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## **ASX ANNOUNCEMENT**

**13 July 2009**

### **BONUS OPTIONS ISSUE**

ActivEX Limited is pleased to announce that the Prospectus relating to the previously announced Bonus Options Issue was lodged with the Australian Securities and Investments Commission today.

A copy of the Prospectus is attached to this announcement.

The Company will make a bonus issue of options to shareholders on the basis of 1 option for every 5 shares held at the record date of 22 July 2009. The options will be exercisable at \$0.08 per bonus option and will have an expiry date of 31 July 2010.

**For and on behalf of the Board**

A handwritten signature in black ink, appearing to read "Paul Crawford". The signature is written in a cursive, somewhat stylized font.

**Paul Crawford**  
**Company Secretary**

For further information contact:

Mr Doug Young, Managing Director  
or

Mr Paul Crawford, Company Secretary

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**ACTIVEX LIMITED**

**ACN 113 452 896**

**PROSPECTUS  
BONUS OPTION ISSUE**

This Prospectus relates to the issue, at no cost, of Bonus Options to Eligible Shareholders on a 1 for 5 basis. Each Bonus Option gives the holder the right to subscribe for one Share in the Company at an exercise price of 8 cents on or before the Expiry Date, being 31 July 2010.

**SHAREHOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RELATION TO THE ISSUE OF BONUS OPTIONS PURSUANT TO THIS PROSPECTUS**

**This document is important and requires your immediate attention.** It should be read in its entirety. If you have any questions regarding this Prospectus, you should consult your stockbroker or professional adviser.

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## Important information

### **Basis of Bonus Issue**

This Prospectus is a "transaction-specific" prospectus issued under section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is therefore intended to be read in conjunction with the publicly available information in relation to ActivEX Limited that has been released to the ASX. It does not include all information that would be included in a Prospectus for an initial public offering. See Section 6 for further details.

This Prospectus is dated 13 July 2009. A copy of this Prospectus was lodged with ASIC on 13 July 2009. ASIC and ASX take no responsibility for the contents of this Prospectus.

The expiry date of this Prospectus is 13 August 2010. No Bonus Options will be allotted or issued on the basis of this Prospectus after the expiry date.

### **Take advice**

This document is important and requires your immediate attention. It should be read in its entirety. If you have any questions regarding this Prospectus you should consult your stockbroker or other professional adviser. The information provided in this Prospectus has been prepared without taking into account your investment objectives, financial circumstances or particular needs. You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before exercising any Bonus Options issued to you pursuant to this Prospectus.

### **Overseas Shareholders**

Bonus Options will not be issued or allotted pursuant to this Prospectus to Shareholders with a registered address that is in any jurisdiction other than Australia or New Zealand. This is because the Company has determined that it would be unreasonable to make an Offer under this Prospectus to such shareholders having regard to the number of Shareholders in the places where the offer would be made, the number and value of the Bonus Options that would be offered and the costs of complying with the legal requirements of those places. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not, and is not intended to, constitute an offer of Bonus Options in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Prospectus has not been, nor will it be, lodged, filed or registered with any regulatory authority under the securities laws of any country. In particular, Bonus Options have not been and will not be, registered under the U.S. Securities Act and may not be offered, sold or delivered within the United States of America or to or for the account or benefit

of any U.S. Person, except pursuant to applicable exceptions from registration. In addition, hedging transactions with respect to Bonus Options may not be conducted unless in accordance with the U.S. Securities Act.

**Prospectus availability**

A copy of this Prospectus can be downloaded from the website of the Company at [www.activex.com.au](http://www.activex.com.au). Any person accessing the electronic version of this Prospectus for the purposes of making an investment in the Company must be an Australian or New Zealand resident and must only access the Prospectus within Australia or New Zealand.

**No representations other than as set out in Prospectus**

No person is authorised to give any information or make any representation in connection with the Bonus Issue other than as contained in this Prospectus. Any information or representation in connection with the Bonus Issue not contained in this Prospectus or in any other release by the Company to ASX is not, and may not be relied upon as having been, authorised by the Company or any of its officers.

**Defined terms**

Defined terms and abbreviations used in this Prospectus are explained in the Glossary in Section 7.

# 1 Key information

## Indicative timetable

Lodgement of Prospectus with ASIC	13 July 2009
Shares quoted ex-Entitlement	16 July 2009
Bonus Options quoted on ASX on a deferred settlement basis	16 July 2009
Record date to determine Entitlements (7.00 pm AEST)	22 July 2009
Allotment and issue of Bonus Options	29 July 2009
Prospectus and holding statements despatched to Eligible Shareholders	30 July 2009
Trading in Bonus Options commences on a normal settlement basis	31 July 2009

The dates in the table above are indicative only. Subject to the Listing Rules, the Directors reserve the right to vary these dates without prior notice.

## Summary of Bonus Issue

Issue price per Bonus Option	Nil
Exercise Price	\$0.08
Expiry Date of Bonus Options	31 July 2010
Shareholder entitlements	1 Bonus Option for every 5 Shares held on the Record Date
Approximate number of Bonus Options to be issued	15,896,616 <sup>1</sup>
Gross amount to be raised from issue of Bonus Options	Nil

1. Subject to rounding and assuming that no Existing Options are exercised on or before the Record Date. The total number of Bonus Options to be issued pursuant to this Prospectus also includes 3,500,000 Bonus Options to be issued to Veritas Securities Limited – see Section 2 for further details.

