

**ASX Code: AIV****Issued Capital**

177,228,401 ordinary shares (AIV)

**Market Capitalisation**

\$26.58M (28 February 2020, \$0.15)

**Directors**

Min Yang (Non-executive Chairman)

Mark Derriman (General Manager /  
Executive Director)

Geoff Baker (Non-executive Director)

Dongmei Ye (Non-executive Director)

Craig McPherson (Company Secretary)

**About ActivEX**

ActivEX Limited is a mineral exploration company committed to the acquisition, identification and delineation of new resource projects through active exploration.

The ActivEX portfolio is focussed on copper and gold projects, with substantial tenement packages in north and southeast Queensland and in the Cloncurry district of northwest Queensland.

The Company also has an advanced potash project in Western Australia where it is investigating optimal leaching methods for extraction and production of potash and by-products.

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ABN 11 113 452 896

**ACTIVEX LIMITED**

ABN 11 113 452 896

**FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2019**

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

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Your Directors present the financial report of the Company for the half year ended 31 December 2019.

## **DIRECTORS**

The Directors of the Company who held office during or since the end of the half year are listed below:

Ms Min Yang – Non-executive Chairman  
Mr Mark Derriman – General Manager/Executive Director  
Mr Geoff Baker – Non-executive Director  
Ms Dongmei Ye – Non-executive Director

## **REVIEW OF OPERATIONS**

The Company's operating loss for the half year, after applicable income tax was \$339,594 (2018: \$272,898). Exploration and evaluation expenditure during the period totalled \$149,250 (2018: \$198,804).

### **Corporate**

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 a loan facility of up to \$2 million ("SD Loan Facility") to the Company at an interest rate of 12% per annum and maturing on 31 December 2021. The SD Loan Facility was subsequently increased to \$5 million in December 2019.

On 31 December 2019, the Company announced that it had repaid its \$1.7 million loan (inclusive of interest) to ASF Group Limited, representing the balance due by the maturity date.

Subsequent to the end of the reporting period, on 24 January 2020, the Company announced an extension of its on-market share buyback program for a further 12 months from 10 February 2020. During the six months ended 31 December 2019, no shares were bought back by the Company.

Further discussion of the Company's operations is provided below:

### **Gilberton Gold Project**

*(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. 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 reporting period field-based exploration activities were completed at the Gilberton Gold Project focusing on rock chip sampling in Mt Hogan open pit and other known mineral occurrences and workings.

Mt Hogan was the largest gold producer within the Gilberton Gold Project. 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 won from scattered workings across 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.

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Gold mineralisation is concentrated around the south-eastern margin of the Mt Hogan Granite and consists of a set of stacked, shallow, southwest dipping (15-20°) quartz - sulphide veins. The veins are composed of medium grained, euhedral buck quartz crystals that have been brecciated and recrystallised by later movement of the vein's structures. Cores of the veins are often filled with sulphide. The lenticular veins are enveloped by an alteration halo of sericite (proximal), chlorite and epidote (distal) and appear to have developed in tensional openings produced by north-easterly thrusting. Continued movement along structures after vein formation has deformed and folded some veins. Individual veins reach up to 60cm in thickness but are generally thinner (10 – 20cm).

The Gilberton Project has a very high crustal abundance of gold, similar to Kalgoorlie and Charters Towers, and therefore a fertile area for new large tonnage discoveries.

Previous explorers have mapped the geology of certain areas within the Gilberton Project at scales to 1:1000. The maps have been re-registered but due to the quality of the historic maps and local grid issues and cover at the Mt Hogan and Charlie areas.

There is also a significant amount of historical drilling within the project, most of which is not in a digital form but does include valuable information and possible near term drill targets. The drilling information will be digitised into the Companies drilling database and all collars that can be located will be verified in the field with GPS coordinates.

