

## ASX Code: AIV

### Issued Capital

808,515,840 ordinary shares (AIV)  
700,000 unlisted options

### Market Capitalisation

\$14.553M (9 September 2016, \$0.018)

### Directors

Min Yang (Chairman, NED)  
Grant Thomas (Managing Director)  
Geoff Baker (NED)  
Dongmei Ye (NED)  
Craig McPherson (Company Secretary)

## About ActivEX

ActivEX Limited is a Brisbane based 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 YEAR ENDED 30 JUNE 2016

# 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 2016.

### 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
Grant Thomas	Managing Director	6	6
Geoff Baker	Non-Executive Director	6	6
Dongmei Ye	Non-Executive Director	6	6

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

### 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 currently held in other listed companies:* ASF Group Limited, Rey Resources Limited, Key Petroleum Limited and Metaliko Resources Limited.

#### Grant Thomas B.Sc. (Hons), AusIMM, MAIG

*Managing Director (appointed director on 29 July 2013; and Managing Director on 14 January 2014)*

Mr Thomas has over 30 years of professional experience covering mineral exploration and resource project evaluations for several minerals, including iron ore, gold, copper, lead, zinc, uranium, fluorspar and coal in Australia, China, South Africa, Tajikistan, Kazakhstan, Brazil and Mongolia.

Mr Thomas was Managing Director of Celsius Coal Limited, an ASX listed company from March 2012 to May 2013. Prior to this he consulted for Dragon Global Limited (HK) which supplies technical consulting services predominantly to international and Chinese resource companies listing on the Hong Kong Stock Exchange.

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

*Non-Executive Director (appointed 15 February 2013)*

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 currently held in other listed companies:* ASF Group Limited, Rey Resources Limited, Key Petroleum Limited and Metaliko Resources Limited.

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**Dongmei Ye MAcc., CPA**

*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 experience 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.

*Directorships held in other listed companies in the last 3 years: Kaili Resources Limited.*

### **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	-	-
Grant Thomas	-	-
Geoff Baker	-	-
Dongmei Ye	125,964,250	-

### **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 the Institute of Chartered Accountants in Australia. Mr McPherson has 20 years commercial experience, the last 9 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.

### **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 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.

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

The Company's operating loss for the financial period, after applicable income tax was \$943,049 (2015: \$888,345). Exploration and evaluation expenditure during the year totalled \$1,041,137 (2015: \$797,175).

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

#### **Gilberton Gold Project**

The Gilberton Gold Project is situated in the Georgetown Province in northeast Queensland, approximately 300km west-northwest of Townsville. The Project consists of EPMS 18615, 18623 and 19207, and EPM application 26232. The tenements comprise a total of 170 sub-blocks and encompass an area of 552km<sup>2</sup>. ActivEX Limited holds 100% interest in all the tenements.

The Project is located in an area which is prospective for a number of metals and a wide range of deposit styles. The world-class Kidston breccia hosted Au-Ag deposit occurs in similar geological terrain approximately 50km to the northeast.

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The Company completed reconnaissance portable X-Ray Fluorescence (pXRF) soil geochemical surveys over several priority target areas in the Mt Hogan tenement (EPM 18615), identifying new gold prospects Dorado, Burrow, Moon Hill, Show and Margaret (ASX announcement 18 January 2016). Follow-up and infill pXRF surveys were also completed over Homeward Bound and Josephine areas and have clearly defined previously identified gold prospects Mountain Maid, Ridge and Isabella (ASX announcement 30 September 2015). Initial pXRF surveys covered known gold prospects Percy Queen and Percy River. Portable XRF surveying comprised a total of 1,873 readings acquired on east-west traverses spaced 50-200m with a nominal reading interval of 50-200m.

During this phase of field work 126 rock chip samples were collected (majority quartz veins or gossanous outcrop) and submitted for assay. The rock chip samples have been assayed and returned exceptionally high gold grades with over 20% of samples returning values >1g/t Au (16 samples). Significant assay results include:

- **Percy Queen/Long Lode** area (historic prospect) best assays in the range 2.02 to 144.0g/t Au and 33.8 to 6,480g/t Ag. Percy Queen/Long Lode area requires detailed field follow-up during the next phase of exploration activities
- **Mountain Maid** best assays 3.26 to 85.0g/t Au, 44.0 to 509.0g/t Ag, 3.0% to 5.3% Cu, up to 5.3% Pb
- **Margaret** best assays in the range 20.8 to 24.7g/t Au and 4.93 to 26.6g/t Ag
- **Burrow** best assay (single sample) 20.9g/t Au, 25.4g/t Ag and 2.36% Cu
- **Dorado** best assays up to 18.95g/t Au and 75.8g/t Ag
- **Ridge** best assays in the range 0.7 to 15.35g/t Au, 4.14 to 12.4g/t Ag and up to 1.94% Cu
- **Show** best assays in the range 1.79 to 14.95g/t Au, 42.9 to 837.0g/t Ag and 4.0% to 43.3% Pb

The Company completed reconnaissance pXRF soil geochemical surveys over target areas immediately adjacent to the abandoned Mt Hogan gold mine (Mt Hogan EPM 18615), identifying gold prospects Independence, General Gordan, Gully and Camp (ASX announcement 3 February 2016). Orientation pXRF soil geochemical surveys were also carried out over the Mt Hogan mine area to aid in the characterisation of ground soil geochemical anomalies over known high grade gold mineralisation. Portable XRF surveying comprised a total of 1,056 readings acquired on east-west traverses spaced 50-100m with a nominal reading interval of 50-100m.

During this phase of field exploration 41 rock chip samples were collected (majority quartz veins or gossanous outcrop) and submitted for assay. The rock chip samples have been assayed and returned high gold grades with over 50% of samples returning values >1g/t Au (22 samples). Significant assay results include:

- **Mt Hogan gold mine** area best assays 12.75 to 128g/t Au, 12.6 to 307g/t Ag and up to 1.31% Cu
- **Independence** best assays 22.8 to 97.6g/t Au and 105 to 659g/t Ag
- **General Gordan** best assays 17.6 to 64.6g/t Au, 51.1 to 87.5g/t Ag, up to 1410ppm Cu and 1.36% Pb
- **Gully** best assays 7.91 to 9.94g/t Au and up to 1.84% Pb
- **Camp** best assays 5.52 to 22.6g/t Au, 8.5 to 13.55g/t Ag and up to 3,050ppm Zn

The Company completed reconnaissance pXRF soil geochemical surveys over priority target areas in the Mt Hogan tenement (EPM 18615) immediately northeast of the abandoned Mt Hogan gold mine, identifying new gold prospect Welcome (ASX announcement 1 June 2016). Portable XRF surveying covered 4.75 km<sup>2</sup> and comprised a total of 844 readings acquired on east-west traverses spaced 50-100m with a nominal reading interval of 50-100m.