## 2 Details of the Bonus Issue

### Overview of Bonus Issue

Pursuant to this Prospectus, the Company will offer and issue, for no consideration, Bonus Options to Eligible Shareholders on the basis of one Bonus Option for every five Shares held as at 7:00 pm AEST on the Record Date, being 22 July 2009. Each Bonus Option will entitle the holder to subscribe for one Share in the Company at an exercise price of 8 cents on or before the Exercise Date. The Bonus Options will form a new class of securities of the Company. The terms and conditions of the Bonus Options are set out in Section 4.

An Eligible Shareholder is a Shareholder who held Shares on the Record Date and who has a registered address in Australia or New Zealand. Shareholders with a registered address outside Australia and New Zealand are not entitled to participate in the Bonus Issue and will not be issued Bonus Options.

Existing Optionholders who exercise their Existing Options prior to the expiry date of those options and who are registered as Shareholders on or before the Record Date will be eligible to participate in the Bonus Issue.

Under this Prospectus the Company will also issue to the underwriter of the Company's recent entitlement offer, Veritas Securities Limited (or its nominees), 3,500,000 Bonus Options for no consideration. Each Bonus Option issued to Veritas Securities Limited will be issued on the same terms as those issued to Eligible Shareholders.

If no Existing Options are exercised prior to the Record Date, the number of Bonus Options to be issued to Eligible Shareholders under this Prospectus will be approximately 12,396,616. If all Existing Options are exercised prior to the Record Date, the number of Bonus Options to be issued under this Prospectus to Eligible Shareholders will be approximately 12,826,616. The actual number of Bonus Options to be issued will depend on the number of Existing Options that are exercised by the Existing Optionholders between the date of this Prospectus and the Record Date and the effect of rounding.

At the date of this Prospectus the following Existing Options were on issue:

Type of option	Exercise price	Expiry date	No. of Existing Options
Unlisted	25 cents	18 December 2011	450,000
Unlisted	25 cents	31 August 2012	150,000
Unlisted	12 cents	30 September 2010	750,000
Unlisted	15 cents	30 November 2012	200,000
Unlisted	12 cents	31 December 2013	600,000
<b>Total</b>			<b>2,150,000</b>

### Purpose of the Bonus Issue

The primary purpose of the Bonus Issue is to reward Existing Shareholders for supporting the Company and to provide the Company with a potential source of additional capital if Bonus Options are exercised.

As noted above, the Company will also issue 3,500,000 Bonus Options to Veritas Securities Limited, the underwriter of the Company's recent entitlement issue. The Company is required to issue these Bonus Options under the terms of its underwriting agreement with Veritas Securities Limited. The terms of the underwriting agreement were summarised in the entitlement issue offer document prepared by the Company, a copy of which is available from the websites of the Company or ASX.

Each Bonus Option will be issued for no consideration and therefore no funds will be raised from the Bonus Issue. Subject to rounding, and assuming that no Existing Options are exercised on or before the Record Date, the Company will issue approximately 15,896,616 Bonus Options under this Prospectus. If all the Bonus Options are exercised the Company will raise approximately \$1,271,729.

### Summary of action required by Shareholders

Because Bonus Options are to be issued to Eligible Shareholders for no consideration, Eligible Shareholders are not required to take any action to accept and be issued with their Entitlement of Bonus Options. Separate holding statements for Bonus Options allotted and issued to Eligible Shareholders are expected to be posted to Eligible Shareholders, along with a copy of this Prospectus, on 30 July 2009.

In determining Entitlements, any fractional Entitlement will be rounded down to the nearest whole number of Bonus Options.

The Bonus Issue is non-renounceable and accordingly Eligible Shareholders may not dispose of or trade any part of their Entitlement prior to the issue of the Bonus Options. If you have any queries regarding your Entitlement, please contact Computershare Investor Services Pty Limited by telephone on 1300 552 270 or your professional adviser.

### **Allotment and issue of Bonus Options**

The Bonus Options are expected to be allotted and issued by 31 July 2009 following which holding statements will be despatched to Eligible Shareholders. It is the responsibility of each Shareholder to determine their holding of Bonus Options before trading in them. Shareholders who sell Bonus Options before they receive a holding statement do so at their own risk.

### **Quotation of Bonus Options**

The Bonus Options will be a new class of security of the Company and the Company will make an application to ASX within seven days following the date of this Prospectus for official quotation of the Bonus Options.

If approval is not granted by ASX within three months after the date of this Prospectus, the Company will not issue any of the Bonus Options offered pursuant to this Prospectus. If approval to list the Bonus Options is not granted and the Bonus Options are not issued, the Company intends to prepare a prospectus for the issue of options on the same terms as the Bonus Options except that the options will be unlisted.

A decision by ASX to grant official quotation of the Bonus Options should not be taken in any way as an indication of ASX's view as to the merits of the Company, Bonus Options or the Bonus Issue.

### **No issue of Bonus Options after 13 months**

No Bonus Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

### **Market prices of Shares on ASX**

The highest and lowest closing market sale prices of Shares on ASX during the three months immediately preceding the date of this Prospectus, and the respective dates of those sales were:

- Highest – [\$0.09 on 23 April 2009].
- Lowest - [\$0.05 on 23 June 2009].