During the reporting period face sampling within Mt Hogan open pit returned assays to 40.5g/t Au and 138 g/t Ag. Rock chip sampling was also completed at the Perryvale, Alcade and Limonite prospects which comprise numerous historical workings. The Limonite Prospect (historical production: 26.13kg of gold and 184.20kg of silver) which is located to the south- southwest of the Comstock mine and comprises of a group of workings and trenches. 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 vein quartz with galena is up to 3m in width and occurs intermittently between the trenches and either side. The best assays from the Perryvale, Alcade and Limonite areas are 34.9g/t gold, 223 g/t silver and 22.6% lead.

Further exploration activities such as geological and structural mapping; focussed rock chip sampling; and conventional soil sampling will be undertaken at Mt Hogan, Gilberton, Percy River, Gum Flat and Split Rock EPMs (e.g. Gum Flat, Bernecker, Split Rock and Christmas Hill prospects) with a view delineating drilling targets at the Gilberton Gold Project for the 2020 field season. The sample results mentioned are taken from ASX Announcement of 19 September 2019 – 'Gilberton Gold Project – Exploration Results'.

### **Cloncurry Copper and Gold Project**

*(EPMs 18053, 18073, 18852, 25192, 25454 and 25455 – ActivEX 100%;*

*EPMs 14955, 15285, 17313, 17805, and 18511 – ActivEX 100%, subject to Joint Venture with Au NQ Gold Pty Ltd)*

The Cloncurry Copper and Gold Project is situated in northeast Queensland, approximately 60km south of Cloncurry. 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 has a Joint Venture agreement (JV) with unlisted company Au NQ Gold Pty Ltd (ACN 628 566 709) (Au NQ Gold) over five (5) 100% owned gold copper tenements (EPMs 14955, 15285, 17313, 17805 and 18511). Au NQ Gold has yet to earn an interest in the tenements and, as a result, ActivEX currently owns 100% of the Cloncurry Copper Gold Project tenement package.

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The Project is situated within the Eastern Succession of the Mount Isa Inlier, which is a highly prospective geological terrane containing numerous major deposits. These include Iron Oxide Copper Gold, skarn style Cu-Au, and Merlin-style Mo deposits.

Field-based exploration activities are continuing in the Cloncurry Copper and Gold Project focusing on detailed geophysical surveys, rock chip sampling and geological mapping with the aim to delineate drilling targets. The focus will be the Au NG Gold JV area.

### **Coalstoun Lakes Copper and Gold Project**

*(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>. 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.

Very little attention paid to the low sulphidation epithermal gold targets located in the western half of the Coalstoun licence. The alteration and geochemistry of the epithermal targets indicate that they are in a near surface with elevated Hg, Mo, Te and Sb geochemical signatures. The exploration approach will be surficial geochemical sampling and geological mapping focussing on the spectral mineralogy to assist on drill targeting.

### **Barambah Gold Project**

*(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. 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 tenement has received by far the most exploration to date and has resulted in a small Au/Ag JORC Resource in and around the open pit where the bulk of the drilling is concentrated. There has been a concentrated rock chip sampling program and some Niton pXRF with limited usefulness as gold is not recorded. There has been detailed geological mapping in the vicinity of the open pit which will need to be extended into other gold prospective areas. A CSAMT survey was completed early in ActivEX's period and deeper conductive targets (-250m) were delineated but not drill tested.

Some of the target drainage basins shown above are associated with anomalous gold in rock samples however several remain untested and may contain unsampled quartz vein systems.

Future exploration will comprise rock sampling and geological mapping known quartz vein systems in and around the Barambah open pit in addition to prospect mapping and sampling of untested target drainage basins. The Barambah project may be drill tested in 2020 which may include some deep drilling of the conductive targets under the Barambah Open Pit.

### **Ravenswood Gold Project**

*(EPMs 18424, 18426, 18637, 25466 and 25467 – ActivEX 100%, subject to Binding Term Sheet with Ballymore Resources)*

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

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Limited currently holds 100% interest in all tenements, with Ballymore Resources Pty Ltd earning-in to the tenements. Ballymore Resources Pty Ltd has yet to earn an interest in the tenements.

