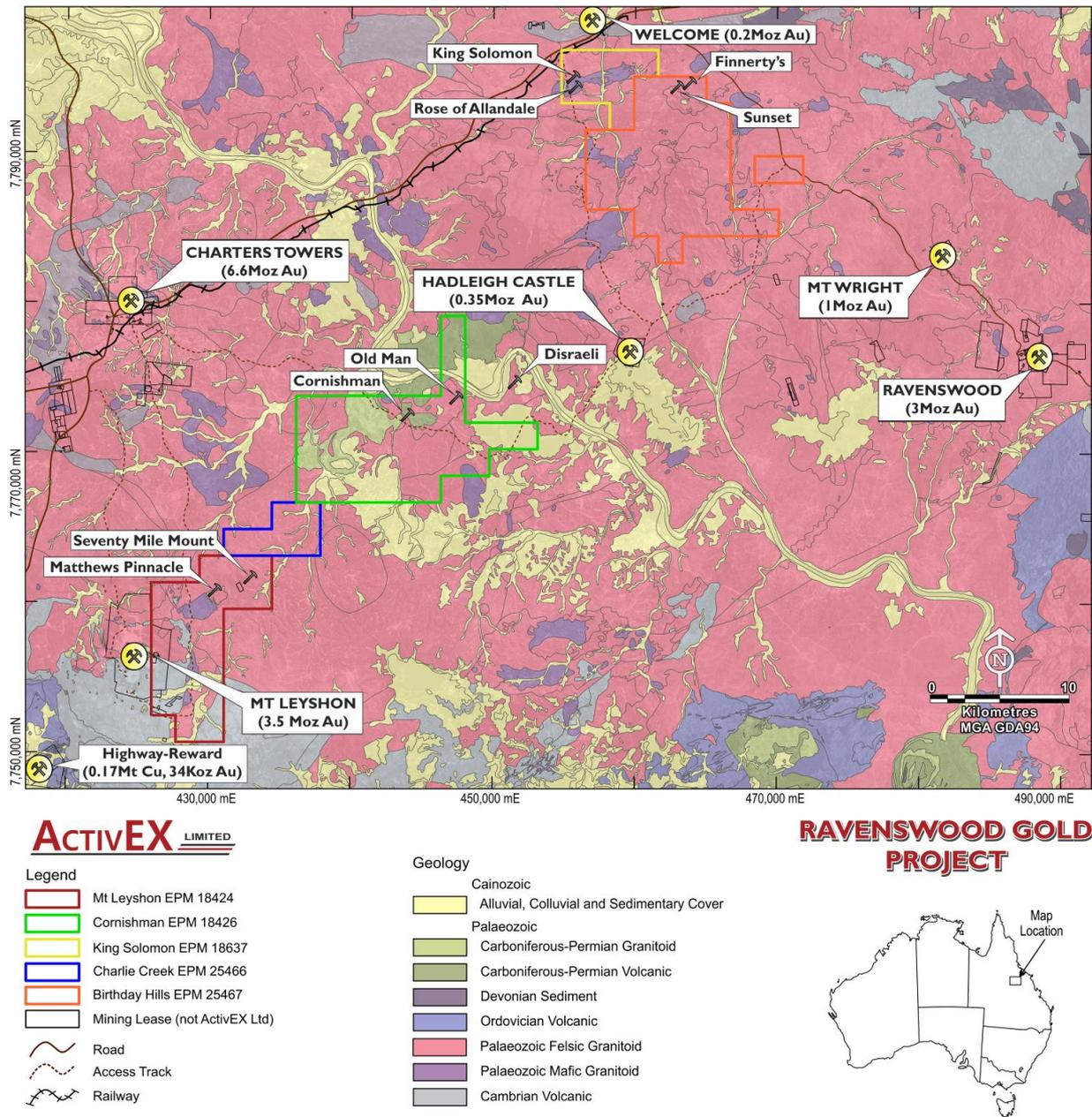
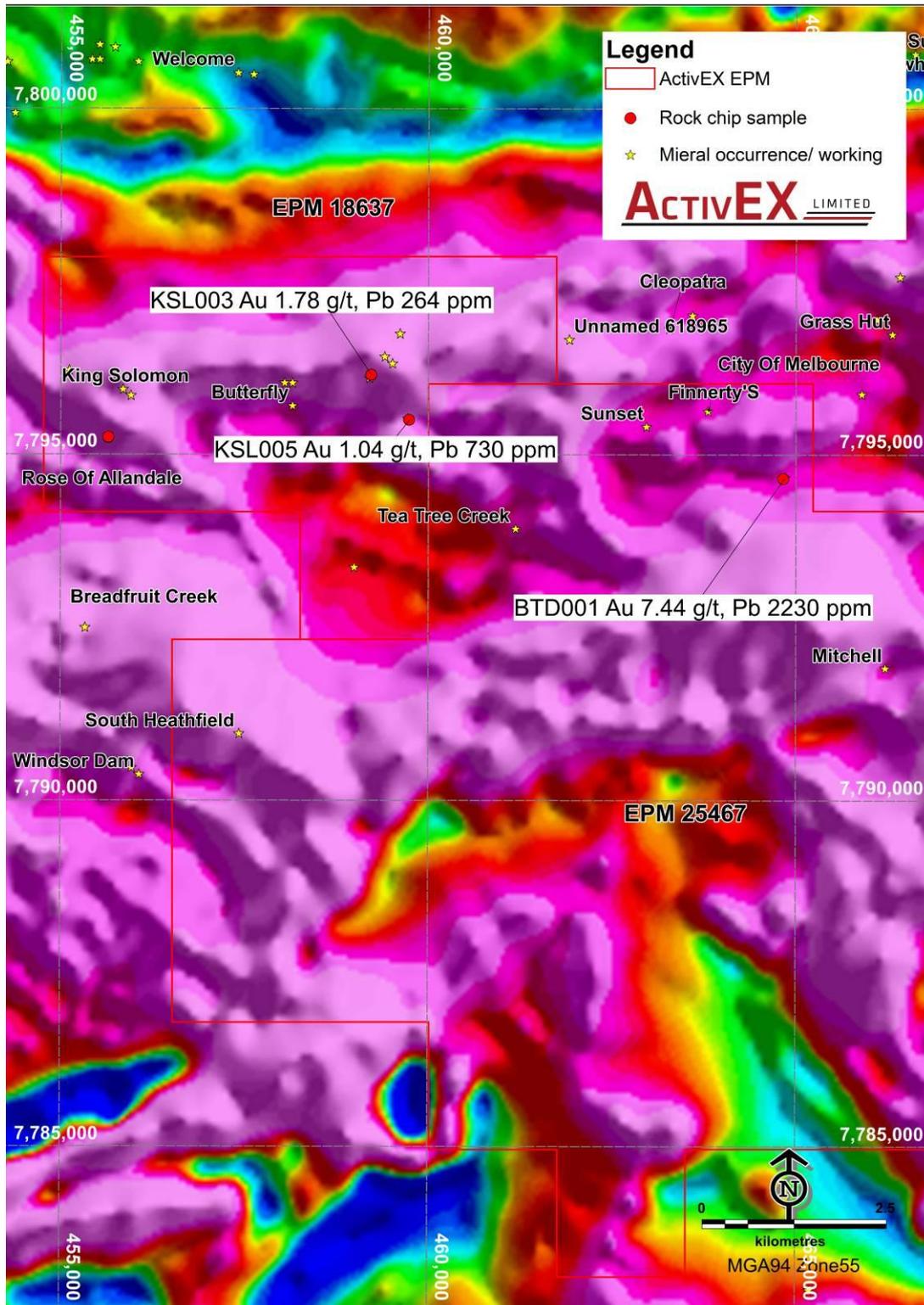
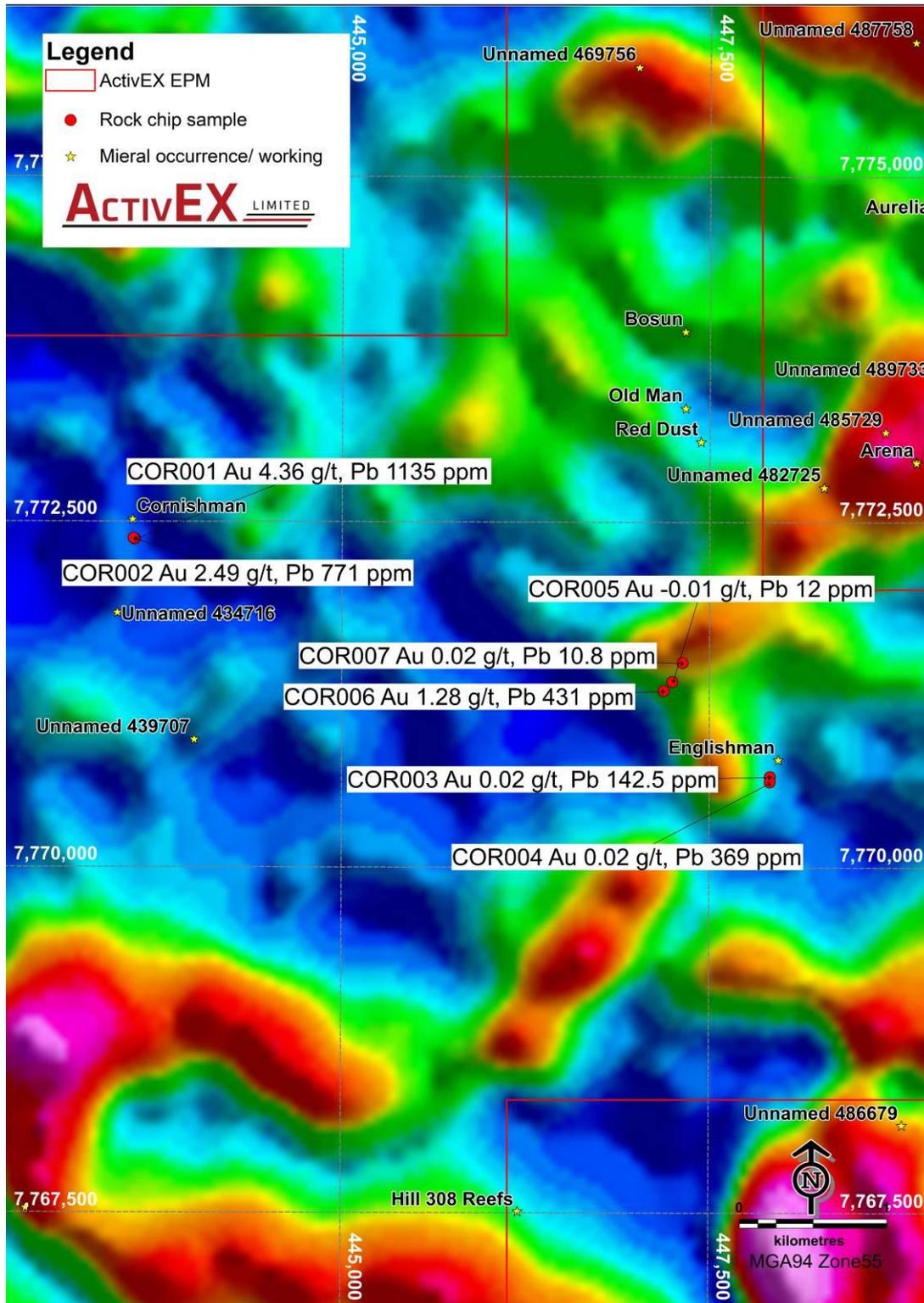


Figure 2. ActivEX Limited Ravenswood Gold Project tenement and prospect locations.



**Figure 3.** Rock chip sampling result in King Solomon EPM18637 and Birthday Hills EPM 25467 on TMI aeromagnetic image  
(Warm colours relate to a higher magnetic response)



**Figure 4.** Rock chip sampling result in Cornishman EPM 18426 on a TMI aeromagnetic image (Warm colours relate to a higher magnetic response)

## CLONCURRY COPPER AND GOLD PROJECT – Northwest Queensland

### (EPMs 14955, 15285, 17313, 17805, 18053, 18073, 18511, 18852, 25192, 25454 and 25455 – ActivEX 100%)

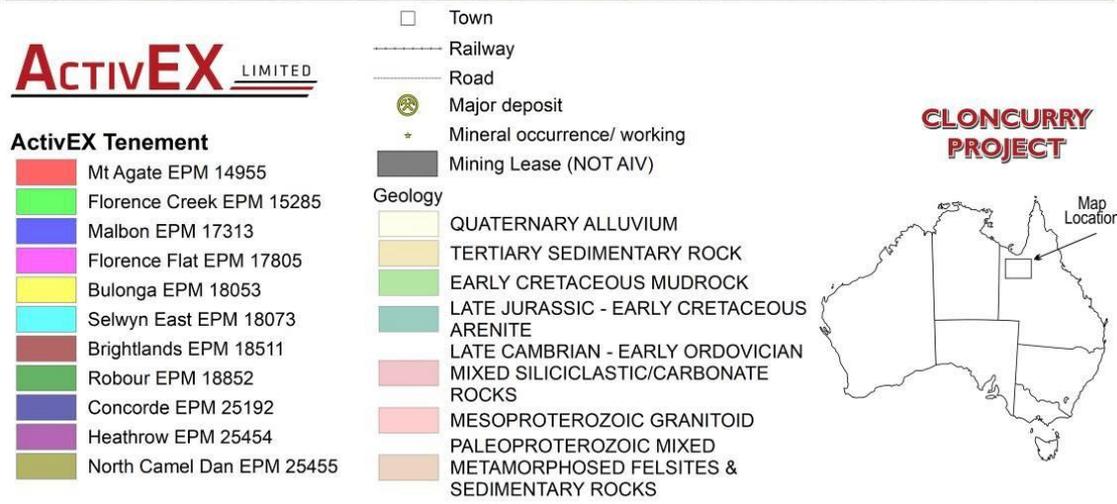
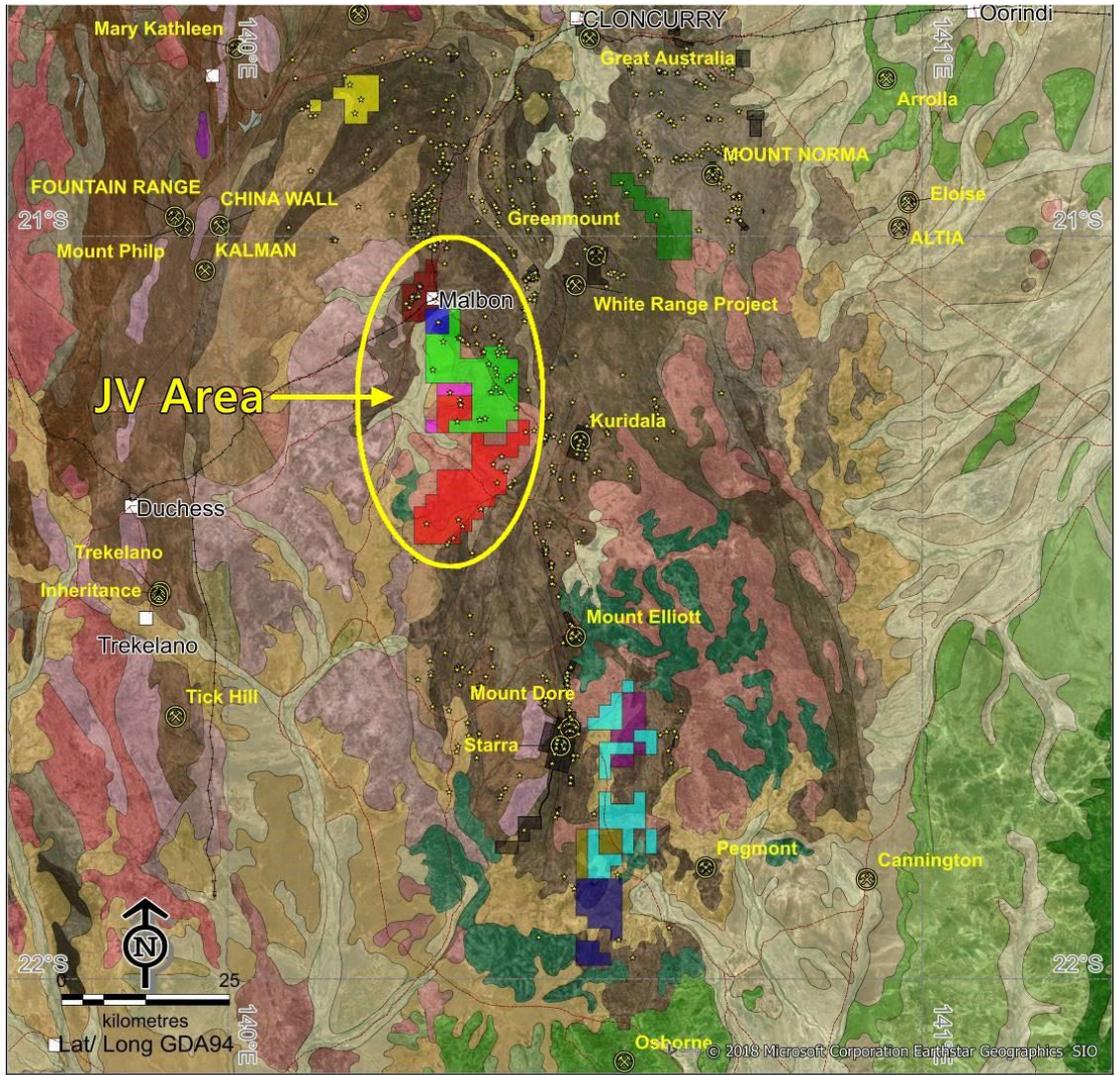
The Cloncurry Copper and Gold Project is situated in northeast Queensland, approximately 60km south of Cloncurry (Figure 5). The Project consists of EPMs 14955, 15285, 17313, 17805, 18053, 18073, 18511, 18852, 25192, 25454 and 25455, which comprise a total of 222 sub-blocks and encompasses an area of 710km<sup>2</sup>. ActivEX Limited holds 100% interest in all the tenements.