The closing price of Shares on the ASX on 10 July 2009, being the trading day before this Prospectus was lodged with ASIC, was \$0.063 (6.3 cents)..

### **Taxation implications**

Shareholders should be aware the issue of Bonus Options pursuant to this Prospectus, the exercise of Bonus Options, the sale of Bonus Options and/or the sale of Shares issued on exercise of Bonus Options may have taxation consequences for them.

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of the Bonus Issue. For this reason, it is important that Shareholders consult their own taxation or other financial advisers in relation to the taxation and social security implications of the Bonus Issue for them.

To the maximum extent permitted by law, the Company, its officers and advisers do not accept any responsibility for, and disclaim all liability in respect of, the taxation consequences of the Bonus Issue on Shareholders.

### 3 Effect of the Bonus Issue

#### Capital structure

On completion of the Bonus Issue, the securities of the Company on issue will be as follows:

	Options	Shares
On issue at the date of this Prospectus:	2,150,000 <sup>1</sup>	61,983,083
Bonus Options issued pursuant to this Prospectus:		
Underwriter	3,500,000	
Eligible Shareholders	12,396,616 <sup>2,3</sup>	
<b>TOTAL securities on issue after completion of Bonus Issue</b>	<b>18,046,616<sup>2,3</sup></b>	<b>61,483,083</b>

1. See the table in Section 2 for further details of Existing Options.
2. Assumes that no Existing Options are exercised prior to the completion of the Bonus Issue.
3. Approximate number, subject to rounding adjustments and determination of total number of Shares held by Eligible Shareholders on the Record Date.

#### Effects of the Bonus Issue

The principal effects of the Bonus Issue will be:

- The total number of options on issue will increase by 15,896,616 from 2,150,000 to approximately 18,046,616 (subject to the assumptions listed above). The Company will not raise any funds from the Bonus Issue as the Bonus Options to be issued pursuant to this Prospectus will be issued for no consideration.
- If the maximum number of Bonus Options that can be issued pursuant to the Prospectus are issued and are ultimately exercised, the number of Shares on issue will increase by 15,896,616. Based on the number of Shares currently on issue, this will increase the number of Shares on issue from 61,983,083 to 77,879,699.
- The Company will receive 8 cents for each Bonus Option exercised. Assuming all Bonus Options are exercised, this will raise \$1,271,729. The likelihood of Bonus Options being exercised, and the Company raising this additional capital, is dependent on the price of the Shares from time to time up to the Expiry Date of the Bonus Options and cannot be predicted.

## 4 Conditions of Bonus Options and rights attaching to Shares

### Conditions of Bonus Options

- 1 Subject to these Conditions, each Bonus Option confers on the holder an entitlement to subscribe for and be issued one Share, credited as fully paid, at the Exercise Price.
- 2 The Exercise Price is A\$0.08 per Bonus Option.
- 3 Subject to clause 10:
  - (a) Bonus Options may be exercised by a Bonus Option holder at any time during the Exercise Period; and
  - (b) the Exercise Period commences on the date of issue of the Bonus Options and ends on 31 July 2010.
- 4 Subject to clause 10, Bonus Options not exercised during the Exercise Period automatically lapse.
- 5 On a Bonus Option lapsing, all rights of the Bonus Option holder in respect of the Bonus Option cease and no consideration or compensation will be payable for or in relation to that lapse.
- 6 The Company will advise Bonus Option holders at least 20 Business Days (or such other period required by the Listing Rules) before the Expiry Date of the impending expiry of the Bonus Options and will advise Bonus Option holders of the due date for payment, the amount of money payable on exercise, the consequences of non-payment and such other details as the Listing Rules then prescribe, so as to enable Bonus Option holders to determine whether or not to exercise their Bonus Options.
- 7 Subject to these Conditions, Bonus Options may be exercised during the Exercise Period by the Bonus Option holder:
  - (a) lodging with the Company a Notice of Exercise signed by the Bonus Option holder; and
  - (b) paying to the Company the Exercise Price in respect of the Bonus Options exercised.An exercise of Bonus Options will only be valid and effective once the Company has received, in cleared funds, the full amount of the Exercise Price payable.
- 8 A Notice of Exercise, once lodged with the Company, is irrevocable and by giving a Notice of Exercise the Bonus Option holder:
  - (a) agrees to subscribe for that number of Shares equivalent to the number of Bonus Options exercised in the Notice of Exercise;
  - (b) agrees to be bound by the constitution of the Company on the issue of Shares; and
  - (c) without limiting any other clause in these Conditions, must pay the Exercise Price in respect of the Bonus Options exercised at the time the Notice of Exercise is lodged with the Company.
- 9 Subject to clause 10, the exercise of some Bonus Options only does not affect a Bonus Option holder's right to exercise other Bonus Options at a later time.
- 10 If:
  - (a) a takeover bid within the meaning of the Corporations Act is made for the Shares and the bidder becomes entitled to compulsorily acquire Shares, any Bonus Options not exercised by the end of the bid period will lapse; or
  - (b) a court orders a meeting to be held in relation to a proposed scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Company, which if implemented, would result in a person having a relevant interest in at least 90% of Shares, any Bonus Options not exercised during the period that ends seven days after the date of the court order will lapse.