The Project is located in the highly prospective Charters Towers – Ravenswood region which has produced over 12Moz of Au including 6.6Moz at Charters Towers, 3.5Moz at Mount Leyshon as well as 1Moz at Mount Wright Au in addition the current nearby Ravenswood mining operation with a global resource of 4.3Moz.

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).

Following execution of the binding Term Sheet Ballymore will be commencing on ground exploration of the Ravenswood Gold Project during the first half of 2020. As a leadup to the field exploration phase Ballymore will be purchasing 250m line spaced multiclient airborne geophysical data which will be merged with existing Company geophysical data to improve the understanding of the lithostructural controls to gold mineralisation within the Ravenswood Gold Project. Ballymore Resources has commenced a geological and structural interpretation based on the updated geophysical products produced by Montana GIS. The magnetics and radiometrics datasets have proven very useful for mapping rock types, structure and alteration.

### **Pentland Gold Project**

*(EPM 14332 – ActivEX 100%, subject to Joint Venture with Rockland Resources)*

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>. The Project is located 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), but true production was considerably more as there is no record of the amount extracted by the Chinese miners, who were almost as numerous as Europeans during the productive years of the field in the late 1800's. Several areas within the Exploration Permit have seen small scale mining since that 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 Farm-in & Joint Venture agreement (JV) has been finalised with unlisted company Rockland Resources Pty Ltd (Rockland) over the Company's 100% owned Pentland gold tenement located in North-east Queensland, approximately 100km west of Charters Towers. The tenement is located in the highly mineralised Cape River Province. Rockland Resources Pty Ltd has yet to earn an interest in the tenement.

During the reporting period, Rockland flew a 50m line spaced airborne magnetic/radiometric survey (totalling 3,374 line km) over the entire tenement. Preliminary processing has been completed and further results will be released as they are completed. In addition, Rockland Resources collected 47 surface rock samples (ASX Announcement 28<sup>th</sup> October 2019) and submitted them for gold and

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multielement geochemistry. Five of the samples exceed 3 g/t Au from 3.5-42.5 g/t Au with the later best result also having 1.55% copper, 0.91% lead and 42.5g/t silver. A correlation statistical analysis of the geochemical results indicated the following element correlations with Au, with 1 being a perfect correlation -0.8-1 (lead, silver, bismuth, copper, and tellurium), 0.6-0.8 (selenium). These results will be used and updated to assist in delineating geochemical mineralising vectors.

### **Esk Copper and Gold Project**

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

The Esk Copper and Gold Project consists of EPMs 14476 (Boobyjan), 14979 (Dadamarine), 16265 (Blairmore), 16327 (Ban Ban) and comprises a total of 53 sub-blocks and encompasses an area of 167 km<sup>2</sup> 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 all tenements.

The tenements are situated at the intersection of the NNW trending Perry Fault zone (host to Mt The Blairmore licence has two target areas – west(epithermal Au) and east (porphyry). The epithermal systems are Aranbanga and Penwhaupell in the west with some surface geochemical sampling at Aranbanga and drilling at Penwhaupell. The exploration approach will be as for Coalstoun above.

Rawdon +2Moz gold deposit) and NE trending (Darling Lineament related) structures.

The exploration approach will be surficial geochemical sampling and geological mapping focussing on the spectral mineralogy to assist on drill targeting.

### **Lake Chandler Potash Project**

*(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.

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 (sulphate of potassium or SOP) 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 ( $KAl_3(SO_4)(OH)_6$ ) mineralisation hosted in a flat lying evaporate sequence of clays (playa lake).

The company is currently reviewing other new early stage SOP operations in the Kalgoorlie region of Western Australia to see how new technology and innovations can be applied to the Lake Chandler Project.

### **AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included in this half year financial report.

This Directors' Report is signed in accordance with a resolution of Directors.



