

ACTIVEX LIMITED

ABN 11 113 452 896

**FINANCIAL REPORT
FOR THE PERIOD ENDED
31 DECEMBER 2009**

ACTIVEX LIMITED
ABN 11 113 452 896

DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2009.

DIRECTORS

The names of directors who held office during or since the end of the half-year:

I.C Daymond

D.I. Young

P.A. Crawford

REVIEW OF OPERATIONS

The Company's operating loss for the half year, after nil income tax was \$355,503 (2008: \$241,806). Exploration and evaluation expenditure during the period totalled \$1,373,277 (2008: \$1,197,521).

During the reporting period the Company completed a fully underwritten, one for two non-renounceable entitlement issue at \$0.05 each, to raise \$1,024,718. The issue was commenced in June 2009 and completed on 9 July 2009.

During the period, the Company has carried out an active program of exploration/investigation on most of its tenement holdings, completed drilling on the Boobyjan project areas and has completed further testing and research on the Lake Chandler Project including initiation of a scoping study. The Company has also exercised the option to purchase the Lake Chandler Potash project.

Lake Chandler Potash Project (*M77/22 (W.A.) - ActivEX 100%*)

In October the Company exercised its Option to Purchase the Lake Chandler Potash Project near Merredin in the central wheatbelt of Western Australia. The option, exercised by the payment of \$600,000 satisfied by the issue of 10 million fully paid ordinary shares to the vendors, less 1.5 million shares already issued to the vendors by way of the option fee. The issue of shares was subject to prior shareholder approval and this approval was given at the Company's Annual General Meeting in November 2009.

Extensive testing of processing parameters continues at this project with tests focussed on washing and slurring, ammonia leaching, filtration and precipitation of the SOP (sulphate of potash) and SOA (sulphate of ammonia) products.

Marketing studies have continued to establish potential markets, end users and possible strategic alliances in the WA wheatbelt area. Environmental studies have been commenced to fast track permitting processes for future development.

A scoping study of the project was commenced in October 2009 and is continuing. It is expected to be completed in early 2010.

Pentland Joint Venture (*EPM 14332, 15055, 15185 - ActivEX 100%, China Yunnan Copper Australia Limited earning up to 70%*)

Field work has continued to focus on developing additional targets in these areas. In October 2009 the Company agreed to joint venture the project to China Yunnan Copper Australia Limited which can farm-in to the project by spending \$1.25M to earn 51% and advance to a 70% interest in the project by spending a further \$1.75M. Initial drilling of the Mt Remarkable and Norwood targets is planned for early 2010.

Boobyjan Joint Venture (*EPM 14476, 14979 - ActivEX 49%, Minotaur 51% and Mitsubishi Corporation and Mitsubishi Materials Corporation option to earn 24%*)

DIRECTORS' REPORT

Drilling program commenced in May 2009 of five holes for a total of 2681 metres of core has been completed in the period. The drill targets were magnetic pipe like bodies interpreted to be zones of potassic alteration which could host porphyry style copper-gold mineralisation.

Drilling intersected weak copper gold mineralisation with some higher grades over small (~5m) intervals with the best intersections being 5 metres @ 0.34%Cu and 0.12g/t Au with wider zones up to 32 metres of 0.1% Cu and 0.04g/t Au associated with breccias which are milled in part. Several pulses of quartz veining were recognised. The project is undergoing a review prior to further exploration activities.



Figure 1: ActivEX Limited Projects.

Cloncurry Projects (EPM 15285, Applications 17313, 17454, 17648, 17652, 17653, 17805, 18053, 18073 - ActivEX 100%)

The Company has carried out extensive soil and rock sampling programs in the Green Valley area and has recently commenced a SAM (sub audio magnetics) survey in the area. The work has defined new anomalous zones of copper mineralisation at Florence Bore North and Florence Bore South which exhibit high gold grades associated with the copper in rock chip samples.

At Dandy Extended structures carrying anomalous molybdenum values up to 0.4% Mo have been identified over a 450 metre strike length but the structure has been difficult to trace outside this area.

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DIRECTORS' REPORT

Prospect Creek Project (*EPM 14121 - ActivEX 100%*)

Work is in progress on a target generation program supported by the Queensland Government as part of the 2009 Smart Mining Industry Network Initiative. The program is earmarked for generation of porphyry targets in the Gossans West area using state of the art portable XRF analysis and PIMA spectroscopy technology.