- 11 Subject to these Conditions, for each Bonus Option that is exercised the Company must issue to the Bonus Option Holder one Share, credited as fully paid and, within 10 Business Days (or such other period as is required by the Listing Rules) after the date of exercise of the Bonus Option, issue (or cause to be issued) to the Bonus Option holder a holding statement or other appropriate evidence of title for each Share that is issued.
- 12 If a Bonus Option holder exercises only some of the Bonus Options held by the Company must issue (or cause to be issued) a holding statement or other appropriate evidence of title for each remaining Bonus Option held by the Bonus Option holder.
- 13 The Company will apply for the quotation by ASX of Shares issued upon exercise of Bonus Options within seven days of the date of issue of those Shares or such other time period required by the Listing Rules.
- 14 Shares issued on the exercise of Bonus Options will rank equally in all respects with all existing Shares on and from the date of issue.
- 15 Bonus Options do not confer on the Bonus Option holder:
- (a) any entitlement to attend or vote at meetings of the Company;
  - (b) any entitlement to share in dividends declared or paid by the Company; or
  - (c) the right to participate in any new issues of securities by the Company.
- 16 Bonus Option holders will be given at least seven Business Days' notice (or such other period of notice as is required by the Listing Rules) of the record date (as defined in the Listing Rules) of a new issue of securities by the Company to enable Bonus Option holders to exercise any Bonus Options then capable of exercise and participate in the issue.
- 17 Bonus Options do not confer on Bonus Option holders the right to a change in the Exercise Price or a change in the number of Shares over which Bonus Options can be exercised in the event of a Pro-rata Issue (including a bonus issue).
- 18 In the event of any reorganisation of the issued capital of the Company (including, without limitation, a consolidation, sub-division, reduction or return of capital), the rights of Bonus Option holders will be amended to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- 19 Bonus Options are freely transferrable in accordance with the Corporations Act and the Constitution.
- 20 These Conditions will be interpreted and applied in a manner that is consistent with the Listing Rules. If any of these Conditions are inconsistent with the requirements of the Listing Rules, they may be amended by the Company to comply with the Listing Rules. The Company will advise Bonus Option holders of any such amendments.
- 21 In these Conditions a notice will be deemed to have been duly given:
- (a) where delivered, on the date of delivery or, if delivery is not effected on a Business Day, at the commencement of the next Business Day;
  - (b) where sent by prepaid post, two Business Days after posting; and
  - (c) where sent by facsimile, upon successful transmission, provided that if the facsimile is not received during a Business Day, it will be deemed to be received at the commencement of the next Business Day.
- Notices cannot be given by electronic mail (email).
- 22 A Notice of Exercise will only be valid if it is actually received by the Company and will be deemed to have been given:
- (a) if received by the Company on or before 4 pm on the date of receipt, on that day or, if that day is not a Business Day, on the next Business Day; and
  - (b) if received by the Company on a day that is not a Business Day, on the next Business Day.

23 The address for notices to the Company is its registered office from time to time.

### **Rights attaching to Shares**

Each Bonus Option entitles the holder to subscribe for and be issued one Share upon a valid exercise of the Bonus Option. Full details of the rights attaching to Shares are set out in the Constitution, a copy of which can be inspected at the Company's registered office during normal business hours. The following is a broad summary (not an exhaustive or definitive statement) of the rights that attach to Shares.

#### ***General meetings and voting***

Shareholders of the Company are entitled to receive notice of each general meeting of the Company. A General meeting may be convened by any Director.

#### ***Voting rights***

Subject to any rights or restrictions for the time being attached to any class of shares (including any restrictions imposed by Listing Rules) at a general meeting every shareholder present in person or by proxy, representative or attorney will have one vote on a show of hands and, on a poll, one vote for each Share held. On a poll shareholders holding partly paid shares, of which there are currently none on issue, will have for each partly paid share held a fraction of a vote equal to the proportion that the amount paid bears to the total amounts paid and payable on the share.

Where a member has appointed two proxies, only one of those proxies may vote on a show of hands.

#### ***Dividends***

The Directors may declare and pay, from the profits of the Company, a dividend to be distributed to shareholders according to their respective rights and interests. Subject to the terms of issue of the Company's securities, the Company may pay a dividend on one class to the exclusion of another class of securities.

Subject to any special rights or restrictions attaching to any securities, dividends are payable to shareholders in proportion to the number of shares held by them, irrespective of the amount paid or credited as paid on the shares on which the dividend is to be paid.

#### ***Transfer of shares***

Subject to the Constitution and the Listing Rules, shares are freely transferable. The Directors may refuse to register a transfer in certain circumstances, including if the transfer is in respect of a share on which the Company has a lien or in respect of which a call has been made that is unpaid.

#### ***Variation of rights***

If the share capital of the Company is divided into classes, subject to the Corporations Act, the rights, privileges and restrictions attaching to any class of share can be altered with the approval of a special resolution passed at a separate meeting of the holders of that class of share or with the consent in writing of the holders of at least 75% of the issued shares of that class.

#### ***Return of capital***

If the Company is wound up, the liquidator may, if the members consent by special resolution:

- divide the assets of the Company among the members in kind;
- for that purpose fix the value of assets and decide how the division is to be carried out as between the members and different classes of members; and
- vest assets of the Company in trustees of any trusts for the benefits of members as the liquidator thinks appropriate.

