



ActivEX Limited

ACN 113 452 896

Notice of General Meeting & Explanatory Memorandum

Meeting information:

4:30pm (Sydney time), **Wednesday, 12 January 2022**
at Suite 2, 3B Macquarie Street, Sydney NSW 2000

Due to the uncertainty and potential health risks created by the COVID-19 pandemic, the Company encourages its Shareholders to consider lodging a directed proxy in advance of the Meeting, rather than attending the Meeting in person.

This document contains important information regarding the upcoming general meeting of ActivEX Limited and should be read in its entirety. If you are in doubt as to how you should vote at the Meeting, you should seek advice from your professional adviser without delay.

Notice of General Meeting

Notice is given that the general meeting of ActivEX Limited (**Company**) will be held at **Suite 2, 3B Macquarie Street, Sydney NSW 2000** on **Wednesday, 12 January 2022** and will commence at **4:30pm** (Sydney time).

The Explanatory Memorandum accompanying this Notice provides additional information on the matters to be considered at the Meeting. The Explanatory Memorandum is intended to be read in conjunction with, and forms part of, this Notice. The accompanying Shareholder Information is also intended to be read by Shareholders and forms part of this Notice.

Words that are defined in the Explanatory Memorandum have the same meaning when used in this Notice, unless the context requires otherwise.

BUSINESS

Resolution 1: Ratification of prior issue of Shares to various sophisticated and professional investors

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, the previous issue of 26,569,901 ordinary shares in the capital of the Company to sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum be and is hereby ratified and approved."

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a person who participated in the placement announced on 18 November 2021 (**Placement**) or an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 1 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the Chair to vote on Resolution 1 as the Chair decides; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the Chair to vote on Resolution 1 as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 1; and
 - the holder votes in Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 1.

Resolution 2: Approval of issue of Options to various sophisticated and professional investors

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.1 and all other purposes, approval be given for the Company to issue up to 13,284,950 Options to subscribe for fully paid ordinary shares in the capital of the Company to various sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum."

Notice of General Meeting

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 2 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with a direction given to the Chair to vote on Resolution 2 as the Chair decides; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with a direction given to the Chair to vote on Resolution 2 as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 2; and
 - the holder votes in Resolution 2 in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 2.

Resolution 3: Approval of issue of Options to the Joint Lead Managers

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.1 and all other purposes, approval be given for the Company to issue up to 2,500,000 Options to subscribe for fully paid ordinary shares in the capital of the Company to the Joint Lead Managers on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 3 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chair to vote on Resolution 3 as the Chair decides; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chair to vote on Resolution 3 as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3; and
 - the holder votes in Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 3.

Notice of General Meeting

Resolution 4: Approval of issue of Shares to Star Diamond Developments

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.1 and all other purposes, approval be given for the Company to issue up to 12,500,000 Shares in the capital of the Company to Star Diamond Developments or its nominee on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chair to vote on Resolution 4 as the Chair decides; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chair to vote on Resolution 4 as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 4; and
 - the holder votes in Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 4.

Resolution 5: Approval to issue Shares and Options under the Proposed Placement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.1 and all other purposes, approval be given for the Company to issue up to 50,000,000 Shares and up to 25,000,000 Options, on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 5 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with a direction given to the Chair to vote on Resolution 5 as the Chair decides; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with a direction given to the Chair to vote on Resolution 5 as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 5; and

Notice of General Meeting

- the holder votes in Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 5.

By order of the Board



William Kuan
Company Secretary

Date: 9 December 2021

Shareholder Information

How to vote

You may vote at the Meeting in person, by proxy or by authorised corporate representative.

Voting in person

To vote in person, attend the Meeting on the date and at the time set out in the Notice. The Meeting will commence at **4:30pm** (Sydney time) on **Wednesday, 12 January 2022**.

Due to the uncertainty and potential health risks created by the COVID-19 pandemic, the Company encourages its Shareholders to consider lodging a directed proxy in advance of the Meeting, rather than attending the Meeting in person.

Voting by proxy

A member who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy. A form of appointment of proxy is enclosed with this Notice.

The proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify a percentage or number and two proxies are appointed, each may exercise half of the votes to which that member is entitled (in which case any fraction of votes will be disregarded).

All Proxy Forms will need to be lodged with the Company by **4:30pm** (Sydney time), on **Monday, 10 January 2022** being 48 hours before commencement of the Meeting. Any Proxy Form received after that time will not be valid for the Meeting.

