



ANNUAL REPORT



Corporate Directory

Directors

E.G. Albers (Chairman)
R.L. Clark
A.P. Armitage

Company Secretary

R.J. Wright

Registered Office and Principal Administration Office

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Collins Square, Tower 5
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Stock Exchange Listing

ASX Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne, Victoria 3000 Australia

ENX Code: ENX - Ordinary Shares

Incorporated in the State of Victoria
17 October 2012

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Chairman's Letter

It is with quite some pleasure that I write this letter to shareholders. The past 12 months or so have seen the evolution of the strategic future that we envisaged for the company by the reorganisation of our predecessor company's (Moby Oil & Gas Limited) corporate structure (some years ago now) to form Enege Limited. From the start we saw the future of Enege in energy minerals, based on our acceptance of the attractiveness of emerging concepts for innovative forms of energy generation, storage, transmission and usage. We reviewed a number of opportunities and made application for two tenements in the East Kimberley before the serendipitous event of the outstanding Julimar Nickel-Cu-PGE discovery in the South West Terrane of Western Australia. The unfolding success of this discovery, and our knowledge of earlier explorers' efforts in the late 1960s to locate Nickel/PGEs in this region, encouraged us to take the plunge and to stake-out our own claims for what became extensive tenement positions in the region. We made application for twenty tenements in the greater Julimar region covering a potentially prospective area of 3,784 square kilometres. We also previously had made two applications for tenements with energy minerals prospectivity in the East Kimberley region of Western Australia.

As we entered the start of the 2020/21 year we had made application for exploration licences over a total of 14 significant areas, and proceeded to make application for a further 8 exploration licences, taking our tenement application position in the greater Julimar area to 20 exploration licence applications and 2 applications in the East Kimberley. During the year under review, all but one of our applications were granted; 1 in the East Kimberley and 20 in the greater Julimar region.

We did not let the grass grow under our feet during the application phase. We set about building our team and accumulated a considerable amount of historic geological data. That is an ongoing process.

The historic database has allowed us to better plan our future exploration strategy. Some areas of our South West Terrane tenure are subject to more cover than others, others appear to have ultramafic outcrop. At the same time, the quality and usefulness of historic geophysical data varies across the project areas, whether this be gravity, magnetic, radiometric or other geophysical data.

As a result, our exploration emphasis varies not only from one tenement group to another, but also within each project group. The same can be said about variability of our presently perceived prospectivity of the various groups. We have reviewed the extent and suitability of the existing geophysical data and have made strategic decisions as to what we considered to be the most appropriate technology to initiate as our primary investigative tool. At the same time, we have ranked our potential investigative tools to suit our views about perceived prospectivity, taking to account the quality and relevance of the historic data that is available over each tenement.

Our Operations Review in this Annual Report contains a summary of the activities in South West Terrane project areas as well as the Hart Dolerite Project in the East Kimberley.

We have been asked "what is our strategy for our projects". I can assure you that, for the foreseeable future, our strategy is one of exploration to discover, prove and develop resources in our own right. There was a time in the past when this was impractical and unworkable because of the lack of depth of funding for junior companies in Australia. At least for the foreseeable future this is no longer the case. I can see no reason why our Company should not be able to carry a project from exploration to discovery and to proof of resource, through to development and into production.

On behalf of the Board, I thank our shareholders for their support and financial contribution which has allowed Egegex to be in the satisfactory position of having a significant portfolio of prospective acreage in areas of high prospectivity.



E.G. Albers
Chairman
Egegex Limited
28th September 2021



Review of Operations

West Yilgarn Ni-Cu-PGE Province – Egegex 100%

Egegex has built a commanding tenure position in the West Yilgarn Ni-Cu-PGE province, the prospectivity of which has been highlighted by Chalice Mining's Julimar Ni-Cu-PGE discovery. Egegex's tenure now comprises 20 granted exploration licences totalling 3,784km², all of which were granted during the year ended 30 June 2021.

Globally, giant Ni-Cu-PGE deposits have been discovered proximal to the margin of Archean age cratons (eg Norilsk, Jinchuan, the Thompson Belt and Voisy's Bay). The Western margin of the Archean-age Yilgarn Craton in Western Australia has not until now been systematically explored for Ni-Cu-PGE mineral systems. However, following the Julimar discovery, this mineral province is now the focus of significant exploration activity.

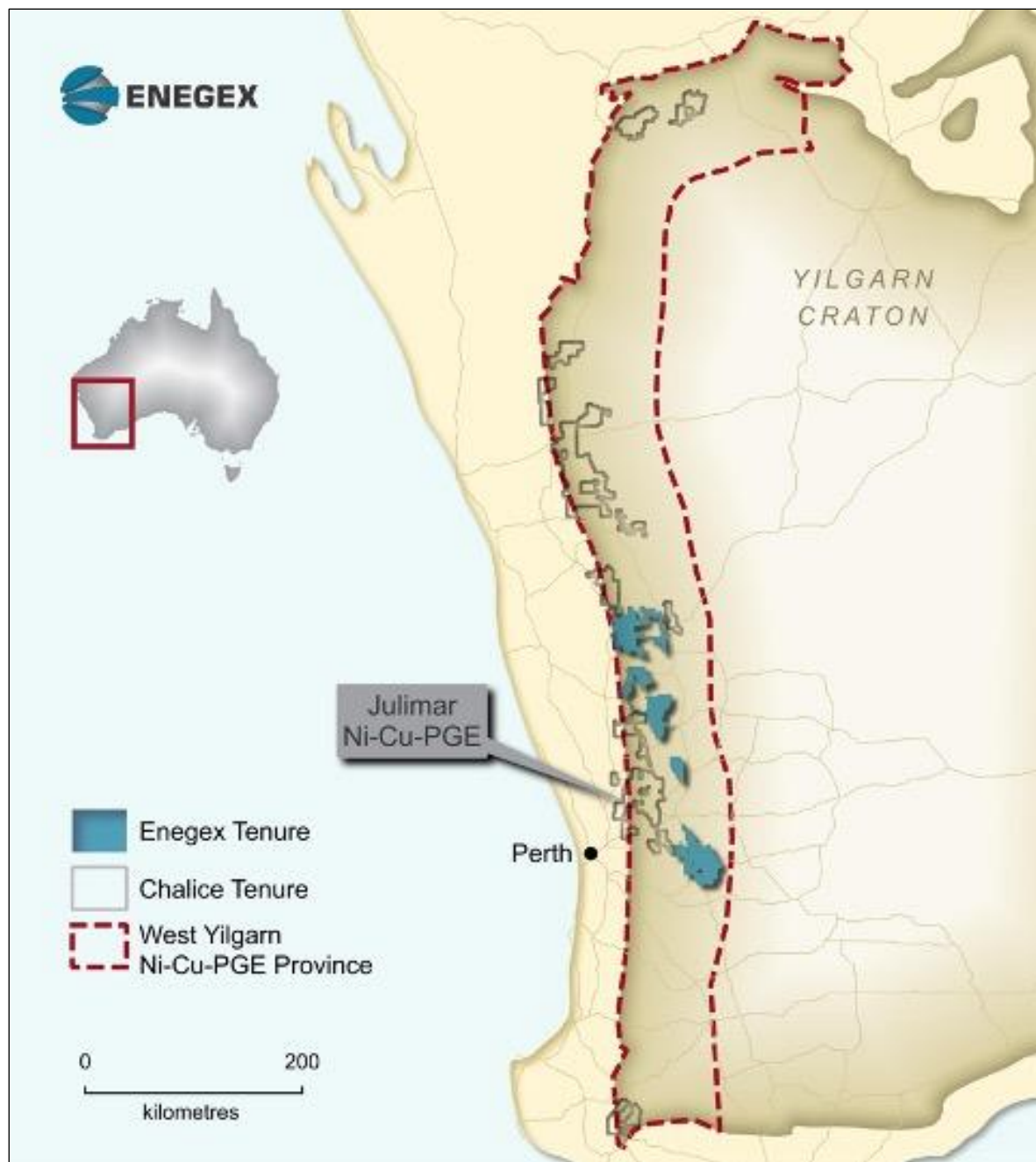


Figure 1 Egegex's West Yilgarn Ni-Cu-PGE Province Tenure

The Julimar deposit is hosted in a mafic-ultramafic intrusive rock sequence that was previously interpreted as granitic domain. Following the discovery of the Julimar deposit, hundreds of potential mafic-ultramafic intrusions have been identified within the West Yilgarn Ni-Cu-PGE province.