The Welcome gold prospect extends for over 500m, 1.5km northeast of Mt Hogan gold mine and is defined as having a coherent surface expression of over 20ppm Pb and 40 ppm Cu (maximum pXRF values of 216.52ppm Pb and 1,067.16ppm Cu).

During this phase of field exploration activities 51 rock chip samples were collected (majority quartz veins or gossanous outcrop) and submitted for assay. The rock chip samples have been assayed and returned high gold grades with over 18% of samples returning values >1g/t Au (9 samples). Significant assay results include:

- **Welcome** best assays 0.57 to 106g/t Au, 2.39 to 43.3g/t Ag and up to 1,980ppm Pb and 1.35% Cu

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Welcome area requires detailed field follow-up during the next phase of exploration activities. Welcome prospect is located on the edge of the Mt Hogan granite which is analogous to the Mt Hogan abandoned gold mine and is considered a high priority gold target.

Further exploration activities, such as pXRF surveys and focussed rock chip and conventional soil sampling, will be undertaken at Mt Hogan, Gilberton and Percy River EPMs with a view to trenching and channel sampling at multiple targets within the Gilberton Gold Project in late-2016.

ActivEX is in the process of establishing a base at Charters Towers to facilitate field operations at Ravenswood, Gilberton and Pentland Gold Projects.

### Ravenswood Gold Project

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 117 sub-blocks and encompass an area of 377km<sup>2</sup>. ActivEX Limited holds 100% interest in all the tenements.

The Project is located in the highly prospective Charters Towers – Ravenswood region which has produced over 12Moz of Au and hosts the 3Moz Mt Leyshon deposit as well as the 1Moz Mt Wright Au deposit. Mineralisation styles in the district include mesothermal gold veins (e.g. Charters Towers and Ravenswood Goldfields), breccia hosted gold (e.g. Mt Leyshon, Welcome Breccia) and epithermal gold veins (e.g. the Pajingo group).

The Company commenced exploration activities at Ravenswood Gold Project with reconnaissance portable X-Ray Fluorescence (pXRF) soil geochemical surveys carried out over target areas in the King Solomon tenement (EPM 18637) defining King Solomon/Rose of Allandale historic prospects (ASX announcement 15 June 2016). The pXRF surveying covered approximately 9.8 km<sup>2</sup> and comprised a total of 1,117 readings acquired on east-west traverses spaced 100-200m with a nominal reading interval of 50m and covered a number of mineral occurrences.

The pXRF survey has confirmed and tightly defined zones of anomalous arsenic (gold pathfinder element) over mineral occurrences in the King Solomon – Rose of Allandale area.

The **King Solomon – Rose of Allandale** anomaly extends for over 500m and is defined as having a surface expression of over 5ppm As (maximum pXRF values of 32.69ppm As). Rock chip samples from King Solomon and Rose of Allandale prospects returned high grades, with best results in the range 20.8 to 72.4g/t Au, 50.8 to 154g/t Ag, 1.095 to 1.695% Pb and up to 0.57% Zn.

**Fanning Downs** is a known historical prospect. Best rock chip results in the range 2.92 to 370g/t Au, 41.4 to 229g/t Ag, 3.01 to 20.7ppm Hg and up to 4.32% Pb.

**Sunset** is a known historical prospect approximately 500m southwest of Fanning Downs. Rock chip samples from Sunset returned high grades, with best results in the range 33.3 to 96.2g/t Au, 11.6 to 40.5g/t Ag, and up to 1.555% Pb.

During this phase of field exploration activities 37 rock chip samples were collected (majority quartz veins or gossanous outcrop) and submitted for assay. The rock chip grab samples have been assayed and returned high grades with over 70% of the samples > 1g/t Au with an average of 23g/t Au and 24.5g/t Ag. Significant assay results include:

- **Fanning Downs** best assays 1.06 to 370g/t Au
- **Sunset** best assays 0.85 to 96.2g/t Au
- **Rose of Allendale** best assays 8.2 to 72.4g/t Au
- **King Solomon** best assays 1.67 to 11.85g/t Au
- Regional samples best assays 5.94 to 12.5g/t Au

Further exploration activities, such as pXRF surveys and focussed rock chip and conventional soil sampling, will be undertaken at Mt Leyshon, King Solomon, Birthday Hills, Cornishman and Charlie Creek EPMs with a view to trenching and channel sampling at multiple targets within the Ravenswood Gold Project in late-2016.

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**Coalstoun Lakes Copper and Gold Project**

The Company completed the purchase of EPM 14079 from Newcrest Operations Limited for a total consideration of \$200,000 in 2013, with formal transfer completed in late July 2014. Newcrest Operations Limited is a subsidiary of Newcrest Mining Limited. The Coalstoun Lakes Project has significant synergies with the Company's other southeast Queensland projects, in particular the White Horse supergene copper prospect, in the Esk Copper and Gold Project, and the Barambah Gold Project, which are located close by.

The Company announced maiden Inferred Mineral Resource estimates (2012 JORC Code & Guidelines) at the Coalstoun copper deposit located within the Coalstoun Lakes Copper and Gold Project in March 2015. Total Inferred Mineral Resource of 26.9Mt @ 0.38g/t Cu for 102,700t Cu contained; including a supergene copper Inferred Mineral Resource of 7.0Mt @ 0.47% Cu (for 32,700t Cu contained) at 0.3% Cu cut-off (ASX announcement 31 March 2015). These resource estimates were completed within approximately eight months after tenement transfer and have exclusively used historical information.

The Company completed a diamond core and RC drilling program at Coalstoun in August 2015 targeting extensions of supergene secondary copper and high grade copper and gold zones, with the intention of expanding and upgrading the initial Coalstoun Inferred Resources (ASX announcement 23 November 2015). This drilling also provided sample material for density measurements and metallurgical test work. The drill program consisted of both diamond core and reverse circulation techniques for a total of 2 cored holes for 320m and 16 RC holes for 1,580m.

The Company announced an upgrade to the Coalstoun copper deposit supergene zone Inferred Mineral Resource estimate (2012 JORC Code and Guidelines) to 6.1Mt @ 0.5% Cu (for 29,588t Cu contained at a 0.35% Cu cut off in 18 August 2016. This new Mineral Resource incorporates the results from RC and diamond core drilling completed in August 2015, which targeted near surface oxidised copper mineralisation.

The Coalstoun copper deposit has open pit heap leach potential and has synergies with the Company's nearby White Horse supergene copper prospect. The White Horse prospect is located within the Boobyjan tenement (EPM 14476) which forms part of the ActivEX Esk Copper and Gold Project.

**Esk Copper and Gold Project**

The Esk Copper and Gold Project consists of five Exploration Permits (EPM 14476, 14979, 16327, 18717 and part 16265) located 100km west of Gympie in South East Queensland.

