



TSX-V : ACT

Annual and Special Meeting of Shareholders

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Get more out of your mine.™

PROPRIETARY & CONFIDENTIAL

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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Company Overview



- Active Control Technology is involved in the design, manufacture and marketing of both wireless and fiber network solutions for mine communications, and the commercial security and access control industries
- The Corporation has two product lines:
 - ActiveMine™, a new fully integrated wireless and/or fiber communications and locating technology for underground coal mines, and
 - ActiveSecure™, a family of wireless products for the access control industry
- The Corporation is headquartered in Burlington, Ontario, Canada
- The Corporation is publicly listed on TSX Venture Exchange (ticker: ACT)
- The Corporation's main operations are located in Canada
- The Corporation's sales activities are located in the USA, as well as in Canada

Board of Directors



- **Michael Abbene**, Chairman, and Director
- **Graham Warren**, Interim Chief Executive Officer, and Director
- **Bill Johnstone**, Secretary, and Director
- **Paul Jaggard**, Audit Committee Chair, and Director
- **Steve Barrett**, Director
- **Doug Barre**, Director

Management Team



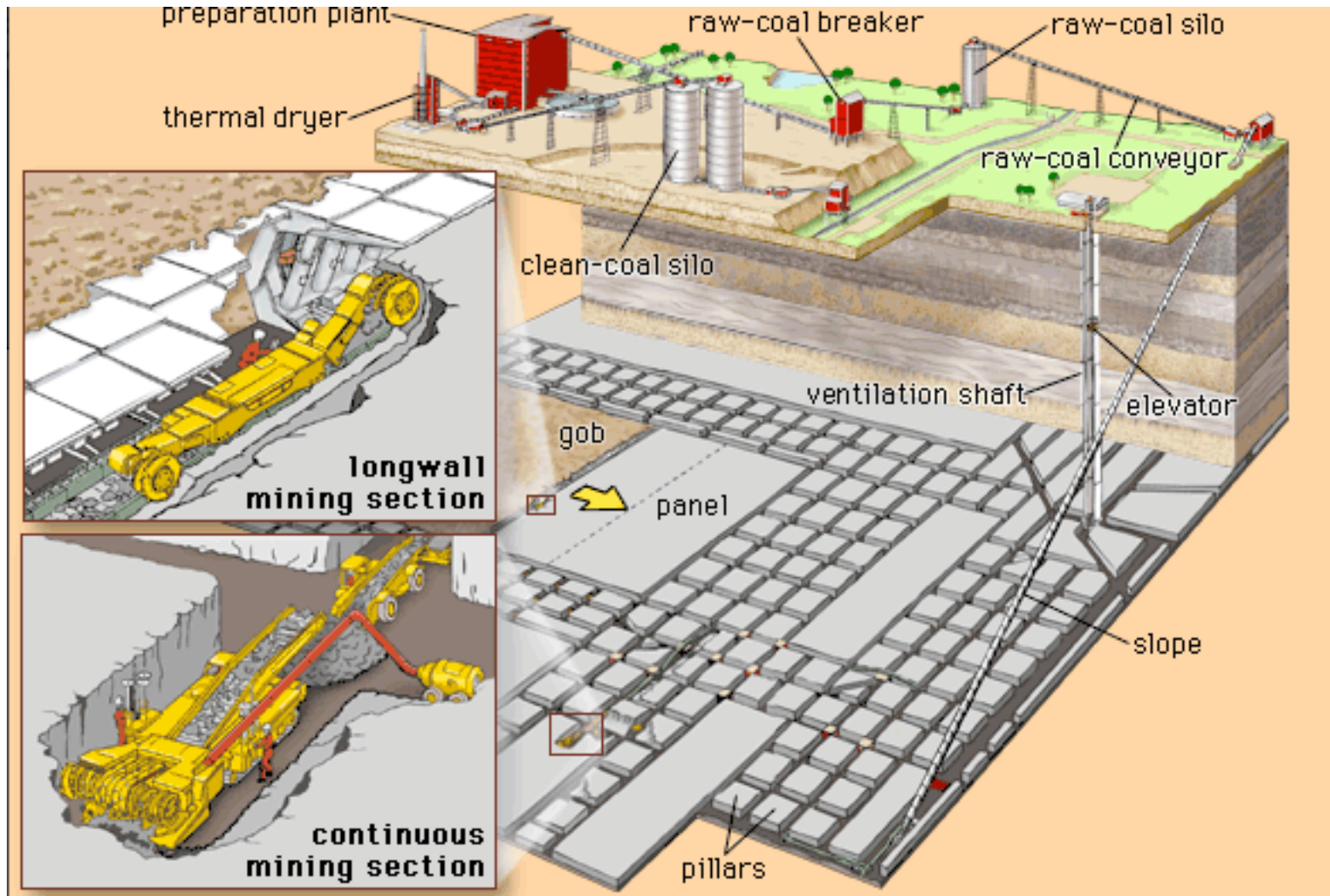
- **Graham Warren**, Interim Chief Executive Officer, and Director
- **Peter Gimon**, EVP Finance, Chief Financial Officer, Chief Operating Officer & Treasurer
- **Peter Baranowski**, Director Product Development
- **JC Hidalgo**, Manager Field Services
- **Terry Orr**, Operations Controller

Current Market – U.S. Underground Coal Mining



- **US law imposed by the Mine Safety and Health Administration (“MSHA”) mandates communications and tracking**
 - Initial requirement for June 15, 2009 compliance; difficult to enforce due to lack of available technology
 - New date for compliance June 15, 2011 (PROGRAM INFORMATION BULLETIN NO. P10-22 issued December 14, 2010)
 - All products must be approved by “MSHA” before products can be sold
- **Large potential market**
 - 400-600 underground coal mines in the United States; 3000+ internationally
- **2010 mine disasters in the US and elsewhere have made ActiveMine™ a compelling business case for many potential customers**

Current Market – U.S. Underground Coal Mining



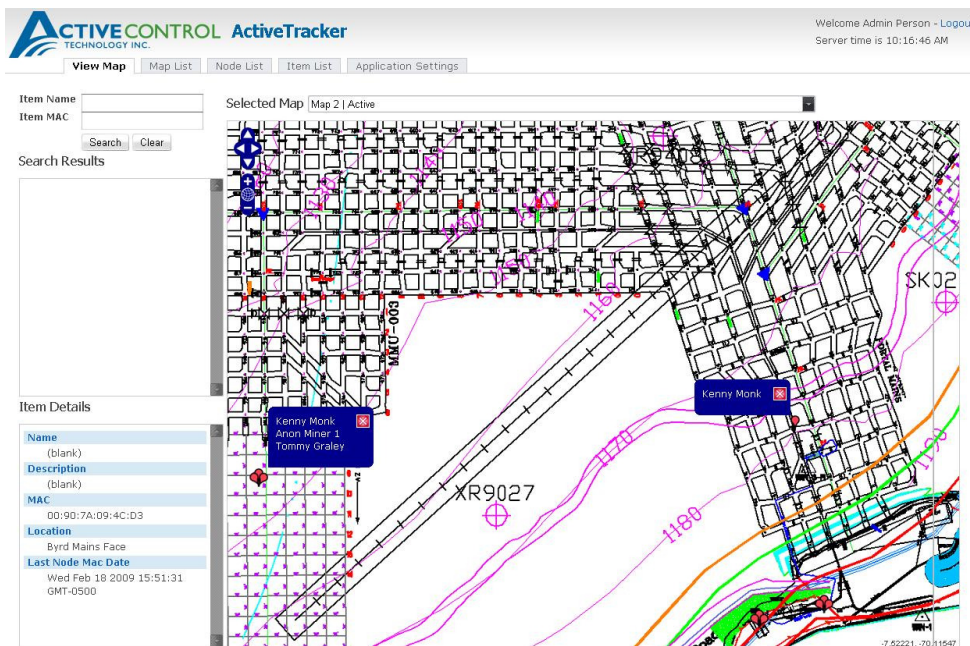
Legacy Technology



- **Hard wired page phones every 5,000 feet (all small and large mines)**
 - Long wire to cut
 - Can't hear
 - Fixed in place
 - Paging system at best

- **Leaky feeder (most large mines)**
 - Walkie talkie
 - Long wire to cut
 - No redundancy: many single points of failure
 - Can't dial 911 underground
 - No tracking (must add RFID or replace)

- **Unique provider of Voice/Data and Tracking over a network**
 - Unique low latency network enables voice and data
 - Hi-bandwidth, fiber and/or wireless back-haul network
 - Real time tracking of any Wi-Fi client



Real Time Tracking - Access from any web browser



AM1000 Growth Node



AM2000 Face Node



Wi-Fi VoIP Telephone



Tracking Tag

Business Challenges



- **Regulatory**
 - Products must be approved by the U.S. Mine Safety and Health Administration (“MSHA”) before sales to mines can be made
- **Product**
 - Beta testing of new products not appropriately done
 - Technical challenges experienced in a “live” environment
- **Market**
 - Initial mine installations more challenging than anticipated
 - New mine sales very slow in coming
 - Pricing pressure from customer base
- **Financial**
 - Inadequate capitalization of the company
 - Low initial product margins at start of commercialization
 - Operating expenses too high for associated revenues
 - Cash flow usage too high for associated revenues

Business Update



- **Regulatory**

- ActiveMine™ provides a full suite of products that are approved by “MSHA”
- “MSHA” issued a new update on its website in December 2010 stating that mines must have post-accident communication and electronic tracking systems installed and operational by June 15, 2011

- **Product**

- The majority of technical challenges in the “live” environment have been addressed (e.g. one major outcome has been the conversion of many mines to a fiber backbone)
- AM2000 facenode approved by “MSHA” in August 2010 and adequately beta tested before full launch of product line was begun

- **Market**

- Positive testimonials available from existing mines as new accounts are pursued
- Close working relationship with key vendors in dealing with customer pricing pressure

- **Financial**

- Four fold increase in revenues from 2009 to 2010
- Product margin continues to improve
- Cash flow usage continues to decline

Strategy & Roadmap for Growth



Fiscal 2011

- Convert majority of existing mines from wireless backhaul to fiber backhaul
- Deliver MSHA approved AM2000 face solution and deploy in existing mines
- Continue revenue growth at existing customer mines
- Pursue new mine opportunities
- Continue product development initiatives to deliver enhanced value to customers
- Investigate opportunities in applicable “non-coal” environments in the USA and Canada

Fiscal 2012 and beyond

- Continue to pursue new mine opportunities
- Investigate geographic opportunity expansion if the business case is financially supported
- Exploit ActiveMine™ bandwidth availability by rolling out telematics applications and services
- Accelerate product development initiatives

Summary



- ✓ 2010 was a successful transition year for the Corporation at existing ActiveMine™ customer locations
- ✓ Solid prospects for the AM2000 facenode in 2011; “MSHA” approved in August 2010
- ✓ Product development initiatives combined with strong partnerships with strategic vendors should continue to deliver gross profit
- ✓ Financial performance continues to improve in gross profit per cent, earnings, and free cash flow
- ✓ Installation success at existing accounts and associated testimonials will facilitate discussions as the Corporation pursues new mine opportunities
- ✓ The Corporation will continue to be selective in its pursuits as it closely manages its cash, while it pursues new sources of financing



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