#### ***Proportional takeover provisions***

The registration of any transfer of voting securities giving effect to an offer made under a proportional takeover scheme (i.e., an offer for some but not all of shareholders' shares) is prohibited until the persons holding the securities in a class for which the offer is made under the takeover have passed an ordinary resolution approving the scheme. To remain effective the proportional takeover provisions must be renewed by the Company in general meeting every three years.

***Directors***

The Company must have at least three Directors and no more than 10. Questions arising at a meeting of Directors will be decided by majority vote. The Chairman has a casting vote.

***Indemnity***

Subject to the law, the Company indemnifies each officer of the Company, to the maximum extent permitted by law, against any liability or legal costs incurred by them by virtue of their holding office as, and acting in the capacity of an Officer of the Company.

## 5 Investment risks

The Bonus Options offered under this Prospectus should be considered a speculative investment. There are certain general risks and certain specific risks that relate directly to the Company's business and are largely beyond the control of the Company and its Directors because of the nature of the business of the Company.

The following summary, which is not exhaustive, represents some of the major risk factors of which Shareholders need to be aware. Factors other than those listed may in the future materially affect the financial performance of the Company and the value of Bonus Options and Shares.

Before exercising Bonus Options the Directors strongly recommend that Shareholders consider the Company's announcements to ASX and the contents of this Prospectus and consult with their professional adviser.

### **Exploration risks**

The primary activities of the Company are exploration for, and the commercial development of, mineral ore bodies. Minerals exploration is inherently risky. Notwithstanding the experience, knowledge and careful evaluation the Company brings to each of its exploration projects there is no assurance that recoverable mineral resources will be identified.

The ability of the Company to pursue its planned exploration program may be affected by a range of factors including:

- geological conditions;
- limitations on activities due to seasonal weather patterns;
- alterations to joint venture programs and budgets;
- mechanical failure or unavailability of drilling equipment and other plant and equipment;
- industrial and environmental accidents, industrial disputes and other force majeure events;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour;
- prevention of access to exploration areas by reason of political or civil unrest, outbreak of hostilities, inability to obtain regulatory or landowner consents or approvals, or native title issues; and
- risks of default or non-performance by third parties providing essential services.

### **Development risks**

The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable ore reserves, the design and construction of efficient mining and processing facilities, and competent operational and managerial performance. There is no assurance that exploration and development of the mineral interests held by the Company (which, aside from the Lake Chandler potash project, are currently all at an exploration stage), or any other projects that may be acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations that may prove inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and mining plans may have to be altered in a way that could have either a positive or negative effect on the Company's operations.

If the Company commences production, its operations may be curtailed or disrupted by a number of risks beyond its control such as environmental hazards, industrial accidents and disputes, technical failures, unusual or unexpected geological conditions, fires, explosions, adverse weather conditions and other

accidents. The Company's operations may be adversely affected by higher than anticipated ore treatment costs, worse than anticipated metallurgical conditions, fluctuations in base and precious metal prices or lack of availability of smelter capacity.

Development of a commercial mining operation is also dependent on the Company's ability to obtain necessary titles and governmental and other regulatory approvals.

### **Changes in government policy**

The Company's capacity to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of the Company. Changes in government regulations and policies may adversely affect the financial performance of the Company.

### **Mineral market conditions**

The Company's ability to benefit from any future mining operations will depend on market factors, including the market prices of commodities, many of which will be beyond the Company's control. Global markets for potash, copper, gold and other minerals are subject to many variables and the prices of these minerals can fluctuate markedly. Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a material adverse effect on the Company's operations and its financial position.

### **General economic conditions**

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation, have an impact on operating costs, commodity prices, and the parameters in which the Company operates. Factors that are beyond the control of the Company include:

- general economic conditions in Australia and, in particular, inflation rates, interest rates, exchange rates, commodity supply and demand factors;
- financial failure or default by a participant in any of the joint ventures or other contractual relationships to which the Company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- industrial and landholder disputes.

These as well as other conditions can affect the Company's operating costs and have the potential to affect the Company's potential future revenues and profitability and the price of its securities.

### **Environmental risks**

The Company's projects are or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. The Company may be required to comply from time to time with environmental management issues that arise from factors beyond its control. Should the Company proceed to development of one or more mines, it could be expected that such developments would have numerous environmental impacts that would require various statutory approvals to be put in place. There is no guarantee that such approvals would be granted. The Company intends to conduct its operations in an environmentally responsible manner and in accordance with relevant legislation. However, the Company is unable to predict the effect of future changes to environmental legislation or policy and the cost effect of such changes on its operations and financial position.

### **Tenement title risks**

Mineral licences are granted subject to various conditions including, but not limited to, work and expenditure conditions. Failure to comply with these conditions may expose the licences to forfeiture.

All of the licences in which the Company has an interest will be subject to application for renewal from time to time. The renewal of the term of each licence is subject to the applicable legislation in the relevant jurisdiction. If a licence is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that licence.

## **Native title**

Native title in Australia is governed by the *Native Title Act 1993* (Cth) (NTA) and by state legislation. The NTA provides a regime that enables persons claiming to hold native title to lodge a claim to that effect for determination. The NTA also provides for the determination of native title rights, their extinguishment, and for processes to deal with those rights in accordance with specific categories of acts that have occurred including “past acts” (before 1 January 1994), “intermediate period acts” (occurring between 1 January 1994 and 23 December 1996), and “future acts.” Under this regime, native title is extinguished by grants of private freehold title and exclusive possession tenures.