The **Sinking Sun** prospect is located to the north of the Trump prospect and comprises of a group of historic workings and trenches. A siliceous breccia was noted on the dump near the north trench comprising angular to sub angular fragments of quartz/chert in a siliceous groundmass. The quartz/ironstone with malachite and vein quartz is up to 1m in width and occurs intermittently between the trenches and either side (Figure 6).

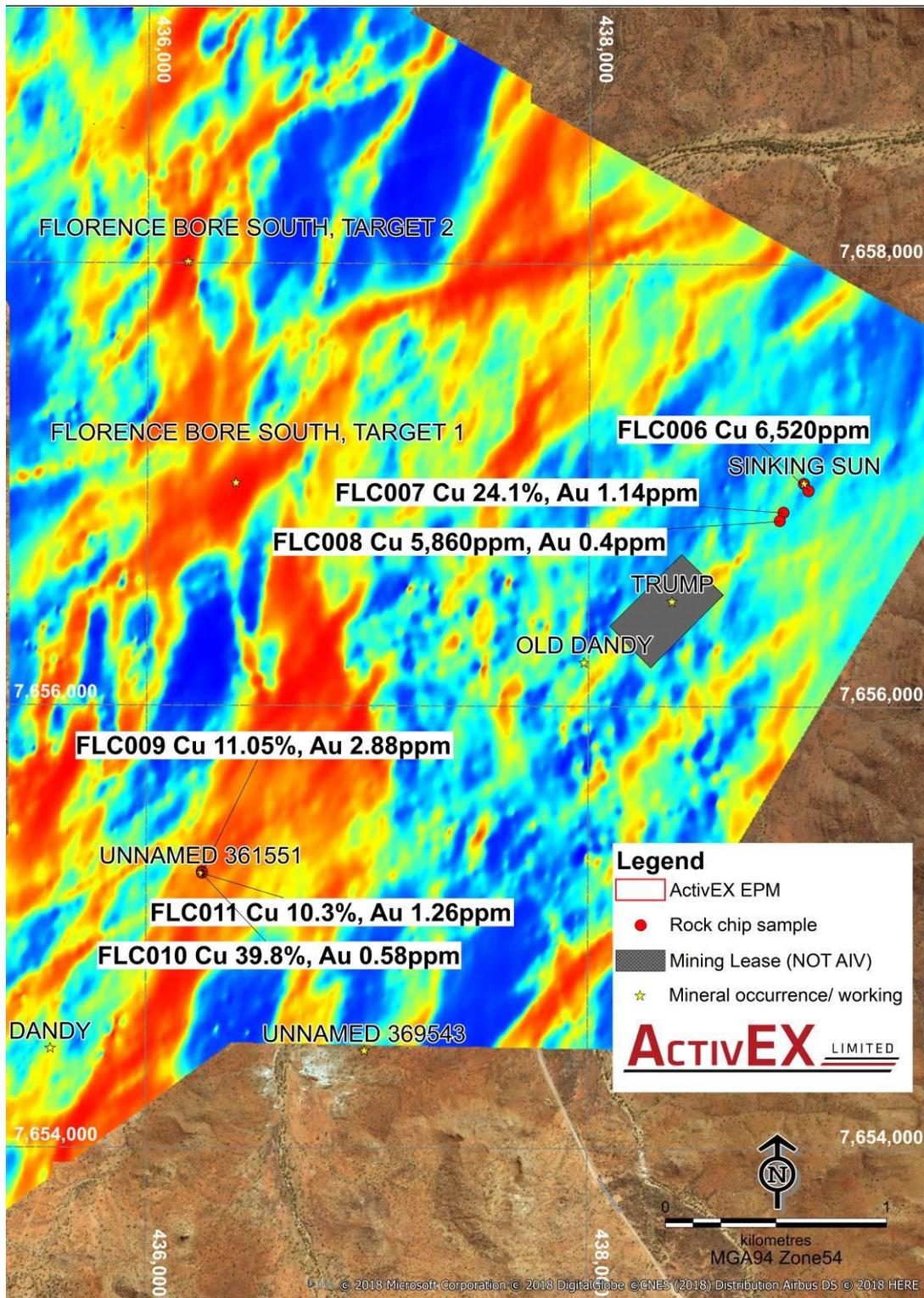
A working which is yet to be named, the **Unnamed Working**, is located to the south east of the Trump prospect and comprises a small set of workings over 40m. The prospect is hosted by metabasalt. Malachite occurs in vein quartz as dump float, Cu also occurs as matrix fill in ironstone breccias (Figure 6).

The **Horse Creek** Prospect is located in the south east of EPM 14955. There are a few prospecting pits at Saddle Ridge with malachite/azurite in vein quartz on the dumps. Thin iron veinlets associated with the quartz veining and Mn were developed on the surface of a metasandstone with botryoidal texture (Figure 7).

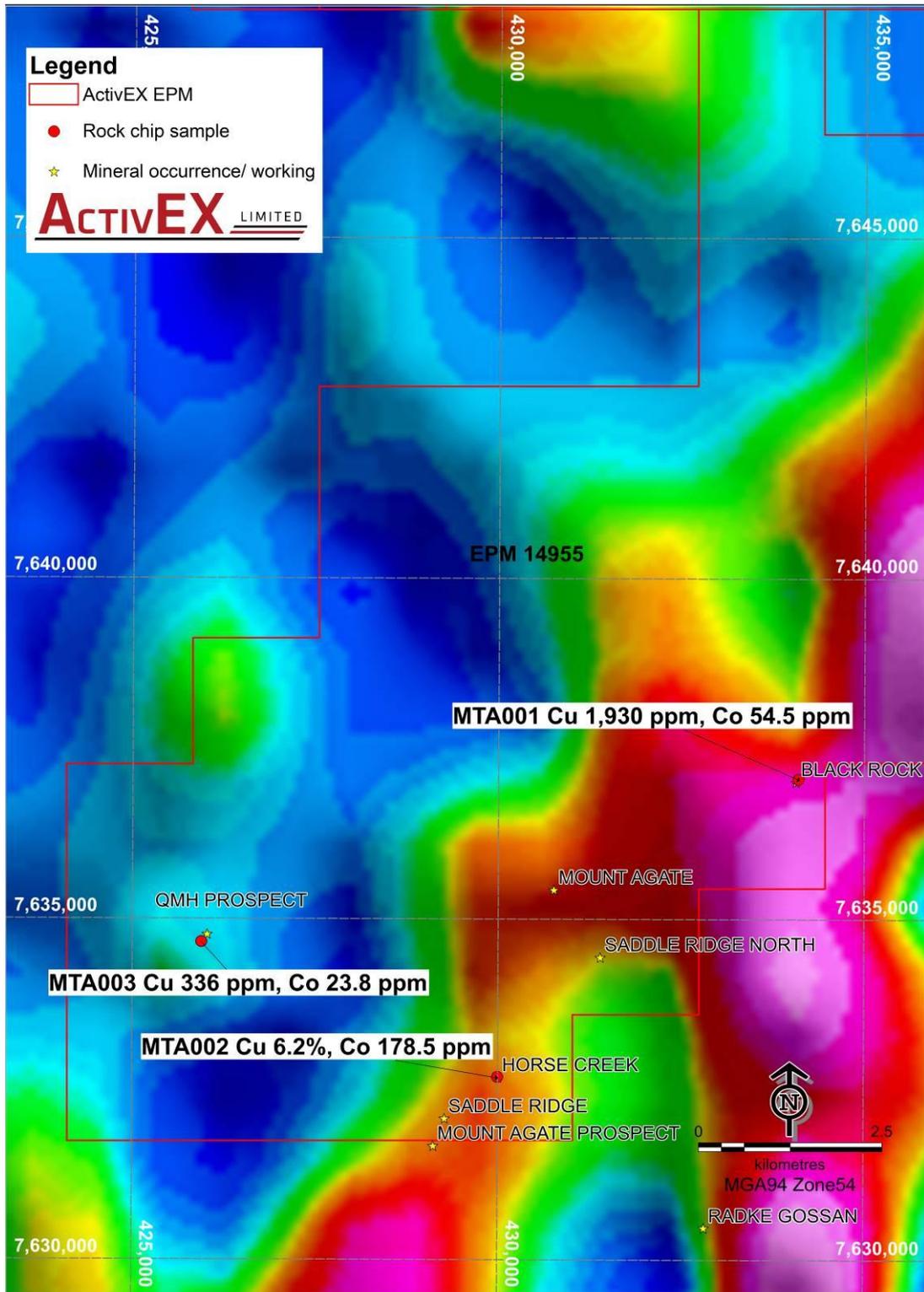
A Farm-in & Joint Venture agreement (JV) finalised with unlisted company Au NQ Gold Pty Ltd (ACN 628 566 709) (Au NQ Gold) over five (5) key 100% owned gold copper tenements located 60km south of Cloncurry in Northwest Queensland. The tenements are located in the highly mineralised Cloncurry Mineral Province. Au NQ Gold Pty Ltd completed initial field target testing of the 5 tenements utilising their in house electromagnetic technology (Figure 8).



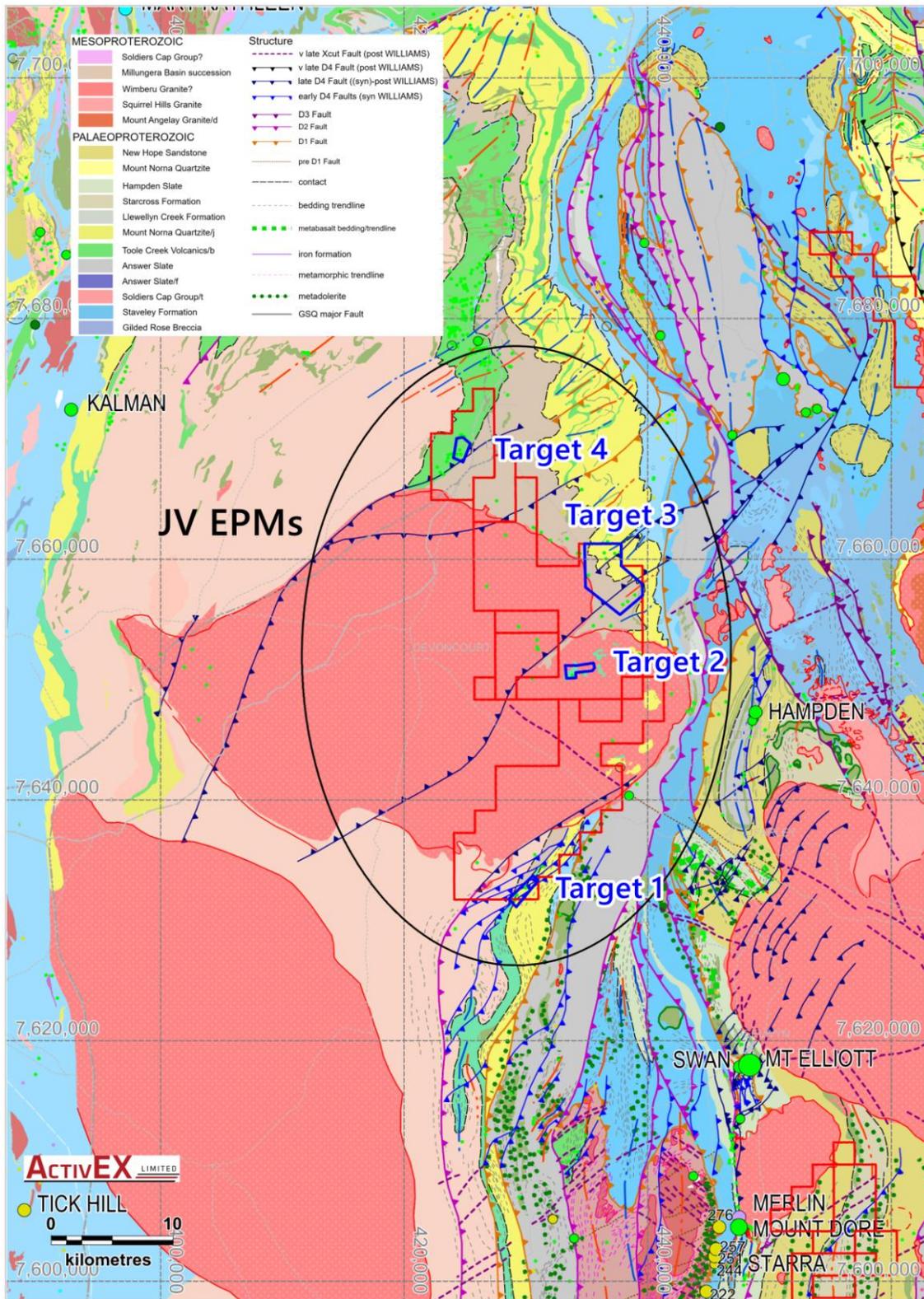
**Figure 5.** ActivEX Limited Cloncurry Copper and Gold Project regional geology, tenements and prospects.



**Figure 6** Rock chip sampling result in Florence Creek EPM 15285 on SAM image.



**Figure 7.** Rock chip sampling result in Mt Agate EPM 14955 on gravity image – warm colours relate to elevated gravity readings



**Figure 8.** Cloncurry Project JV EPMs and selected targets on regional geology.

## PENTLAND GOLD PROJECT – North Queensland

### (EPM 14332 – ActivEX 100%)

The Pentland Gold Project consists of tenement EPM 14332 (Pentland), which comprises a total of 39 sub-blocks and encompass an area of 125km<sup>2</sup> (Figure 9). It is in the Charters Towers district of northern Queensland. The township of Pentland is located within the tenement area, in the southeast of EPM 14332. The project contains 4 established prospects where ActivEX has carried out extensive ground-based surveys and these areas are drill-ready with a number of targets already identified. Outside of these areas, the project package is only lightly explored and significant potential remains.