EnegeX's tenure in this highly prospective region is divided into five project areas; Miamoon, Miling, Walebing, Goomalling and Green Hills.

EnegeX considers its project areas to have potential to contain mafic-ultramafic intrusive

bodies - similar to the rocks hosting the Julimar Project. The basement geology of EnegeX's project areas is interpreted to consist of metamorphosed sedimentary, greenstone and granitic rocks.

Map detail is limited due to soil cover which is generally thicker in the north (at Miamoon) and thins in the south. Notwithstanding the limited map detail, EnegeX's project areas have been identified to host mafic-ultramafic rock sequences with small areas of outcrop and interpreted bedrock geology recorded on Geoscience Western Australia maps.

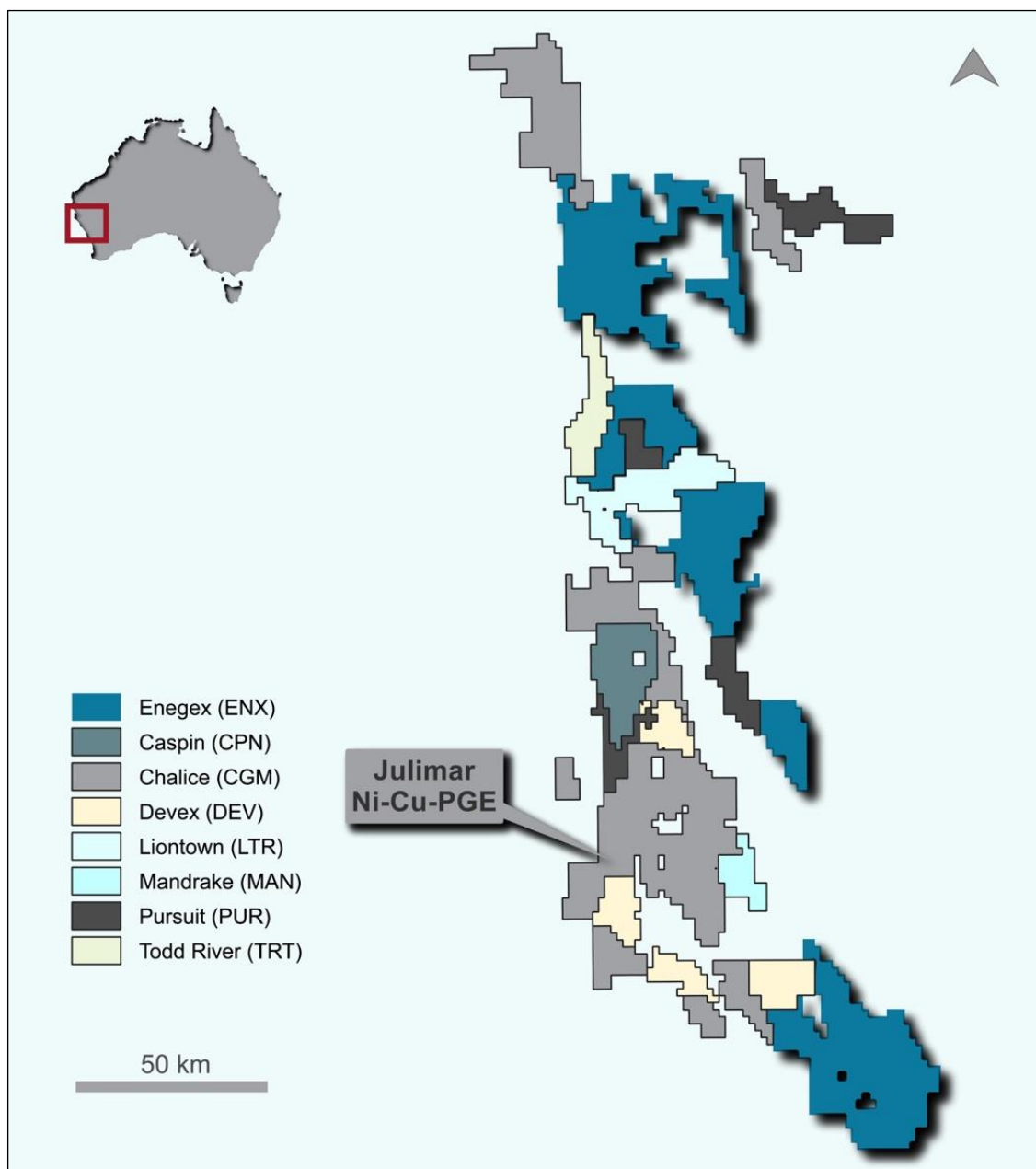


Figure 2 West Yilgarn Ni-Cu-PGE Province Explorers

Within EnegeX's project areas there are a number of features with distinctive "highs" in the magnetic and gravity data such as at EnegeX's Miling and Miamoon projects. These are interpreted to contain mafic and ultramafic intrusive bodies and are priority areas for groundwork including geochemistry and subsequent ground-based geophysics in order to define drilling targets.

During the year, EnegeX undertook desktop work to assist in generating exploration targets and

designing work programs. Work has included reprocessing of open-file geophysical data (magnetics, radiometrics and gravity) and compilation of historical exploration reports covering the project areas.

The company also undertook initial limited reconnaissance of areas within the Miamoon project area available for public access. No outcropping geology was identified in these areas due to depth of cover.