Esk Trough Projects (*EPM 16265, 16327, 17092 - ActivEX 100%*)

During the period ActivEX has concentrated work on the newly granted EPM 17092 with rock and soil sampling being carried out over the German Gully area.

SUBSEQUENT EVENTS

Since balance date, the Company has issued 10,500,000 fully paid ordinary shares at 8 cents per share to raise \$840,000.

The Company also intends, subject to shareholder approval, to issue a further tranche of 3,250,000 fully paid ordinary shares at 8 cents per share to raise an additional \$260,000. This is expected to be completed by 31 March 2010.

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

No other material matters or circumstances have arisen since balance date.

CONTINUED OPERATIONS AND FUTURE FUNDING

The financial report has been prepared on a going concern basis that contemplates the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 31 December 2009, the Company's balance sheet shows total assets of \$3,673,305, total liabilities of \$240,042 and net assets of \$3,433,263, including cash assets of \$489,718. Conditions of exploration permits held include minimum expenditure commitments. Committed expenditure in the next 12 months totals \$770,452.

The Company undertakes exploration activity on a number of projects. Historically, this activity has been financed by equity and joint ventures. The Company's ability to continue with these planned exploration activities is dependent on having finance available.

Since balance date, the Company has entered into a mandate agreement to raise additional capital totalling \$1,100,000. At the date of signing these financial reports \$840,000 has been received under the mandate and the balance is expected to be placed following receipt of shareholder approval at a General Meeting to be held in March 2010. Directors are also reviewing exploration activity and corporate expenditures. On the basis of completing currently planned activities, the Company will be seeking to raise further funds during 2010. This funding requirement may be satisfied by the conversion of options expiring in July 2010.

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

AUDITOR'S INDEPENDENCE DECLARATION

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

DIRECTORS' REPORT

This report is signed in accordance with a resolution of the Board of Directors.



Ian C. Daymond
Chairman



Douglas I. Young
Managing Director

Dated this 9th day March 2010

The information in this report that relates to exploration results is based on information compiled by Mr D. I. Young, who is a Fellow of the Australian Institute of Geoscientists and a full-time employee of ActioEX Limited. Mr Young has sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and the activities which he is undertaking to qualify as a Competent Person as defined by the most recent Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Young consents to the inclusion of his name in this report and to the issue of this report in the form and context in which it appears.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2009 and of its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Ian C. Daymond
Chairman



Douglas I. Young
Managing Director

Dated this 9th day of March 2010

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, in relation to our review of the financial statements of ActivEX Limited for the half-year ended 31 December 2009 there have been:

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

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

Date: 9 March 2010

ACTIVEX LIMITED
ABN 11 113 452 896
STATEMENT OF COMPREHENSIVE INCOME
for the half-year ended 31 December 2009

	Note	Half- year ended 31 December 2009 \$	Half- year ended 31 December 2008 \$
Interest income		7,723	17,126
Administrative expenses		(149,364)	(138,050)
Employee benefit expense		(65,624)	(59,891)
Occupancy expenses		(28,566)	(28,942)
Current year exploration & evaluation expenditure written-off		(45,961)	(32,049)
Capitalised exploration & evaluation expenditure written-off		(73,711)	-
Loss before income tax expense		(355,503)	(241,806)
Income tax expense		-	-
Loss for the period		(355,503)	(241,806)
Other comprehensive income		-	-
Total comprehensive loss attributable to members		(355,503)	(241,806)
Earnings per Share			
Basic earnings per share (cents per share)	6	(0.57)	(0.74)
Diluted earnings per share (cents per share)		(0.57)	(0.74)
Dividends per share (cents per share)	7	-	-

The accompanying notes form part of these financial statements.

ACTIVEX LIMITED
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STATEMENT OF FINANCIAL POSITION
As at 31 December 2009

	Note	31 December 2009 \$	30 June 2009 \$
CURRENT ASSETS			
Cash and cash equivalents		489,718	1,133,291
Trade and other receivables		61,415	211,368
Other current assets		43,674	37,978
Total Current Assets		594,807	1,382,637
NON-CURRENT ASSETS			
Property, plant and equipment		92,283	124,294
Exploration and evaluation asset	3	2,956,215	2,022,062
Other receivables		30,000	35,000
Total Non-Current Assets		3,078,498	2,181,356
TOTAL ASSETS		3,673,305	3,563,993
CURRENT LIABILITIES			
Trade and other payables		240,042	1,190,610
Total Current Liabilities		240,042	1,190,610
TOTAL LIABILITIES		240,042	1,190,610
NET ASSETS		3,433,263	2,373,383
EQUITY			
Issued capital	4	5,219,358	3,785,714
Reserves		134,934	153,195
Retained earnings		(1,921,029)	(1,565,526)
TOTAL EQUITY		3,433,263	2,373,383

The accompanying notes form part of these financial statements.