The Pentland tenement encompasses much of the Cape River Gold and Mineral Field. Alluvial, deep lead and primary gold were discovered along the Cape River in 1867. Recorded production from the field was around 45,000 ounces (approximately 1400kg), however true production may be considerably more as there is no record of the amount extracted by previous miners. Several areas within the Exploration Permits have seen small scale mining since this time. The Pentland tenements cover an area in which a wide variety of mineralisation styles have been identified and worked in part, including quartz vein gold, alluvial, elluvial and deep lead gold, shear zone hosted gold, epithermal and porphyry-related gold, porphyry-related copper-molybdenum, and shear-breccia zone hosted Pb-Cu-Au.

Gold, copper and molybdenum mineralisation is hosted in breccia zones containing diorite fragments in a vuggy quartz-sulphide matrix and steeply dipping, vuggy quartz-galena-sphalerite veins. There are many mineral occurrences in the tenement with four prospects currently under investigation at various stages in the exploration process.

A total of 11 rock chips were collected and assayed. The best result is up to 8.16g/t Au and 4,210 ppm Pb (Figure 10)

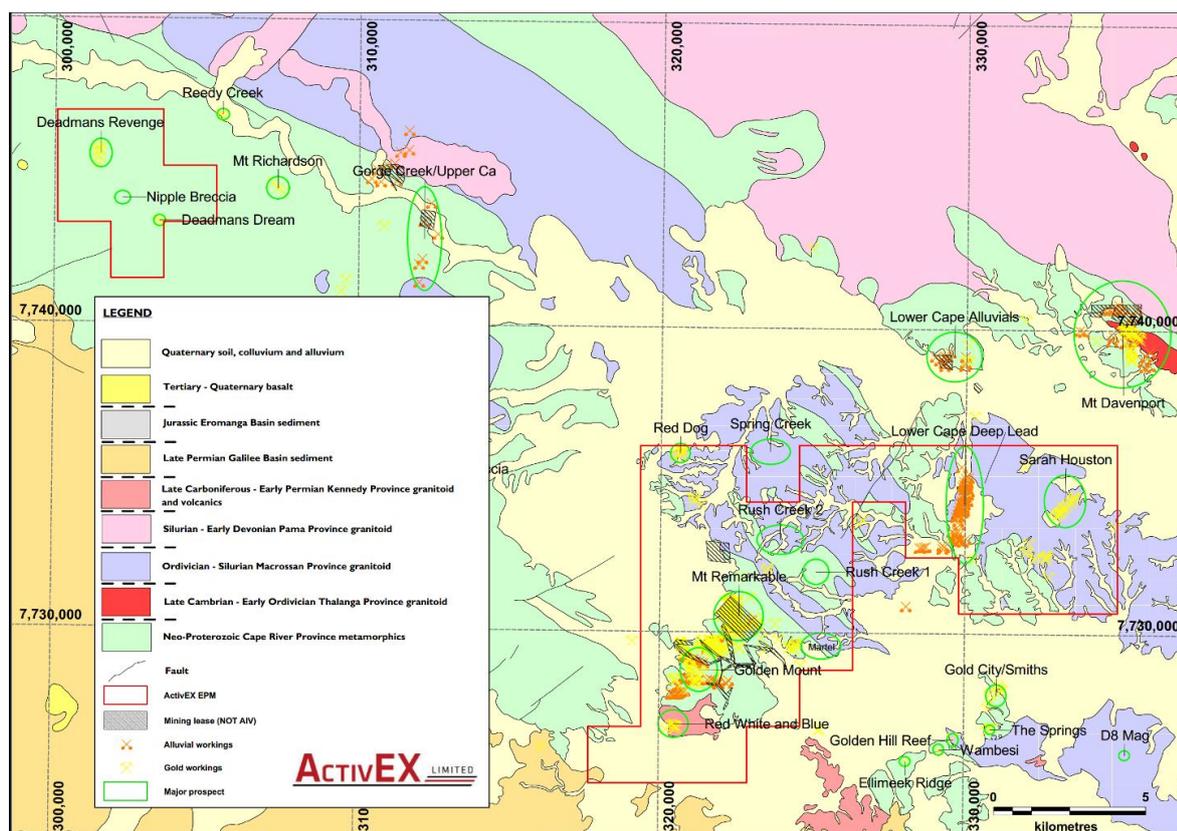
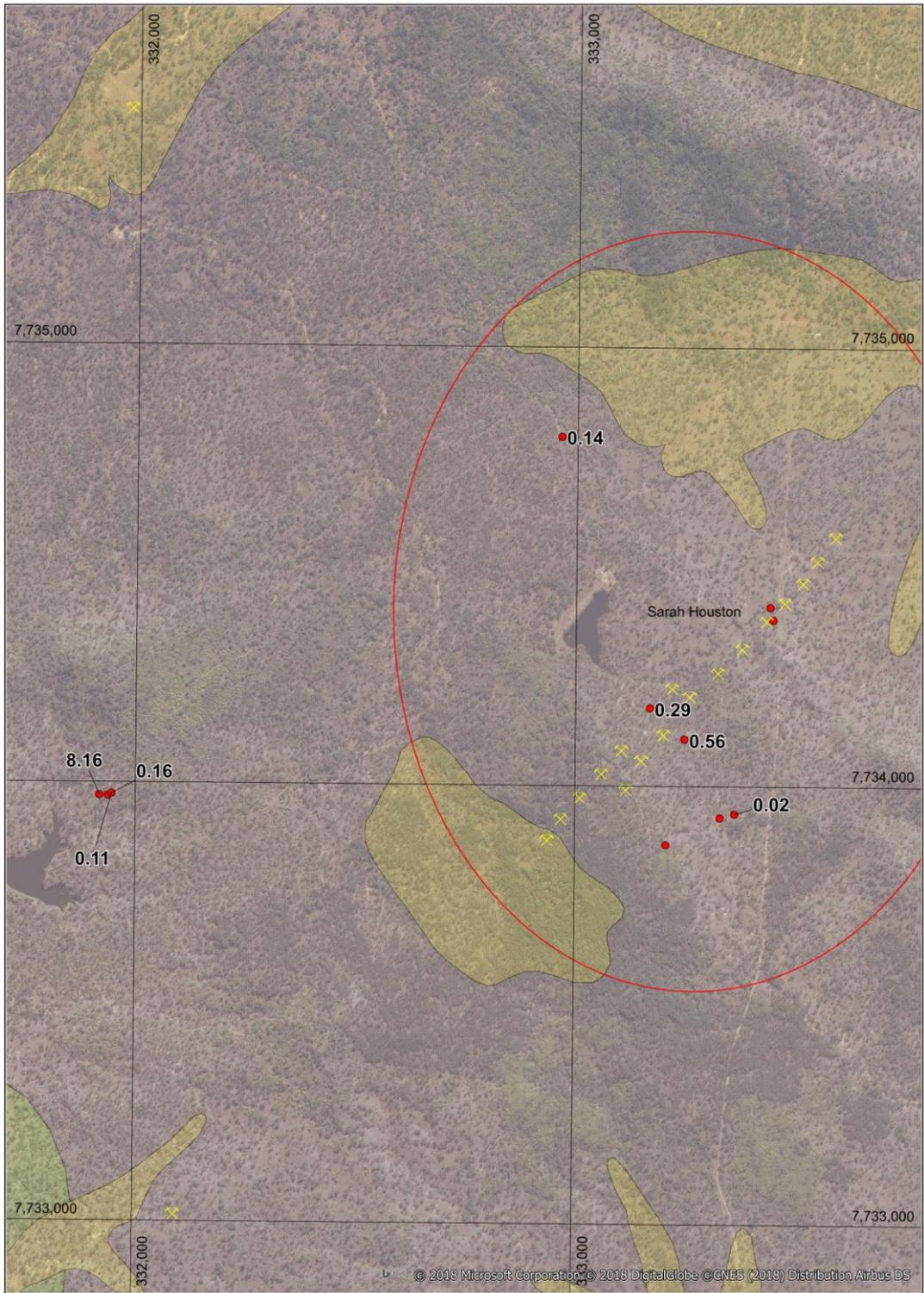


Figure 9. ActivEX Limited Pentland Gold Project regional



**Figure 10.** ActivEX Limited Pentland Gold Project rock chip locations and Au results

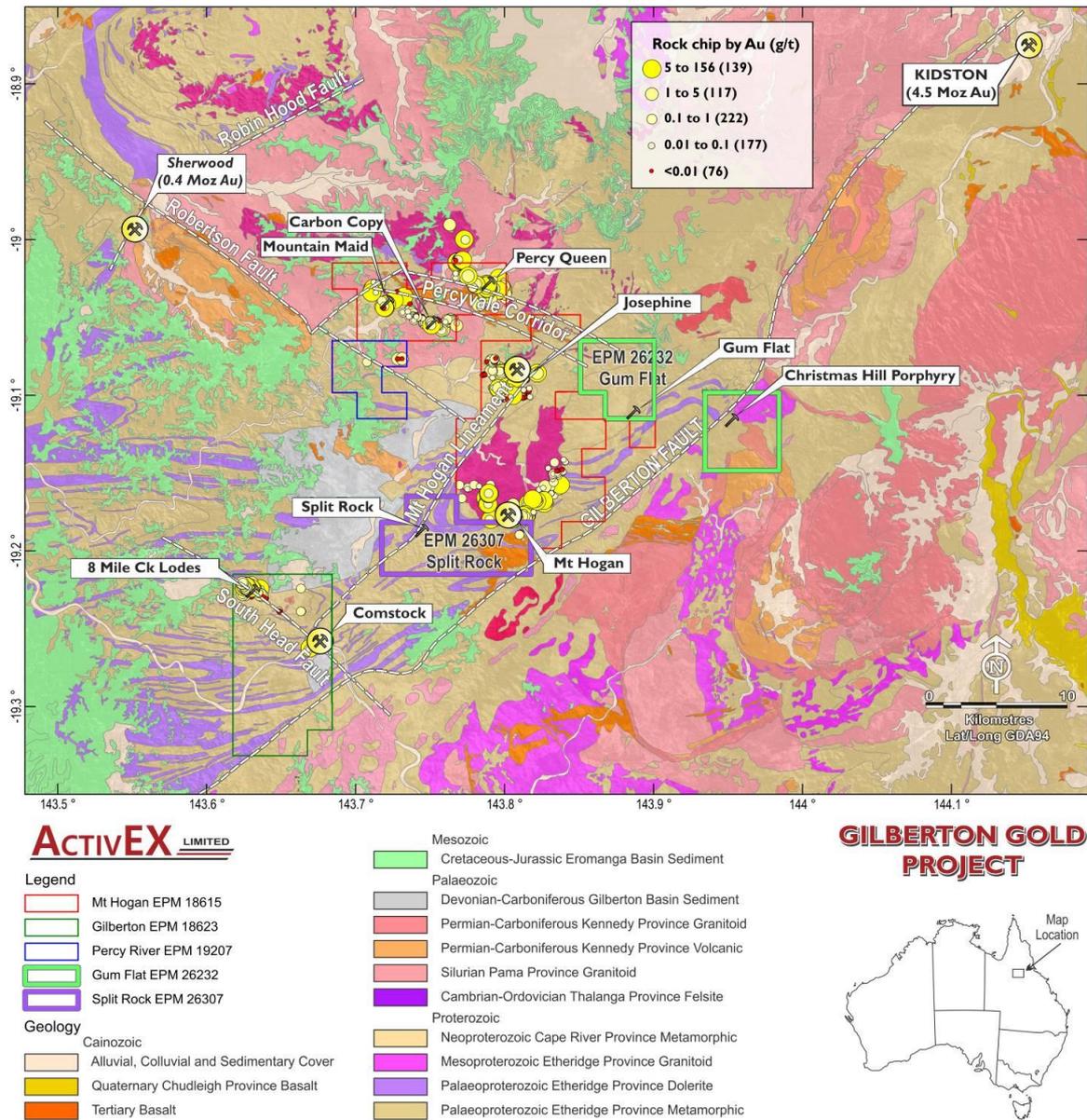
## **GILBERTON GOLD PROJECT – North Queensland**

**(EPMs 18615, 18623, 19207, 26232 and 26307 – ActivEX 100%)**

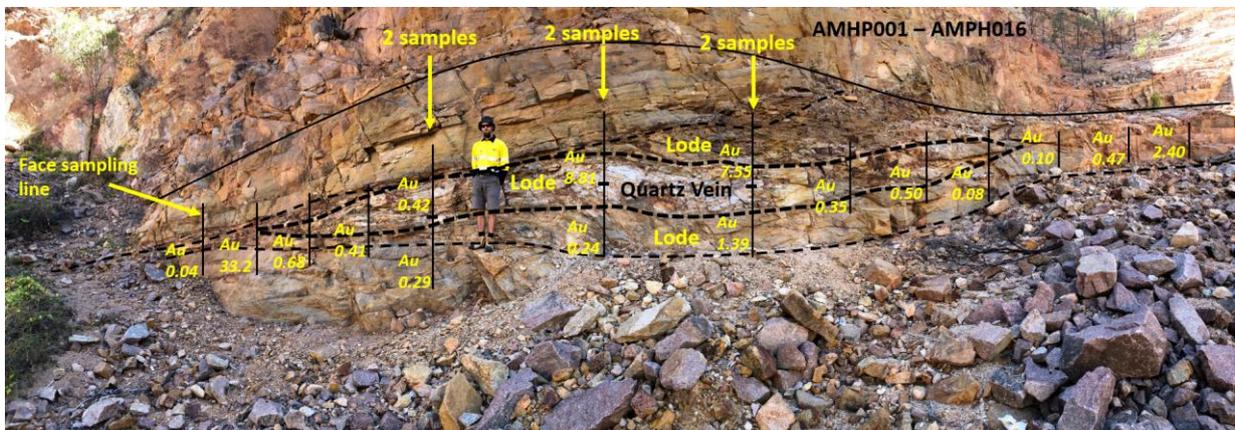
The Gilberton Gold Project is situated in the Georgetown Province in northeast Queensland, approximately 300km west-northwest of Townsville (Figure 11). The Project is in an area which is prospective for several metals (Au, Ag, Cu, Ta-Nb, Co) and a wide range of deposit styles (plutonic IRGS, porphyry breccia, and epizonal / epithermal IRGS). The world-class Kidston breccia hosted Au-Ag deposit occurs in similar geological terrain approximately 50km to the northeast. The Project consists of EPMs 18615 (Mt Hogan), 18623 (Gilberton), 19207 (Percy River), 26232 (Gum Flat) and 26307 (Split Rock). The Project comprises a total of 156 sub-blocks and encompasses an area of 508km<sup>2</sup>. ActivEX Limited holds 100% interest in all the tenements.

During the quarter field-based exploration activities commenced at the Gilberton Gold Project focusing on rock chip sampling in Mt Hogan open pit and other known mineral occurrences and workings (Figure 11 & 12).

Mt Hogan was the largest gold producer within the project area. Records of historic production date back to 1876-1877, when 2,256t of ore were crushed at the Mt Hogan battery and 106.9kg of bullion were produced. Most of this ore was probably from scattered workings scattered over the Mt Hogan hill. Mining recommenced in 1885 until 1910, and 341.22kg of bullion were produced from 7,016.8t of ore (average grade 48.6g/t Au). Most old workings at Mt Hogan are generally shallow, less than 10m deep, except for the Independence lode that occurs north from Mt Hogan mine, which was worked to about 40m inclined depth in the main shaft.



**Figure 11** ActivEX Limited Gilberton Gold Project regional geology, tenements, prospect and rock chips thematically mapped by Au content.