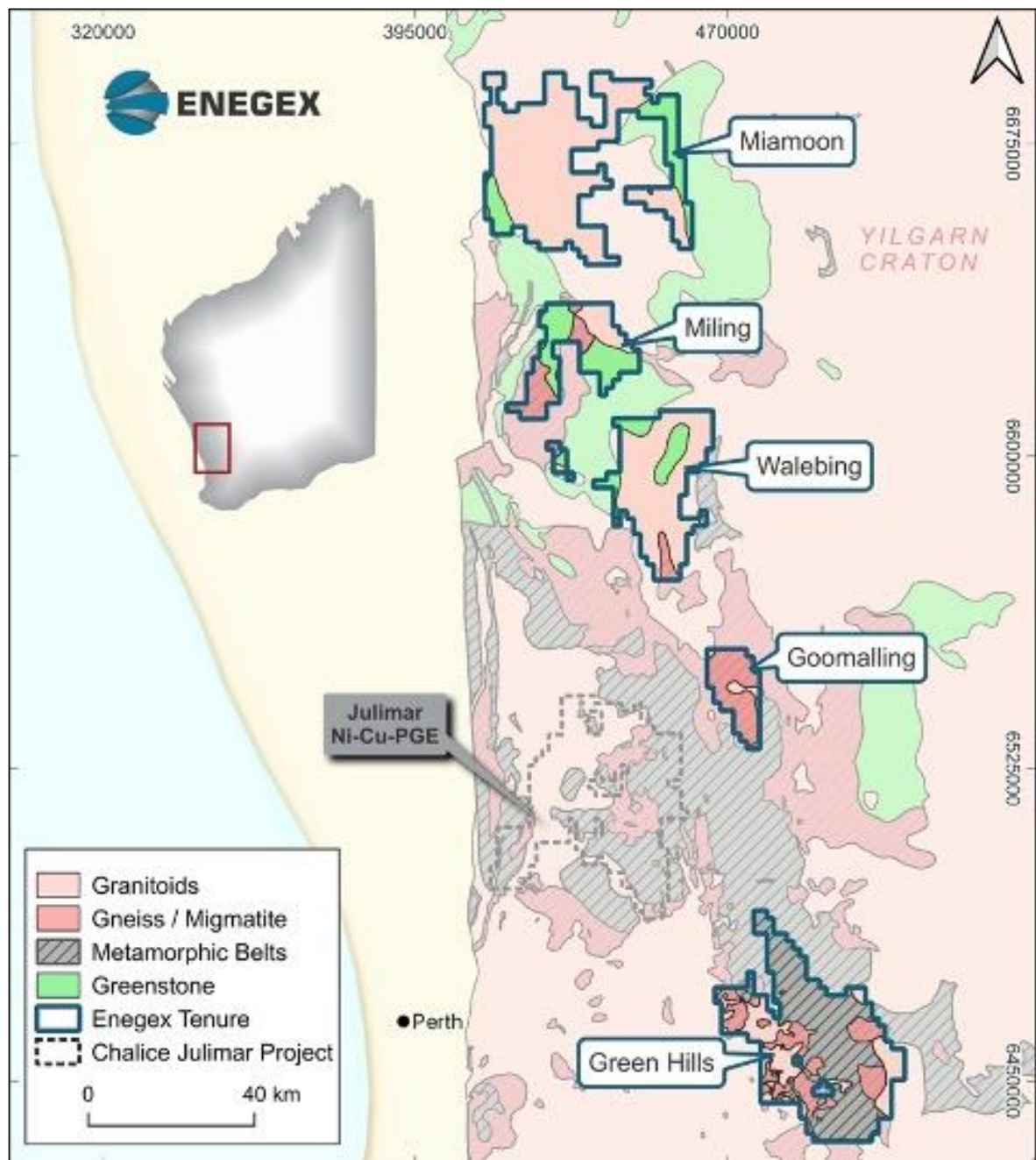


Figure 3 GSWA Interpreted bedrock geology 1:500,000 scale

Hart Dolerite Project, East Kimberley - EnegeX 100%

EnegeX has one granted exploration tenement (E80/5354), covering 374km², in the eastern margin of the Kimberley Basin of Western Australia. An additional 350km² is still under application.

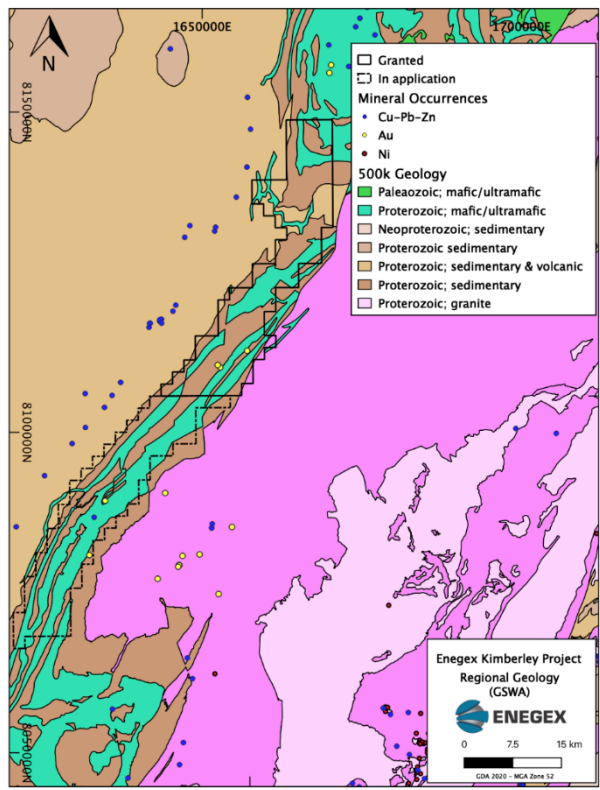


Figure 4 EnegeX Kimberley tenements shown on regional geology

The geology of the project area has been mapped as “Hart Dolerite”, a regionally extensive Proterozoic sill complex. The project area has had very little previous exploration. Mapping and exploration (by other companies) immediately to

the north of the project area has identified that the Hart Dolerite is made up of a layered intrusive suite of rocks.

The Hart Dolerite shows high mineral potential. It consists of a number of mafic sills that are typically tholeiitic - meaning that they are similar in composition to basalt but are richer in silica and iron and poorer in aluminum. Tholeiites occur in continental flood basalt provinces, back-arc basins, volcanic arcs and mid ocean ridges. Horizons may develop within a differentiated tholeiitic sill that offer a greater mineralisation prospectivity (eg iron rich zones as a target for gold mineralisation). Tholeiites are also prospective for intrusion-hosted Noril’sk style Ni-Cu-PGE deposits.

The widespread volcanics within the Halls Creek Oregon are indicative of potential in the co-magmatic intrusive units. Several mafic-ultramafic intrusive units in the Halls Creek Oregon (which flanks the eastern side of the Kimberley Basin) are modelled with medium to high potential, consistent with the presence of known tholeiitic intrusion-hosted Ni sulphide deposits and numerous prospects in this area. These include the Savannah deposit (previously Sally Malay), and the Copernicus deposit hosted by the Alice Downs Ultramafics.

During the year, EnegeX compiled and reviewed available open file historical data to assist in generating exploration targets and designing work programs.

Tenement Schedule as at 27 September 2021

Tenement	Enegec interest	Tenement status
Western Australia (Kimberley Region)		
E 80/5354	100%	Granted
E 80/5355	100%	Application
Western Australia (South-West Terrane)		
E 70/5439	100%	Granted
E 70/5440	100%	Granted
E 70/5441	100%	Granted
E 70/5442	100%	Granted
E 70/5446	100%	Granted
E 70/5459	100%	Granted
E 70/5457	100%	Granted
E 70/5458	100%	Granted
E 70/5460	100%	Granted
E 70/5463	100%	Granted
E 70/5444	First Right of Refusal	Granted
E 70/5445	First Right of Refusal	Granted
E 70/5566	100%	Granted
E 70/5567	100%	Granted
E 70/5568	100%	Granted
E 70/5569	100%	Granted
E 70/5570	100%	Granted
E 70/5571	100%	Granted
E 70/5580	100%	Granted

Directors' Report

The directors present their report on the results and state of affairs of Enege Limited ("Enege" or "the Company") for the year ended 30 June 2021.

Principal Activity

The principal activity of the company during the financial year ended 30 June 2021 was the exploration for natural resources.

Financial Results for the Year

The company recorded an operating loss after income tax for the year ended 30 June 2021 of \$475,452 (2020: \$202,987).

Significant Changes in State of Affairs

Other than outlined in this report there have been no significant changes in the state of affairs during the financial year and to the date of this report.

Dividends

No dividend has been paid, provided or recommended during the financial year and to the date of this report.

Likely Developments and Expected Results

The likely developments in the company's operations in future years and the expected result from those operations are highly dependent on success in the permit areas in which the company holds an interest.

Review Of Financial Position

At 30 June 2021, the company had a working capital (current assets less current liabilities) surplus of \$873,642 (2020: Deficit \$69,085).

Directors

The directors in office during the entire financial year and to the date of this report were:

EG Albers LLB, FAICD

Chairman since 12/4/17, Director since 1/10/15

Mr Albers has over 35 years' experience as a director and administrator in corporate law, resource exploration and investment.

Mr Albers is also a director of the ASX listed companies Octanex Limited and Peako Limited.

RL Clark B.Bus (dist), CA, MAICD, AGIA, ACIS Executive Director, Director since 12/10/15

Mrs Clark has more than 20 years' experience focussed primarily on the natural resources sector. Her experience includes business development, financial modelling and analysis, capital raising and mergers and acquisitions, as well as managing joint venture partners, government, regulator and investor relations.

Mrs Clark is also a director of the ASX listed companies Octanex Limited and Peako Limited.

AP Armitage FCA FAICD

Non-Executive Director, Director since 11/4/17

Mr Armitage began his professional career with an international accounting firm. After qualification he was invited into partnership of a national firm. Since the early 1980s he has been a director of a number of listed exploration companies in both Australia and New Zealand. Currently he holds no directorships in any other listed companies.

Company Secretary

RJ Wright B Bus, CPA – appointed 17 October 2012

Mr Wright is a senior financial professional with over 30 years commercial experience in the resource, energy and manufacturing industries gained at various companies and locations, including 14 years at BHP. As well as carrying out his secretarial duties for Enege, he is the company's Chief Financial Officer and the Company Secretary and CFO of the ASX listed companies Octanex Limited and Peako Limited. Mr Wright is a member of CPA Australia.