**Min Yang**  
Chairman

Signed: 28th day of February 2020

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**DIRECTORS' REPORT**

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**Declarations under 2012 JORC Code and JORC Tables**

The information in this report which relates to Exploration Results is based on information reviewed by Mr. Mark Derriman, who is a member of The Australian Institute of Geoscientists (1566).

Mr. Mark Derriman has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr. Mark Derriman consents to the inclusion of his name in this report and to the issue of this report in the form and context in which it appears.

**Previous Disclosure - 2012 JORC Code**

Information relating to Mineral Resources, Exploration Targets and Exploration Data associated with previous disclosures relating to the Pentland Gold Project in this report has been extracted from the following ASX Announcements:

- ASX announcement titled "Pentland Gold Project – Exploration Results" dated 28 October 2019.

Copies of reports are available to view on the ActivEX Limited website [www.activex.com.au](http://www.activex.com.au). These reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## 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 half-year ended 31 December 2019 there have been no contraventions of:

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



**Nexia Brisbane Audit Pty Ltd**



**N D Bamford**

Director

Date: 28 February 2020

**Nexia Brisbane Audit Pty Ltd**

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## 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*, including:
  - (a) Complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - (b) Giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the half 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.

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



Min Yang  
Chairman

Dated this: 28th day of February 2020

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the half-year ended 31 December 2019**

	Note	Half- year ended 31 December 2019 \$	Half- year ended 31 December 2018 \$
Revenue		37	37,612
Administrative expenses		(217,935)	(179,821)
Employee benefit expense		(69,700)	(62,594)
Corporate service fees		(49,800)	(52,719)
Current year exploration & evaluation expenditure written-off		(2,196)	(15,376)
<b>Loss before income tax</b>	2	(339,594)	(272,898)
Income tax expense		-	-
<b>Loss for the period</b>		(339,594)	(272,898)
Other comprehensive income		-	-
<b>Total comprehensive income for the period, net of tax attributable to members of the entity</b>		(339,594)	(272,898)
<b>Earnings per Share</b>			
Basic earnings per share (cents per share)	8	(0.19)	(0.15)
Diluted earnings per share (cents per share)	8	(0.19)	(0.15)

The accompanying notes form part of these financial statements.

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**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2019

	Note	31 December 2019 \$	30 June 2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		369,739	18,705
Other current assets		66,933	54,429
<b>Total Current Assets</b>		<b>436,672</b>	<b>73,134</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		2,118	4,422
Exploration and evaluation assets	3	9,715,959	9,568,905
Trade and other receivables		66,340	67,440
<b>Total Non-Current Assets</b>		<b>9,784,417</b>	<b>9,640,767</b>
<b>TOTAL ASSETS</b>		<b>10,221,089</b>	<b>9,713,901</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		36,421	39,102
Provisions		29,131	25,285
Borrowings	4	-	1,574,767
<b>Total Current Liabilities</b>		<b>65,552</b>	<b>1,639,154</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	5	2,420,384	-
<b>Total Non-Current Liabilities</b>		<b>2,420,384</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>2,485,936</b>	<b>1,639,154</b>
<b>NET ASSETS</b>		<b>7,735,153</b>	<b>8,074,747</b>
<b>EQUITY</b>			
Issued capital	6	20,739,271	20,739,271
Retained earnings		(13,004,118)	(12,664,524)
<b>TOTAL EQUITY</b>		<b>7,735,153</b>	<b>8,074,747</b>

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY  
for the half-year ended 31 December 2019**

	Share Capital	Retained Earnings	Total Equity
	\$	\$	\$
<b>Balance at 1 July 2018</b>	20,739,271	(11,879,399)	8,859,872
Total comprehensive loss for the period	-	(272,898)	(272,898)
<b>Balance at 31 December 2018</b>	20,739,271	(12,152,297)	8,586,974
<b>Balance at 1 July 2019</b>	20,739,271	(12,664,524)	8,074,747
Total comprehensive loss for the period	-	(339,594)	(339,594)
<b>Balance at 31 December 2019</b>	20,739,271	(13,004,118)	7,735,153

The accompanying notes form part of these financial statements.