If you wish to appoint a proxy and are entitled to do so, then complete the enclosed Proxy Form in accordance with the instructions on it and return it to the Company's share registry by posting, faxing or submitting online the form by the deadline for lodgement:

Boardroom Pty Limited ABN: 14 003 209 836

In Person: Grosvenor Place,
Level 12, 225 George Street,
Sydney NSW 2000

By Mail: GPO Box 3993
Sydney NSW 2001

By Fax: +61 2 9290 9655

Online: <https://www.votingonline.com.au/activexegm2022>

Proxies given by corporate shareholders must be executed in accordance with their constitutions or signed by a duly authorised attorney. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Company's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote as he or she thinks fit. If a Shareholder appoints the Chair of the Meeting as that Shareholder's proxy and does not specify how the Chair is to vote on an item of business, the Chair will vote, as proxy for that Shareholder, in favour of the item on a poll.

Voting by corporate representatives

A corporate shareholder wishing to appoint a person to act as its representative at the Meeting must provide that person with an authority executed in accordance with the Company's constitution and the Corporations Act authorising him or her to act as the Company's representative. The authority must be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Right to vote

The Board has determined that, for the purposes of the Meeting, shares will be taken to be held by the persons who were the registered holders of those shares at **7:00pm** (Sydney time), on **Monday, 10 January 2022**. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Shareholder questions and comments

The Chair of the Meeting will provide Shareholders with an opportunity at the Meeting to ask questions and make comments.

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of members of the Company in connection with the business to be conducted at the general meeting of the Company to be held at **Suite 2, 3B Macquarie Street, Sydney NSW 2000** on **Wednesday, 12 January 2022 at 4:30pm** (Sydney time).

This Explanatory Memorandum forms part of and should be read in conjunction with the accompanying Notice. A number of words and terms used in this Explanatory Memorandum have defined meanings, which are set out in the Glossary.

1. Resolution 1: Ratification of prior issue of Shares to various sophisticated and professional investors

1.1 Background

On 18 November 2021, the Company announced that it had raised \$2.125 million with a placement of 26,569,901 Shares (**Placement Shares**), each at an issue price of \$0.08, to various sophisticated and professional investors who participated in the Placement (**Placement Participants**).

Subject to all necessary approvals, the Placement Participants will also receive, for no extra consideration, one Option for every two Placement Shares subscribed, each having an exercise price of \$0.12 per Option and an expiry of 24 months from its date of issue (**Placement Options**).

The Placement Shares are relevant for Resolution 1. The issue of the Placement Options is a matter for consideration for Resolution 2.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more than 15% of its issued capital in any 12 month period without Shareholder approval.

The issue of the Placement Shares did not fit within any of those specified exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date on which those Placement Shares were issued.

Listing Rule 7.4 provides that, where a company in a general meeting ratifies a previous issue of Securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1 such that they do not reduce that company's 15% capacity under Listing Rule 7.1.

If Resolution 1 is approved, the Placement Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1 during the 12 months following the issue of the Placement Shares without the need to obtain prior Shareholder approval. This will effectively increase the number of Equity Securities the Company can issue without Shareholder approval over the 12 months following the issue of the Placement Shares.

If Resolution 1 is not approved, the Placement Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Placement Shares.

At the date of this Notice, the Company does not have any remaining capacity under Listing Rule 7.1, which will effectively restrict it from undertaking further capital raisings until 22 November 2022 when the Placement Shares are no longer included in the calculation of the 15% limit under Listing Rule 7.1.

Explanatory Memorandum

1.2 Required Information

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

Number and class of Securities issued:	A total of 26,569,901 Shares were issued.
Date of issue:	The Shares were issued on 22 November 2021.
Price at which the Securities were issued:	\$0.08 per Share.
Terms of Securities:	Fully paid ordinary Shares in the capital of the Company which rank equally with the Company's existing Shares.
Names of the allottees or the basis on which they were selected:	The Shares were issued to the Placement Participants, all of which were sophisticated and professional investors. The Placement Participants were clients of the Joint Lead Managers.
Purpose of issue and use (or intended use) of funds:	The Shares were issued to raise funds to be used for: (a) Proposed drilling programs within the Gilberton Gold Project. (b) Exploration on new projects that the Company may acquire in the broader Gilberton Region in relation to gold and critical metals such as lithium. (c) Administration and overheads.