The effect of native title on a tenement held by the Company will depend on the nature of the tenement, the date of its grant or proposed grant, and the nature of the underlying land tenures.

The effect of the NTA and relevant state legislation is that existing and new tenements held by the Company may be affected by native title claims and procedures. The Company has not undertaken the historical, legal or anthropological research and investigations at the date of this Prospectus that would be required to form an opinion as to whether any existing or future claim for native title could be upheld over a particular parcel of land covered by a tenement. There is a potential risk that a determination could be made that native title exists in relation to land the subject of a tenement held by the Company that may affect the operation of the Company’s business and development activities. If it is determined that native title does exist or a native title claim has been registered, the Company may need to comply with procedures under the applicable native title legislation in order to carry out its operations or to be granted any additional rights required. Such procedures may take considerable time, involve the negotiation of significant agreements, may involve access rights, and require the payment of compensation to those persons holding or claiming native title in the land the subject of a tenement. The involvement in the administration and determination of native title issues may have a material adverse impact on the position of the Company in terms of cash flows, financial performance, business development, ability to pay dividends and the Share price.

## **Compulsory work obligations**

Each of the Company’s tenements is subject to expenditure and work commitments, which must be met in order to keep such tenement in good standing. These commitments may be varied on application by the tenement holder but any such variation is at the sole discretion of the Minister administering the relevant State mining legislation. If no variation is approved, and there is a failure to meet the commitments, this could lead to forfeiture of the tenement.

## **Lake Chandler**

The Company has been granted an exclusive option to purchase West Australian mining tenement M77/22 (Lake Chandler). The Company will have until 19 October 2009 to exercise its option to acquire Lake Chandler. There is a risk that the Company will not have completed scoping or feasibility studies necessary to provide the Company with sufficient information to make a decision whether or not to exercise its option by this time and that it is unable to agree a further extension to the option term. If the Company exercises its option, it will be required to issue an additional 8,500,000 Shares to the owners of Lake Chandler in consideration for the transfer of Lake Chandler. This issue will require the approval of the Company’s shareholders. There is a risk that this approval may not be obtained. In addition, there is a risk that the Company will not realise a benefit from funds invested in investigating the feasibility of the commercial exploitation of Lake Chandler including because the project is not, after investigation, considered economically or practically feasible.

## **Funding requirements**

The Company will have no operating revenue in the foreseeable future and must continue to fund its activities through equity capital. Any additional equity financing may dilute existing shareholders’ interests in the Company.

Once the Company’s current cash reserves are exhausted, the Company’s capacity to operate will be dependent upon:

- the success of the Company's efforts to attract joint venture partners who will undertake or share all or part of the exploration expenditure; and
- the successful raising of additional equity funds.

Until such time as the Company has a commercially viable project, debt financing is not likely to be available to support the Company's activities.

### **Share market risk**

There are risks associated with any stock market investment. It is important to recognise that share prices may fall as well as rise, and Shares may trade below or above their issue price. Share prices for exploration companies are generally subject to wide fluctuations, which may be unrelated to the operating performance of the relevant company.

The same factors that affect the price of Shares will affect the price of the Bonus Options.

Such fluctuations may adversely affect the market price of the Company's securities. The Company's continued listing on ASX (and therefore the availability of a ready market for the Shares) depends on the Company's continued compliance with the Listing Rules.

### **General**

General risks associated with investment in the Company include the loss of key personnel, litigation by or against the Company and the activities of competitors.

## 6 Information available to Shareholders

The Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, as a listed company, the Company is subject to the Listing Rules that require continuous disclosure to the market of any information the Company has, and which a reasonable person would expect to have, a material effect on the price or value of its securities.

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act that are applicable to a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all the assets and liabilities, financial position, profits and losses or prospects of the Company unless it has not previously been disclosed but is relevant to these matters.

This Prospectus is intended to be read in conjunction with publicly available information on the Company that has been notified to ASX.

Copies of documents released to ASX and thereby lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will provide a copy of each of the following documents, free of charge, to any person who requests it prior to the issue of Bonus Options pursuant to this Prospectus:

- the Annual Financial Report for the Company for the financial year ended 30 June 2008;
- the Half-Year Financial Report of the Company for the half year ended 31 December 2008; and
- the documents in the following table, being the continuous disclosure notices lodged by the Company with ASX in the period commencing after lodgement of the Annual Financial Report of the Company for the period ended 30 June 2008 and the date of this Prospectus.

10 July 2009	Appendix 3Y – Change in Director Interests
9 July 2009	Non-Renounceable Issue - Allotment
6 July /2009	Non-Renounceable Issue - Shortfall
1 July 2009	MEP: Drilling Program Update
30 June 2009	Appendix 3B
29 June 2009	Results of Meeting
18 June 2009	Non-Renounceable Issue – Despatch of Documentation
11 June 2009	Exploration Update – Cloncurry District
11 June 2009	Company Presentation to Gold Coast Resources Showcase
10 June 2009	Letter to Shareholders
5 June 2009	Appendix 3B
5 June 2009	Non-Renounceable Issue – Announcement
5 June 2009	Non-Renounceable Issue – Offer Document
5 June 2009	Non-Renounceable Issue – Cleansing Notice
3 June 2009	Exploration Update
1 June 2009	Notice of Extra-Ordinary General Meeting/Proxy Form
20 May 2009	Appendix 3B – Staff Options
20 May 2009	Drilling commences at Boobyjan Project
6 May 2009	Becoming a substantial holder – M Ruane
6 May 2009	Ceasing to be a substantial shareholder – MEP
30 April 2009	Quarterly Cash Flow Report March 2009
30 April 2009	Quarterly Activities Report March 2009
23 April 2009	Drilling Grant from QLD Government for Pentland Project
22 April 2009	Placement to Further Testwork at Lake Chandler