ACTIVEX LIMITED
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STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2009

	Note	Share Capital	Option Reserve	Retained Earnings	Total Equity
		\$	\$	\$	\$
Balance at 1 July 2008		3,196,964	135,188	(978,531)	2,353,621
Shares issued during the period		330,000	-	-	330,000
Transaction costs		(13,500)	-	-	(13,500)
Options issued during the period		-	13,500	-	13,500
Share based payment - employee share option expense		-	1,917	-	1,917
Total comprehensive loss for the period		-	-	(241,806)	(241,806)
Balance at 31 December 2008		3,513,464	150,605	(1,220,337)	2,443,732
Balance at 1 July 2009		3,785,714	153,195	(1,565,526)	2,373,383
Shares issued during the period	4	1,535,458	-	-	1,535,458
Transaction costs	4	(101,814)	-	-	(101,814)
Options issued during the period	4	-	-	-	-
Transaction costs	4	-	(21,463)	-	(21,463)
Share based payment - employee share option expense		-	3,202	-	3,202
Total comprehensive loss for the period		-	-	(355,503)	(355,503)
Balance at 31 December 2009		5,219,358	134,934	(1,921,029)	3,433,263

The accompanying notes form part of these financial statements.

ACTIVEX LIMITED
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STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2009

	Note	31 December 2009 \$	31 December 2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(29,795)	(228,167)
Interest received		7,723	17,126
Net cash provided by (used in) operating activities		<u>(22,072)</u>	<u>(211,041)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,100)	(49,178)
Exploration expenditure (net)	3	(497,864)	(295,685)
Net cash provided by (used in) investing activities		<u>(498,964)</u>	<u>(344,863)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	12	740	270,000
Costs associated with shares & option issues		(123,277)	-
Net cash provided by (used in) financing activities		<u>(122,537)</u>	<u>270,000</u>
Net increase/(decrease) in cash held		(643,573)	(285,904)
Cash at 1 July		1,133,291	688,339
Cash at 31 December		<u>489,718</u>	<u>402,435</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements for the half-year ended 31 December 2009

NOTE 1: BASIS OF PREPARATION

This general purpose financial report for the interim half-year reporting period ended 31 December 2009 has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of ActivEX Limited as at 30 June 2009, together with any public announcements made by ActivEX Limited during the interim reporting period in accordance with the continuous disclosure obligations of the Corporations Act 2001.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period as disclosed in the 30 June 2009 annual report, except for new and revised Accounting Standards as set out in Note 13.

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Continued Operations and Future Funding

The financial report has been prepared on a going concern basis that contemplates the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 31 December 2009, the Company's balance sheet shows total assets of \$3,673,305, total liabilities of \$240,042 and net assets of \$3,433,263, including cash assets of \$489,718. Conditions of exploration permits held include minimum expenditure commitments. Committed expenditure in the next 12 months totals \$770,452.

The Company undertakes exploration activity on a number of projects. Historically, this activity has been financed by equity and joint ventures. The Company's ability to continue with these planned exploration activities is dependent on having finance available.

Since balance date, the Company has entered into a mandate agreement to raise additional capital totaling \$1,100,000. At the date of signing these financial reports \$840,000 has been received under the mandate and the balance is expected to be placed following receipt of shareholder approval at a General Meeting to be held in March 2010. Directors are also reviewing exploration activity and corporate expenditures. On the basis of completing currently planned activities, the Company will be seeking to raise further funds during 2010. This funding requirement may be satisfied by the conversion of options expiring in July 2010.

Directors are confident that these further funding initiatives will be successful, however there can be no assurance that such funding will in fact be raised.

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

The interim financial report was approved by the Board of Directors on 9 March 2010.