As stated above, the Placement Shares were issued on the basis that, subject to all necessary approvals (including the approval sought in Resolution 2), the Placement Participants will also receive, for no extra consideration, one Option for every 2 Placement Shares subscribed.

In consideration for the services provided by the Joint Lead Managers, they received a fee of \$127,535 as well as, subject to the passing of Resolution 3, 2,500,000 Options.

1.3 Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

2. Resolution 2: Approval of issue of Options to various sophisticated and professional investors

2.1 Background

As stated in section 1.1 above, the Placement Participants are to receive, subject to all necessary approvals and for no extra consideration, one Placement Option for every 2 Placement Shares subscribed.

Resolution 2 seeks Shareholder approval to issue 13,284,950 Placement Options to the Placement Participants.

It is intended that, subject to satisfying all relevant ASX requirements, the Placement Options will be quoted on the Official List of the ASX. Further, with a view to ensuring that the Placement Options may be freely traded from the time they are listed, the Placement Options will, unless Resolution 2 fails to pass, be issued under a prospectus to be lodged shortly after the General Meeting

Explanatory Memorandum

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more than 15% of its issued capital in any 12 month period without Shareholder approval.

The issue of the Placement Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. As such, Shareholder approval under Listing Rule 7.1 is sought to approve the issue of the Placement Options.

If Resolution 2 is approved, the Company will be able to proceed with the issue of the Placement Options. In addition, the issue of the Placement Options will not diminish the 15% annual placement capacity of the Company. This will provide the Company with flexibility to issue further Equity Securities within the next 12 months under the Company's 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 2 is not approved, the Company will not be able to proceed with the issue of the Placement Options. As the Placement Options were proposed to be issued to Placement Participants to reward them for their participation in the Placement, failure to issue the Placement Options to those participants may have adverse effects on the Company's relationship with those participants or the Joint Lead Managers. It may also discourage investors from investing in the Company in the future or lead managers from arranging and managing capital raisings the Company undertakes in the future.

2.2 Required Information

Listing Rule 7.3 requires that the following information be provided to Shareholders in respect of Resolution 2 for the purposes of providing an approval under Listing Rule 7.1:

Number and class of Securities to be issued:	Up to 13,284,950 Options are proposed to be issued.
Proposed date of issue:	The Options will be issued as soon as practicable after the date of this Meeting and in any event no later than three (3) months after the date of the Meeting.
Price at which the Securities are to be issued:	Nil.
Terms of Securities:	Options to subscribe for fully paid ordinary Shares to be issued on the terms and conditions applying to the Placement Options set out in Annexure 1 to this Notice, which include (without limitation): • Exercise price: \$0.12; and • Expiry date: 24 months after the date of issue of the Options.
Names of the allottees or the basis on which they were selected:	The Placement Participants. See section 1.2 of this Explanatory Memorandum for further details.
Purpose of issue and intended use of funds raised:	The purpose of the issue is to reward Placement Participants for participating in the Placement. No funds will be raised from the issue of the Options the subject of Resolution 2.

Explanatory Memorandum

2.3 Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

3. Resolution 3: Approval of issue of Options to Joint Lead Managers

3.1 Background

In consideration for the services provided by the Joint Lead Managers in arranging and managing the Placement, they received a fee of \$127,535 as well as, subject to the passing of Resolution 3, 2,500,000 Options (**JLM Options**).

Resolution 3 seeks Shareholder approval to issue the JLM Options.

It is intended that, subject to satisfying all relevant ASX requirements, the JLM Options will be quoted on the Official List of the ASX. Further, with a view to ensuring that the JLM Options may be freely traded from the time they are listed, the Placement Options will, unless Resolution 3 fails to pass, be issued under a prospectus to be lodged shortly after the General Meeting.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more than 15% of its issued capital in any 12 month period without Shareholder approval.

The issue of the JLM Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. As such, Shareholder approval under Listing Rule 7.1 is sought to approve the issue of the JLM Options.

If Resolution 3 is approved, the Company will be able to proceed with the issue of the JLM Options. In addition, the issue of the JLM Options will not diminish the 15% annual placement capacity of the Company. This will provide the Company with flexibility to issue further Equity Securities within the next 12 months under the Company's 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 3 is not approved, the Company will not be able to proceed with the issue of the JLM Options. As the JLM Options were proposed to be issued to the Joint Lead Managers to reward them for their professional assistance in the Placement, failure to issue the JLM Options may have adverse effects on the Company's relationship with the Joint Lead Managers. It may also discourage investors from investing in the Company in the future or lead managers from arranging and managing capital raisings the Company undertakes in the future.