**Figure 12** North wall of the Mt Hogan open pit showing the location of the recent sampling. The samples were taken along the black lines and the gold values are in g/t

## **BARAMBAH GOLD PROJECT – Southeast Queensland**

### **(EPMs 14937 and 18732 – ActivEX 100%)**

The Barambah Gold Project is located in south-east Queensland between the towns of Gayndah and Goomeri, 215 kilometres due north-west of Brisbane (Figure 13). The project tenure comprises EPMs 14937(Barambah) and 18732 (One Mile) for a total of 25 sub-blocks and encompass an area of 77 km<sup>2</sup>.

The Barambah deposit consists of several gold and silver mineralised veins hosted by the Aranbanga Volcanic Group which consist of a number of polymictic to monomictic pyroclastic breccias, rhyolitic lapilli-ash tuff and rhyolitic airfall lapilli-ash tuff and lesser intrusive andesite. The veins are cut by quartz-feldspar phyric rhyolitic dykes, particularly to the north of historic mining. Field observations, age relationships and regional geological dating, suggest an approximate age of  $\sim 220 \pm 5$  Ma for the deposit.

To date drill testing has been confined along strike of the Barambah open pit with the delineation of a maiden JORC Resource by the Company in 2015. The Aranbanga Volcanic Group is host to numerous auriferous epithermal quartz vein systems and deeper CSAMT targets along the main Barambah trend which to date remain partially tested by drilling. The Company is reviewing funding options for a drill focussed exploration program to grow the current gold resource base at the Barambah Gold Project.

## **ESK COPPER AND GOLD PROJECT – Southeast Queensland**

### **(EPMs 14476, 14979, 16265 and 16327 – ActivEX 100%)**

The Esk Copper and Gold Project consists of tenements 14476 (One Mile), 14979 (Dadamarine), 16265 (Blairmore), 16327 (Ban Ban), which comprises a total 53 sub-blocks and encompass an area of 164 km<sup>2</sup> (Figure 13). ActivEX Limited holds 100% interest in all tenements. The Project is located in the New England Orogen in southeast Queensland between the towns of Gayndah and Goomeri, 215 km due northwest of Brisbane. The prospects are situated at the intersection of the NNW trending Perry Fault zone (host to Mt Rawdon +2Moz gold deposit) and NE trending (Darling Lineament related) structures.

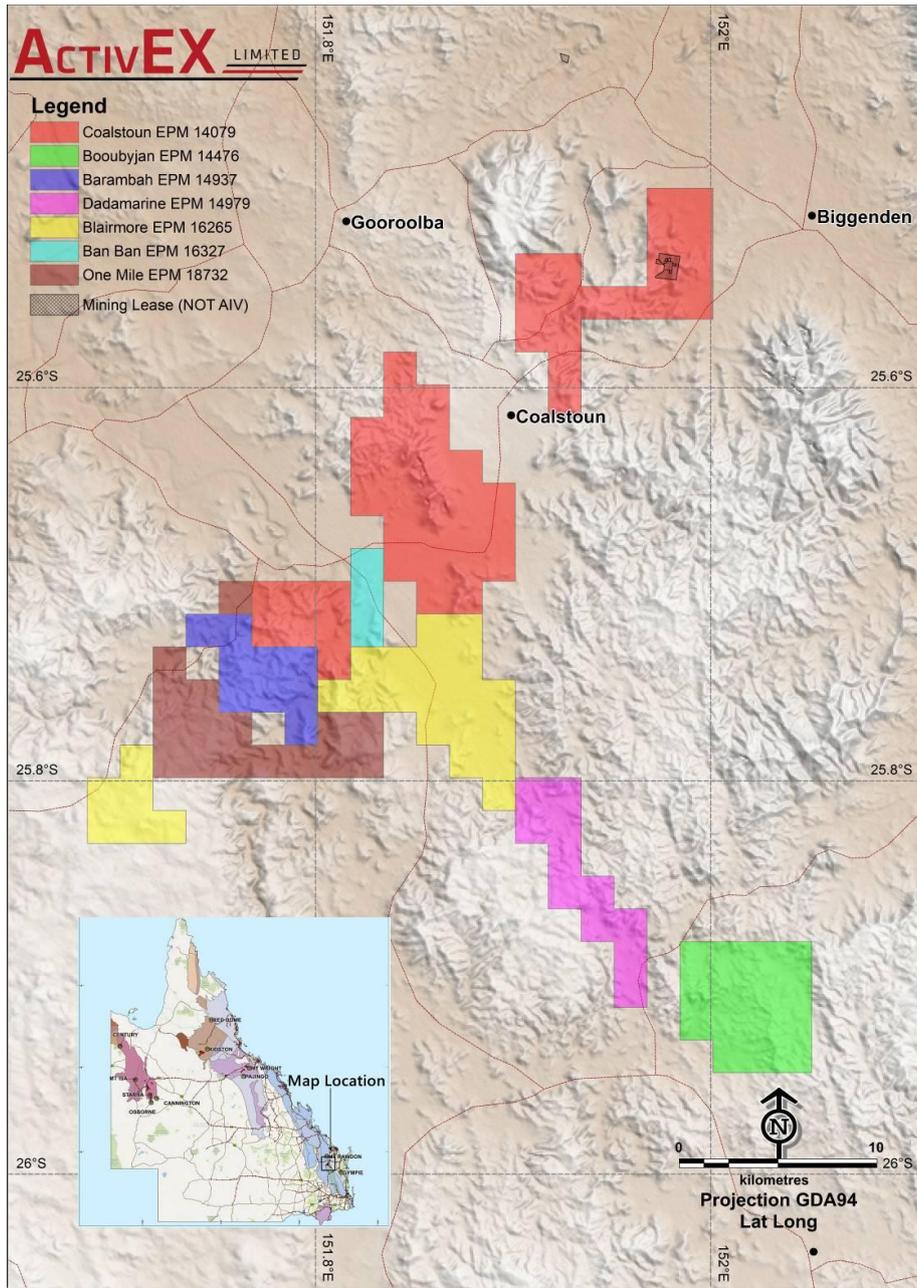
The Esk Copper and Gold project is host to mineralisation with similarities to many High-K Calcalkalic to Alkalic Porphyry copper-gold deposits, near surface supergene copper deposits, as well as potential for breccia-pipe hosted gold-copper deposits.

## **COALSTOUN LAKES COPPER AND GOLD PROJECT – Southeast Queensland**

### **(EPM 14079 – ActivEX 100%)**

The Coalstoun Lakes Copper and Gold Project consists of tenement EPM 14079, which comprises 50 sub-blocks and encompass an area of 160 km<sup>2</sup> (Figure 13). The Project is located in the New England Orogen in southeast Queensland between the towns of Gayndah and Goomeri, 215 km due northwest of Brisbane. ActivEX Limited holds 100% interest in the tenement. The Coalstoun Lakes Copper and Gold Project is situated at the intersection of the NNW trending Perry Fault zone (host to Mt Rawdon +2Moz gold deposit) and NE trending (Darling Lineament related) structures.

The Coalstoun Lakes Copper and Gold Project is host to mineralisation with similarities to many High-K Calc-alkalic to Alkalic Porphyry copper-gold deposits, near surface supergene copper deposits, as well as potential for breccia-pipe hosted gold-copper deposits.



**Figure 13.** ActivEX Limited South-east Queensland Projects and Tenements location.

## LAKE CHANDLER POTASH PROJECT -- Western Australia

(M77/22 – ActivEX 100%)

The Lake Chandler Potash Project consists of a granted Mining Lease (M77/22) located 48km north of the Western Australian wheat-belt town of Merredin, 300km east of Perth. ActivEX Limited holds 100% interest in the tenement (Figure 14).

Lake Chandler is a salt lake with accumulations of alunite, which the Company is investigating with a view to proving the commercial extraction of potash and other fertiliser products with possible alumina by-products. Potash was produced from the deposit in the post war period from 1943 to 1947 but the operations have been idle since.

The potash at Lake Chandler occurs as alunite — hydrated potassium aluminium sulphate ( $KAl_3SO_4(OH)_6$ ) mineralisation hosted in a flat lying evaporate sequence of clays (playa lake).

Lake Chandler Project: 5.8Mt @ 5.7%  $K_2O$  for 330.6Kt  $K_2O$  (JORC2004 Compliant).

This information above relating to the Lake Chandler Project was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

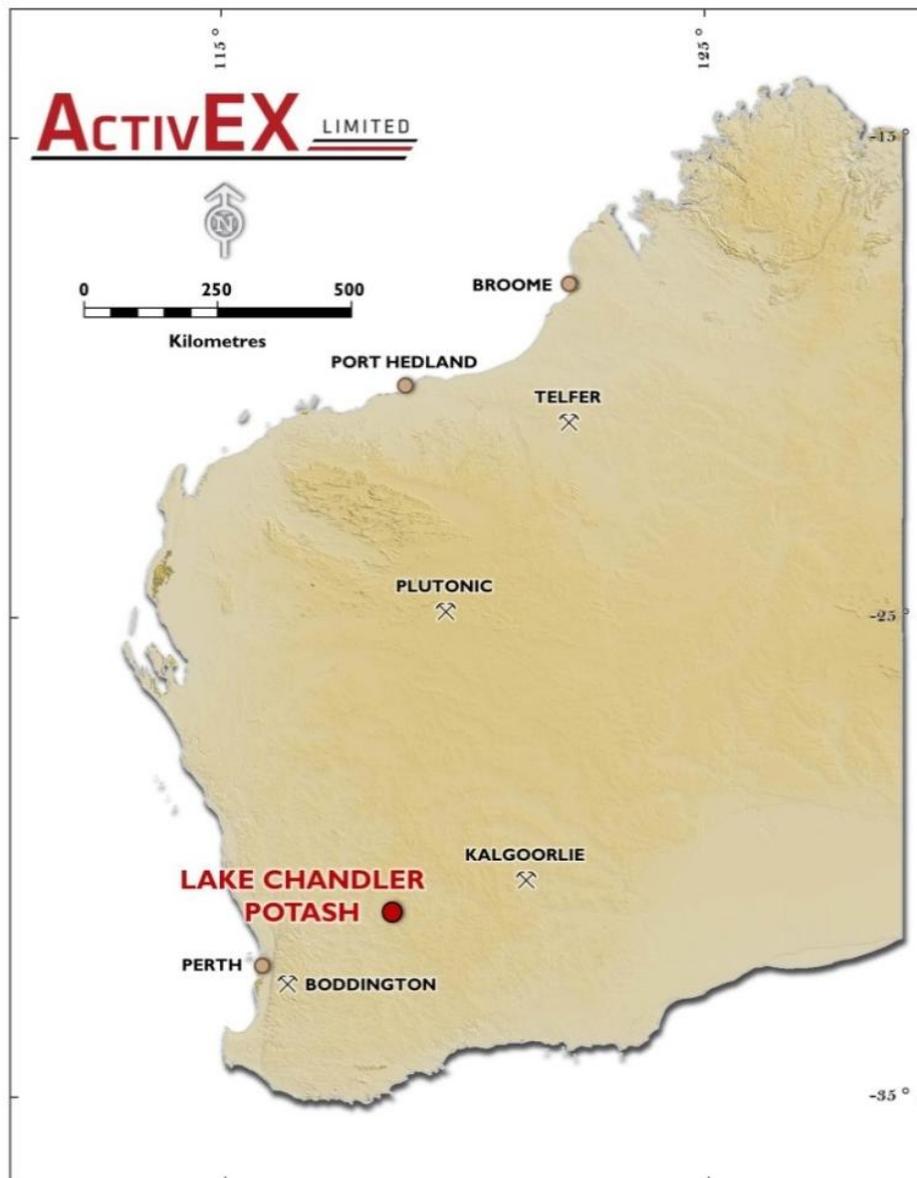


Figure 14. Lake Chandler location map

## CORPORATE GOVERNANCE STATEMENT

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

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

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

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

Principle 1 identifies that a Company should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.

Each of the recommendations of Principle 1, including the extent to which the Company has followed those recommendations, is discussed as follows.

#### 1.1 Role of Board and Management

The Company has established the functions reserved to the Board and those delegated to senior executives. The Board of Directors’ role is to govern the Company rather than to manage it and to ensure that it represents effectively the interests of all shareholders. It is currently the role of the Executive 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 Executive Director in carrying out these delegated duties.

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

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

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

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

Details of the Company’s Corporate Governance Manual are available on the Company’s website ([www.activex.com.au](http://www.activex.com.au)).

## **1.2 Background Checks**

The Board is responsible for undertaking appropriate background checks before appointing a person, or putting forward a candidate for election, as a Director. In addition, all material information in the Board's possession, relevant to whether or not to elect or re-elect a Director, shall be provided to Shareholders.

## **1.3 Written Contracts of Appointment**

The Company provides newly appointed Directors with formal appointment letters setting out the key terms and conditions of their appointment. Similarly, senior executives (including any Executive Directors) are provided with formal appointment letters making clear the responsibilities of their role, remuneration, appointment term and entitlements on termination.

## **1.4 Company Secretary**

The Company's Corporate Governance Manual provides that the Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

## **1.5 Diversity**

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

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

As at the date of this Annual Report, 50% of Board Members are female.

## **1.6 Board Reviews**

The Board considers the evaluation of its performance as fundamental to establishing a culture of performance and accountability. The Company's Corporate Governance Manual provides that the Chairperson is to undertake a review of the Board and individual Director's performance at least once a year at a special meeting of the Board. Board performance is to be evaluated in relation to goals that are set at the time of the Board's annual strategic planning session.

A formal review of the Board and Individual Director's was not undertaken by the Chairperson during the current year.

## **1.7 Management Reviews**

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

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

The Non-Executive Directors are responsible for regularly evaluating the Executive Director's performance. This evaluation is based on the Company's business performance and whether strategic objectives are being achieved. The Executive Director reviews other executives' and staff performance. The results of the Executive Director's performance reviews of senior executives and staff are reported to the Board for information.

The performance of the Executive Director and Senior executives is reviewed on a formal basis annually and this review has taken place during the year in accordance with the process detailed above.

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

Principle 2 identifies that a Company should establish a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

Each of the recommendations of Principle 2, including the extent to which the Company has followed those recommendations, is discussed as follows.

### **2.1 Nomination Committee**

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

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

### **2.2 Board Skills, Knowledge and Experience**

The Board considers the mix of skills and the diversity of board members when assessing the composition of the Board. Directors are appointed based on the specific corporate and governance skills and experience required by the Company. The Board seeks to maintain a relevant blend of personal experience across commercial and technical disciplines relevant to the business of the Company.

The Board does not maintain a formal Board Matrix in accordance with Recommendation 2.2. However, the Board is comprised of experienced senior business personnel from a variety of professional and enterprise backgrounds. They each meet the fundamental requirements and, collectively, possess the skills, experience and diversity considered necessary to appropriately govern the Company.

The skills of each individual director which comprise the Board have been outlined in Section 2 of the Directors' Report.

### **2.3 Independence and Length of Service of Directors**

The board of directors has one executive and three non-executive directors. The names of the directors of the Company in office at the date of this report, specifying who are independent together with their length of service and relevant personal particulars, are set out in Section 2 of the Directors' Report.

### **2.4 Assessment of Independence**

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

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

- e) has a material contractual relationship with the Company or other group member other than as a Director of the Company.

Due to the size and scale of the Company's current activities, the majority of the Board are not considered independent. However, although the Board does not follow Recommendation 2.4, to facilitate independent decision-making, the Board has agreed procedures for directors to have access in appropriate circumstances to independent professional advice.

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making.

## **2.5 Chairperson and Chief Executive Officer**

The Chairperson is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's functioning. The Executive Director is responsible and accountable to the Board for the Company's management.

The office of Chairperson is held by Ms Min Yang, who is not considered independent in accordance with the Corporate Governance Council's recommendations. However, the board considers that the office of Chairperson is best served by Ms Yang due to her extensive relevant experience.

In accordance with the Corporate Governance Council's recommendations the role of Chief Executive Officer and Chairman are not exercised by the same person.