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**Notes to the Financial Statements
for the half-year ended 31 December 2009**

NOTE 2: PROFIT FOR THE PERIOD

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

	Half year ended 31 Dec 2009	Half year ended 31 Dec 2008
	\$	\$
Interest received from other persons	7,723	17,126
Depreciation of plant and equipment	33,111	31,138

NOTE 3: EXPLORATION AND EVALUATION ASSET

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

	31 December 2009	30 June 2009
	\$	\$
Exploration and evaluation phase - joint venture	210,418	210,418
Exploration and evaluation phase - other	2,745,797	1,811,644
	2,956,215	2,022,062

Movement in exploration and evaluation expenditure:

	31 December 2009	31 December 2009
	Joint Venture	Other
Opening balance - at cost	210,418	1,811,644
Transfer from other exploration to joint venture	-	-
Tenement acquisition	-	510,000
Capitalised exploration expenditure	319,452	497,864
Earn in contribution by joint venture partner	(319,452)	-
Government grants received	-	-
Exploration expenditure written-off	-	(73,711)
	210,418	2,745,797

Movement in exploration and evaluation expenditure:

	30 June 2009	30 June 2009
	Joint Venture	Other
Opening balance - at cost	-	1,521,851
Transfer from other exploration to joint venture	210,418	(210,418)
Capitalised exploration expenditure	530,700	634,772
Government grants received	-	(70,821)
Earn in contribution by joint venture partner	(530,700)	-
Exploration expenditure written-off	-	(63,740)
	210,418	1,811,644

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development of projects, or alternatively, through the sale of the areas of interest.

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

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Notes to the Financial Statements for the half-year ended 31 December 2009

NOTE 3: EXPLORATION AND EVALUATION ASSET (continued)

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

Boobyjan Joint Venture:

Under the joint venture agreement, Minotaur Investments Pty Ltd has earned a 51% interest in the tenements.

Minotaur's interest can increase to 75% through the contribution of a further \$1,000,000 in exploration expenditure on the joint venture area by 24 November 2011. During the period, Minotaur contributed \$319,452 toward this earn-in expenditure. Mitsubishi Corporation and Mitsubishi Materials Corporation have an option to acquire 24% of this interest.

Barambah Joint Venture:

Under the initial joint venture agreement with Norton Goldfields Limited, entered into in April 2007, the Company can earn a minimum 50% interest in the tenements subject to the joint venture by spending \$250,000 on further exploration within 24 months of the commencement of the joint venture. The Company may not withdraw from the joint venture until it has spent a minimum of \$100,000. After earning its initial interest in the joint venture tenements, the Company may elect to spend a further \$350,000 on exploration to earn an additional 25% interest. At balance date the Company had not earned any interest under the joint venture. During the period the Company incurred \$2,103 expenditure, which has been charged directly to the income statement. Total expenditure incurred under the joint venture is \$106,861.

The Company has entered into an agreement with Norton Goldfields to extend the terms of the joint venture to provide a further 24 months for the Company to acquire interests under the joint venture, on the terms outlined above.

Pentland Joint Venture:

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

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

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

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Notes to the Financial Statements for the half-year ended 31 December 2009

	31 December 2009	30 June 2009
	\$	\$
NOTE 4: ISSUED CAPITAL		
70,492,333 (June: 41,488,722) fully paid ordinary shares	5,219,358	3,785,714
Ordinary shares	No.	No.
Balance at the beginning of the reporting period	41,488,722	30,388,722
Shares issued during the period:		11,100,000
9 July 2009 (a)	20,494,361	-
21 August 2009 (b)	6,250	-
29 September 2009 (b)	3,000	-
30 November 2009 (c)	8,500,000	-
Balance at reporting date	70,492,333	41,488,722
(a) Issued at \$0.05 each to raise \$1,024,718 cash (less costs of \$101,814).		
(b) Issued at \$0.08 each on exercise of options.		
(c) Issued at \$0.06 each as consideration for exercising the option over mining tenement M77/22 (refer note 3).		
Options on issue are as follows:	No.	No.
Options listed on the Australian Securities Exchange	15,797,362	-
Balance at beginning of period	-	15,194,361
Expired during period	-	(15,194,361)
Issued during the period:		
30 July 2009	15,806,612	-
Exercised during period	(9,250)	-
Balance at reporting date	15,797,362	-
Unlisted Employee & Officer Options		
Balance at beginning of period	1,400,000	600,000
Issued during the period:	-	800,000
1 December 2009 (d)	1,350,000	-
Balance at reporting date	2,750,000	1,400,000
(d) Issued for nil consideration, exercisable at \$0.15 per option, expiring on 30 November 2014. A fair value of \$0.028 per option has been calculated using a binomial option valuation model, using as inputs, exercise price \$0.15, volatility of 44.3%, term of 5 years, nil dividend and risk free rate of 5.75%.		
Other Unlisted Options		
Balance at beginning of period	750,000	-
Issued during the period:	-	750,000
Balance at reporting date	750,000	750,000

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**Notes to the Financial Statements
for the half-year ended 31 December 2009****NOTE 5: RELATED PARTY TRANSACTIONS**

The company undertakes transactions with related parties in the normal course of business. In the current period, arrangements with related parties continue to be in place, consistent with those reported in the 30 June 2009 annual financial report.