22 April 2009	Placement Notice Appendix 3B
2 April 2009	Response to ASX Query re LR3.19A
30 March 2009	Final Director's interest Notice
30 March 2009	Exploration to Recommence in Selwyn Area, NW Queensland
16 March 2009	Non Executive Director Resignation
13 March 2009	Half Yearly Report and Accounts
6 February 2009	Becoming a substantial Shareholder
30 January 2009	Quarterly Cashflow Report December 2008
30 January 2009	Quarterly Activities Report December 2008
29 January 2009	Maiden JORC Resource – Lake Chandler Potash Project
28 January 2009	New Drilling commitment for Booubyjan Project
19 January 2009	EPM Applications Cloncurry District
9 January 2009	Amendment to Annual Report
27 November	Change in Director's Interest Notice
27 November	Appendix 3B
24 November	Results of Meeting
24 November	AGM Presentation
14 November	Potash Prices – Future Outlook
6 November	Change in Director's Interest Notice
5 November	Change in Director's Interest Notice
27 October 2008	Notice of Annual General Meeting/Proxy Form
27 October 2008	Annual Report to Shareholders June 2008

## 7 Additional information

### Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within the two years before the lodgement of this Prospectus with ASIC, any interest in:

- the promotion or formation of the Company;
- property acquired or proposed to be acquired by the Company in connection with its promotion or formation; or
- the offer of Bonus Options under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director:

- to induce that person to become, or to qualify that person as, a Director; or
- for services rendered by that person in connection with the formation or promotion of the Company or the offer of Bonus Options under this Prospectus.

At the date of this Prospectus the relevant interest of each of the Directors in the securities of the Company was as follows:

Directors	Shares	Options
	Indirect	Indirect
Ian Cunynghame Daymond	360,000	-
Douglas Ian Young*	8,802,002	400,000
Paul Anthony Crawford	555,000	100,000

\* 8,667,002 Shares are held by Findex Pty Ltd, a company controlled by Mr Young and of which he is a director and 135,000 Shares are held by the Findex Pty Ltd Superannuation Fund of which Mr Young is a trustee.

Options held by Directors are exercisable as follows:

Type of option	Exercise price	Expiry date	D Young	P Crawford
Unlisted Employee/Director Options	25 cents	18 December 2011	200,000	100,000
Unlisted Employee/Director Options	15 cents	30 November 2012	200,000	-

Under the Bonus Issue the Directors and their associates have the same Entitlement to Bonus Options as all other Shareholders under the Bonus Issue in respect of Shares in which they hold an interest on the Record Date.

Executive remuneration and other terms of employment are reviewed annually by the Board and are designed to be competitive and consistent with other industry comparisons. Where necessary the Board will obtain independent advice on the appropriateness of remuneration packages. Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time.

At the date of this Prospectus, no remuneration was paid or was payable to the present directors of the Company for the financial year ended 30 June 2009, except as noted below:

- Ian Cunynghame Daymond – directors fees of \$26,000 plus statutory superannuation of \$2,340.
- Douglas Ian Young – salary of \$159,000 plus statutory superannuation of \$14,300. In addition an amount of \$5,000 plus GST was paid to Findex Pty Ltd, a company associated with Mr Young, for

provision of vehicle hire services, which services were provided on normal arm's length terms.

- Paul Anthony Crawford – directors fees of \$17,300 plus superannuation of \$1,500. In addition an amount of \$45,000 plus GST was paid to Cambridge Business and Corporate Services Pty Ltd, a company associated with Mr Crawford, for the provision of accounting services, which services were provided on normal arm's length terms.

The remuneration of the Directors for the financial years ended on or before 30 June 2008 are set out in the Company's annual reports for those years.

Subject to the Corporations Act, the Company has agreed to indemnify all Directors and officers of the Company against liability for costs and expenses incurred in defending proceedings brought against them in their capacity as an officer of the Company.

The Directors are also entitled to be reimbursed for travelling, hotel, communication and other expenses that they may properly incur in carrying out their duties and any Director performing extra or special professional services for the Company may be remunerated for those services.

### **Interests of other persons**

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, or promoter or stockbroker to the Company, had within the two years before lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or to be acquired by the Company in connection with its formation or promotion; or
- the offer of Bonus Options under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Bonus Issue.

Carter Newell have acted as solicitors to the Company in relation to the Bonus Issue. The Company estimates that it will pay Carter Newell approximately \$8,000 (plus GST) for these professional services.

Computershare Investor Services Pty Limited provides share registry services to the Company.

Veritas Securities Limited acted as underwriter to the recent entitlement offer undertaken by the Company. The fees payable to Veritas Securities Limited in connection with that offer are set out in the offer document prepared by the Company and lodged with ASX.

### **Expenses of the Bonus Issue**

The Company estimates that the total costs of the Bonus Issue, which have been paid or are payable by the Company, and which include ASX and ASIC fees, advisers' fees, printing and distribution costs and other miscellaneous expenses, will be \$20,000 (excluding any applicable GST).

### **Third party consents**

The following parties have given their written consent (which has not been withdrawn at the time of lodgement of this Prospectus with ASIC in the following terms:

- Carter Newell has given its consent to be named in this Prospectus, and any electronic version of the Prospectus, as solicitor of ActivEX Limited in the form and context in which it is named.
- Hayes Knight Audit (Qld) Pty Ltd has given its consent to be named in this Prospectus, and any electronic version of the Prospectus, as auditors of ActivEX Limited in the form and context in which it is named.
- Computershare Investor Services Pty Limited has given its consent to be named in the Prospectus, and any electronic version of the Prospectus, as the share registry for ActivEX Limited in the form and context in which it is named.

- Veritas Securities Limited has given its consent to be named in the Prospectus, and any electronic version of the Prospectus, as the underwriter to the Company's recent entitlement offer in the form and context in which it is named.

Carter Newell, Hayes Knight Audit (Qld) Pty Ltd, Computershare Investor Services Pty Limited and Veritas Securities Limited have not authorised or caused the issue of this Prospectus and do not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based upon a statement made by them, other than the respective references to their names. To the maximum extent permitted by law each of Carter Newell, Hayes Knight Audit (Qld) Pty Ltd, Computershare Investor Services Pty Limited and Veritas Securities Limited expressly disclaim, and take no responsibility for, any part of this Prospectus other than the respective references to their names.

**ASIC class order**

The Company has taken advantage of ASIC Class Order 00/1092, which exempts the Company from sections 717 and 723 of the Corporations Act to the extent that they require:

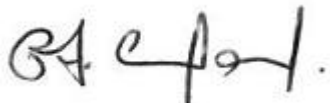
- this Prospectus to include or be accompanied by an application form; and
- the Company to only issue Bonus Options under this Prospectus to a person who has submitted an application form distributed with this Prospectus.

As a result of ASIC Class Order 00/843, this Prospectus is not subject to the minimum seven day exposure period ordinarily required under section 727(3) of the Corporations Act for a prospectus.

**Directors' consent**

Each Director has consented to the lodgement and issue of this Prospectus with ASIC and has not withdrawn that consent.

Signed in accordance with a resolution of the Directors. Dated: 13 July 2009



Paul Anthony Crawford  
Director

## 8 Glossary

The following terms and abbreviations used in this Prospectus have the following meanings:

AEST	Australian Eastern Standard Time.
ASX	ASX Limited ACN 008 624 691 or the stock market operated by it, as the context requires.
Bonus Issue	The issue of Bonus Options to Eligible Shareholders and Veritas Securities Limited (or its nominee) pursuant to this Prospectus.
Bonus Option	An option to subscribe for Shares to be issued pursuant to, and on the Conditions set out in, this Prospectus.
Board	The Directors, sitting as a board.
Business Day	Has the meaning given in the Listing Rules.
Conditions	The terms and conditions of Bonus Options, as set out in this Prospectus.
Company	ActivEX Limited ACN 113 452 896.
Constitution	The constitution of the Company from time to time.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Directors	The directors of the Company from time to time.
Eligible Shareholder	A Shareholder who has a registered address in Australia or New Zealand and who held Shares on the Record Date.
Entitlement	The non-renounceable entitlement of Eligible Shareholders to be issued to Bonus Options pursuant to this Prospectus.
Existing Options	Options to subscribe for Shares that are on issue on the Record Date.
Existing Optionholders	Holders of Existing Options.
Exercise Price	The price at which Bonus Options can be exercised, being \$0.08.
Expiry Date	The last date by which Bonus Options can be exercised, being 31 July 2010.
Listing Rules	The official listing rules of ASX.
Notice of Exercise	A duly completed and executed notice of exercise of a Bonus Option in such form (if any) as required by the Company from time to time.
Pro-rata Issue	Has the meaning given in the Listing Rules.
Prospectus	This Prospectus, which is dated 13 July 2009.
Record Date	7.00 pm AEST 22 July 2009.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of a Share.
U.S.	United States of America.
U.S. Person	Has the meaning given in Regulation S under the U.S. Securities Act.
U.S. Securities Act	The Securities Act of 1933 (USC), as amended.

## 9 Corporate directory

### **Board of Directors**

Ian Daymond (Non-Executive Chairman)  
Douglas Young (Managing Director)  
Paul Crawford (Non-Executive)

### **Company Secretary**

Paul Crawford (Non-Executive Director)

### **Registered office**

117 Quay Street  
Brisbane  
Queensland 4000

Telephone: +61 7 3236 4188

Facsimile: +61 7 3236 4288

Website: [www.activex.com.au](http://www.activex.com.au)

ASX code: AIV

### **Share registry**

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

Email: Telephone: 1300 552 270

Facsimile: 03 9473 2500

Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)

### **Auditor**

Hayes Knight Audit (Qld) Pty Ltd  
Level 19  
127 Creek Street  
Brisbane QLD 4000

### **Postal Address**

PO Box 217  
Paddington  
QLD 4064

Telephone: +61 7 3236 4188

Facsimile: +61 7 3236 4288

Website: [www.activex.com.au](http://www.activex.com.au)

ASX code: AIV

### **Legal adviser**

Carter Newell Lawyers  
Level 13  
215 Adelaide Street  
Brisbane QLD 4000 Australia