## **2.6 Induction and Professional Development**

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

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

## **PRINCIPLE 3 - ACT ETHICALLY AND RESPONSIBLY**

Principle 3 identifies that a Company should act ethically and responsibly.

Each of the recommendations of Principle 3, including the extent to which the Company has followed those recommendations, is discussed as follows.

### **3.1 Code of Conduct**

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

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

A copy of the Code of Ethics and Conduct for Directors is contained within its Corporate Governance Manual. The Company does not have a formal Code of Conduct for employees and contractors.

Any breach of applicable laws, accepted ethical commercial practices or other aspects will result in disciplinary action. Depending on the severity of the breach, such disciplinary action may include reprimand, formal warning, demotion or termination of employment/engagement (as the case may be). Similar disciplinary action may be taken against any manager who directly approves of such action or has knowledge of the action and does not take appropriate remedial action.

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

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

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

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

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

Principle 4 identifies that a Company should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

Each of the recommendations of Principle 4, including the extent to which the Company has followed those recommendations, is discussed as follows.

### **4.1 Audit Committee**

Given the current membership of the Board and the size, organisational complexity and scope of operations, the same efficiencies of an audit committee would not be derived from a formal committee structure. The Board has therefore not established an audit committee.

Responsibility for establishing and maintaining a framework of internal control and setting appropriate standards for the management of the Company rests with the Board in accordance with the Corporate Governance Manual. The Board is also responsible for the integrity of financial information in the financial statements; audit, accounting and financial reporting obligations; safeguarding the independence of the external auditor; and financial risk management.

### **4.2 CEO and CFO Certification**

In accordance with Recommendation 4.2, the Board received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

### **4.3 Auditor**

In accordance with recommendation 4.3, the Board ensures that the Company's external auditor attends its AGM and is available to answer questions from shareholders relevant to the audit.

The external auditor attended the Company AGM during the past financial year.

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

Principle 5 identifies that a Company should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Each of the recommendations of Principle 5, including the extent to which the Company has followed those recommendations, is discussed as follows.

### **5.1 Disclosure Policy**

The Company is committed to promoting investor confidence and ensuring that shareholders and the market are provided with timely and balanced disclosure of all material matters concerning the Company, as well as ensuring that all shareholders have equal and timely access to externally available information issued by the Company, and takes its continuous disclosure obligations seriously. The Board has designated the Company Secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX.

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

1. Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's shares; and

2. That would, or would be likely to influence persons who commonly invest in securities in deciding whether to acquire or dispose the Company's shares.

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

Given the size of the Company, a formal continuous disclosure policy has not been adopted and Recommendation 5.1 has not been followed.

## **PRINCIPLE 6 - RESPECT THE RIGHTS OF SECURITY HOLDERS**

Principle 6 identifies that a Company should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

Each of the recommendations of Principle 6, including the extent to which the Company has followed those recommendations, is discussed as follows.

### **6.1 Company Website**

In accordance with Recommendation 6.1, the Company maintains a corporate governance section on its website where all relevant corporate governance information can be accessed.

### **6.2 Communication Policy**

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

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

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

A formal Shareholder Communications Policy has not been adopted given the Company's size and nature of operations, and therefore Recommendation 6.2 has not been followed.

### **6.3 Meetings of Security Holders**

The Board encourages full participation of shareholders at the Annual General Meeting in accordance with Recommendation 6.3, to ensure a high level of accountability and identification with the Company's strategy and goals. Shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors, the remuneration report and other important considerations relevant to the Company at that time.

### **6.4 Electronic Communication**

The Company encourages shareholders to receive communications electronically in accordance with Recommendation 6.4. Information on lodging e-mail addresses with the Company is available on the Company's website and via the Company's share registry.

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

Principle 7 identifies that a Company should establish a sound risk management framework and periodically review the effectiveness of that framework.

Each of the recommendations of Principle 7, including the extent to which the Company has followed those recommendations, is discussed as follows.

### **7.1 Risk Committee**

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however, that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

Due to the size of the Company, the number of officers and employees and the nature of the business, a formal risk management policy and internal compliance and control system have not been implemented.

The risk management functions and oversight of material business risks are performed by the Board.

### **7.2 Annual Risk Review**

Given the nature and size of the Company, the Board did not complete a formal review of the Company's risk management framework in the past financial year as provided by Recommendation 7.2.

### **7.3 Internal Audit**

The Company did not have an internal audit function for the past year as provided by Recommendation 7.3. The internal audit function is carried out by the Board, which continually considers the entity's risk management effectiveness and associated internal control procedures. The Company does not have an internal audit department nor does it have an internal auditor. The size of the Company does not warrant the need or the cost of appointing an internal auditor.

### **7.4 Sustainability Risks**

In accordance with Recommendation 7.4, the Company does not have any material exposure to economic, environmental and social sustainability risks other than as disclosed in accordance with its continuous disclosure obligations in its Annual Report and ASX announcements.

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

Principle 8 identifies that a Company should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

Each of the recommendations of Principle 8, including the extent to which the Company has followed those recommendations, is discussed as follows.

### **8.1 Remuneration Committee**

Given the current membership of the Board and the size, organisational complexity and scope of operations, the same efficiencies of a remuneration committee would not be derived from a formal committee structure. The Board has not established a remuneration committee and the responsibility for the Company's remuneration policy rests with the Board.

### **8.2 Remuneration Policy**

The Board is responsible for reviewing and recommending remuneration packages and policies applicable to non-executive directors, executive directors and executive management of the Company. It is also responsible for reviewing and recommending appropriate grant of any equity securities.

The remuneration objective is to adopt policies, processes and practices to:

- attract and retain appropriately qualified and experienced directors and executives who will add value; and

- adopt reward programmes which are fair and responsible and in accordance with principles of good corporate governance, which dictates a need to align director and executive entitlements with shareholder objectives.

The Board conducts reviews based on individual performance, trends in comparative companies and the need for a balance between fixed remuneration and non-cash incentive remuneration.

Remuneration packages for executive directors and senior executives comprise fixed remuneration and may include bonuses or equity based remuneration as per individual contractual agreements or at the discretion of the Board where no contractual agreement exists.

Non-Executive director remuneration is a fixed annual amount of director fees, the total of which is within the aggregate amount fixed by shareholders at general meeting. Any amendments to the maximum sum must be approved by the Company's shareholders at a general meeting.

The Company has entered into employment agreements with executives, on those terms noted in the Remuneration Report.

### **8.3 Security Trading Policy**

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

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

That policy prohibits Directors and employees from engaging in hedging arrangements over unvested securities issued pursuant to an employee option plan.

**ACTIVEX LIMITED**  
 ABN 11 113 452 896  
**DIRECTORS' REPORT**

Your Directors present their report, together with the financial statements, of the Company for the financial year ended 30 June 2019.

**1. Directors**

The Directors of the Company at any time during the year or since the end of the year are listed below. During the year there were 6 meetings of the full board of Directors. The meetings attended by each Director were:-

| Directors     | Status                 | Eligible to Attend | Attended |
|---------------|------------------------|--------------------|----------|
| Min Yang      | Non-Executive Chairman | 6                  | 6        |
| Geoff Baker   | Non-Executive Director | 6                  | 6        |
| Dongmei Ye    | Non-Executive Director | 6                  | 6        |
| Mark Derriman | Executive Director     | 6                  | 6        |

**2. Information on Directors**

**Min Yang**

*Non-Executive Chairman (appointed director on 10 May 2012; and Chairman on 22 August 2013)*

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

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

*Directorships held in other listed companies in the last 3 years:* ASF Group Limited, Rey Resources Limited, Key Petroleum Limited, Metaliko Resources Ltd (resigned 27 October 2016) and BSF Enterprise PLC (appointed 5 September 2018).

**Geoff Baker B.Com., LLB., MBA**

*Non-Executive Director (15 February 2013 to 26 June 2017, reappointed 8 August 2017)*

For the past 20 years Mr Baker has been active in China working in law and conducting a practice in assisting companies doing business in the region. As an experienced lawyer qualified to practice in Australia and Hong Kong, Mr Baker provides valuable assistance to ASF's international operations and in particular to the negotiation, structuring and implementation of joint venture and co-operation agreements with ASF's key strategic partners.

*Directorships held in other listed companies in the last 3 years:* ASF Group Limited, Rey Resources Limited, Key Petroleum Limited, Metaliko Resources Ltd (resigned 9 January 2017) and BSF Enterprise PLC (appointed 5 September 2018).

**ACTIVEX LIMITED**  
ABN 11 113 452 896  
**DIRECTORS' REPORT**

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**Dongmei Ye MAcc., CPA**

*Independent Non-Executive Director (appointed 15 October 2014)*

Ms Ye holds a Master of Accounting from Macquarie University and is a Member of CPA Australia.

Ms Ye has worked with a firm of Chartered Accountants in Australia and has gained extensive experiences in the areas of business restructuring and tax planning in a number of industries both in Australia and internationally. She also has extensive experience in corporate finance in Hong Kong and China and with Australian Listed Companies.

**Mark Derriman, BSc (Hons), MappSc, MBA, MAIG RPGeo**

*Executive Director (appointed 24 May 2018)*

Mr Derriman was appointed General Manager overseeing operations of the Company on 22 February 2018 and subsequently appointed as Executive Director on 24 May 2018.

Mr Derriman is an exploration geologist with over 30 years' experience in near mine and regional exploration, joint venture management and overall management of exploration projects. He has worked in a variety of geological environments across Australia and is experienced in the various jurisdictional statutory requirements. His primary experience is in gold and base metals as well as management of exploration programs for coal, iron ore and bauxite. Prior to commencing as a Director of ActivEX Limited Mark was employed as Chief Operations Officer for Queensland Bauxite where he was primarily responsible for raising \$5m in capital and management of bauxite exploration activities in Queensland. Subsequent to Queensland Bauxite, Mr Derriman set up Rock Tiger Mineral Exploration Services which specialises in managing exploration activities for ASX listed companies.

Mr Derriman is a Member of the AIG(MAIG) and holds Registered Professional Geologist(RPGeo) accreditation.

### **3. Directors Interests**

The relevant interest of each director in shares or other securities issued by the Company and other related bodies corporate, as noted by the directors to the Australian Securities Exchange in accordance with section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

| <b>Directors</b> | <b>Shares</b> | <b>Options</b> |
|------------------|---------------|----------------|
| Min Yang         | -             | -              |
| Geoff Baker      | -             | -              |
| Dongmei Ye       | -             | -              |
| Mark Derriman    | -             | -              |

In addition, Ms Yang and Mr Baker are directors of ASF Group Limited which has a relevant interest in the Company of 34,769,079 Shares.

### **4. Company Secretary**

**Craig McPherson B.Com, CA**

Mr McPherson was appointed Company Secretary on 4 March 2015.

Mr McPherson graduated with a Bachelor of Commerce from the University of Queensland and is a member of Chartered Accountants Australia and New Zealand (CAANZ). Mr McPherson has in excess of 20 years commercial experience, the last 12 years within the mineral resources sector for Australian and international companies. Mr McPherson has acted as Company Secretary for both ASX and TSX listed public companies.

**ACTIVEX LIMITED**  
ABN 11 113 452 896  
**DIRECTORS' REPORT**

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## **5. Principal Activities**

The principal activity of the Company during the course of the year was minerals exploration. The Company holds mineral exploration tenements in Queensland and one mining lease in Western Australia. The Company's focus is on exploration for gold and copper deposits across its Queensland tenements. There was no significant change in the principal activity during the year.

The Company's business model is to focus on exploration with the objective to be a sustainable minerals exploration company.

## **6. Review of Operations & Operating Results**

For the year ended 30 June 2019, operating loss of the Company before income tax was \$785,125, an increase of approximately 21% compared with loss for the last year of \$648,677.

During the year, the loan facility granted by ASF Group Limited ("ASF") was increased to \$2 million and the maturity date extended to 31 December 2019. As at 30 June 2019, a total of \$1,574,767 loan facility (inclusive of accrued interest) had been drawn down.

On 2 January 2019, the Company announced an extension of its on-market share buyback program for a further 12 months from 22 January 2019. During the year ended 30 June 2019, no shares were bought back by the Company.

During the year the Company's focus was on its gold/copper projects, with minimal activity on the Lake Chandler potash mining lease. In these circumstances, and in accordance with accounting standards, the Company took a conservative but prudent approach and impaired the project by \$220,038.

Commentary on operational activities in the year is set out on pages 6 - 22 ("Operations Report").

### **Occupational Health and Safety**

The Company suffered no lost time injuries during the year.

### **Diversity**

The Company has a policy of diversity in employment. As at the date of this Annual Report, 50% of Board Members are female.

### **Financial Position**

The financial statements have been prepared on the basis of accounting principles applicable to a "going concern" which assumes the Company will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

At 30 June 2019, the Company had \$18,705 (2018: \$48,889) in cash. Capitalised mineral exploration and evaluation expenditure carried forward was \$9,568,905 (2018: \$9,444,678). The Company had net assets of \$8,074,747 (2018: \$8,859,872). Conditions of exploration permits held include minimum expenditure commitments. Committed exploration & evaluation expenditure and operating leases in the next 12 months totals \$1,425,750.

The Company currently undertakes exploration activities on a number of projects. The Company's ability to continue with its planned exploration activities is dependent on having funding available. As set out in item 8 below, during the year some of the Company's exploration projects were subject to a Farm-in and Joint Venture. The Company will continue to investigate other projects as well as joint venture opportunities for existing projects to allow the focus to remain on exploration of current core assets.

The Company currently has no source of operating cash inflow, but it does have the ability to seek to raise funds as and when required to complete its exploration activities. During the year, the loan facility granted by ASF was increased to \$2 million and the maturity date extended to 31 December

**ACTIVEX LIMITED**  
ABN 11 113 452 896  
**DIRECTORS' REPORT**

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2019. As at 30 June 2019, a total of \$1,574,767 loan facility (inclusive of accrued interest) had been drawn down.

After the financial year-end on 16 July 2019, the Company entered into a loan facility agreement with Star Diamond Developments Limited ("Star Diamond"), pursuant to which Star Diamond agreed to provide up to \$2 million loan facility to the Company at the interest rate of 12% per annum and maturing on 31 December 2021.

The Company continues to undertake a technical review of its exploration projects which may result in farm-in arrangements on its tenements.

Whilst the Directors are confident that further funds can be raised when required there is no guarantee that such funds can and will be raised. Should sufficient funding not be available the Company intends on reducing expenditure in line with its available funding.

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

#### **7. Dividends**

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

#### **8. Significant Changes in the State of Affairs**

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

- On 24 September 2018, the Company announced that it has reached agreement with ASF for an increase in the loan facility to \$2 million and to also extend the maturity date to 31 December 2019.
- On 30 November 2018, the Company announced that it has finalised a Farm-in & Joint Venture with Au NQ Gold Pty Ltd ("ANG") over five 100% owned gold copper tenements located 60km south of Cloncurry in North Queensland. Under the terms of the JV, ANG can earn up to 70% equity in the 5 tenements by spending \$6 million over 6 years.
- On 2 January 2019, the Company announced the extension of its on-market share buy-back proposal ("Buy-back Proposal"). Under the rules for the Buy-back Proposal, the Company can purchase on the ASX up to 10% of its issued shares within 12 months from 22 January 2019.

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

#### **9. Events Subsequent to Balance Date**

On 16 July 2019, the Company entered into a loan facility agreement with Star Diamond pursuant to which Star Diamond agreed to provide up to \$2 million loan facility to the Company at the interest rate of 12% per annum and maturing on 31 December 2021.

No other matters or circumstances have arisen since the end of the reporting 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.

#### **10. Likely Developments**

The Company will continue to pursue its objective of exploration and evaluation for gold and copper mineralisation with the objective of eventually developing a commercially viable mining operation. The Company will also continue to investigate other projects and opportunities involving those activities. Exploration focus remains primarily on copper/gold projects and the Joint Venture with ANG. Divestment of non-core assets will also be investigated.