	Half year ended 31 Dec 2009	Half year ended 31 Dec 2008
	cents	cents
NOTE 6: EARNINGS PER SHARE		
Basic earnings per share (cents)	(0.57)	(0.74)
Diluted earnings per share (cents)	(0.57)	(0.74)
Net profit/(loss) after tax used in the calculation of basic and diluted earnings per share	(355,503)	(241,806)

Options are considered potential ordinary shares. The average market price of ordinary shares during the half-year ended 31 December 2009 did not exceed the exercise price of either the listed options nor the unlisted options. Accordingly, the options were not considered dilutive for the reporting periods during which they were on issue and were not included in the determination of diluted earnings per share for the period.

NOTE 7: DIVIDENDS

No dividends were declared or paid during the period.

NOTE 8: COMMITMENTS**(a) Operating Lease Commitments**

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

	31 December 2009	30 June 2009
	\$	\$
Not later than 1 year	68,167	31,993
Later than 1 year but not later than 5 years	146,182	-
Total commitment	214,349	31,993

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by the greater of CPI or 4% per annum.

(b) Exploration Commitments

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

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

Not later than 1 year	770,452	1,017,100
Later than 1 year but not later than 5 years	1,427,400	1,427,400
Total commitment	2,197,852	2,444,500

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Notes to the Financial Statements for the half-year ended 31 December 2009

NOTE 9: CONTINGENT LIABILITIES

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

NOTE 10: SEGMENT INFORMATION

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

NOTE 11: EVENTS AFTER BALANCE SHEET DATE

Since balance date, the Company has issued 10,500,000 fully paid ordinary shares at 8 cents per share to raise \$840,000.

The Company also intends, subject to shareholder approval, to issue a further tranche of 3,250,000 fully paid ordinary shares at 8 cents per share to raise an additional \$260,000 (before costs). This is expected to be completed by 31 March 2010.

On 4 January 2010, the Company entered into a joint venture with China Yunnan Copper Australia Limited. The joint venture commenced on 1 January 2010 (see note 3).

There have been no other significant events since balance date.

NOTE 12: CASH FLOW INFORMATION

Share issues in the half year include \$1,024,718 for which proceeds were received prior to 30 June 2009 and \$510,000 issued as consideration for the purchase of the Lake Chandler mining lease.

NOTE 13: ACCOUNTING STANDARDS NOT PREVIOUSLY APPLIED

The Company has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

The replacement of income statement with statement of comprehensive income. Items of income and expense not recognised in profit or loss are now disclosed as components of "other comprehensive income". In this regard such items are no longer reflected as equity movements in the statement of changes in equity;

The adoption of the single statement approach to the presentation of the statement of comprehensive income; and

Other financial statements are renamed in accordance with the Standard;

Operating Segments (AASB 8)

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's chief operating decision maker which is the Board of Directors. As the Company operates as a single segment there has been no impact from adopting this standard.

Independent auditor's review report to the members of ActivEX Limited

We have reviewed the accompanying half-year financial statements of ActivEX Limited, which comprises the statement of financial position as at 31 December 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial statements based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial statements are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ActivEX Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of ActivEX Limited on 9 March 2010, would be in the same terms if provided to the directors as at the date of this auditor's review report.

Independent auditor's review report to the members of ActivEX Limited (continued)

Conclusion

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Inherent Uncertainty – Continued Operations and Future Funding

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the company's ability to continue with its planned exploration activities is dependent on having finance available.

As indicated in the note, the Directors are reviewing exploration activity and corporate expenditures, with a view to obtaining future funding. Since balance date, the company has entered into a mandate agreement to raise additional capital totaling \$1,100,000. The company will be seeking to raise further funds during 2010. The Directors are confident these initiatives will be successful. The Directors have formed the view that it is appropriate to prepare the financial report on a going concern basis.

The outcome of all the initiatives taken by Director's cannot presently be determined with any certainty. The company's ability to continue as a going concern will be dependent on obtaining future finance.

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

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

Date: 9 March 2010