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**STATEMENT OF CASH FLOWS**  
**for the half-year ended 31 December 2019**

	<b>Note</b>	<b>31 December 2019 \$</b>	<b>31 December 2018 \$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(240,455)	(206,338)
Interest received		37	12
Proceeds from insurance recoveries		-	37,600
<b>Net cash provided by (used in) operating activities</b>		<b>(240,418)</b>	<b>(168,726)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Exploration expenditure	3	(147,054)	(182,708)
<b>Net cash provided by (used in) investing activities</b>		<b>(147,054)</b>	<b>(182,708)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans and borrowings		2,455,000	395,000
Repayment of loans and borrowings		(1,716,494)	-
<b>Net cash provided by (used in) financing activities</b>		<b>738,506</b>	<b>395,000</b>
<b>Net increase/(decrease) in cash held</b>		<b>351,034</b>	<b>43,566</b>
<b>Cash at 1 July</b>		<b>18,705</b>	<b>48,889</b>
<b>Cash at 31 December</b>		<b>369,739</b>	<b>92,455</b>

The accompanying notes form part of these financial statements.

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## Notes to the Financial Statements for the half-year ended 31 December 2019

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The general purpose financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Company. As such it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2019, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue as at the date of the directors declaration.

#### Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Company has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements either is not relevant or not material.

#### Critical Accounting Estimates and Judgements

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2019 annual report.

### NOTE 2: LOSS FOR THE PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

#### Revenue

Interest received from unrelated parties  
Insurance Claim Proceeds

#### Expenses

Interest paid to related parties  
Interest paid to unrelated entities

Employee benefit expense  
Less: recharged to exploration and evaluation assets

	Half year ended 31 Dec 2019	Half year ended 31 Dec 2018
	\$	\$
Interest received from unrelated parties	37	12
Insurance Claim Proceeds	-	37,600
Interest paid to related parties	86,727	50,467
Interest paid to unrelated entities	20,383	-
	107,110	50,467
Employee benefit expense	112,708	114,050
Less: recharged to exploration and evaluation assets	(43,008)	(51,456)
	69,700	62,594

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**Notes to the Financial Statements  
for the half-year ended 31 December 2019****NOTE 3: EXPLORATION AND EVALUATION ASSETS**

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

Exploration and evaluation phase – Company interest 100%

31 December 2019	30 June 2019
\$	\$

9,715,959	9,568,905
9,715,959	9,568,905

**Movement in exploration and evaluation expenditure:**

31 December 2019	30 June 2019
\$	\$

Opening balance - at cost	9,568,905	9,444,678
Capitalised exploration expenditure	147,054	344,265
Impairment of exploration assets	-	(220,038)
Carrying amount at reporting date	9,715,959	9,568,905

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.

The Company has successfully negotiated a farmin/joint venture with unlisted explorer Rockland Resources who will sole fund exploration in EPM 14332 (Pentland) and a binding term sheet with unlisted explorer Ballymore Resources over, 18424 (Mt Leyshon), 18637 (King Solomon), 18426 (Cornishman), 25466 (Charlie Creek) and 25467 (Birthday Hills). The arrangement commenced October 2019 (ASX announcements October 2019). The equity in the tenements is detailed below:

**Rockland Resources**

Under the terms of the JV, Rockland can earn up to 90% equity in the tenement by spending \$167,647 over 3.5 years as shown below:

1. The Joint Venture earn in Stage 1 of \$95,000 over 18 months for 51% to be spent on tenement costs. ActivEX to maintain tenements in good standing (holding costs). Rockland can elect to exit having earned no interest.
2. By no later than 30 days from the Stage 1 Completion Date, ActivEX must notify Rockland in writing whether it elects to contribute equally to fund exploration during the Stage 2 Period.
3. The Joint Venture earn in Stage 2 of a further \$72,647 over 24 months for an additional 39% (taking the total to 90%), including holding costs.
4. When Rockland reaches 90% holding, the Exploration Licence joint venture will be consolidated into a single entity (NewCo) and the 10% holding of ActivEX converted to 1% net revenue royalty or a share interest along with Rockland in the same proportion as their percentage shares and the parties must enter into a shareholders agreement on similar terms to those set out in the Joint Venture document.