Board and Committee Meetings

There were no formal board and committee meetings held during the year. All matters that required formal Board resolutions were dealt with via written circular resolutions. The directors met and corresponded at numerous times throughout the financial year to discuss the Group's affairs. The board undertakes all audit committee functions.

Share Capital

Ordinary Shares

At 30 June 2021 the Company's share capital consists of 144,796,126 ordinary fully paid shares (2020: 80,499,737).

On 20 August 2020 the company completed a share placement to Professional and Sophisticated investors (Placement Participants), issuing 20,000,000 ordinary shares and raising \$440,000 before costs and issuing.

In September 2020 Egegex conducted a pro-rata shareholder entitlement offer on the same terms as the placement. Eligible shareholders were invited to subscribe for their pro-rata entitlement shares on the basis of 1 new share for every 3 shares held and the grant of 1 new option for no additional consideration on the basis of 1 new option for every 2 shares subscribed for under the entitlement offer. The offer raised \$542,236 with 24,647,043 new shares issued and 12,323,617 options granted. The rights issue shortfall of 8,852,869 shares was placed at \$0.04 (4 cents) per share to raise a further \$354,115.

During the year a total of 10,796,477 options, issued to shareholders who participated in the above placement and right issue, have been exercised, resulting in the issue of 10,796,477 ordinary fully paid shares and raising a further \$323,728.

Options

Listed options

	2021	2020
Movements during the year		
Balance at beginning of year	-	-
Options granted	22,323,617	-
Options exercised	(10,796,477)	-
Balance at end of year	<u>11,527,140</u>	<u>-</u>

On 20 August 2020 the company issued 10,000,000 options to Placement Participants exercisable at \$0.03 (3 cents) on or before 31 August 2022.

In September 2020 12,323,617 options were granted to eligible shareholders who participated in the pro-rata entitlement offer. No options were offered or granted as part of the shortfall placement.

In March 2021 Egegex sought listing for the options exercisable at \$0.03 and expiring 31 August 2022 in order to reduce administrative costs and provide option holders with greater flexibility.

During the year a total of 10,796,477 options have been exercised.

Unlisted options

	2021	2020
Movements during the year		
Balance at beginning of year	-	-
Options granted	8,750,000	-
Options exercised	-	-
Balance at end of year	<u>8,750,000</u>	<u>-</u>

During the year a total of 8,750,000 unlisted options were granted to directors, employees and consultants.

Remuneration Report

This report is audited.

Directors / Executives	Position Held
EG Albers	Non-Executive Chairman
RL Clark	Executive Director
AP Armitage	Non-Executive Director

During the year there were no employees or consultants to the company that meet the definition of key management personnel, other than the directors.

Remuneration levels are reviewed annually.

Director Remuneration

During the year under review, directors were remunerated a total of \$120,597 (2020: \$Nil).

There is no performance related remuneration for directors. Directors' remuneration paid covers all board activities including serving on committees.

The directors do not receive employee benefits, including annual leave and long service leave, but remuneration may include the grant of options (share based payments) over shares of the company so as to align directors' interests with that of the shareholders.

There is no direct relationship between remuneration of directors and the company's performance since incorporation.

Components of directors' compensation are disclosed below.

		<i>Short Term</i>		<i>Post Employment</i>	<i>Equity Settled</i>	<i>Total</i>	
	<i>Year</i>	<i>Directors Fees</i>	<i>Other Fees</i>	<i>Super annuation</i>	<i>Options(1)</i>		<i>Options as percentage of Total</i>
		\$	\$	\$	\$	\$	
EG Albers	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
RL Clark	2021	-	-	-	90,448	90,448	100%
	2020	-	-	-	-	-	-
AP Armitage	2021	-	-	-	30,149	30,149	100%
	2020	-	-	-	-	-	-
TOTAL	2021	-	-	-	120,597	120,597	-
	2020	-	-	-	-	-	-

(1) The whole value of options granted during the year has been disclosed as remuneration rather than the amount vested.

There were no shares to directors as part of compensation during the year ended 30 June 2021.

Remuneration Report (continued)

Key management personnel interest in equity holdings

Fully paid ordinary shares

	Number of shares at start of year	Other Change	Number of shares at end of year
	<i>1 July 2020</i>		<i>30 June 2021</i>
EG Albers (1)	32,904,849	8,609,176	41,514,025
RL Clark	75,000	-	75,000
AP Armitage	-	-	-
	32,979,849	8,609,176	41,589,025

(1) Other Change in shares – on market purchases and rights issue participation.

The Company granted 4,000,000 options over ordinary shares to directors during the financial year (2020: Nil). All of the options granted in the current financial year have an employment condition and so vest over that service condition. The options granted during the year ended have been valued using the Black Scholes Option Valuation. The fair value of these share based payment (for accounting) at grant date was \$120,597 (2020: \$Nil). A share based payment expense of \$26,102 has been recognised for the year ended 30 June 2021 (2020: \$Nil).

Unlisted options (exercisable at \$0.03 on or before 31 August 2022)

	Number of options at start of year	Number of options at end of year	Numbers of options vested and exercisable
	<i>1 July 2020</i>	<i>30 June 2021</i>	<i>30 June 2021</i>
EG Albers #	-	5,189,258	5,189,258
RL Clark	-	-	-
AP Armitage	-	-	-
	-	5,189,258	5,189,258

acquired via pro-rata non renounceable rights issue

Unlisted options (exercisable at \$0.092 on or before 5 November 2023)

	Number of options at start of year	Options granted during year	Options exercised/ex pired during year	Number of options at end of year
	<i>1 July 2020</i>			<i>30 June 2021</i>
EG Albers	-	-	-	-
RL Clark	-	3,000,000	-	3,000,000
AP Armitage	-	1,000,000	-	1,000,000
	-	4,000,000	-	4,000,000

End of Remuneration Report

Indemnification of Officers and Auditors

During the financial year and to the date of this report, the company did not pay premiums in respect of contracts insuring officers or auditors of the company against liabilities arising from their position of officers or auditor of the company.

Environment, Health and Safety

The company has adopted an environmental, health and safety policy and conducts its operations in accordance with industry best practice.

There were no known contraventions of any relevant environmental regulations by the company, its subsidiary or by the operator of any of the permits in which an interest is held.

The company believes all injuries are avoidable and has policies and procedures to ensure employees and contractors manage safety accordingly. The company monitors and evaluates its procedures. During the year there were no known contraventions of health and safety by the company or reported health and safety incidents.

Corporate Governance Statement

A corporate governance statement reporting on Enegex's governance framework, principles and practices is provided on the Enegex website www.enegex.com.

Website

The company has a website that can be found at www.enegex.com where relevant company documents and information are displayed.

Events Since Balance Date

There has been no significant after balance date event up to the date of signing this report.

Proceedings On Behalf Of the Company

There are no proceedings on behalf of the company.

Auditor Independence and Non-Audit Services

A copy of the Auditor's Independence Declaration, as required under Section 307C of the Corporations Act 2001, is attached on page 38 and forms part of this Directors' Report for the year ended 30 June 2021.

No fees were paid to the auditor for non-audit services.

Signed in accordance with a resolution of the directors.