The Company completed a diamond core and RC drilling program at Esk in August 2015 targeting supergene secondary copper and high grade copper and gold zones at the White Horse and Kiwi prospects, with the intention of establishing initial Inferred Resources (ASX announcement 23 November 2015). The drill program consists of both diamond core and reverse circulation techniques for a total of 2 cored holes for 156.4m and 6 RC holes for 331m. The best copper interval was obtained from the White Horse prospect: 12m @ 0.9% Cu and 0.1g/t Au from 29m (ABJ033, 0.4% Cu cut-off and maximum 4m internal waste).

The Company is encouraged by the continued excellent drill hole copper assay results obtained at the White Horse and Kiwi prospects, and is looking to bring these prospects to resource stage.

**Barambah Gold Project**

The Barambah Gold Project consists of three Exploration Permits (EPM 14937, 18732 and part 16265) located 100km west of Gympie in South East Queensland.

The Company announced maiden Inferred Mineral Resource estimates (2012 JORC Code & Guidelines) at the Barambah gold-silver deposit located within the Barambah Gold Project in February 2015. Total Inferred Mineral Resource of 363,000t @ 1.47g/t Au and 61.8g/t Ag for 17.2Koz Au and 722Koz Ag contained (ASX announcement 13 February 2015).

In June 2015 the Company announced the signing of a Sale and Purchase Agreement with Norton to purchase their 25% interest in EPM 14937 (Barambah) for a consideration of \$75,000 in cash (ASX announcement 22 June 2015). The Minister's Indicative Approval was received on 10 March 2016 and ActivEX Limited now holds 100% of EPM 14937.

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**Cloncurry Copper and Gold Project**

The Cloncurry Copper and Gold Project consists of thirteen Exploration Permits (EPM 14955, 15285, 17313, 17454, 17805, 18053, 18073, 18511, 18852, 125192, 25194, 25454 and 25455) located south of Cloncurry in North West Queensland. The tenements comprise a total of 338 sub-blocks and encompass an area of 1,082km<sup>2</sup>. ActivEX Limited holds 100% interest in all the tenements.

The Company has concentrated on reviewing historical exploration results at its Cloncurry Copper and Gold Project. Targets have been selected and follow-up portable X-Ray Fluorescence (pXRF) soil surveying, rock chip sampling and geological mapping will be completed over priority areas in late 2016.

**Prospect Creek Gold Project**

The Company executed a Binding Heads of Agreement (HOA) with Cape Clear Minerals Pty Ltd (CCM) on EPM 14121, Prospect Creek in July 2015. CCM was to earn 50% in a Joint Venture with ActivEX by sole funding exploration expenditure of \$200,000 within 18 months (Earning Period). CCM was also to manage all exploration operation during the Earning Period.

Cape Clear Minerals Pty Ltd and the Company agreed to terminate the HOA on 15 December 2015.

**Lake Chandler Potash Project**

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 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<sub>3</sub>(SO<sub>4</sub>)(OH)<sub>6</sub>) mineralisation hosted in a flat lying evaporate sequence of clays (playa lake).

The Company abandoned Reward Lake Prospecting Licence application (P77/3977) on 30 June 2016.

**Occupational Health and Safety**

The Company suffered no lost time injuries during the year.

**Diversity**

The Company has a policy of diversity in employment. The Company workforce is represented by 25% female employees including significant roles at exploration manager level and also representation on the board.

**7. 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.

The ability of the Company to execute its currently planned exploration and evaluation activities requires the Company to raise additional capital within the next 12 months. 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 funds 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, 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.

At the date of this report, the Company has initiated some capital raising endeavours, however it is likely additional funds will be required. As a result, the Directors have concluded that the current circumstances may cast significant doubt regarding the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal

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course of business. Nevertheless, after taking into account the various funding options available, the Directors have a reasonable expectation that the Company will be successful with future fund raising initiatives and, as a result, 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.

The financial report does not include adjustments relating to the recoverability or classification of recorded assets 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.

### 8. Dividends

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

### 9. 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 14 October 2015 the Company announced that it issued 25,000,000 new fully paid ordinary shares for gross proceeds of \$750,000 following the exercise of unlisted options. The Company issued 25,000,000 unlisted options to a sophisticated investor as part of a placement completed in October 2013. The unlisted options were each exercisable at \$0.03 per share at any time up to 17 October 2015.
- On 23 May 2016 the Company announced that it had completed a non-renounceable pro-rata rights issue of fully paid ordinary shares in the capital of the Company (Rights Issue). The Rights Issue closed on 18 May 2016, with subscriptions received from eligible shareholders for approximately 96% of the new securities offered, raising a total of \$1,559,346 (before costs). The Rights Issue offer was for up to approximately 161,703,168 new shares, on the basis of 1 new share for every 4 shares held, at an issue price of \$0.01 per new share, to raise approximately \$1,617,031 (before costs) if fully subscribed. Entitlement applications were received for 147,531,867 new shares and a further 8,402,701 new shares were applied for as additional shortfall shares.

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

### 10. Events Subsequent to Balance Date

On 18 August 2016 the Company announced that it had placed 5,768,600 shortfall shares at \$0.01 per new share for gross proceeds of \$57,686 under the non-renounceable pro-rata rights issue which completed on 23 May 2016.

On 31 August 2016, the Company announced the expiry of 400,000 options exercisable at \$0.06 per option.

### 11. 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.

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.



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**12. Remuneration Report – Audited**

This report details the nature and amount of remuneration for each Director and other key executive 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 executives 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, and overall performance of the Company.

The remuneration policy, setting the terms and conditions for the Managing Director was developed and approved by non-executive Directors. The Managing Director receives a base salary, superannuation, statutory leave entitlements, and may be awarded equity based performance remuneration. Superannuation payments consist of the current superannuation guarantee contribution rate. Individuals may elect to salary sacrifice part of their salary to increased payments towards superannuation. No other form of retirement benefit is paid.

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

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

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.

**Engagement of Remuneration Consultants**

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.

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

2016 Key Management Personnel	Short Term Benefits		Termination Benefits	Post- employment Superannuation	Long Term Benefits	Total
	Salary & Fees	Non-Cash Benefits				
Grant Thomas	254,400	-	-	24,168	-	278,568
Min Yang	36,000	-	-	-	-	36,000
Geoff Baker	36,000	-	-	-	-	36,000
Dongmei Ye	36,000	-	-	-	-	36,000
	362,400	-	-	24,168	-	386,568

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2015 Key Management Personnel	Short Term Benefits		Termination Benefits	Post- employment Superannuation	Long Term Benefits	Total
	Salary & Fees	Non-Cash Benefits				
Grant Thomas	254,400	-	-	24,168	-	278,568
Min Yang	36,000	-	-	-	-	36,000
Geoff Baker	36,000	-	-	-	-	36,000
Dongmei Ye	25,500	-	-	-	-	25,500
	351,900	-	-	24,168	-	376,068

**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 bonuses paid as options or shares in the Company during the year (2015: NIL).