**Ballymore Resources**

Under the terms of the TS, Ballymore can earn up to 51% equity in the tenement by sole funding \$500,000 and a further 29% equity by sole funding \$2,000,000 (inclusive of the initial \$500,000) as shown below:

1. Under the TS an initial \$200,000 (Preliminary Spend) must be spent within 1 year from the date of the TS to conduct a review of pre-existing data, regional assessment of the Project and an initial assessment of known prospects. The money will be spent on tenement costs and no interest will be earned in the Preliminary Spend stage.

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the half-year ended 31 December 2019

### NOTE 3: EXPLORATION AND EVALUATION ASSETS (Continued)

2. Following completion of the Preliminary Spend, Ballymore may elect by notice to ActivEX to earn 51% equity (Initial Interest) by spending a further \$300K (Total spend \$500K) on exploration and development relating to the project. During this period the parties will enter into a Joint Venture Agreement.
3. By no later than 30 days from the time Ballymore earns the Initial Interest ActivEX must notify Ballymore in writing whether it will contribute 49% to future project funding to maintain its 49% interest.
4. If ActivEX does not elect to contribute Ballymore may notify ActivEX that it intends to earn a further 29% interest (total interest 80%) by agreeing to sole fund exploration to an amount of \$2,000,000 (inclusive of the Initial Interest spend of \$500k).
  - ActivEX has granted Ballymore the option to acquire its interest for \$5,000,000 at any time for cash or if mutually agreed scrip or a combination of cash and scrip.
  - If ActivEX's interest reduces to 10% or less ActivEX's interest will be transferred to Ballymore for 0.5% gross revenue royalty exclusive of Government royalties upon reaching commercial production.
  - Ballymore may at any time elect to cancel the Gross Royalty for a \$1,000,000 payment to ActivEX.

In the prior half year the Company had entered into a farmin/joint venture with Au NQ Gold to sole fund exploration in EPM14955 (Mt Agate), 15285 (Florence Creek), 17313 (Malbon), 17805 (Florence Flat), 18053 (Bulonga).

Under the agreement AU NQ Gold can earn 70% interest in the Project over a 5 year period.

### NOTE 4: CURRENT LIABILITIES - BORROWINGS

	31 December 2019	30 June 2019
	\$	\$
Loan from ASF Group Ltd	-	1,574,767
	-	1,574,767

On 14 November 2017, the Company entered into a Loan Facility Agreement with ASF Group Limited pursuant to which ASF will provide up to \$1M in standby funding, which was subsequently increased to \$2 million ("ASF Loan Facility"), to fund its exploration activities and general working capital. Interest accrued daily at a rate of 12% per annum. The ASF Loan Facility was repaid in full by the maturity date of 31 December 2019.

### NOTE 5: NON-CURRENT LIABILITIES - BORROWINGS

	31 December 2019	30 June 2019
	\$	\$
Loan from Star Diamond Developments Limited	2,420,384	-
	2,420,384	-

On 16 July 2019, the Company entered into a Loan Agreement with Star Diamond Developments Limited ("Star Diamond") pursuant to which Star Diamond will provide up to \$2 million in standby funding ("SD Loan Facility") to fund its exploration activities, repay existing loan facilities and for general working capital. Interest will accrue daily at a rate of 12% per annum. Repayment of the SD Loan Facility is due on 31 December 2021. The SD Loan Facility was subsequently increased to \$5 million in December 2019.