**ACTIVEX LIMITED**  
ABN 11 113 452 896  
**DIRECTORS' REPORT**

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Further information about likely developments in the operations of the Company have not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company and given the nature of exploration and evaluation it does not have sufficient certainty.

Risks associated with the Company pursuing these activities relate to the general risks involved in exploration activities, and availability of funding.

### **11. Remuneration Report - Audited**

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

#### **Remuneration Policy**

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

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

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

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

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

KMP or closely related parties of KMP are prohibited from entering into hedge arrangements that would have the effect of limiting the risk exposure relating to the remuneration.

The Company does not engage remuneration consultants. The Board of Directors is responsible for determining and reviewing the Company's remuneration policy, remuneration levels and performance of both executive and non-executive Directors. Independent external advice will be sought when required.

**ACTIVEX LIMITED**  
**ABN 11 113 452 896**  
**DIRECTORS' REPORT**

The remuneration of each Director and key officer of the Company during the year was as follows:

| 2019<br>Key Management<br>Personnel | Short Term Benefits |                      | Termination<br>Benefits | Post-<br>employment<br>Superannuation | Long Term<br>Benefits | Total   |
|-------------------------------------|---------------------|----------------------|-------------------------|---------------------------------------|-----------------------|---------|
|                                     | Salary &<br>Fees    | Non-Cash<br>Benefits |                         |                                       |                       |         |
| Min Yang <sup>2</sup>               | 36,000              | -                    | -                       | -                                     | -                     | 36,000  |
| Geoff Baker <sup>2</sup>            | 36,000              | -                    | -                       | -                                     | -                     | 36,000  |
| Dongmei Ye <sup>2</sup>             | 36,000              | -                    | -                       | -                                     | -                     | 36,000  |
| Mark Derriman                       | 60,600              | -                    | -                       | -                                     | -                     | 60,600  |
|                                     | 168,600             | -                    | -                       | -                                     | -                     | 168,600 |

| 2018<br>Key Management<br>Personnel | Short Term Benefits |                      | Termination<br>Benefits | Post-<br>employment<br>Superannuation | Long Term<br>Benefits | Total   |
|-------------------------------------|---------------------|----------------------|-------------------------|---------------------------------------|-----------------------|---------|
|                                     | Salary &<br>Fees    | Non-Cash<br>Benefits |                         |                                       |                       |         |
| Grant Thomas <sup>1</sup>           | 160,142             | -                    | 58,708                  | 15,213                                | -                     | 234,063 |
| Min Yang <sup>2</sup>               | 36,000              | -                    | -                       | -                                     | -                     | 36,000  |
| Geoff Baker <sup>2</sup>            | 36,000              | -                    | -                       | -                                     | -                     | 36,000  |
| Dongmei Ye <sup>2</sup>             | 36,000              | -                    | -                       | -                                     | -                     | 36,000  |
| Mark Derriman                       | 20,000              | -                    | -                       | -                                     | -                     | 20,000  |
|                                     | 288,142             | -                    | 58,708                  | 15,213                                | -                     | 362,063 |

<sup>1</sup> Mr Grant Thomas resigned as Managing Director on 19 February 2018.

<sup>2</sup> See related parties below.

#### Securities Received that are not Performance-related

No Key Management Personnel are entitled to receive securities that are not performance-based as part of their remuneration package.

#### Cash Bonuses, Performance-related Bonuses and Share-based Payments

There were no cash bonuses, performance-related bonuses or share-based payments by the Company during the year (2018: NIL).

#### Other Transactions with KMP and/or Related Parties

During the year the Company paid Luxe Hill Limited an entity controlled by Ms Min Yang, a Director of the Company, director fees of \$36,000 (2018: \$36,000).

During the year the Company paid Gold Star Industry Limited an entity controlled by Mr Geoff R. Baker, a Director of the Company, director fees of \$36,000 (2018: \$36,000).

During the year the Company paid Star Surpass Limited an entity controlled by Ms Dongmei Ye, a Director of the Company, director fees of \$36,000 (2018: \$36,000).

**ACTIVEX LIMITED**  
 ABN 11 113 452 896  
**DIRECTORS' REPORT**

**KMP Shareholdings and Option Holdings**

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

| 2019          | Balance<br>1 July 2018 | Impact of Share<br>Consolidation | Options<br>Exercised | Purchased/<br>(Sold) | Balance<br>30 June 2019 |
|---------------|------------------------|----------------------------------|----------------------|----------------------|-------------------------|
| Min Yang      | -                      | -                                | -                    | -                    | -                       |
| Geoff Baker   | -                      | -                                | -                    | -                    | -                       |
| Dongmei Ye    | -                      | -                                | -                    | -                    | -                       |
| Mark Derriman | -                      | -                                | -                    | -                    | -                       |
| Total         | -                      | -                                | -                    | -                    | -                       |

| 2018                      | Balance<br>1 July 2017 | Impact of Share<br>Consolidation | Options<br>Exercised | Purchased/<br>(Sold) | Balance<br>30 June 2018 |
|---------------------------|------------------------|----------------------------------|----------------------|----------------------|-------------------------|
| Grant Thomas <sup>1</sup> | -                      | -                                | -                    | -                    | -                       |
| Min Yang                  | -                      | -                                | -                    | -                    | -                       |
| Geoff Baker               | -                      | -                                | -                    | -                    | -                       |
| Dongmei Ye                | -                      | -                                | -                    | -                    | -                       |
| Mark Derriman             | -                      | -                                | -                    | -                    | -                       |
| Total                     | -                      | -                                | -                    | -                    | -                       |

<sup>1</sup> Mr Grant Thomas resigned as Managing Director on 19 February 2018.

Ms Yang and Mr Baker are directors of ASF Group Limited which beneficially holds 34,769,079 shares in the Company at 30 June 2019.

**(b) Number of Options Held by Key Management Personnel**

There were no options over ordinary shares in the Company held by key management personnel at any time during the current year or prior year.

**Employment Details of Key Management Personnel**

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

| Key<br>Management<br>Personnel | Position held at<br>30 June 2019             | Contract Details   | Proportion of Remuneration: |                               | Total |
|--------------------------------|--|--|-----------------------------|-------------------------------|-------|
|                                |  |  | Related to<br>performance   | Not related to<br>performance |       |
|                                |  |  | Incentives                  | Fixed                         |       |
| Min Yang                       | Non-executive<br>Chairman                    | No fixed term, termination as<br>provided by Corporations Act  | -                           | 100%                          | 100%  |
| Geoff Baker                    | Non-executive<br>Director                    | No fixed term, termination as<br>provided by Corporations Act  | -                           | 100%                          | 100%  |
| Dongmei Ye                     | Non-executive<br>Director                    | No fixed term, termination as<br>provided by Corporations Act  | -                           | 100%                          | 100%  |
| Mark<br>Derriman               | General<br>Manager/<br>Executive<br>Director | A Consultancy Agreement signed<br>on 22 February 2018. The<br>agreement can be terminated by<br>either party giving to the other<br>party not less than one month<br>prior written notice. | -                           | 100%                          | 100%  |

Other than Mr Derriman, no directors have formalised contracts.

**ACTIVEX LIMITED**  
ABN 11 113 452 896  
**DIRECTORS' REPORT**

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### Options Granted as Remuneration

There were no options over ordinary shares in the Company granted as compensation to key management personnel during the current year or prior year.

In addition, no options have been granted as compensation to key management personnel since the end of the year.

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

### Company Performance, Shareholder Wealth and Director and Executive Remuneration

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

|                              | 2016      | 2017       | 2018      | 2019      |
|------------------------------|-----------|------------|-----------|-----------|
| Exploration expenditure (\$) | 1,041,137 | 1,220,081  | 849,157   | 368,705   |
| Exploration tenements (no.)  | 36        | 36         | 30        | 30        |
| Net assets (\$)              | 9,378,831 | 95,508,549 | 8,859,872 | 8,074,747 |
| Share Price at Year-end (\$) | 0.045 *   | 0.17       | 0.12      | 0.195     |
| Dividends Paid (\$)          | NIL       | NIL        | NIL       | NIL       |

\* Adjusted for 5 into 1 share consolidation in 2016

### 12. Indemnifying Officers and Auditor

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

The Company has in place Deeds 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.

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.

### 13. 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 its annual report.

### 14. Options

At the date of this report, there were no unissued ordinary shares of the Company under options.

There have been no options granted over unissued shares during or since the end of the reporting period.

**ACTIVEX LIMITED**  
ABN 11 113 452 896  
**DIRECTORS' REPORT**

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For details of options issued to Directors and executives as remuneration, refer to the remuneration report.

**15. Environmental Issues**

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

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

**16. 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.

**17. Auditor's Independence Declaration**

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

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

This Directors' Report, incorporating the Remuneration Report is signed in accordance with a resolution of Directors.



Min Yang  
Chairman

Signed: 18th day of September 2019

## COMPETENT PERSON STATEMENT

The information in the report above that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr. Mark Derriman, who is a member of The Australian Institute of Geoscientists (1566) and Mr. Xusheng Ke, who is a Member of the Australasian Institute of Mining and Metallurgy (310766) and a Member of the Australian Institute of Geoscientists (6297).

Mr. Mark Derriman and Mr. Xusheng Ke have sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves.

Mr. Mark Derriman and Mr. Xusheng Ke consent to the inclusion of their names in this report and to the issue of this report in the form and context in which it appears.

## **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 2019 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

*Nexia Brisbane Audit Pty Ltd*

**Nexia Brisbane Audit Pty Ltd**

*Nigel Bamford*

**ND Bamford**  
Director

Date: 18 September 2019

**ACTIVEX LIMITED**

ABN 11 113 452 896

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

As at 30 June 2019

|   | Note | 2019<br>\$ | 2018<br>\$ |
|---|------|------------|------------|
| Revenue   | 2    | 16         | 2,764      |
| Other income  | 2    | 37,901     | 5,000      |
| Less expenses:  |      |            |            |
| Corporate & administrative expenses   |      | (337,422)  | (254,886)  |
| Employee benefit expense  |      | (138,252)  | (258,566)  |
| Occupancy expenses  |      | (102,890)  | (112,944)  |
| Current year exploration & evaluation expenditure<br>written-off                          |      | (24,440)   | (12,107)   |
| Impairment - of exploration assets  |      | (220,038)  | (17,938)   |
| <b>Loss before income tax</b>   | 3    | (785,125)  | (648,677)  |
| Tax expense   | 4    | -          | -          |
| <b>Loss for the year</b>  |      | (785,125)  | (648,677)  |
| Other comprehensive income  |      | -          | -          |
| <b>Total comprehensive income for the year, attributable to<br/>members of the entity</b> |      | (785,125)  | (648,677)  |
| <b>Earnings per Share</b>   |      |            |            |
| Basic earnings per share (cents)  | 23   | (0.44)     | (0.37)     |
| Diluted earnings per share (cents)  | 23   | (0.44)     | (0.37)     |

The accompanying notes form part of these financial statements.

**ACTIVEX LIMITED**  
 ABN 11 113 452 896  
**STATEMENT OF FINANCIAL POSITION**  
 As at 30 June 2019

|                                      | Note | 2018<br>\$   | 2017<br>\$   |
|--------------------------------------|------|--------------|--------------|
| <b>ASSETS</b>                        |      |              |              |
| CURRENT ASSETS                       |      |              |              |
| Cash and cash equivalents            | 5    | 18,705       | 48,889       |
| Trade and other receivables          | 6    | -            | -            |
| Other assets                         | 7    | 54,429       | 70,982       |
| <b>Total Current Assets</b>          |      | 73,134       | 119,871      |
| NON-CURRENT ASSETS                   |      |              |              |
| Property, plant and equipment        | 8    | 4,422        | 9,935        |
| Exploration and evaluation assets    | 9    | 9,568,905    | 9,444,678    |
| Trade and other receivables          | 6    | 67,440       | 66,940       |
| <b>Total Non-Current Assets</b>      |      | 9,640,767    | 9,521,553    |
| <b>TOTAL ASSETS</b>                  |      | 9,713,901    | 9,641,424    |
| <b>LIABILITIES</b>                   |      |              |              |
| CURRENT LIABILITIES                  |      |              |              |
| Trade and other payables             | 10   | 39,102       | 30,215       |
| Provisions                           | 11   | 25,285       | 16,049       |
| Borrowings                           | 12   | 1,574,767    | 735,288      |
| <b>Total Current Liabilities</b>     |      | 1,639,154    | 781,552      |
| NON-CURRENT LIABILITIES              |      |              |              |
| <b>Total Non-Current Liabilities</b> |      | -            | -            |
| <b>TOTAL LIABILITIES</b>             |      | 1,639,154    | 781,552      |
| <b>NET ASSETS</b>                    |      | 8,074,747    | 8,859,872    |
| <b>EQUITY</b>                        |      |              |              |
| Issued capital                       | 13   | 20,739,271   | 20,739,271   |
| Reserves                             | 14   | -            | -            |
| Retained earnings                    |      | (12,664,524) | (11,879,399) |
| <b>TOTAL EQUITY</b>                  |      | 8,074,747    | 8,859,872    |

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 2019

|                                       | Note | Share Capital<br>\$ | Retained<br>Earnings<br>\$ | Total Equity<br>\$ |
|---------------------------------------|------|---------------------|----------------------------|--------------------|
| <b>Balance at 1 July 2017</b>         |      | 20,739,271          | (11,230,722)               | 9,508,549          |
| Total comprehensive loss for the year |      | -                   | (648,677)                  | (648,677)          |
| <b>Balance at 30 June 2018</b>        |      | 20,739,271          | (11,879,399)               | 8,859,872          |
| Total comprehensive loss for the year |      | -                   | (785,125)                  | (785,125)          |
| <b>Balance at 30 June 2019</b>        |      | 20,739,271          | (12,664,524)               | 8,074,747          |

The accompanying notes form part of these financial statements.

**ACTIVEX LIMITED**  
**ABN 11 113 452 896**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2019**

|  | Note | 2019<br>\$ | 2018<br>\$ |
|--|------|------------|------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |      |            |            |
| Payments to suppliers and employees                        |      | (438,836)  | (736,434)  |
| Interest received  |      | 16         | 2,764      |
| Proceeds from insurance recoveries                         |      | 37,600     | -          |
| Refund of tenement rent                                    |      | 301        |            |
| <b>Net cash provided by (used in) operating activities</b> | 15   | (400,919)  | (733,670)  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |      |            |            |
| Proceed from disposal of property, plant & equipment       |      | -          | 5,000      |
| Capitalised exploration expenditure                        | 9    | (344,265)  | (837,050)  |
| <b>Net cash provided by (used in) investing activities</b> |      | (344,265)  | (832,050)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |      |            |            |
| Proceeds from loans and borrowings                         |      | 715,000    | 705,000    |
| <b>Net cash provided by (used in) financing activities</b> |      | 715,000    | 705,000    |
| <b>Net increase/(decrease) in cash held</b>                |      | (30,184)   | (860,720)  |
| <b>Cash and equivalents at beginning of year</b>           |      | 48,889     | 909,609    |
| <b>Cash and cash equivalents at 30 June</b>                | 5    | 18,705     | 48,889     |

The accompanying notes form part of these financial statements.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, and Interpretations of the Australian Accounting Standards Board, and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

#### Continued Operations and Future Funding

The financial statements have been prepared on a going concern basis which contemplates that the Company will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

At 30 June 2019, current assets total \$73,134 (including cash \$18,705) and current liabilities total \$1,639,154 (including borrowings \$1,574,767).

The ability of the Company to settle its liabilities and execute its currently planned exploration and evaluation activities requires the Company to raise additional funds within the next 12 months, and beyond. Because of the nature of its operations the Directors recognise that there is a need on an ongoing basis for the Company to regularly raise additional cash to fund future exploration activity and meet other necessary corporate expenditure. Accordingly, when necessary, the Company investigates various options for raising additional funds which may include but is not limited to an issue of shares, borrowings, a farm-out of an interest in one of more exploration tenements or the sale of exploration assets where increased value has been created through previous exploration activity.

In the current year the Company entered into a joint venture in respect of certain exploration projects whereby the joint venture partner will sole fund exploration (refer Note 9). As set out in Note 12, the Company has extended its loan facility with ASF Group Limited to \$2 million, maturing 31 December 2019. As set out in Note 20, on 16 July 2019, the Company entered into a loan facility agreement with Star Diamond, pursuant to which Star Diamond agreed to provide up to \$2 million loan facility to the Company at the interest rate of 12% per annum and maturing on 31 December 2021. In addition to these initiatives the Company plans to raise further funds however no formal arrangements are currently in place.

As a result, the Directors have concluded that in the current circumstances there exists a significant uncertainty that may cast doubt over the Company's ability to continue as a going concern. Nevertheless, after taking into account the joint venture arrangement, the loan facility arrangements and various other funding options available, the Directors have a reasonable expectation that the Company will have adequate resources to fund its future operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

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

#### Continued Operations and Future Funding (continued)

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

#### Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority, using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. The availability and benefit of unused tax losses is also dependent on the Company deriving future assessable income of a nature and amount sufficient to enable the losses to be realised, and on the Company's compliance with the conditions of deductibility imposed by the relevant legislation.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### Property, Plant and Equipment

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

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

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

#### Property, Plant and Equipment (continued)

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

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Company 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 the end of each reporting period. 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 recognised in profit or loss in the period in which they arise.

#### Exploration and Evaluation Assets

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised where the Company has right of tenure, to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that 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 or loss 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.

Costs of site restoration are provided for where the Company has a legal or constructive obligation.

#### Financial Instruments

The Company has adopted the new accounting standard AASB 9 (financial instruments) with effect from 1 July 2018. As the Company has minimal amounts receivable, adoption of AASB 9 has no material impact on the financial statements and there are no adjustments to current or prior period amounts.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

---

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

#### Financial Instruments (continued)

##### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately

##### *Classification and subsequent measurement*

##### *Financial liabilities*

Financial instruments are subsequently measured at

- amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

##### *Financial assets*

Financial assets are subsequently measured at

- amortised cost.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

##### *Derecognition*

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

##### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

---

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

#### Financial Instruments (continued)

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### *Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### *Impairment*

The Company recognises a loss allowance for expected credit losses, using the simplified approach under AASB 9, which requires the recognition of lifetime expected credit loss at all times.

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

#### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less.

#### Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

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

#### Equity Settled Compensation

The Company operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve and statement of profit and loss respectively. The fair value of options is determined using a binomial pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

#### Employee Benefits

##### Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

##### Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

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

#### Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### 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 and Other Income

The Company has adopted the new revenue accounting standard AASB 15 (revenue from contracts with customers) with effect from 1 July 2018. As the Company's only revenue is interest and sundry income items, adoption of AASB 15 has no material impact on the financial statements and there are no adjustments to current or prior period amounts.

Interest revenue is recognised using the effective interest method.

Other Income is recognised when the Company obtains control over the funds, which is at the time of receipt.

All revenue is stated net of the amount of GST.

#### Trade and Other Receivables

Trade and other receivables include amounts due in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

#### Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Amounts are initially recognised at fair value, and subsequently measured at amortised cost.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

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

#### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

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

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

#### Comparative Figures

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 recognised as expenses in the periods in which they are incurred.

#### 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.

Key estimates/judgments used in the financial statements are:

Continued operations and future funding - as set out above the financial statements have been prepared on a going concern basis.

Exploration and evaluation asset - 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. The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

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

#### Fair Value of Assets and Liabilities

The Company may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis after initial recognition, depending on the requirements of the applicable Accounting Standard. Currently there are no assets or liabilities measured at fair value after initial recognition.

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

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The directors anticipate that the adoption of AASB 16 will have minimal impact on the Company's financial statements as there are currently no formal lease arrangements in place or any arrangements whereby the Company controls an identified asset.

### NOTE 2: REVENUE & OTHER INCOME

|  | 2019          | 2018         |
|--|---------------|--------------|
|  | \$            | \$           |
| <b>Revenue</b>                           |               |              |
| Interest received from unrelated parties | 16            | 2,764        |
| <b>Other income</b>                      |               |              |
| Gain on disposal of asset                | -             | 5,000        |
| Insurance Claim Proceeds                 | 37,600        | -            |
| Miscellaneous Income                     | 301           | -            |
|  | <u>37,901</u> | <u>5,000</u> |

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
For the year ended 30 June 2019****NOTE 3: EXPENSES**

|   | <b>2019</b>    | <b>2018</b>    |
|---|----------------|----------------|
|   | \$             | \$             |
| Included in expenses are the following items:     |                |                |
| Exploration expenditure expensed during year      | 24,440         | 12,107         |
| Depreciation & amortisation                       | 5,513          | 23,660         |
| Rental expense on operating leases                | 102,382        | 111,682        |
| Impairment of exploration assets                  | 220,038        | 17,938         |
| Interest payable to related entity                | 124,479        | 30,288         |
| Employee benefits expenses comprises:             |                |                |
| Short term benefits                               | 222,912        | 591,079        |
| Contributions to defined contribution plans       | 8,652          | 31,625         |
| Other long term benefits                          | -              | (53,436)       |
|   | <u>231,564</u> | <u>569,268</u> |
| Less recharged to exploration & evaluation assets | (93,312)       | (310,702)      |
|   | <u>138,252</u> | <u>258,566</u> |

**NOTE 4: INCOME TAX EXPENSE**

|   | <b>2019</b>  | <b>2018</b>  |
|---|--------------|--------------|
|   | \$           | \$           |
| The prima facie tax on the operating loss is reconciled to income tax expense as follows:         |              |              |
| Prima facie tax benefit on loss from ordinary activities before income tax at 27.5% (2018: 27.5%) | (215,909)    | (178,386)    |
| <b>Adjust for tax effect of:</b>  |              |              |
| Tax losses and temporary differences not brought to account                                       | 215,909      | 178,386      |
| Income tax expense attributable to entity   | <u>-</u>     | <u>-</u>     |
| Weighted average effective tax rate   | <u>0.00%</u> | <u>0.00%</u> |

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

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
| Temporary differences           | (2,614,000)      | (2,579,000)      |
| Tax losses                      | 6,394,000        | 6,127,000        |
| Net unbooked deferred tax asset | <u>3,780,000</u> | <u>3,548,000</u> |

The Company has unconfirmed carry forward losses of approximately \$23.3 million (2018: \$22.3 million). The availability of losses to be utilised in the future is dependent on compliance with tax legislation, including continuity of ownership test, or failing that, the same business test.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
For the year ended 30 June 2019****NOTE 5: CASH AND CASH EQUIVALENTS**

|                          | <b>2019</b>   | <b>2018</b>   |
|--------------------------|---------------|---------------|
|                          | \$            | \$            |
| Cash at bank and on hand | 18,705        | 48,889        |
| Short term deposits      | -             | -             |
|                          | <u>18,705</u> | <u>48,889</u> |

**Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

|        |               |
|--------|---------------|
| 18,705 | <u>48,889</u> |
|--------|---------------|

**NOTE 6: TRADE AND OTHER RECEIVABLES**

|                     | <b>2019</b>   | <b>2018</b>   |
|---------------------|---------------|---------------|
|                     | \$            | \$            |
| <b>Current:</b>     |               |               |
| Other receivables   | -             | -             |
| <b>Non-Current:</b> |               |               |
| Deposits            | <u>67,440</u> | <u>66,940</u> |

**Credit Risk – Trade and Other Receivables**

The Company has no significant concentration of credit risk with respect to counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Company. All trade and other receivables are within normal credit terms and are therefore not considered past due or impaired.

**NOTE 7: OTHER ASSETS**

|                 | <b>2019</b>   | <b>2018</b>   |
|-----------------|---------------|---------------|
|                 | \$            | \$            |
| <b>Current:</b> |               |               |
| Prepayments     | <u>54,429</u> | <u>70,982</u> |

**NOTE 8: PLANT AND EQUIPMENT**

|                           | <b>2019</b>  | <b>2018</b>  |
|---------------------------|--------------|--------------|
|                           | \$           | \$           |
| At cost                   | 417,495      | 417,495      |
| Accumulated depreciation  | (413,073)    | (407,560)    |
| Total plant and equipment | <u>4,422</u> | <u>9,935</u> |

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

|                                  |              |              |
|----------------------------------|--------------|--------------|
| Balance at the beginning of year | 9,935        | 33,595       |
| Additions                        | -            | -            |
| Depreciation expense             | (5,513)      | (23,660)     |
| Total plant and equipment        | <u>4,422</u> | <u>9,935</u> |

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
For the year ended 30 June 2019**

| <b>NOTE 9: EXPLORATION AND EVALUATION ASSET</b>   | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
|   | <b>\$</b>   | <b>\$</b>   |
| Exploration and evaluation expenditure carried forward in respect of areas of interest are: |             |             |
| Exploration and evaluation phase  | 9,568,905   | 9,444,678   |
|   | 9,568,905   | 9,444,678   |

**Movement in exploration and evaluation expenditure:**

|   |           |           |
|---|-----------|-----------|
| Opening balance - at cost                       | 9,444,678 | 8,625,566 |
| Capitalised exploration, evaluation expenditure | 344,265   | 837,050   |
| Impairment of exploration assets                | (220,038) | (17,938)  |
| Carrying amount at 30 June                      | 9,568,905 | 9,444,678 |

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.

During the year the Company entered into a farmin/joint venture with Au NQ Gold who will sole fund exploration in EPMs 14955 (Mt Agate), 15285 (Florence Creek), 17313 (Malbon), 17805 (Florence Flat), 18053 (Bulonga) with the joint venture commencing upon Au NQ Gold earning 70% equity in the tenements (ASX announcement November 2018). The equity in the tenements is earned cumulatively over 3 stages of the farmin agreement as detailed below:

Stage 1 - (12 months from date of signing the agreement)

Stage 2 - (24 months from the end of the Farmin Stage 1 period)

Stage 3 - (24 months from the end of Farmin Stage 2 period)

Upon meeting the expenditure requirements AU NQ Gold will earn an interest in the Tenements (Stage 1: 10%; Stage 2: 41%; Stage 3: 19%; total of 70%).

| <b>NOTE 10: TRADE &amp; OTHER PAYABLES</b> | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| <b>Current:</b>                            |             |             |
| Unsecured liabilities                      |             |             |
| Sundry payables and accrued expenses       | 39,102      | 30,215      |
| Total payables (unsecured)                 | 39,102      | 30,215      |

The average credit period on purchases of goods and services is 30 days.

No interest is charged on trade payables.

Financial liabilities at amortised cost classified as trade and other payables.

|                           |        |        |
|---------------------------|--------|--------|
| Trade and other payables: | 39,102 | 30,215 |
|---------------------------|--------|--------|

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
For the year ended 30 June 2019**

| <b>NOTE 11: PROVISIONS</b>      | <b>2019</b>   | <b>2018</b>   |
|---------------------------------|---------------|---------------|
|                                 | <b>\$</b>     | <b>\$</b>     |
| <b>Current</b>                  |               |               |
| Provision for employee benefits | 25,285        | 16,049        |
|                                 | <u>25,285</u> | <u>16,049</u> |
| Opening balance                 | 16,049        | 160,459       |
| Additional provisions           | 9,236         | 13,355        |
| Amounts used                    | -             | (157,765)     |
| Balance at year end             | <u>25,285</u> | <u>16,049</u> |

| <b>NOTE 12: BORROWINGS</b> | <b>2019</b>      | <b>2018</b>    |
|----------------------------|------------------|----------------|
|                            | <b>\$</b>        | <b>\$</b>      |
| <b>Current:</b>            |                  |                |
| Borrowings                 | <u>1,574,767</u> | <u>735,288</u> |

On 14 November 2017, a loan facility agreement was entered into between the Company and ASF Group Limited ("ASF"), pursuant to which ASF will provide up to \$1 million unsecured loan facility to the Company for a term of 12 months, at the interest rate of 12% per annum. The loan facility was subsequently increased to \$2 million and the maturity date extended to 31 December 2019. As at 30 June 2019, a total of \$1,574,767 loan facility (inclusive of accrued interest) had been drawn down by the Company.

| <b>NOTE 13: ISSUED CAPITAL</b>                             | <b>2019</b>        | <b>2018</b>        |
|--|--------------------|--------------------|
|  | <b>\$</b>          | <b>\$</b>          |
| 177,228,401 (2018: 177,228,401) fully paid ordinary shares | <u>20,739,271</u>  | <u>20,739,271</u>  |
| <b>(a) Ordinary shares</b>                                 | <b>2019</b>        | <b>2018</b>        |
|  | <b>No.</b>         | <b>No.</b>         |
| Balance at the beginning of the reporting period           | 177,228,401        | 177,228,401        |
| Balance at reporting date                                  | <u>177,228,401</u> | <u>177,228,401</u> |

The Company does not have authorised capital or par value in respect of its issued shares.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

In 2018 and 2019 the Company has operated an on-market share buyback program.

**(b) Capital Management**

Exploration companies such as ActivEX are funded primarily by share capital. The Company's debt and capital comprises its share capital and financial liabilities supported by financial assets.

Management controls the capital of the Company to ensure that it can fund its operations and continue as a going concern. No dividend will be paid while the Company is in exploration stage. There are no externally imposed capital requirements. Other than the use of borrowings in the year there are no changes to the Company's capital management policy.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

### NOTE 14: RESERVES

#### Options Reserve

The options reserve records the amounts recognised as expenses on valuation of employee options, equity based payments for services and the net proceeds from the issue of entitlement options to all shareholders. The reserve was appropriated to retained earnings in a prior year as there were no options on issue at balance date, or throughout the 2018 and 2019 financial years.

### NOTE 15: CASH FLOW INFORMATION

|  | 2019             | 2018             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax:</b> |                  |                  |
| Loss from ordinary activities after income tax                                     | (785,125)        | (648,677)        |
| Non-cash flows in loss from ordinary activities:                                   |                  |                  |
| Depreciation   | 5,513            | 23,660           |
| Impairment of exploration assets   | 220,038          | 17,938           |
| Accrued interest expenses  | 124,479          | 30,288           |
| Gain on disposal of asset  | -                | (5,000)          |
| Changes in assets and liabilities:   |                  |                  |
| (Increase)/Decrease in receivables   | (500)            | 9,803            |
| (Increase)/Decrease in prepayments   | 16,552           | 23,608           |
| (Decrease)/Increase in payables  | 8,888            | (40,880)         |
| (Decrease)/Increase in provisions  | 9,236            | (144,410)        |
| Cash flows from operations   | <u>(400,919)</u> | <u>(733,670)</u> |
| <b>(b) Changes in liabilities arising from financing activities:</b>               |                  |                  |
| Borrowings - balance at 1 July   | 735,288          | -                |
| Cash flows - amounts borrowed  | 715,000          | 705,000          |
| Non cash flows - interest accrued  | 124,479          | 30,288           |
| Balance at 30 June   | <u>1,574,767</u> | <u>735,288</u>   |

### NOTE 16: RELATED PARTY TRANSACTIONS

#### (a) The Company's main related parties are as follows:

##### Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company, are considered key management personnel.

##### Director related entities:

Directors Min Yang and Geoff Baker are directors in ASF Group Limited which beneficially holds Shares in the Company at 30 June 2019.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

### NOTE 16: RELATED PARTY TRANSACTIONS (Continued)

#### (b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

During the year the Company paid Star Surpass Limited an entity controlled by Ms Ye, a director of the Company fees of \$36,000 (2018: \$36,000) as director's fees.

During the year the Company paid Luxe Hill Limited an entity controlled by Ms Min Yang, a director of the Company, fees of \$36,000 (2018: \$36,000) as director's fees.

During the year the Company paid Gold Star Industry Limited an entity controlled by Mr Geoff Baker, a director of the Company, fees of \$36,000 (2018: \$36,000) as director's fees.

During the year the Company paid ASF Group Limited ("ASF"), an entity of which Ms Yang and Mr Baker are directors, corporate service fees of \$99,600 (2018: 99,600).

During the year interest accrued on the loan due to ASF (refer to Note 12) amounted to \$124,479 (2018: \$30,288).

### NOTE 17: COMMITMENTS

#### (a) Operating Lease Commitments

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

|  | 2019 | 2018 |
|--|------|------|
|  | \$   | \$   |
| Not later than 1 year                        | -    | -    |
| Later than 1 year but not later than 5 years | -    | -    |
| Total commitment                             | -    | -    |

#### (b) Exploration Commitments

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

|   | 2019      | 2018      |
|---|-----------|-----------|
|   | \$        | \$        |
| The following commitments exist at balance date but have not been brought to account: |           |           |
| Not later than 1 year   | 1,425,750 | 1,419,060 |
| Later than 1 year but not later than 5 years  | 3,622,013 | 4,391,434 |
| Later than 5 years  | 72,000    | 107,946   |
| Total commitment  | 5,119,763 | 5,918,440 |

Under the farm-in/joint venture agreement set out in Note 9, exploration amounts funded by Au NQ Gold will be applied to meet some of the above exploration commitment.

### NOTE 18: SEGMENT INFORMATION

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

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

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### NOTE 19: SHARE BASED PAYMENTS

There were no share-based payment arrangements in existence during the 2019 year, nor the 2018 year.

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

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

Options are forfeited one month after the holder ceases to be employed by the Company.

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

### NOTE 20: EVENTS AFTER BALANCE SHEET DATE

On 16 July 2019, the Company entered into a loan facility agreement with Star Diamond pursuant to which Star Diamond agreed to provide up to \$2 million loan facility to the Company at the interest rate of 12% per annum and maturing on 31 December 2021.

No other matters or circumstances have arisen since the end of the reporting 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.

### NOTE 21: AUDITORS' REMUNERATION

|  | 2019   | 2018   |
|--|--------|--------|
|  | \$     | \$     |
| Remuneration of the auditor for:             |        |        |
| - auditing or reviewing the financial report | 30,400 | 26,500 |
| No fees were paid for non-audit services.    |        |        |

### NOTE 22: CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the reporting period (2018: nil).

**ACTIVEX LIMITED**

ABN 11 113 452 896

**Notes to the Financial Statements  
For the year ended 30 June 2019**

| <b>NOTE 23: EARNINGS PER SHARE</b>   | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| Net loss used to calculate basic and dilutive EPS  | 785,125     | 648,677     |
|  | <b>No.</b>  | <b>No.</b>  |
| Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS    | 177,228,401 | 177,228,401 |
| Weighted average number of options outstanding   | -           | -           |
| Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive EPS | 177,288,401 | 177,228,401 |

Options to acquire ordinary shares in the Company are the only securities considered as potential ordinary shares in determination of diluted EPS.

**NOTE 24: KEY MANAGEMENT PERSONNEL COMPENSATION**

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

| <b>(a) Key Management Person</b>                 | <b>Position</b>                          |             |
|--|--|-------------|
| Mark Derriman                                    | Director and General Manager - Executive |             |
| Min Yang   | Non-Executive Chairman                   |             |
| Geoff Baker                                      | Director - Non-Executive                 |             |
| Dongmei Ye                                       | Director - Non-Executive                 |             |
| <b>(b) Key Management Personnel Compensation</b> | <b>2019</b>                              | <b>2018</b> |
|  | <b>\$</b>                                | <b>\$</b>   |
| Short-term employee benefits                     | 168,600                                  | 346,850     |
| Post-employment benefits                         | -  | 15,213      |
|  | 168,600                                  | 362,063     |

Detailed disclosures on compensation for key management personnel are set out in the Remuneration Report included in the Directors' Report. Refer also Note 16 for fees and services provided by director related parties, in relation to the above compensation.

**Short-term employee benefits**

These amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

**Post-employment benefits**

These amounts are the current-year's estimated cost of providing for the Company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

### NOTE 25: FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial instruments comprise of deposits with banks, accounts receivable and payables.

The totals for each category of financial instruments measured in accordance with AASB 139: Financial instruments: Recognition and measurement as detailed in the accounting policies to these financial statements as follows:

|   | 2019      | 2018    |
|---|-----------|---------|
|   | \$        | \$      |
| <b>Financial assets:</b>                |           |         |
| Cash and cash equivalents               | 18,705    | 48,889  |
| Trade and other receivables             | 67,440    | 66,940  |
| Total financial assets                  | 86,145    | 115,829 |
| <b>Financial liabilities:</b>           |           |         |
| Financial liabilities at amortised cost |           |         |
| - Trade and other payables              | 39,102    | 30,215  |
| - Borrowings                            | 1,574,767 | 735,288 |
| Total financial liabilities             | 1,613,869 | 765,503 |

#### (a) Financial Risk Management Policies

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

#### Risk Management

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

#### Specific Financial Risk Exposures and Management

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

#### Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, arises in relation to the Company's bank balances and borrowings.

This risk is managed through the use of variable and fixed rates.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

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### NOTE 25: FINANCIAL RISK MANAGEMENT POLICIES (continued)

#### Credit Risk

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

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

Credit risk is managed and reviewed regularly by the finance committee. The finance committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties, including:

- only banks and financial institutions with an 'A' rating are utilised.

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

#### Liquidity Risk

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

The directors manage liquidity risk by sourcing long-term funding primarily from equity sources. In the current year the Company has also used debt. As set out in Note 1, the Company will need to manage its ongoing liquidity to meet planned exploration and corporate requirements.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements For the year ended 30 June 2019

### NOTE 25: FINANCIAL RISK MANAGEMENT POLICIES (continued)

#### (b) Financial liability and financial asset maturity analysis

The table below reflects an undiscounted contractual maturity analysis for financial liabilities and reflects management's expectations as to the timing of termination and realisation of financial assets and liabilities.

|  | 2019               | 2018             |
|--|--------------------|------------------|
|  | \$                 | \$               |
| <b>Financial assets:</b>                 |                    |                  |
| Within 1 year                            |                    |                  |
| - cash and cash equivalents <sup>1</sup> | 18,705             | 48,889           |
|  | <u>18,705</u>      | <u>48,889</u>    |
| Within 1 - 2 years                       |                    |                  |
| - receivables <sup>2</sup>               | 67,440             | 66,940           |
| Total                                    | <u>86,145</u>      | <u>115,829</u>   |
| <b>Financial liabilities:</b>            |                    |                  |
| Within 1 year                            |                    |                  |
| - payables <sup>2</sup>                  | (39,102)           | (30,215)         |
| - borrowings <sup>3</sup>                | (1,574,767)        | (735,288)        |
| Total                                    | <u>(1,613,869)</u> | <u>(765,503)</u> |
| <b>Net (outflow) inflow:</b>             |                    |                  |
| Within 1 year                            | (1,595,164)        | (716,614)        |
| Within 1 - 2 years                       | 67,440             | 66,940           |
| <b>Total Net (outflow) inflow</b>        | <u>(1,527,724)</u> | <u>(649,674)</u> |

1. Floating interest rates, with weighted average effective interest rate 0% (2018: 0.76%).
2. Non-interest bearing.
3. Outstanding loan (principal & accrued interest) due to ASF Group Limited at the interest rate of 12% per annum and with maturity date of 31 December 2019.

#### (c) Net Fair Values

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

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

#### (d) Sensitivity Analysis

The Company has performed sensitivity analysis relating to its exposure to interest rate risk. At year end, the effect on profit and equity as a result of a 1% change in the interest rate, with all other variables remaining constant would be +/- \$3,187 (2018: \$488).

### NOTE 26: COMPANY DETAILS

The registered office is Suite 2, 3B Macquarie Street, Sydney NSW 2000.

**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 Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
  - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance of the Company for the year ended on that date.
2. 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; and
3. The Directors have been given the declarations by the Chief Executive Office and Chief Finance Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.



Min Yang  
Chairman

Dated this 18th day of September 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVEX LIMITED**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of ActivEX Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the financial report, which states that the Company's ability to settle its liabilities and execute its currently planned exploration and evaluation activities requires the Company to raise additional funds. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVEX LIMITED (CONTINUED)

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter   | How our audit addressed the key audit matter  |
|--|---|
| <p><b>Carrying Value of Exploration and Evaluation Assets</b></p> <p><b><i>Refer to note 9 Exploration and Evaluation Assets</i></b></p> <p>As at 30 June 2019 the carrying value of exploration and evaluation assets is \$9,568,905. The Company's accounting policy in respect of exploration and evaluation assets is outlined in Note 1.</p> <p>This is a key audit matter as this is a significant asset of the Company, and due to the fact that significant judgement is applied in determining whether the capitalized exploration and evaluation assets meet the recognition criteria set out in AASB 6.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• We obtained evidence as to whether the rights to tenure of the areas of interest remained current at balance date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;</li> <li>• We obtained evidence of the future intentions for the areas of interest, including reviewing future budgeted expenditure and related work programs;</li> <li>• We obtained an understanding of the status of ongoing exploration programs, for the areas of interest;</li> <li>• We obtained evidence as to the assumptions made by management in the determination of the recoverable value of the asset.</li> </ul> |

### Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVEX LIMITED (CONTINUED)**

### **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVEX LIMITED (CONTINUED)**

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

We have audited the Remuneration Report included in pages 35 to 38 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of ActivEX Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

#### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**Nexia Brisbane Audit Pty Ltd**



**N D Bamford**

Director

Level 28, 10 Eagle Street  
Brisbane, QLD, 4000

Date: 18 September 2019

**ACTIVEX LIMITED**  
**ABN 11 113 452 896**  
**ASX ADDITIONAL INFORMATION**

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

**1. Shareholding:**

The following information is provided as at 11 September 2019.

(a) Distribution of Shareholders Number:

| <b>Category Number<br/>(Size of Holding)</b> | <b>Holders<br/>(Number)</b> | <b>Ordinary Shares<br/>(Number)</b> |
|--|-----------------------------|-------------------------------------|
| 1 - 1,000                                    | 46                          | 11,505                              |
| 1,001 - 5,000                                | 104                         | 300,130                             |
| 5,001 - 10,000                               | 74                          | 582,796                             |
| 10,001 - 100,000                             | 95                          | 3,295,695                           |
| 100,001 - and over                           | 23                          | 173,038,275                         |
|  | <b>342</b>                  | <b>177,228,401</b>                  |

(b) The number of shares held in less than marketable parcels are 33.

(c) The names of substantial shareholders listed in the Company's register are:

|                                  | <b>Number of<br/>Shares<br/>Held</b> | <b>% of Total<br/>Issued<br/>Capital</b> |
|----------------------------------|--------------------------------------|--|
| ASF Gold and Copper Pty Ltd      | 34,769,079                           | 19.62                                    |
| Great Scheme Investments Limited | 30,625,000                           | 17.28                                    |
| Union Sino Global Limited        | 25,590,663                           | 14.44                                    |
| Xing Mao Limited                 | 25,192,850                           | 14.21                                    |
| Elite Ray Investments Limited    | 17,288,136                           | 9.75                                     |
| Start Grand Global Limited       | 13,425,000                           | 7.57                                     |

(d) 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.

**ACTIVEX LIMITED**  
 ABN 11 113 452 896  
**ASX ADDITIONAL INFORMATION**

(e) Twenty Largest Holders – Ordinary Shares

|     | Shareholder   | Number of Shares Held | % of Total Issued Capital |
|-----|---|-----------------------|---------------------------|
| 1.  | ASF GOLD AND COPPER PTY LTD                               | 34,769,079            | 19.62%                    |
| 2.  | GREAT SCHEME INVESTMENTS LIMITED                          | 30,625,000            | 17.28%                    |
| 3.  | UNION SINO GLOBAL LIMITED                                 | 25,590,663            | 14.44%                    |
| 4.  | XING MAO LIMITED  | 25,192,850            | 14.21%                    |
| 5.  | ELITE RAY INVESTMENTS LIMITED                             | 17,288,136            | 9.75%                     |
| 6.  | START GRAND GLOBAL LIMITED                                | 13,425,000            | 7.57%                     |
| 7.  | BNP PARIBAS NOMS PTY LTD <UOB KH P/L AC UOB KH DRP>       | 7,024,114             | 3.96%                     |
| 8.  | MR JIARONG HE   | 4,995,748             | 2.82%                     |
| 9.  | XIAO HUI ENTERPRISES LIMITED                              | 2,955,647             | 1.67%                     |
| 10. | MRS YINXIN HE   | 2,500,000             | 1.41%                     |
| 11. | MR DONGMING YE  | 1,517,850             | 0.86%                     |
| 12. | LPD HOLDINGS (AUST) PTY LTD                               | 1,432,736             | 0.81%                     |
| 13. | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                 | 1,135,360             | 0.64%                     |
| 14. | MR FEIXIONG YE  | 900,000               | 0.51%                     |
| 15. | R C SADLEIR PTY LTD                                       | 896,745               | 0.51%                     |
| 16. | LEEJAMES NOMINEES PTY LTD <THE HEPBURN SUPER FUND A/C>    | 800,000               | 0.45%                     |
| 17. | GREENHOUSE INVESTMENTS (VIC) PTY LTD <AMF SUPER FUND A/C> | 480,000               | 0.27%                     |
| 18. | MR GEOFF MEADE  | 421,342               | 0.24%                     |
| 19. | MR WEIJIANG YE  | 300,000               | 0.17%                     |
| 20. | MR HONGQING WANG  | 290,000               | 0.16%                     |
|     |   | <b>172,540,270</b>    | <b>97.35%</b>             |

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

BoardRoom Pty Limited  
 Level 12, 225 George Street  
 SYDNEY NSW 2000

**3. Securities Exchange Listing**

ActivEX Limited shares are listed on the Australian Securities Exchange (ASX code: AIV).

Other than shares, the Company does not have any options or other securities on issue.

**4. Restricted Securities**

The Company has no restricted securities on issue.

**ACTIVEX LIMITED**  
**ABN 11 113 452 896**  
**ASX ADDITIONAL INFORMATION**

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5. Mining Tenements

| EPM No & Name             | %<br>Owned |
|---------------------------|------------|
| EPM 14079 Coalstoun       | 100%       |
| EPM 14332 Pentland        | 100%       |
| EPM 14476 Boobyjan        | 100%       |
| EPM 14937 Barambah        | 100%       |
| EPM 14955 Mt Agate        | 100%       |
| EPM 14979 Dadamarine      | 100%       |
| EPM 15285 Florence Creek  | 100%       |
| EPM 16265 Blairmore       | 100%       |
| EPM 16327 Ban Ban         | 100%       |
| EPM 17313 Malbon          | 100%       |
| EPM 17805 Florence Flat   | 100%       |
| EPM 18053 Bulonga         | 100%       |
| EPM 18073 Selwyn East     | 100%       |
| EPM 18424 Mt Leyshon      | 100%       |
| EPM 18426 Cornishman      | 100%       |
| EPM 18511 Brightlands     | 100%       |
| EPM 18615 Mt Hogan        | 100%       |
| EPM 18623 Gilberton       | 100%       |
| EPM 18637 King Solomon    | 100%       |
| EPM 18732 One Mile        | 100%       |
| EPM 18852 Robur           | 100%       |
| EPM 19207 Percy River     | 100%       |
| EPM 25192 Concorde        | 100%       |
| EPM 25194 Upper Mort      | 100%       |
| EPM 25454 Heathrow East   | 100%       |
| EPM 25455 North Camel Dam | 100%       |
| EPM 25466 Charlie Creek   | 100%       |
| EPM 26232 Gum Flat        | 100%       |
| EPM 26307 Split Rock      | 100%       |
| M77/22 Lake Chandler      | 100%       |