3.2 Required Information

Listing Rule 7.3 requires that the following information be provided to Shareholders in respect of Resolution 3 for the purposes of providing an approval under Listing Rule 7.1:

Number and class of Securities to be issued:	Up to 2,500,000 Options are proposed to be issued.
Proposed date of issue:	The Options will be issued as soon as practicable after the date of this Meeting and in any event no later than three (3) months after the date of the Meeting.
Price at which the Securities are to be issued:	Nil.

Explanatory Memorandum

Terms of Securities:	Options to subscribe for fully paid ordinary Shares to be issued on the terms and conditions applying to the JLM Options set out in Annexure 1 to this Notice, which include (without limitation): • Exercise price: \$0.12; and • Expiry date: 24 months after the date of issue.
Names of the allottees or the basis on which they were selected:	The Joint Lead Managers.
Purpose of issue and intended use of funds raised:	The purpose of the issue is to reward the Joint Lead Managers for their services in the Placement. No funds will be raised from the issue of the Options the subject of Resolution 3.

3.3 Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

4. Resolution 4: Approval of issue of Shares to Star Diamond Developments

4.1 Background

On 16 July 2019, the Company entered into a loan agreement with Star Diamond Developments wherein Star Diamond Developments, as the lender, agreed to provide a loan facility for the loan amount of up to \$2,000,000 to the Company as the borrower (**Loan Agreement**). On 20 December 2019, the Company and Star Diamond Developments entered into a deed of amendment to increase the loan facility amount subject to the Loan Agreement to \$5,000,000.

The Company has been advised that Star Diamond Developments wishes to convert \$1,000,000 of the outstanding loan amount into Shares. At the date of the Notice, the Directors have not yet agreed to Star Diamond Development's request but, in the event that they do, Resolution 4 seeks Shareholder approval to issue up to 12,500,000 Shares to Star Diamond Developments or its nominee (**Loan Shares**). The Loan Shares, once issued, will constitute approximately 6.14% of the Company's Shares on issue (assuming no Shares are issued after the date of this Notice other than the Loan Shares).

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more than 15% of its issued capital in any 12 month period without Shareholder approval.

The issue of the Loan Shares does not fall within any of these exceptions. As such, Shareholder approval under Listing Rule 7.1 is sought to approve the issue of the Loan Shares.

If Resolution 4 is approved, the Company will be able to proceed with the issue of the Loan Shares. In addition, the issue of the Loan Shares will not diminish the 15% annual placement capacity of the Company. This will provide the Company with flexibility to issue further Equity Securities within the next 12 months under the Company's 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 4 is approved, the Company may decide not to proceed with the issue of the Loan Shares.

If Resolution 4 is not approved, the Company may not be able to proceed with the issue of the Loan Shares at all, or may be required to reduce the number of Loan Shares to be issued so that the number does breach the 15% limit. This will prevent the Company from reducing the amount of debt it currently holds, which may limit its ability to pursue its financial strategies and growth strategies.

Explanatory Memorandum

4.2 Required Information

Listing Rule 7.3 requires that the following information be provided to Shareholders in respect of Resolution 4 for the purposes of providing an approval under Listing Rule 7.1:

Number and class of Securities to be issued:	Subject to the passing of Resolution 4, a total of 12,500,000 Loan Shares are approved to be issued.
Proposed date of issue:	Subject to the passing of Resolution 4, the Loan Shares are approved to be issued no later than three (3) months after the date of the Meeting.
If issued, price at which the Securities are to be issued:	\$0.08 per Loan Share.
Terms of Securities:	Fully paid ordinary shares in the capital of the Company which rank equally with the Company's existing Shares.
Names of the allottees:	Subject to the passing of Resolution 4, the Loan Shares are approved to be issued to Star Diamond Developments or its nominees.
Purpose of issue and use (or intended use) of funds:	The Loan Shares to be issued are to convert \$1,000,000 of debt held by the Company in favour of Star Diamond Developments into Shares. No funds will be raised.

4.3 Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 4.