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

During the period the Company agreed to pay Luxe Hill Limited an entity controlled by Ms Min Yang, a Director of the Company, fees of \$36,000 as Director's fees.

During the period the Company agreed to pay Gold Star Industry Limited an entity controlled by Mr Geoff R. Baker, a Director of the Company, fees of \$36,000 as Director's fees.

During the period the Company agreed to pay Star Surpass Limited an entity controlled by Ms Dongmei Ye, a Director of the Company, fees of \$36,000 as Director's fees.

**KMP Shareholdings and Option Holdings**

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

2016	Balance 1 July 2015	Compensation	Options Exercised	Purchased/ (Sold)	Balance 30 June 2016
Grant Thomas	-	-	-	-	-
Min Yang	-	-	-	-	-
Geoff Baker	-	-	-	-	-
Dongmei Ye	100,771,400	-	-	25,192,850	125,964,250
Total	100,771,400	-	-	25,192,850	125,964,250

2015	Balance 1 July 2014	Compensation	Options Exercised	Purchased/ (Sold)	Balance 30 June 2015
Grant Thomas	-	-	-	-	-
Min Yang	-	-	-	-	-
Geoff Baker	-	-	-	-	-
Dongmei Ye	100,571,400 (ii)	-	-	200,000	100,771,400
Total	100,571,400	-	-	200,000	100,771,400

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

(ii) Represents shares held upon appointment as a Director.

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**DIRECTORS' REPORT**

**KMP Shareholdings and Option Holdings (continued)**

**(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 Management Personnel	Position held at 30 June 2016	Contract Details	Proportion of Remuneration:		Total
			Related to performance	Not related to performance	
			Options	All Other	
G Thomas	Managing Director	3 months' notice to terminate	-	100%	100%
M Yang	Non-executive Chairman	No fixed term, termination as provided by Corporations Act	-	100%	100%
G R Baker	Non-executive Director	No fixed term, termination as provided by Corporations Act	-	100%	100%
Dongmei Ye	Non-executive Director	No fixed term, termination as provided by Corporations Act	-	100%	100%

**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.

**Employment Contract of Managing Director**

The contract for service between the Company and the Managing Director commenced in February 2014 for a minimum period of 2 years. It provides for annual review of the compensation value, the terms of this agreement are not expected to change in the immediate future.

The Company may terminate the Managing Director's contract without cause by giving 3 months' notice. The Company may elect to pay-out part, or all, of the notice period in accordance with the terms of the employment agreement including accrued entitlements.

**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.

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

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Exploration expenditure (\$)	1,230,275	1,415,988	797,175	1,041,137
Exploration tenements (no.)	32	34	35	36
Net assets (\$)	5,965,803	6,932,631	8,039,609	9,378,831
Share Price at Year-end (\$)	0.015	0.018	0.035	0.009
Dividends Paid (\$)	NIL	NIL	NIL	NIL

**13. 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.

**14. Corporate Governance**

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

**15. Options**

There were no options granted to Directors and executives of the Company during the current year.

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

<b>Grant Date</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>No. Under Option</b>
11 February 2013	31 January 2017	\$0.03	700,000

No service or performance conditions are attached to the options. The terms and conditions have not changed since grant date.

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

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

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

During the year (14 October 2015) 25,000,000 new fully paid ordinary shares for gross proceeds of \$750,000 were issued on exercise of options.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**DIRECTORS' REPORT**

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**16. 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. The Directors are not aware of any compliance breach arising during the year and up to the date of this report.

**17. Proceedings on Behalf of the Company**

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

**18. 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



Grant Thomas  
Managing Director

Signed: 9<sup>th</sup> day of September 2016

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

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**Competent Person Statement**

The information in this report that relates to exploration results is based on information compiled by Mr G. Thomas, who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and a Member of the Australian Institute of Geoscientists (MAIG) and Ms J. Hugenholtz, who is a Member of the Australian Institute of Geoscientists (MAIG). Both Mr Thomas (Managing Director) and Ms Hugenholtz (Exploration Manager) are full-time employees of ActivEX Limited and have sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and the activities being undertaken to qualify as a Competent Person as defined by the 2012 Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).

Mr Thomas and Ms Hugenholtz 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 2016 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**

*Robertson.*

**A M Robertson**  
Director

Date: 9 September 2016

**ACTIVEX LIMITED**  
**ABN 11 113 452 896**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the year ended 30 June 2016**

	Note	2016 \$	2015 \$
Revenue	2	10,026	7,578
Other income	2	17,760	150,657
Less expenses:			
Corporate & administrative expenses		(301,940)	(300,305)
Employee benefit expense	3	(544,019)	(566,631)
Occupancy expenses		(110,731)	(82,455)
Finance costs	3	-	(62,500)
Current year exploration & evaluation expenditure written-off	3	(14,145)	(27,071)
Write-off of equipment	3	-	(7,618)
<b>Loss before income tax</b>		<b>(943,049)</b>	<b>(888,345)</b>
Tax expense	4	-	-
<b>Loss for the year</b>		<b>(943,049)</b>	<b>(888,345)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year, attributable to members of the entity</b>		<b>(943,049)</b>	<b>(888,345)</b>
<b>Earnings per Share</b>			
Basic earnings per share (cents)	22	(0.14)	(0.15)
Diluted earnings per share (cents)	22	(0.14)	(0.15)

The accompanying notes form part of these financial statements.



**ACTIVEX LIMITED**  
**ABN 11 113 452 896**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	1,475,834	1,054,846
Trade and other receivables	6	3,354	10,305
Other assets	7	87,867	84,671
<b>Total Current Assets</b>		<b>1,567,055</b>	<b>1,149,822</b>
NON-CURRENT ASSETS			
Property, plant and equipment	8	56,380	60,155
Exploration and evaluation assets	9	7,940,030	6,913,038
Trade and other receivables	6	64,440	66,150
<b>Total Non-Current Assets</b>		<b>8,060,850</b>	<b>7,039,343</b>
<b>TOTAL ASSETS</b>		<b>9,627,905</b>	<b>8,189,165</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	106,449	41,698
Provisions	11	142,625	107,857
<b>Total Current Liabilities</b>		<b>249,074</b>	<b>149,555</b>
NON-CURRENT LIABILITIES			
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>249,074</b>	<b>149,555</b>
<b>NET ASSETS</b>		<b>9,378,831</b>	<b>8,039,610</b>
<b>EQUITY</b>			
Issued capital	12	19,452,350	17,170,080
Reserves	13	332,749	332,749
Retained earnings		(10,406,268)	(9,463,219)
<b>TOTAL EQUITY</b>		<b>9,378,831</b>	<b>8,039,610</b>

The accompanying notes form part of these financial statements.