R.L. Clark
Director
Melbourne, 28 September 2021

Directors' Declaration

The directors of the company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001;
 - (b) give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
 - (c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. The remuneration disclosures included in pages 11 to 12 of the Directors' Report, (as part of the audited Remuneration Report), for the year ended 30 June 2021, comply with section 300A of the Corporations Act 2001.
4. The directors have been given the declarations by the executive officer and the financial officer required by section 295A of the Corporations Act.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



R.L. Clark
Director
Melbourne, 28 September 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Interest income		1	289
Recovery of salary and consultant expenses	13	26,180	-
Interest costs		(2,580)	(534)
Expenses	2	<u>(499,053)</u>	<u>(202,742)</u>
		<u>(475,452)</u>	<u>(202,987)</u>
Loss before income tax expense		(475,452)	(202,987)
Income tax expense	3	<u>-</u>	<u>-</u>
Loss for the year		<u>(475,452)</u>	<u>(202,987)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in financial assets at fair value through other comprehensive income		<u>1,444</u>	<u>(4,813)</u>
Total comprehensive loss for the year		<u>(474,008)</u>	<u>(207,800)</u>
		cents	cents
Basic loss per share (cent per share)	17	(0.371)	(0.252)
Diluted loss per share (cent per share)	17	(0.371)	(0.252)

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position at 30 June 2021

	Note	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	4	961,700	50,138
Trade and other receivables	5	41,244	5,797
Prepayments	6	14,552	139,688
Total Current Assets		<u>1,017,496</u>	<u>195,623</u>
Non-Current Assets			
Financial assets at fair value through other comprehensive income	8	21,179	19,735
Exploration and evaluation expenditure	7	263,719	
Total Non-Current Assets		<u>284,898</u>	<u>19,735</u>
Total Assets		<u>1,302,394</u>	<u>215,358</u>
Current Liabilities			
Trade and other payables	9	140,864	134,136
Provisions		2,990	-
Interest bearing liabilities	10	-	130,572
Total Liabilities		<u>143,854</u>	<u>264,708</u>
Net Assets		<u>1,158,540</u>	<u>(49,350)</u>
Equity			
Issued capital	11	2,930,447	1,366,891
Reserves		118,387	(1,399)
Accumulated losses		(1,890,294)	(1,414,842)
Total Equity		<u>1,158,540</u>	<u>(49,350)</u>

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2021

	Issued capital	Accumulated losses	Financial assets at fair value through other comprehen- sive income	Options Reserve	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2020	1,366,891	(1,414,842)	(1,399)	-	(49,350)
Loss for the year	-	(475,452)	-	-	(475,452)
Revaluation of financial asset (net of tax)	-	-	1,444	-	1,444
Total comprehensive income for the year	-	(475,452)	1,444	-	(474,008)
Issue of Shares	1,660,079	-	-	-	1,660,079
Costs of Issue	(96,523)	-	-	-	(96,523)
Grant of Options	-	-	-	118,342	118,342
At 30 June 2021	2,930,447	(1,890,294)	45	118,342	1,158,540
At 1 July 2019	1,366,891	(1,211,855)	3,414	-	158,450
Loss for the year	-	(202,987)	-	-	(202,987)
Revaluation of financial asset (net of tax)	-	-	(4,813)	-	(4,813)
Total comprehensive income for the year	-	(202,987)	(4,813)	-	(207,800)
At 30 June 2020	1,366,891	(1,414,842)	(1,399)	-	(49,350)

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Cash Flows from Operating Activities			
Payments to suppliers		(324,420)	(76,265)
Interest received		-	653
Net cash outflow in operating activities	(i)	<u>(324,420)</u>	<u>(75,612)</u>
Cash Flows from Investing Activities			
Payments to suppliers - exploration		<u>(197,002)</u>	<u>(120,164)</u>
Net cash outflow from investing activities		<u>(197,002)</u>	<u>(120,164)</u>
Cash Flows from Financing Activities			
Proceeds from share issues		1,660,079	-
Costs of issue		(96,523)	-
Repayment of borrowings		(200,572)	-
Proceeds from borrowings		70,000	106,000
Net cash inflow in financing activities		<u>1,432,984</u>	<u>106,000</u>
Net decrease in cash and cash equivalents		911,562	(89,776)
Cash and cash equivalents at the beginning of the year		50,138	139,914
Cash And Cash Equivalents at Year End		<u>961,700</u>	<u>50,138</u>

(i) Reconciliation of Loss to Net Cash Outflow in Operating Activities

Loss after income tax		(475,452)	(202,987)
Exploration expensed		58,420	29,636
Options expense		118,341	-
Employee provisions		2,990	-
<i>Changes in Assets and Liabilities:</i>			
Increase in payables		6,728	100,727
Increase in receivables		(35,447)	(2,988)
Net cash outflow from operating activities		<u>(324,420)</u>	<u>(75,612)</u>

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes

Notes to the Financial Statements 30 June 2021

Note 1 Significant Accounting Policies

Enege Limited (“Enege” or “the company” or “the group”) is a for-profit company incorporated and domiciled in Australia with its registered office and principal place of business located at Level 1, 10 Yarra Street, South Yarra Victoria 3141. The consolidated financial report of the company for the year ended 30 June 2021 comprises the company and its subsidiaries (together referred to as the “consolidated entity” or “the group”) and the consolidated entity’s interest in joint operations. Financial information for Enege Limited as an individual entity is included in Note 20. The financial report was authorised by the directors for issue on 28 September 2021. The principal activity of the company during the year was natural resources exploration, evaluation and investment.

(a) Statement of compliance

The consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, including the Accounting Interpretations, issued by the Australian Accounting Standards Board (‘AASB’) and the *Corporations Act 2001*. The financial report of the company complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

The consolidated financial report is presented in Australian dollars which is the company’s functional currency and is prepared on the accrual and historical cost basis. The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements

about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in note 1(m).

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

Going concern

For the year ended 30 June 2021 the Group incurred a net cash outflow from operating and investing activities of \$521,422 (2020: \$195,776) and a net loss after tax of \$475,452 (2020: \$202,987). As at 30 June 2021, the Group has positive working capital of \$873,642 (2020: negative working capital \$69,085).

Directors expect that the group will be able to successfully raise sufficient funding to enable it to continue as a going concern for at least 12 months from the signing of annual financial report.

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

Notes to the Financial Statements 30 June 2021

Note 1 Significant Accounting Policies (continued)

In the event that sufficient funds are not raised to meet all of the Group's commitments, debt and payables, the interest in some or all of the Group's tenements may be affected and all assets and liabilities may not be realised at the amounts disclosed. No adjustments have been made relating to the recoverability and reclassification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern, particularly the write-down of capitalised exploration expenditure should the exploration permits be ultimately surrendered or cancelled. Having assessed the potential uncertainties relating to the Group's ability to effectively fund exploration activities and operating expenditures, the Directors believe that the Group will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

New and revised accounting standards applicable for the first time to the current reporting period

The company has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the company.

Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)

During the financial year the International Financial Reporting Interpretations Committee IFRIC identified that various approaches to customisation and configuration costs for cloud computing arrangements were utilised by companies depending on internal policy. These policies varied from expensing all costs to full capitalisation of all costs in full, with most entities taking a more nuanced approach in their capitalisation policy and differentiating between expenditure with different underlying fact patterns.

The Agenda Decision requires that management capitalise those elements of expenditure that meet the definition of an 'Intangible Asset' as defined by AASB 138 Intangible Assets and recognise any additional amounts as an expense as the entity benefits from the expenditure – either by applying AASB 138 or applying another accounting standard.

The impact of this decision has not had a material impact on the group's financial statements.

(c) Exploration and evaluation expenditure

Exploration and evaluation assets, including the costs of acquiring permits or licences, are capitalised as exploration and evaluation assets on an area of interest basis. Exploration and evaluation assets are only recognised if the rights to tenure of the area of interest are current and either:

- i. the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale or partial sale: or
- ii. activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

The tests contained in AASB6.20 are applied to determine whether exploration and evaluation assets are assessed for impairment:

- 1) the exploration and evaluation tenure right has expired or are expected to expire in the near future, and is not expected to be renewed.
- 2) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.

Notes to the Financial Statements 30 June 2021

Note 1 Significant Accounting Policies (continued)

- 3) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- 4) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Proceeds from the sale of exploration permits or recoupment of exploration costs from farm-in arrangements are credited against exploration costs previously capitalised. Any excess of the proceeds over costs recouped are accounted for as a gain on disposal.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are provided for as part of the cost of those activities. Costs are estimated on the basis of current legal requirements, anticipated technology and future costs that have been discounted to their present value. Estimates of future costs are reassessed at each reporting date.

(d) Trade and other receivables and contract assets

The company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and at call bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Impairment of assets

The carrying amounts of the company's assets are reviewed at each reporting date to determine whether there are indicators of impairment. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

(g) Share capital

Ordinary share capital is recognised at the fair value of the consideration received by the company. Transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the consideration received, net of any related income tax benefit.

Notes to the Financial Statements 30 June 2021

Note 1 Significant Accounting Policies (continued)

(h) Provisions

A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Trade and other payables

Trade, accruals and other payables are recorded initially at fair value and subsequently at amortised cost. Trade payables are non-interest bearing and are normally settled on 60-day terms.

(j) Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(k) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The initial recognition of assets or liabilities that do not affect accounting nor taxable profit is not provided for in determining deferred tax amounts. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be applied. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company recognises deferred tax assets arising from unused tax losses of the company to the extent that is probable that future taxable profits of the company will be available against which the asset can be utilised.

(l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the Financial Statements 30 June 2021

Note 1 Significant Accounting Policies (continued)

(m) Accounting estimates and judgements

Management determine the development, selection and disclosure of the company's critical accounting policies and estimates and the application of these policies and estimates. Other than as disclosed in these notes there are no estimates and judgements that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Management has determined that realisation of the estimated deferred tax asset arising from tax losses and temporary differences is not probable and has not brought to account the asset at balance date (Note 3).

Per Note 1(c) and 1(f) management exercise judgement as to the whether exploration expenditure is assessed for impairment. Any judgement may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off through profit or loss and other comprehensive income.

(n) Fair value

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures. Fair values for financial instruments traded in active markets are based on quoted market prices at statement of financial position date. The quoted market price for financial assets is the current bid price and the quoted market price.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Assumptions used are based on observable market prices and rates at balance date. Estimated discounted cash flows

are used to determine fair value of the remaining financial instruments.

The carrying value (less impairment provision of trade receivables and payables) are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments

(o) Foreign Currency Translation

The functional and presentation currency of the company is Australian dollars (A\$).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average

Notes to the Financial Statements 30 June 2021

Note 1 Significant Accounting Policies (continued)

number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(q) Share-based payment transactions

Equity settled transactions

The fair value of options granted are recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the grantee become unconditionally entitled to the options.

The fair value at grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are

included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

(r) New and revised accounting standards issued not yet effective

The company has adopted all of the new and revised Accounting Standards issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2020.

The Directors do not believe that new and revised standards issued by AASB (that are not as yet effective, will have any material financial impact on the financial statements.

Note 2 Expenses

	Note	2021 \$	2020 \$
Audit and other related fees		35,687	27,637
Accounting and administration fees		86,843	27,568
Consultants fees		80,028	15,959
Licence Fees		14,102	18,979
Management fee		20,000	5,000
Office costs		46,726	70,011
Salaries		24,715	-
Shares based payment	14	118,341	-
Stock exchange and registry costs		36,420	20,979
Other expenses		36,191	16,609
		499,053	202,742

Notes to the Financial Statements 30 June 2021

	2021 \$	2020 \$
Note 3 Income Tax Benefit		
Components of income tax benefit		
Current tax benefit	(142,636)	(60,896)
Deferred tax asset not brought to account	142,636	60,896
Income tax benefit	<u>-</u>	<u>-</u>
Reconciliation between tax benefit and pre-tax loss		
Loss before tax	(475,452)	(202,987)
Income tax using statutory income tax rate of 30% (2020: 30%)	<u>(142,636)</u>	<u>(60,896)</u>
Tax benefit	(142,636)	(60,986)
Deferred tax asset not brought to account	142,636	60,896
Income tax benefit	<u>-</u>	<u>-</u>
Unrecognised deferred tax asset		
The estimated deferred tax asset arising from tax losses and temporary differences not brought to account at balance date as realisation of the benefit is not probable:		
Tax losses carried forward	2,098,412	1,590,274
Temporary differences	(257,327)	17,399
	<u>1,841,085</u>	<u>1,607,673</u>
Note 4 Cash and Cash Equivalents		
Cash at bank and on hand	<u>961,700</u>	<u>50,138</u>
Note 5 Trade and Other Receivables		
Other receivables	<u>41,244</u>	<u>5,797</u>
	<u>41,244</u>	<u>5,797</u>

The carrying amount of all receivables is equal to their fair value as they are short term. None of the receivables have a loss allowance as there aren't any expected shortfalls in contractual cash flows. The maximum credit risk for the company is the gross value of all receivables. All receivables are non-interest bearing.

Notes to the Financial Statements

30 June 2021

	2021	2020
	\$	\$
Note 6 Prepayments		
Prepaid tenement rent		
Balance at start for year	139,688	-
Prepaid tenement rent for the year	74,952	139,688
Transfer to exploration and evaluation assets (Note 7)	<u>(200,088)</u>	-
Balance at start for year	<u>14,552</u>	<u>139,688</u>

As at 30 June 2021 the company has one tenement application (2020: 14 applications). If the tenement is granted rent paid on application will cover rent required on the first year of exploration in the tenement. If the tenement is not granted the rent paid on application is fully refundable.

Note 7 Exploration and Evaluation

Balance at start for year	-	-
Costs for the year	63,631	-
Transfer from prepaid tenement rent (Note 6)	<u>200,088</u>	-
Balance at start for year	<u>263,719</u>	<u>-</u>

Granted tenements

30/06/2021	30/06/2020	Notes
E80/5354	-	Granted 23/11/2020
E70/5439	-	Granted 5/01/2021
E70/5440	-	Granted 5/01/2021
E70/5441	-	Granted 5/01/2021
E70/5442	-	Granted 5/01/2021
E70/5631	-	Granted 19/05/2021
E70/5444	-	Granted 4/01/2021
E70/5445	-	Granted 4/01/2021
E70/5446	-	Granted 4/01/2021
E70/5457	-	Granted 24/12/2020
E70/5458	-	Granted 9/04/2021
E70/5459	-	Granted 24/12/2020
E70/5460	-	Granted 23/03/2021
E70/5463	-	Granted 24/12/2020
E70/5566	-	Granted 19/03/2021
E70/5567	-	Granted 19/03/2021
E70/5568	-	Granted 10/03/2021
E70/5569	-	Granted 10/03/2021
E70/5570	-	Granted 10/03/2021
E70/5571	-	Granted 10/03/2021
E70/5580	-	Granted 19/03/2021

Notes to the Financial Statements 30 June 2021

	2021 \$	2020 \$
Note 8 Financial Assets at Fair Value Through Other Comprehensive Income		
Investments in listed equities		
Balance at beginning of year	19,735	19,735
Net revaluation increment	1,444	1,444
Balance at end of year	<u>21,179</u>	<u>21,179</u>

Note 9 Trade and Other Payables

Other payables and accrued expenses	47,458	28,507
Director-related entities – other payables (Note 13)	93,406	105,629
Balance at end of year	<u>140,864</u>	<u>134,136</u>

Trade payables are current liabilities which result in their fair value being equal to the current carrying amount. Information about the company's exposure to foreign exchange risk in relation to other trade payables and accrued expenses, including sensitivities to changes in foreign exchange rates, is provided in Note 14.

Note 10 Interest Bearing Liabilities

Line of credit facility	<u>-</u>	<u>130,572</u>
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During the year the Company repaid in full the borrowing against a line of credit facility from Australis Finance Pty Ltd, with interest rate of 7% p.a. Australis Finance Pty Ltd is a director-related entity of EG Albers (2020: \$130,572) (Note 13).

Note 11 Issued Capital

	2021 Shares	2021 \$	2021 Shares	2020 \$
Issued Capital				
Ordinary shares fully paid	<u>80,499,737</u>	<u>1,366,891</u>	<u>80,499,737</u>	<u>1,366,891</u>
Ordinary Shares				
Movements during the year				
Balance at beginning of year	80,499,737	1,366,891	80,499,737	1,366,891
Shares issued	64,296,389	1,660,079		
Costs of issue	-	(96,523)	-	-
Balance at end of year	<u>144,796,126</u>	<u>2,930,447</u>	<u>80,499,737</u>	<u>1,366,891</u>

Notes to the Financial Statements 30 June 2021

Note 11 Issued Capital (continued)

Ordinary Shares

Ordinary shares entitle the holder to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company. The company does not have a limited authorised capital and issued shares have no par value.

Share Options

	2021 Listed	2020 Listed	2021 Unlisted	2020 Unlisted
Movements during the year				
Balance at beginning of year	-	-	-	-
Options Granted	22,323,617	-	8,750,000	-
Options Exercised	(10,796,477)	-	-	-
Balance at end of year	<u>11,527,140</u>	<u>-</u>	<u>8,750,000</u>	<u>-</u>

Note 12 Key Management Personnel

Non-executive Directors

EG Albers
AP Armitage

Executive Director

RL Clark

During the year the only persons that met the definition of key management personnel were the directors. The company has no employees.

Fees paid to AP Armitage, EG Albers and RL Clark in their capacities as consultants or service providers to Enegex are disclosed below in the Related Party Note 13. Fees paid to directors are summarised in the table below and detailed in the Remuneration Report section of the Directors' Report.

Individual compensation disclosures

Information regarding individual director's compensation is provided in the Remuneration Report section of the Directors' Report. In summary form:

Year	Short Term		Post Employment	Equity Settled	Total
	Director Fees	Other Fees	Superannuation	Options	
	\$	\$	\$	\$	\$
TOTAL 2021	-	-	-	120,597	120,597
2020	-	-	-	-	-

Notes to the Financial Statements 30 June 2021

Note 13 Related Party Transactions

The consolidated financial statements of the Group include:

Name	2021 Interest	2020 Interest	Country of Incorporation
Ellendale South Pty Ltd	100%	100%	Australia
Diamandia Pty Ltd	100%	100%	Australia

During the year services were provided under normal commercial terms and conditions by director-related entities as disclosed below together with amounts payable as at 30 June 2020.

Entity	Related director	Service	Amounts paid		Payable at	
			2021 \$	2020 \$	30/06/21 \$	30/06/20 \$
Samika Pty Ltd	RL Clark	Consulting services	67,200	-	-	-
Exoil Pty Ltd	EG Albers	Office services	46,726	70,011	29,582	75,417
Natural Resources Group Pty Ltd	EG Albers	Management of exploration tenements	20,000	5,000	20,000	-
Octanex Limited	EG Albers & RL Clark	Accounting and administrative support	76,485	27,465	43,824	30,212
			<u>210,411</u>	<u>102,476</u>	<u>93,406</u>	<u>105,629</u>

During the year services were provided under normal commercial terms and conditions to director-related entities as disclosed below together with amounts receivable as at 30 June 2021. The amounts exclude GST.

Entity	Related director	Service	Services sold		Receivable at	
			2021 \$	2020 \$	30/06/21 \$	30/06/20 \$
Peako Limited	EG Albers & RL Clark	Geological	16,610	-	16,610	-
Octanex Limited	EG Albers & RL Clark	Geological	9,570	-	9,570	-
			<u>26,180</u>	<u>-</u>	<u>26,180</u>	<u>-</u>

Director – related borrowings

During the year the Company repaid in full the borrowing against a line of credit facility from Australis Finance Pty Ltd, with interest rate of 7% p.a. Australis Finance Pty Ltd is a director-related entity of EG Albers (2020: \$130,572) (note 10).

Notes to the Financial Statements

30 June 2021

Note 14 Share Based Payments

	2021	2020
	\$	\$
Shared based payment expense directors	26,102	-
Share based payment expense – consultants and employee	92,239	-
Balance at end of year	118,341	-

Share options to directors

4,000,000 options were granted to directors in the year ended 30 June 2021. (2020: Nil options).

On 5 November 2020 3,000,000 options were granted to Rae Clark and 1,000,000 options to Peter Armitage. The options have an employment condition and so vest over the service condition.

The 4,000,000 options granted to directors were valued using the Black Scholes Option Valuation model and the following inputs:

Exercise price	9.2 cents
Share price at approval date	6.5 cents
Maximum option life	3.0 years
Expected volatility	87%
Risk free interest rate	0.27%

Expected volatility was based on the average volatility of a peer group of eleven companies within the junior minerals exploration industry. The implied volatility of the eleven companies was in the range of 67% to 105%. The fair value of this share based payment (for accounting) at grant date was \$120,597. The options vest over the service condition so a share based payment expense with a corresponding increase in equity of \$26,102 has been recognised for the year ended 30 June 2021.

Share options to an executive and a consultant

The 2,000,000 options granted to an executive and a consultant on 5 November 2020 have an employment condition and so vest over the service condition. They were valued using the Black Scholes Option Valuation model and the following inputs:

Exercise price	9.2 cents
Share price at approval date	6.5 cents
Maximum option life	3.0 years
Expected volatility	87%
Risk free interest rate	0.27%

Expected volatility was based on the average volatility of a peer group of eleven companies within the junior minerals exploration industry. The implied volatility of the eleven companies was in the range of 67% to 105%. The fair value of this share based payment (for accounting) at grant date was \$60,298. The options vest over the service condition so a share based payment expense with a corresponding increase in equity of \$13,051 has been recognised for the year ended 30 June 2021.

Share options to consultants

The 1,750,000 options granted to consultants on 31 March 2021 have no employment condition and so vest on grant date. They were valued using the Black Scholes Option Valuation model and the following inputs:

Exercise price	13 cents
Share price at approval date	9.1 cents
Maximum option life	3.0 years
Expected volatility	88%
Risk free interest rate	0.10%

Expected volatility was based on the average volatility of a peer group of eleven companies within the junior minerals exploration industry. The implied volatility of the eleven companies was in the range of 65% to 120%. The fair value of this share based payment (for accounting) at grant date was \$75,595. The options vest on grant of the option so a share based payment expense with a

Notes to the Financial Statements 30 June 2021

Note 14 Share Based Payments (Continued)

corresponding increase in equity of \$75,595 has been recognised for the year ended 30 June 2021.

Share options to an employee

The 1,000,000 options granted to an employee on 31 March 2021 have an employment condition and so vest over the service condition. They were valued using the Black Scholes Option Valuation model and the following inputs:

Exercise price	13 cents
Share price at approval date	9.1 cents
Maximum option life	3.0 years
Expected volatility	88%
Risk free interest rate	0.10%

Expected volatility was based on the average volatility of a peer group of eleven companies within the junior minerals exploration industry. The implied volatility of the eleven companies was in the range of 65% to 120%. The fair value of this share based payment (for accounting) at grant date was \$43,197. The options vest over the service condition so a share based payment expense with a corresponding increase in equity of \$3,593 has been recognised for the year ended 30 June 2021.

Note 15 Financial Instruments

Purchases and sales of financial assets and financial liabilities are recognised on trade date; the date on which the company commits to purchase or sell the financial assets or financial liabilities. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Exposure to credit, interest rate, liquidity and currency risks arises in the normal course of the company's business. The company's overall risk management approach is to identify the risks and implement safeguards which seek to minimise potential adverse effects on the financial performance of the company.

Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The consolidated entity's financial assets measured and recognised at fair value at 30 June 2021 and 30 June 2020 on a recurring basis are as follows:

Notes to the Financial Statements 30 June 2021

Note 15 Financial Instruments (Continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2021				
Assets				
Listed securities	21,179	-	-	21,179
30 June 2020				
Assets				
Listed securities	19,735	-	-	19,735

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. At balance date there were no significant concentrations of credit risk for the company. The maximum exposure to credit risk of financial assets is represented by the carrying amounts of each financial asset in the statement of financial position.

Interest rate risk

All financial liabilities and financial assets at floating rates expose the company to cash flow interest rate risk. The company has no exposure to interest rate risk at balance date, other than in relation to cash and cash equivalents which attract a floating interest rate. Details of cash and cash deposits can be found in Note 4. At balance date a 1% (100 basis point) increase/ decrease in the interest rate would improve / worsen the company's post tax profit by \$6,732 (2020: \$351)

Liquidity risk

Liquidity risk is monitored to ensure sufficient monies are available to meet contractual obligations as and when they fall due. All financial assets and liabilities have a maturity date of less than 12 months.

Foreign currency risk

The consolidated entity is exposed to foreign currency risk arising from purchases of goods and services that are denominated in a currency other than the Australian dollar functional currency. Data processing by overseas suppliers are usually denominated in US dollars. To this extent, the consolidated entity is exposed to exchange rate fluctuations between the Australian and US dollar. At 30 June 2021 the consolidated entity has no foreign currency exposure (2020: \$nil).

Capital Management

When managing capital, directors' objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

It is the company's plan that capital will be raised by any one or a combination of the following manners: placement of shares to excluded offerees, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares. Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be the company's intention to meet its exploration obligations by either partial sale of its interests or farmout, the latter course of action being part of its overall strategy.

The company is not subject to any externally imposed capital requirements.

Notes to the Financial Statements 30 June 2021

Note 16 Segment Information

The company has adopted AASB 8 Operating Segments whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the board of directors.

At regular intervals the board is provided management information at a company level for the company's cash position, the carrying values of exploration permits and a company cash forecast for the next twelve months of operation.

On this basis, no segment information is included in these financial statements.

All interest received has been derived in Australia. All exploration permits and activity is in Australia.

	2021	2020
	\$	\$

Note 17 Loss Per Share

The loss and weighted average number of ordinary shares used in the calculation of basic and dilutive loss per share is as follows:

Net Loss for the year	(475,052)	(202,987)
The weighted average number of ordinary shares	128,006,707	80,499,737
Total basic and dilutive loss per share (cents)	<u>(0.371)</u>	<u>(0.252)</u>

Despite having options on issue, basic and dilutive loss per share are the same as there is a loss position and to include options would be anti-dilutive.

Note 18 Auditor's Remuneration

Amounts received or due and receivable by the auditor of the Company for:

Audit of the full year and review of the half year financial reports	35,687	26,637
Other assurance services	-	-
Balance at start for year	<u>35,687</u>	<u>26,637</u>

Notes to the Financial Statements

30 June 2021

Note 19 Exploration and Evaluation Expenditure Commitments

The consolidated entity's minimum expenditure requirements in exploration permits held by the consolidated entity at reporting date:

	2021	2020
	\$	\$
Payable not later than one year	1,036,000	-
Payable later than one year but not later than four years	7,000,000	-
Payable not later than one year	<u>8,036,000</u>	<u>-</u>

Estimated expenditure, arising from exploration work programmes which, may, subject to negotiation and approval, be varied. They may also be satisfied by farmout, sale, relinquishment or surrender.

Note 20 Events Since Balance Date

There has been no significant after balance date event up to the date of signing this report.

	2021	2020
	\$	\$
Note 21 Parent Entity Information		
Current assets	1,002,945	55,934
Non-current assets	299,650	140,520
Total assets	<u>1,302,595</u>	<u>196,454</u>
Current liabilities	143,854	237,745
Non-current liabilities	-	-
Total liabilities	<u>143,854</u>	<u>237,745</u>
Contributed equity	2,930,447	1,366,891
Financial assets at fair value through other comprehensive income reserve	45	(1,399)
Options reserve	118,341	-
Accumulated losses	(1,890,092)	(1,406,783)
Total equity	<u>1,158,741</u>	<u>(41,291)</u>
Loss for the year	(483,310)	(200,644)
Other comprehensive income for the year	1,444	(4,813)
Total comprehensive income for the year	<u>(481,866)</u>	<u>(205,457)</u>

No dividends were paid by the parent entity in 2021 (2020: Nil).

Independent Auditor's Report

To the Members of Egegex Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Egegex Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial statements, which indicates that the Group incurred a net loss after tax of \$475,452 and net cash outflows from operating and investing activities of \$521,422 during the year ended 30 June 2021. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Exploration and Evaluation Assets (Note 7)</p> <p>At 30 June 2021 the carrying value of exploration and evaluation assets was \$263,719.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • reviewing management’s area of interest considerations against AASB 6; • conducting a detailed review of management’s assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> ○ tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; ○ enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management’s budgeted expenditure; ○ understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • evaluating the competence, capabilities and objectivity of management’s experts in the evaluation of potential impairment triggers; and • assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor’s report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2021, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 11 to 12 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Enege Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 28 September 2021

Auditor's Independence Declaration

To the Directors of Enege Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Enege Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 28 September 2021

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ASX additional Information as at 28 September 2021

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Distribution Of Ordinary Shares

Numbers of members by size of holding and the total number of shares on issue:

Ordinary Shares	No. of Holders	No. of Shares
1 – 1,000	209	65,773
1,001 – 5,000	294	931,635
5,001 – 10,000	250	1,997,412
10,001 – 100,000	680	25,202,163
100,001 and over	177	121,803,290
Total on Issue	1,610	150,000,273

553 holders held less than a marketable parcel of ordinary shares. There is no current on-market buy-back.

Distribution Of Listed Options - exercisable at \$0.03 on or before 31 August 2022

Numbers of holders of listed options by size of holding and the total number of listed options:

Listed Options	No. of Holders	No. of Listed Options
1 – 1,000	54	19,742
1,001 – 5,000	110	271,670
5,001 – 10,000	49	340,586
10,001 – 100,000	52	1,481,145
100,001 and over	12	4,209,850
Total on Issue	277	6,322,993

Substantial Shareholders

As disclosed in notices given to the Company.

Name of Substantial Shareholder	Interest in Number of Shares	% of Shares
Albers Group	46,703,283	31.14
Ross Di Bartolo	10,400,437	7.24

The 20 Largest Holders of Ordinary Shares

Holder Name	Holding	%
Mr Ernest Geoffrey Albers	18,132,612	12.09%
Mr Ross Di Bartolo	7,502,521	5.00%
Auralandia Pty Ltd	7,500,001	5.00%
Gascorp Australia Pty Ltd	7,145,482	4.76%
Mr Dominic Virgara	6,000,000	4.00%
Mr Ernest Geoffrey Albers	3,903,090	2.60%
Sacrosanct Pty Ltd	3,452,497	2.30%
Mr Michael George Faulkner & Mrs Jennifer Kaye Faulkner	3,000,000	2.00%
Australis Finance Pty Ltd	2,806,618	1.87%
Mr David James Schmidt	2,543,692	1.70%
Mr Bradley James Dening & Mr Shayne Charles Dening	2,044,488	1.36%
Citicorp Nominees Pty Limited	1,846,944	1.23%
Ritch Super Nominees Pty Ltd	1,760,000	1.17%
Mr Ianaki Semerdziev	1,722,000	1.15%
Mr Timothy Michael Noske	1,610,000	1.07%
Mr Garry Norman Schubach & Mrs Janelle Margaret Schubach	1,500,000	1.00%
Albers Custodian Company Pty Ltd	1,481,859	0.99%
Icm Investments Pty Ltd	1,311,233	0.87%
500 Custodian Pty Ltd	1,147,500	0.77%
Manbaro Pty Ltd	1,140,000	0.76%
Total	77,550,537	51.70%

The 20 Largest Holders of Listed Options

Holder Name	Holding	%
Mr David John Herbert & Mrs Julie Anne Herbert	750,000	11.86%
Bull Equities Pty Ltd	725,001	11.47%
Mrs Gabrielle Skaltsis	500,000	7.91%
Mrs Elizabeth McCormick	500,000	7.91%
Mr Teck Kwong Cheng	341,011	5.39%
Stema Oceanic Pty Ltd	322,230	5.10%
Mr Elias Sifis	261,657	4.14%
Mr Ianaki Semerdziev	234,386	3.71%
Mr Dale Leslie Streten & Ms Joanne Margaret Streten	200,000	3.16%
Ocean Mist Pty Ltd	166,667	2.64%
Mr Ian Thompson & Mr Peter Randal Thompson	108,342	1.71%
Relativity Pty Ltd	100,556	1.59%
Mr Graham Robert Foreman	100,000	1.58%
Mr Ross Dix Harvey	100,000	1.58%
Tiger Oil Pty Limited	95,871	1.52%
Mr Barry Dunlop	64,387	1.02%
Pershing Australia Nominees Pty Ltd	58,334	0.92%
Mr Robert William Moses	55,556	0.88%
Mrs Amity Brooke Johnson	50,000	0.79%
Mr Mark William Radosevich	43,250	0.68%
Ms Linda Wilkins	42,425	0.67%
Mr John William Cumming	42,270	0.67%
Total	4,861,943	76.89%

Unlisted Options

Four holders hold 6,000,000 unlisted options (exercisable at \$0.092 on or before 5 November 2023).
Five holders hold 2,750,000 unlisted options (exercisable at \$0.13 on or before 29 March 2024).