5. Resolution 5: Approval to issue Shares and Options under the Proposed Placement

5.1 Background

Resolution 5 seeks Shareholder approval for the issue of up to 50,000,000 Shares (**Proposed Placement Shares**) (**Placement**) and up to 25,000,000 Options (**Proposed Placement Options**).

Listing Rule 7.1 prohibits a company from issuing Securities representing more than 15% of its issued capital in any 12 month period without Shareholder approval. Shareholder approval is sought to approve the issue of the Proposed Placement Shares and Proposed Placement Options.

By approving the issue of the Proposed Placement Shares and Proposed Placement Options the subject of Resolution 5, the issues will not diminish the 15% annual placement capacity of the Company. This will provide the Company with flexibility to issue further Equity Securities within the next 12 months up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 5 is approved, the Company will be able to proceed with the issue of the Proposed Placement Shares and Proposed Placement Options and those issues will not diminish the 15% annual placement capacity of the Company.

If Resolution 5 is not approved and the Company proceeds to issue the Proposed Placement Shares and Proposed Placement Options, the issue of those Securities will diminish the Company's 15% annual placement capacity.

Explanatory Memorandum

5.2 Required Information

Listing Rule 7.3 requires that the following information be provided to Shareholders in respect of Resolution 5 for the purposes of providing an approval under Listing Rule 7.1:

Maximum number and class of Securities to be issued:	The maximum number of Proposed Placement Shares to be issued is up to 50,000,000 Shares. The maximum number of Proposed Placement Options proposed to be granted is up to 25,000,000 Options.
Proposed date of issue:	The Proposed Placement Shares and Proposed Placement Options will be issued no later than three (3) months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
Price at which the Securities are to be issued:	The issue price of the Proposed Placement Shares will be not less than 80% of the VWAP for Shares calculated over the five (5) days on which sales in the Shares were recorded before the date on which the issue is made or, if there is a prospectus, over the last five (5) days on which sales in the Securities were recorded before the date the prospectus is lodged. The Proposed Placement Options will be granted for nil consideration. The following examples show potential scenarios of the aggregate amount which may be raised from the issue of Proposed Placement Shares: Example 1: Using the market price of \$0.085 at 23 November 2021 as being the equivalent to the five (5) day VWAP for illustration purposes, the issue price will be not be less than 80% of \$0.085, which is \$0.068. Accordingly, the maximum amount which may be raised from the issue of the Proposed Placement Shares would be approximately \$3,400,000. Example 2: If the five (5) day VWAP referred to in Example 1 is decreased by 50% which is equal to \$0.043, the issue price will not be less than 80% of \$0.043, which is \$0.034. Accordingly, the maximum amount which may be raised from the issue of the Proposed Placement Shares would be approximately \$1,700,000. Example 3: If the five (5) day VWAP referred to in Example 1 is increased by 50% which is equal to \$0.128, the issue price will not be less than 80% of \$0.128, which is \$0.102. Accordingly, the maximum amount which may be raised from the issue of the Proposed Placement Shares would be approximately \$5,100,000.
Terms of Securities:	The Proposed Placement Shares will be issued on the same terms and conditions as the Company's existing Shares. The Proposed Placement Options will be issued on the terms and conditions applying to the Proposed Placement Options set out in Annexure 1.
Names of the allottees or the basis on which they were selected:	The Directors intend that the Proposed Placement Shares and Proposed Placement Options will be issued to various sophisticated and professional investors, none of whom are Related Parties to the Company.

Explanatory Memorandum

Purpose of issue and intended use of funds raised:	The proposed use of the funds raised from the proposed placement is: (a) Resource further drilling programs within the Gilberton Gold Project. (b) Exploration and drilling on new projects that the Company may acquire in the broader Gilberton Region in relation to gold and critical metals such as lithium. (c) Administration and overheads.
No reverse takeover:	The funds raised from the issue of the Proposed Placement Shares will not be used to fund a reverse takeover.

5.3 Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 5.