**ACTIVEX LIMITED**  
**ABN 11 113 452 896**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 30 June 2016**

	Note	Share Capital \$	Option Reserve \$	Retained Earnings \$	Total Equity \$
<b>Balance at 1 July 2014</b>		15,174,756	332,749	(8,574,874)	6,932,631
Shares issued during the year	12	2,000,000	-	-	2,000,000
Transaction Costs		(4,676)	-	-	(4,676)
Total comprehensive loss for the year		-	-	(888,345)	(888,345)
<b>Balance at 30 June 2015</b>		<u>17,170,080</u>	<u>332,749</u>	<u>(9,463,219)</u>	<u>8,039,610</u>
Shares issued during the year	12	2,309,346	-	-	2,309,346
Transaction Costs		(27,076)	-	-	(27,076)
Total comprehensive loss for the year		-	-	(943,049)	(943,049)
<b>Balance at 30 June 2016</b>		<u>19,452,350</u>	<u>332,749</u>	<u>(10,406,268)</u>	<u>9,378,831</u>

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 2016**

	Note	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(831,950)	(1,043,143)
Interest received	2	10,026	7,578
Sub-underwriting fees	2	-	76,033
Proceeds from insurance recoveries	2	17,760	74,624
<b>Net cash provided by (used in) operating activities</b>	<b>14</b>	<b>(804,164)</b>	<b>(884,908)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	8	(30,126)	(76,475)
Capitalised exploration expenditure	9	(1,026,992)	(770,104)
Purchase of financial assets	25	-	(2,512,500)
Proceeds from sale of financial assets	25	-	1,150,000
<b>Net cash provided by (used in) investing activities</b>		<b>(1,057,118)</b>	<b>(2,209,079)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		2,309,346	800,000
Transaction costs of shares issued		(27,076)	(4,676)
<b>Net cash provided by (used in) financing activities</b>		<b>2,282,270</b>	<b>795,324</b>
<b>Net increase/(decrease) in cash held</b>		<b>420,989</b>	<b>(2,298,663)</b>
<b>Cash and equivalents at beginning of year</b>		<b>1,054,846</b>	<b>3,353,509</b>
<b>Cash and cash equivalents at 30 June 2016</b>	<b>5</b>	<b>1,475,834</b>	<b>1,054,846</b>

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 2016

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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.

#### 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.

The ability of the Company to execute its currently planned exploration and evaluation activities requires the Company to raise additional capital within the next 12 months. 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 funds 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, 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.

At the date of this report, the Company has initiated some capital raising endeavours, however it is likely additional funds will be required. As a result, the Directors have concluded that the current circumstances may cast significant doubt regarding the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after taking into account the various funding options available, the Directors have a reasonable expectation that the Company will be successful with future fund raising initiatives and, as a result, 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.

The financial report does not include adjustments relating to the recoverability or classification of recorded assets 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.

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

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2016

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

#### Income Tax (continued)

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.

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.

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 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.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2016

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

#### Exploration and Evaluation Assets (continued)

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.

The term "Joint Operation" has been used to describe "Farm-in" and "Farm-out" arrangements.

Where the Company has entered into joint operation agreements on its areas of interest, the earn-in contribution by the joint operation partner is offset against expenditure incurred. Earn-in contributions paid, or expenditure commitments incurred by the Company to acquire a joint operation interest are expensed when incurred up to the time an interest is acquired.

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

#### Restoration Costs

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

#### Financial Instruments

##### *Initial Recognition and Measurement*

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

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not 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 instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2016

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

#### Financial Instruments (continued)

##### *Derecognition*

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

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

##### *Impairment*

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

#### 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, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2016

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

#### 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, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. 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.

#### 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. The fair value of options is determined using the Black-Scholes 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.



# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2016

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

#### Other long-term employee benefits (continued)

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.

#### 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.

Share options are classified as equity and issue proceeds are taken up in the Option Reserve. Transaction costs (net of tax where the deduction can be utilised) arising on the issue of options are recognised in equity as a reduction of the option proceeds received. When these options are exercised, the relevant balance in the Reserve is transferred to issued capital.

#### Revenue and Other Income

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 from customers for goods sold and services performed 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.

#### 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.

# ACTIVEX LIMITED

ABN 11 113 452 896

## Notes to the Financial Statements for the year ended 30 June 2016

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

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

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.

#### Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business where unanimous decisions about relevant activities are required.

The only joint operations the Company has entered into are "Farm-in" and "Farm-out" agreements as discussed in Note 1 under "Exploration and Evaluation Assets".

#### Critical Accounting Estimates and Judgements

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

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

#### Key Estimates

##### *Impairment - general*

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. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No additional impairments have been made for the year ended 30 June 2016.

#### Key Judgements

##### *Exploration and Evaluation Expenditure*

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Refer to Note 9 for details of exploration and evaluation expenditure.

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the year ended 30 June 2016

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

#### Key Judgements (continued)

##### *Going Concern*

Refer comments in Note 1 on Continued Operations and Future Funding.

#### 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 though there are no assets or liabilities measured at fair value.

#### 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 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

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.

Although the directors anticipate that the adoption of AASB 16 will impact the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

**ACTIVEX LIMITED**

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**Notes to the Financial Statements  
for the year ended 30 June 2016**

<b>NOTE 2: REVENUE &amp; OTHER INCOME</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Interest received from unrelated parties	10,026	7,578
<b>Other income</b>		
Sub-underwriting Fees (refer Note 25)	-	76,033
Insurance Recoveries	17,760	74,624
	<u>17,760</u>	<u>150,657</u>

**NOTE 3: EXPENSES**

Included in expenses are the following items:

Interest expense	-	62,500
Exploration expenditure expensed during year	14,145	27,071
Depreciation & amortisation	33,901	32,710
Rental expense on operating leases	109,627	66,381
Write-off of equipment	-	7,618
Employee benefits expenses comprises:		
Short term benefits	843,531	857,621
Contributions to defined contribution plans	66,944	68,888
Other long term benefits	4,715	4,804
	<u>915,190</u>	<u>931,313</u>
Less recharged to exploration & evaluation assets	(371,171)	(364,682)
	<u>544,019</u>	<u>566,631</u>

**NOTE 4: INCOME TAX EXPENSE**

The prima facie tax on the operating loss is reconciled to income tax expense as follows:

Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2015: 30%)	(282,915)	(266,504)
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**Adjust for tax effect of:**

Non-deductible amounts	-	41
Tax losses and temporary differences not brought to account	282,915	266,463
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 (comprising exploration expenditure and provisions)	(2,327,000)	(1,817,237)
Tax losses	5,654,000	4,839,000
Net unbooked deferred tax asset	<u>3,327,000</u>	<u>3,021,763</u>

The Company has unconfirmed carry forward losses of approximately \$18,845,014 (2015: \$16,811,240).

**ACTIVEX LIMITED**

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**Notes to the Financial Statements  
for the year ended 30 June 2016**

<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	175,834	850,534
Short term deposits (a)	1,300,000	204,312
The effective interest rate on short-term deposits was 1.97% (2015: 2.94%).	<u>1,475,834</u>	<u>1,054,846</u>
(a) These deposits have an average maturity of 108 days.		
<b>Reconciliation of cash</b>		
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:	<u>1,475,834</u>	<u>1,054,846</u>
<b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>		
<b>Current:</b>		
Other receivables	<u>3,354</u>	<u>10,305</u>
<b>Non-Current:</b>		
Deposits	<u>64,440</u>	<u>66,150</u>
<b>Credit Risk – Trade and Other Receivables</b>		
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.		
<b>NOTE 7: OTHER ASSETS</b>		
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Current:</b>		
Prepayments	<u>87,867</u>	<u>84,671</u>
<b>NOTE 8: PLANT AND EQUIPMENT</b>		
At cost	433,104	402,979
Accumulated depreciation	(376,724)	(342,824)
Total plant and equipment	<u>56,380</u>	<u>60,155</u>
Reconciliation of the carrying amounts for property, plant and equipment is set out below:		
Balance at the beginning of year	60,155	24,008
Additions	30,126	76,475
Assets written-off	-	(7,618)
Depreciation expense	(33,901)	(32,710)
Total plant and equipment	<u>56,380</u>	<u>60,155</u>

**ACTIVEX LIMITED**

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**Notes to the Financial Statements  
for the year ended 30 June 2016**

<b>NOTE 9: EXPLORATION AND EVALUATION ASSET</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
(a) Exploration and evaluation phase – Company interest 100%	7,940,030	5,870,614
(b) Exploration and evaluation phase – subject to joint operation	-	1,042,424
	<u>7,940,030</u>	<u>6,913,038</u>
<b>(a) Movement in exploration and evaluation expenditure:</b>	<b>Non-Joint Operation</b>	
Opening balance - at cost	5,870,614	5,147,585
Capitalised exploration & evaluation expenditure	996,870	723,029
Transfer from Joint Operation	1,072,546	-
Carrying amount at 30 June 2016	<u>7,940,030</u>	<u>5,870,614</u>
<b>(b) Movement in exploration and evaluation expenditure:</b>	<b>Subject to Joint Operation</b>	
Opening balance - at cost	1,042,424	995,349
Capitalised exploration & evaluation expenditure	30,122	47,075
Transfer to Non-Joint Operation	(1,072,546)	-
Carrying amount at 30 June 2016 (1)	<u>-</u>	<u>1,042,424</u>

(1) Ceased to be subject to Joint Operation on 10 March 2016.

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.

<b>NOTE 10: TRADE &amp; OTHER PAYABLES</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Current:</b>		
Unsecured liabilities		
Sundry payables and accrued expenses	106,449	41,698
Total payables (unsecured)	<u>106,449</u>	<u>41,698</u>

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:	<u>106,449</u>	<u>41,698</u>
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# ACTIVEX LIMITED

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## Notes to the Financial Statements for the year ended 30 June 2016

NOTE 11: PROVISIONS	2016	2015
	\$	\$
<b>Current</b>		
Provision for annual leave benefits	93,904	63,851
Provision for long-term employee benefits	48,721	44,006
	142,625	107,857
Opening balance	107,857	68,102
Additional provisions	54,241	57,824
Amounts used	(19,473)	(18,069)
Balance at year end	142,625	107,857

### NOTE 12: ISSUED CAPITAL

802,747,240 (2015: 621,812,672) fully paid ordinary shares	19,452,350	17,170,080
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(a) Ordinary shares	2016	2015
	No.	No.
Balance at the beginning of the reporting period	621,812,672	506,812,672
Shares issued during the period:		
Issued on 16 September 2014 at \$0.016 consideration	-	75,000,000
Issued on 30 December 2014 at \$0.02 as a placement	-	40,000,000
Issued on 17 October 2015 at \$0.03 consideration	25,000,000	-
Issued on 24 May 2016 at \$0.01 consideration	155,934,568	-
Balance at reporting date	802,747,240	621,812,672

On 17 October 2015, the Company issued 25,000,000 shares at \$0.03 upon exercise of unlisted options.

On 25 May 2016, the Company issued 155,934,568 shares at \$0.01 as part of a Rights Issue.

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

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

### (b) Options on issue are as follows:

#### (i) Unlisted employee & officer options

Balance at beginning of period	1,100,000	1,750,000
Expired during the period	-	(250,000)
Forfeited during the period	-	(400,000)
Balance at reporting date	1,100,000	1,100,000

#### (ii) Other unlisted options

Balance at beginning of period	25,000,000	25,000,000
Exercised during the period	(25,000,000)	-
Balance at reporting date	-	25,000,000

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the year ended 30 June 2016

### NOTE 12: ISSUED CAPITAL (continued)

#### (c) 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.

### NOTE 13: 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.

### NOTE 14: CASH FLOW INFORMATION

	2016	2015
	\$	\$
<b>(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax:</b>		
Loss from ordinary activities after income tax	(943,049)	(888,345)
Non-cash flows in loss from ordinary activities:		
Depreciation	33,901	32,710
Loss on assets written-off	-	7,618
Capitalised finance costs	-	62,500
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	8,661	3,569
(Increase)/Decrease in prepayments	(3,196)	(15,367)
(Decrease)/Increase in payables	64,751	(127,348)
(Decrease)/Increase in provisions	34,768	39,755
Cash flows from operations	<u>(804,164)</u>	<u>(884,908)</u>

### NOTE 15: 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.

#### (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:



# ACTIVEX LIMITED

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## Notes to the Financial Statements for the year ended 30 June 2016

### NOTE 15: RELATED PARTY TRANSACTIONS (continued)

During the period the Company agreed to Star Surpass Limited an entity controlled by Ms Ye, a director of the Company fees of \$36,000 as director's fees.

During the period the Company agreed to pay Luxe Hill Limited an entity controlled by Ms Min Yang, a director of the Company, fees of \$36,000 as director's fees.

During the period the Company agreed to pay Gold Star Industry Limited an entity controlled by Mr Geoff R. Baker, a director of the Company, fees of \$36,000 as director's fees.

During the period the Company agreed to pay ASF Group Limited, an entity of which Ms Yang and Mr Baker are directors, fees of \$99,600 for office rent and outgoings.

### NOTE 16: COMMITMENTS

	2016	2015
	\$	\$
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements, payable:		
Not later than 1 year	21,309	13,485
Later than 1 year but not later than 5 years	-	-
Total commitment	<u>21,309</u>	<u>13,485</u>

The lease commitment relates to two non-cancellable premises leases with a one-year term and another premises lease with ASF Group Limited that maybe cancelled providing two months' notice by either party. All arrangements require rent to be paid monthly in advance.

### (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.

	2016	2015
	\$	\$
The following commitments exist at balance date but have not been brought to account:		
Not later than 1 year	2,334,802	2,507,144
Later than 1 year but not later than 5 years	3,488,792	4,365,101
Later than 5 years	44,871	31,616
Total commitment	<u>5,868,465</u>	<u>6,903,861</u>

### NOTE 17: SEGMENT INFORMATION

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

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the year ended 30 June 2016

### NOTE 18: SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2016:

The Company had 1,100,000 share options on issue at the start of the year, being options granted in prior years under the Company's Employees and Officers Share Purchase Plan.

The Company also had 25,000,000 share options on issue at the start of the year, being options granted in prior years in connection with a placement to sophisticated investors. On 17 October 2015 these options were exercised at a price of \$0.03.

Of the options on issue at the end of the year, 400,000 options have an exercise price \$0.06, expiring 31 August 2016, 700,000 options have an exercise price \$0.03, expiring 31 January 2017.

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. Options issued under all share based payment arrangements are summarised as:

	2016		2015	
	Number of Options	Weighted Average Exercisable Price	Number of Options	Weighted Average Exercisable Price
	No	\$	No	\$
Outstanding at the beginning of the year	26,100,000	0.030	26,750,000	0.032
Granted	-	-	-	0.000
Forfeited	-	0.000	(400,000)	0.094
Exercised	(25,000,000)	0.030	-	-
Expired	-	-	(250,000)	0.150
Outstanding at year-end	1,100,000	0.04	26,100,000	0.03
Exercisable & vested at year-end	1,100,000	0.04	26,100,000	0.03

The weighted average remaining contractual life of options at year-end was 0.43 years.

The weighted average fair value of outstanding options at end of the year was \$0.04.

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the year ended 30 June 2016

### NOTE 19: EVENTS AFTER BALANCE SHEET DATE

On 18 August 2016 the Company announced that it had placed 5,768,600 shortfall shares at \$0.01 per new share for gross proceeds of \$57,686 under the non-renounceable pro-rata rights issue which completed on 23 May 2016.

On 31 August 2016, the Company announced the expiry of 400,000 options exercisable at \$0.06 per option.

### NOTE 20: AUDITORS' REMUNERATION

	2016	2015
	\$	\$
Remuneration of the auditor for:		
- auditing or reviewing the financial report	29,800	25,470
No fees were paid for non-audit services.		

### NOTE 21: CONTINGENT LIABILITIES

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

### NOTE 22: EARNINGS PER SHARE

Net loss used to calculate basic and dilutive EPS	943,048	888,345
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	654,726,766	585,730,480
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive EPS	654,726,766	585,730,480

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

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the year ended 30 June 2016

### NOTE 23: KEY MANAGEMENT PERSONNEL COMPENSATION

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

(a) Key Management Person	Position
Grant Thomas	Managing Director - Executive
Min Yang	Non-Executive Chairman
Geoff R. Baker	Director - Non-Executive
Dongmei Ye	Director - Non-Executive

Other than the Directors, the Company has no Key Management Personnel.

(b) Key Management Personnel Compensation	2016	2015
	\$	\$
Short-term employee benefits	362,400	351,900
Post-employment benefits	24,168	24,168
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u>386,568</u>	<u>376,068</u>

Detailed disclosures on compensation for key management personnel are set out in the Remuneration Report included in the Directors' Report. Refer also Note 15 for fees and services provided by director related parties.

#### 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.

#### Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

#### Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the directors' report.

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the year ended 30 June 2016

### NOTE 24: 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:

	2016	2015
	\$	\$
<b>Financial assets:</b>		
Cash and cash equivalents	1,475,834	1,054,846
Trade and other receivables	67,794	76,455
Total financial assets	<u>1,543,628</u>	<u>1,131,301</u>
<b>Financial liabilities:</b>		
Financial liabilities at amortised cost		
- Trade and other payables	106,449	41,698
Total financial liabilities	<u>106,449</u>	<u>41,698</u>

#### (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

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

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

#### 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.

This risk is managed through the use of variable rate bank accounts, and fixed interest convertible loan borrowings.

#### 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.

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the year ended 30 June 2016

### NOTE 24: FINANCIAL RISK MANAGEMENT POLICIES (continued)

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

- . only banks and financial institutions with an 'A' rating are utilised
- . all joint venture partners are rated for credit worthiness taking into account their size, market position and financial standing
- . the carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk

#### 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, rather than from borrowings.

#### (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.

	2016	2015
	\$	\$
<b>Financial assets:</b>		
Within 1 year		
- cash and cash equivalents (a)	1,475,834	1,054,846
- trade and other receivables (b)	3,354	10,305
	<hr/>	<hr/>
	1,479,188	1,065,151
Within 1 - 2 years		
- receivables (b)	64,440	66,150
	<hr/>	<hr/>
Total	1,543,628	1,131,301
<b>Financial liabilities:</b>		
Within 1 year		
- payables (b)	(106,449)	(41,698)
	<hr/>	<hr/>
Total	(106,449)	(41,698)
<b>Net (outflow) inflow:</b>		
Within 1 year	1,372,740	1,023,453
Within 1 - 2 years	64,440	66,150
	<hr/>	<hr/>
<b>Total Net (outflow) inflow</b>	1,437,180	1,089,603

(a) Floating interest rates, with weighted average effective interest rate 1.97% (2015: 2.94%).

(b) Non-interest bearing.

# ACTIVEX LIMITED

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## Notes to the Financial Statements for the year ended 30 June 2016

### NOTE 24: FINANCIAL RISK MANAGEMENT POLICIES (continued)

#### (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 +/- \$14,758 (2015: \$10,548).

### NOTE 25: OTHER FINANCIAL ASSETS

During the prior year (ended 30 June 2015) the Company acquired 83,750,000 shares in Metaliko Resources Limited, an ASX listed company (MKO), for total consideration of \$2,512,500 which were acquired as a result of a sub-underwriting agreement to a prospectus. The Company earned a fee of \$76,033 for the sub-underwriting. Ms Min Yang and Mr Geoff Baker are directors of ActivEX Limited and also a director of MKO.

MKO interests were disposed during the year in a number of transactions as follows:

<i>Movements in investment in Metaliko Resources Limited:</i>	<b>No. Of Shares</b>	<b>\$</b>
Sub-underwriting allotment - 24 July 2014 (24.26% interest)	83,750,000	2,512,500
Transfer to Unique Investment Holdings Pty Ltd at \$0.03 per share to partially repay convertible loan on 15 September 2014 (refer Note 12)	(45,416,667)	(1,362,500)
Off-market sale on 27 October 2014 to Jia Song Global Limited at \$0.03 per share	(16,666,667)	500,000
Off-market sale on 29 April 2015 to Jade Silver Investments Limited at \$0.03 per share	(21,666,666)	(650,000)
<b>Balance</b>	<b>-</b>	<b>-</b>

As a result of these transactions there was no loss or gain on disposal of MKO shares.

### NOTE 26: COMPANY DETAILS

The registered office and principal place of business is:

Suite 3402, Level 34 Riverside Centre  
123 Eagle Street  
Brisbane, QLD 4000

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 (IFRS); and
  - (b) give a true and fair view of the financial position as at 30 June 2016 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



Grant Thomas  
Managing Director

Dated this: 9<sup>th</sup> day of September 2016



## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ACTIVEX LIMITED

### Report on the Financial Report

We have audited the accompanying financial report of ActivEX Limited ("the company"), which comprises the statement of financial position as at 30 June 2016 the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

### Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1 the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

### Auditor's Responsibility

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

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

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

### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ActivEX Limited as attached to the directors' report, has not changed as at the date of this auditor's report.

#### Nexia Brisbane Audit Pty Ltd

Registered Audit Company 299289  
Level 28, 10 Eagle Street, Brisbane QLD 4000  
GPO Box 1189, Brisbane QLD 4001  
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## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ACTIVEX LIMITED (CONTINUED)**

### **Auditor's Opinion**

In our opinion:

- a) the financial report of ActivEX Limited is in accordance with the *Corporations Act 2001*, including:
  - i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### **Emphasis of Matter – Continued Operations and Future Funding**

Without qualifying our opinion, we draw attention to Note 1 in the financial report which states that the company's ability to execute its planned exploration and evaluation activities and meet other necessary corporate expenditure is dependent on the company's ability to raise additional funds. The matters set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

As set out in the note the directors have prepared the financial report on a going concern basis.

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

We have audited the remuneration report included in pages 9 to 12 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF ACTIVEX LIMITED (CONTINUED)**

***Auditor's Opinion***

In our opinion the remuneration report of ActivEX Limited for the year ended 30 June 2016 complies with s 300A of the *Corporations Act 2001*.

*Nexia Brisbane Audit Pty Ltd.*

**Nexia Brisbane Audit Pty Ltd**

*Robertson.*

**A M Robertson**  
Director

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

Date: 9 September 2016

# ACTIVEX LIMITED

ABN 11 113 452 896

## ASX INFORMATION

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

### 1. Shareholding:

The following information is provided as at 2 September 2016.

(a) Distribution of Shareholders Number:

Category Number (Size of Holding)	Holders (Number)	Ordinary Shares (Number)
1 - 1,000	25	2,868
1,001 - 5,000	16	53,805
5,001 - 10,000	56	545,607
10,001 - 100,000	229	10,190,183
100,001 - and over	111	797,723,377
	<b>437</b>	<b>808,515,840</b>

(b) The number of shares held in less than marketable parcels is 220.

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

	Number of Shares Held	% of Total Issued Capital
Great Scheme Investments Limited	153,125,000	18.939
ASF Gold And Copper Pty Ltd	151,970,392	18.796
Union Sino Global Limited	127,953,315	15.826
Unique Investment Holdings Pty Ltd <Unique Invest Unit No 1 A/C>	125,964,250	15.580
Elite Ray Investments Limited	86,440,678	10.691

(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.

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

**ACTIVEX LIMITED**

ABN 11 113 452 896

**ASX INFORMATION****(e) Twenty Largest Holders – Ordinary Shares**

	<b>Shareholder</b>	<b>Number of Shares Held</b>	<b>% of Total Issued Capital</b>
1.	Great Scheme Investments Limited	153,125,000	18.939
2.	ASF Gold And Copper Pty Ltd	151,970,392	18.796
3.	Union Sino Global Limited	127,953,315	15.826
4.	Unique Investment Holdings Pty Ltd <Unique Invest Unit No 1 A/C>	125,964,250	15.580
5.	Elite Ray Investments Limited	86,440,678	10.691
6.	BNP Paribas Noms Pty Ltd <UOB KH P/L AC UOB KH DRP>	27,662,164	3.421
7.	Xiao Hui Enterprises Limited	14,778,231	1.828
8.	Mrs Yinxin He	12,876,250	1.593
9.	Start Grand Global Limited LPD Holdings (Aust) Pty Ltd	10,875,000	1.345
10.	HSBC Custody Nominees (Australia) Limited	8,000,297	0.990
11.	Mr Dongming Ye	7,733,942	0.957
12.	LPD Holdings (Aust) Pty Ltd	7,163,680	0.886
13.	Mr Feixiong Ye	4,500,000	0.557
14.	R C Sadleir Pty Ltd	4,483,722	0.555
15.	Mr Geoff Meade	4,400,000	0.544
16.	Leejames Nominees Pty Ltd <The Hepburn Super Fund A/C>	4,000,000	0.495
17.	Mr Sufian Ahmad <Sixty Two Capital A/C>	3,868,600	0.478
18.	Mr Andrew Kennedy	3,058,800	0.378
19.	Mr Weijiang Ye	2,437,500	0.301
20.	Greenhouse Investments (Vic) Pty Ltd <AMF Super Fund A/C>	2,400,000	0.297
		<b>763,691,821</b>	<b>94.456</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**

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

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

**4. Restricted Securities**

The Company has no restricted securities on issue.

**ACTIVEX LIMITED**

ABN 11 113 452 896

**ASX INFORMATION****5. Mining Tenements**

<b>EPM No &amp; Name</b>	<b>% Owned</b>
EPM 14079 Coalstoun	100%
EPM 14121 Prospect Creek	100% <sup>i</sup>
EPM 14332 Pentland	100%
EPM 14476 Booubyjan	100%
EPM 14937 Barambah	100% <sup>ii</sup>
EPM 14955 Mt Agate	100%
EPM 14979 Dadamarine	100%
EPM 15055 Oxley Creek	100%
EPM 15185 Norwood South	100%
EPM 15285 Florence Creek	100%
EPM 16265 Blairmore	100%
EPM 16327 Ban Ban	100%
EPM 17313 Malbon	100%
EPM 17454 Camel Hill	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 18717 Stockhaven	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 25467 Birthday Hills	100%
EPMa 26232 Gum Flat	100%
EPMa 26307 Split Rock	100%
M77/22 Lake Chandler	100%

- i. The Company executed a Binding Heads of Agreement (HOA) with Cape Clear Minerals Pty Ltd (CCM) in July 2015. Cape Clear Minerals Pty Ltd and the Company agreed to terminate the HOA on 13 January 2016.
- ii. In June 2015 the Company announced the signing of a Sale and Purchase Agreement with Norton to purchase their 25% interest in EPM 14937 (Barambah) for a consideration of \$75,000 in cash (ASX announcement 22 June 2015). The Minister's Indicative Approval was received on 10 March 2016 and ActivEX Limited now holds 100% of EPM 14937.