**ACTIVEX LIMITED**

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**Notes to the Financial Statements  
for the half-year ended 31 December 2019****NOTE 6: ISSUED CAPITAL**

	<b>31 December 2019</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
177,228,401 (June 2019: 177,228,401) fully paid ordinary shares	20,739,271	20,739,271

**NOTE 7: RELATED PARTY TRANSACTIONS**

The Company undertakes transactions with related parties in the normal course of business. In the current period, arrangements with related parties, relating to directors' fees and corporate service fees paid to ASF Group Ltd, continue to be in place, consistent with those reported in the 30 June 2019 annual financial report.

As set out in note 4, the Company entered into a loan facility agreement with ASF Group Limited, a substantial shareholder of the Company, and of which Directors Min Yang and Geoff Baker are directors. The loan facility has been fully repaid to ASF Group Limited by the maturity date of 31 December 2019.

**NOTE 8: EARNINGS PER SHARE**

	<b>Half year ended 31 Dec 2019</b>	<b>Half year ended 31 Dec 2018</b>
	<b>cents</b>	<b>cents</b>
Basic earnings per share (cents)	(0.19)	(0.15)
Diluted earnings per share (cents)	(0.19)	(0.15)
Net loss after tax used in the calculation of basic EPS and diluted earnings per share.	(339,594)	(272,898)

**NOTE 9: DIVIDENDS**

No dividends were declared or paid during the period.

**NOTE 10: COMMITMENTS****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.

	<b>31 December 2019</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
The following commitments exist at balance date but have not been brought to account.		
Not later than 1 year	1,501,300	1,425,750
Later than 1 year but not later than 5 years	3,263,729	3,622,013
Later than 5 years	168,845	72,000
Total commitment	4,933,874	5,119,763

Under the farmin/joint venture agreements set out in note 3, exploration amounts funded by joint venture partners will be applied to meet some of the above exploration commitments.

**NOTE 11: CONTINGENT LIABILITIES**

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

# **ACTIVEX LIMITED**

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## **Notes to the Financial Statements for the half-year ended 31 December 2019**

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### **NOTE 12: SEGMENT INFORMATION**

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

### **NOTE 13: EVENTS AFTER BALANCE SHEET DATE**

Subsequent to the end of the reporting period, on 24 January 2020, the Company announced an extension of its on-market share buyback program for a further 12 months from 10 February 2020. During the six months ended 31 December 2019, no shares were bought back by the Company.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

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

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of ActivEX Limited, which comprises the statement of financial position as at 31 December 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 half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Director's Responsibility for the Half-Year Financial Report**

The directors of ActivEX Limited are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of ActivEX Limited financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ActivEX Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Nexia Brisbane Audit Pty Ltd**

Registered Audit Company 299289

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

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ActivEX Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ActivEX Limited is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of ActivEX Limited financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.



**Nexia Brisbane Audit Pty Ltd**



**ND Bamford**

Director

Level 28, 10 Eagle Street,  
Brisbane, QLD, 4000

Date: 28 February 2020

# ACTIVEX LIMITED

ABN 11 113 452 896

## CORPORATE INFORMATION

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<b>Directors</b>	Min Yang, Non-executive Chairman Mark Derriman, General Manager/Executive Director Geoff Baker, Non-executive Director Dongmei Ye, Non-executive Director
<b>Corporate Secretary</b>	Craig McPherson
<b>Registered Office</b>	Suite 2, 3B Macquarie Street Sydney NSW 2000
<b>Share Register</b>	Boardroom Pty Limited Level 12 225 George Street Sydney, NSW 2000
<b>Auditors</b>	Nexia Brisbane Audit Pty Ltd Level 28 10 Eagle Street Brisbane, Qld 4000
<b>Stock Exchange Listing</b>	ActivEX Limited shares are listed on the Australian Stock Exchange (ASX code: AIV)