Annexure 1 – Summary of terms of Placement Options, JLM Options and Proposed Placement Options

Option term	Detail		
	Placement Options	JLM Options	Proposed Placement Options
Issue price	The issue price for the Options will be nil.		
Exercise price	The exercise price for the Placement Options will be \$0.12 per Option.		The exercise price for the Proposed Placement Options will be an amount to be determined by the Company, which will be not less than \$0.12 per Option.
Entitlement on exercise	Each Option entitles the holder to subscribe for one Share.		
Expiry Date	24 months from the date of issue of the Options.		A date to be determined by the Company, which will be not more than 24 months from the date of issue of the Options.
Period of exercise	Options may be exercised at any time prior to the Expiry Date. Any Options not exercised by the Expiry Date will automatically lapse.		
How to exercise an Option	To exercise an Option, the holder is required to deliver a duly completed notice of exercise to the Company at any time prior to the Expiry Date together with payment of the exercise price of that Option.		
Ranking	Shares issued on exercise of the Options will rank equally with all existing Shares.		
Quotation	The Company will seek to obtain quotation of the Options in accordance with the Listing Rules and Corporations Act, subject to satisfaction of the quotation conditions of the Listing Rules. In the event that quotation of the Options cannot be obtained, the Options will be issued but will be unlisted.		
Transferability	The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities law.		
Reconstruction of capital	If there is a bonus issue to the holders of Shares, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.		
Participation in new issues	There are no participation rights or entitlements inherent in the Options and holders of Options will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.		
Change in exercise price/number of underlying ordinary shares	An Option does not confer the right to a change in exercise price or a change in the number of underlying Shares over which the Options can be exercised.		
ASX Listing Rules	The rights of an Option holder may be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.		

Glossary

In this booklet, the following words and expressions have the following meanings:

\$ means Australian dollars.

ASX means the ASX Limited ACN 008 624 691 or the market that it operates, as the context requires.

Board means the board of Directors of the Company.

Company or **ActivEX** means ActivEX Limited ACN 113 452 896.

Corporations Act means the *Corporations Act 2001* (Cth).

Chair means the chairperson of the Meeting.

Directors means the directors of the Company from time to time.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice contained in this booklet.

General Meeting or **Meeting** means the general meeting of the Company to be held on **Wednesday, 12 January 2022 at 4:30pm** (Sydney time).

Joint Lead Managers means Cadmon Advisory and Panthea Capital.

JLM Options means the consideration for the services provided by the Joint Lead Managers, of a fee of \$127,535 as well as, subject to the passing of Resolution 3, 2,500,000 Options.

Loan Agreement means the loan agreement entered into between the Company and Star Diamond Developments on 16 July 2019 (as amended).

Listing Rules means the official listing rules of ASX.

Loan Shares has the meaning set out in section 4.1 of the Explanatory Memorandum.

Notice means the notice of meeting convening the General Meeting.

Official List means the official list of ASX.

Option means an option to subscribe for one Share.

Placement means the placement announced by the Company on 18 November 2021 under which the Placement Shares were issued.

Placement Options means 13,284,950 Options to be issued to Placement Participants.

Placement Participants means the sophisticated and professional investors that participated in the Placement.

Placement Shares means the 26,569,901 Shares issued on 22 November 2021 to sophisticated and professional investors.

Proposed Placement has the meaning set out in section 5.1 of the Explanatory Memorandum.

Proposed Placement Options has the meaning set out in section 5.1 of the Explanatory Memorandum.

Glossary

Proposed Placement Shares has the meaning set out in section 5.1 of the Explanatory Memorandum.

Proxy Form means a proxy form accompanying the Notice.

Related Party is as defined in Chapter 19 of the Listing Rules.

Security means a Share or Option, as the context dictates.

Share means an ordinary share in the capital of the Company, the terms of which are contained in the Company's constitution.

Shareholder Information means the shareholder information accompanying the Notice contained in this booklet.

Shareholder means the holder of a Share.

Star Diamond Developments means Star Diamond Developments Limited (British Virgin Islands company number: 1716038).

VWAP means volume weighted average market price.

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 4:30 pm on Monday, 10 January 2022.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/activexegm2022>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **4:30 pm (AEDT) on Monday, 10th January 2022.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/activexegm2022>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **ActivEx Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at the **Suite 2, 3B Macquarie Street, Sydney, NSW, 2000 on Wednesday, 12 January, 2022 at 4:30 pm (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Ratification of prior issue of Shares to various sophisticated and professional investors	☐	☐	☐
Resolution 2	Approval of issue of Options to various sophisticated and professional investors	☐	☐	☐
Resolution 3	Approval of issue of Options to the Joint Lead Managers	☐	☐	☐
Resolution 4	Approval of issue of Shares to Star Diamond Developments	☐	☐	☐
Resolution 5	Approval to issue Shares and Options under the Proposed Placement	☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / /