Quarterly Activity Report 31 March 2021

HIGHLIGHTS

- **Three Exploration Licences granted in January 2021**
- **Initial field work conducted; comprising first-pass ground reconnaissance and lag sampling to identify kilometre-scale, low-level detection gold and gold-pathfinder anomalies.**
- **Geochemical lag sampling has returned encouraging anomalous geochemical results with peak gold values up to 3.2 ppb gold and identified 6 gold anomalies with greater than 1.5ppb gold.**
- **Further lag sampling is planned to expand the reconnaissance sampling into areas not yet tested and to complete closer spaced infill sampling around the known areas of anomalism.**

ASSETS AND ACTIVITIES OVERVIEW

Sefton Project, Eastern Goldfields Province

Figure 1 Sefton Project – Spinifex-covered plain with sand dune in background

Octanex's 2,587km^2 Sefton Project is located in the Great Victoria Desert between the Laverton and Yamarna Greenstone Belts, in the Eastern Goldfields province of Western Australia (refer **Figures 2 and 3**). It is comprised of three licences granted during the quarter covering approximately 928 km^2 as well as a further 1,658km^2 remaining under application. This prospective package of ground has had very little modern exploration.

The Company considers that there is potential for the discovery of a major gold resource proximal to major structures traversing its Sefton Project area. The Mt Sefton lineament is the most well-known major fault zone traversing the Sefton Project area.

World class gold mines and deposits in the neighbouring regions include Sunrise Dam (**10Moz** gold), Granny Smith (**2.5Moz** gold) and a suite of other nearby deposits to the west in the Laverton greenstone belt (with combined resources of **25Moz** gold). The granitoid-hosted Gruyere deposit (**6Moz** gold) is located to the east in the Dorothy Hills Belt (Yamarna greenstone belt) and the granite-gneiss-hosted Tropicana deposit **(7.5Moz** gold) is located to the southeast in the Albany-Fraser province (refer **Figure 4**).

There is also exploration potential for nickel-copper sulphides and nickel-copper laterite associated with ultramafic enclaves. Although, the focus is gold, the Company maintains an opportunistic multicommodity approach to its exploration.

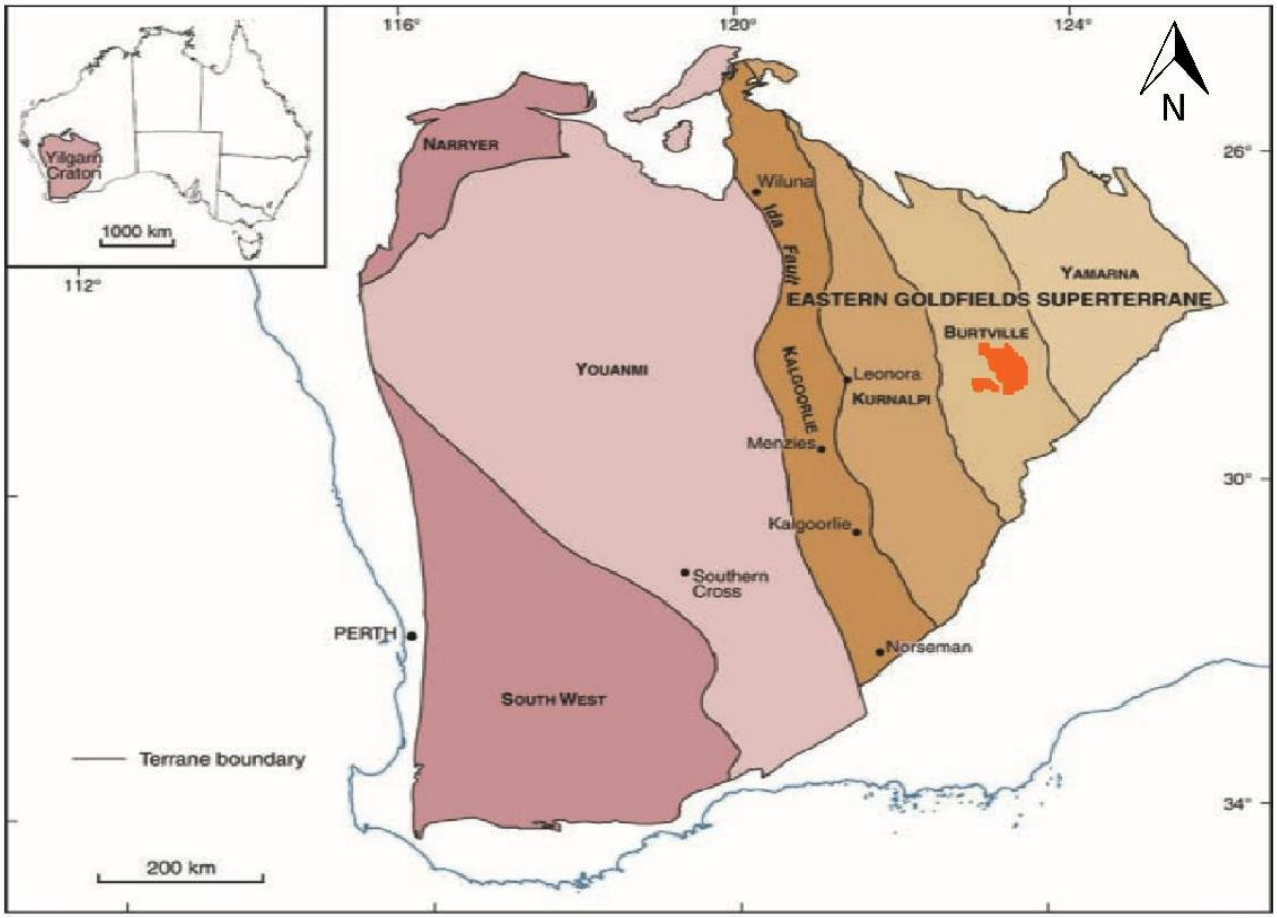


Figure 2 Sefton Project Tenement Location

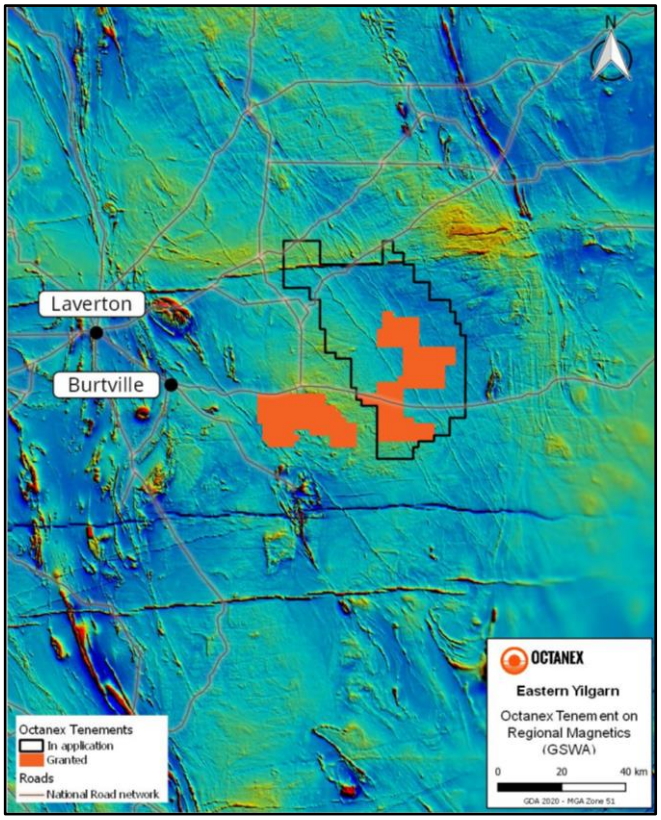


Figure 3. Location of Sefton Project.

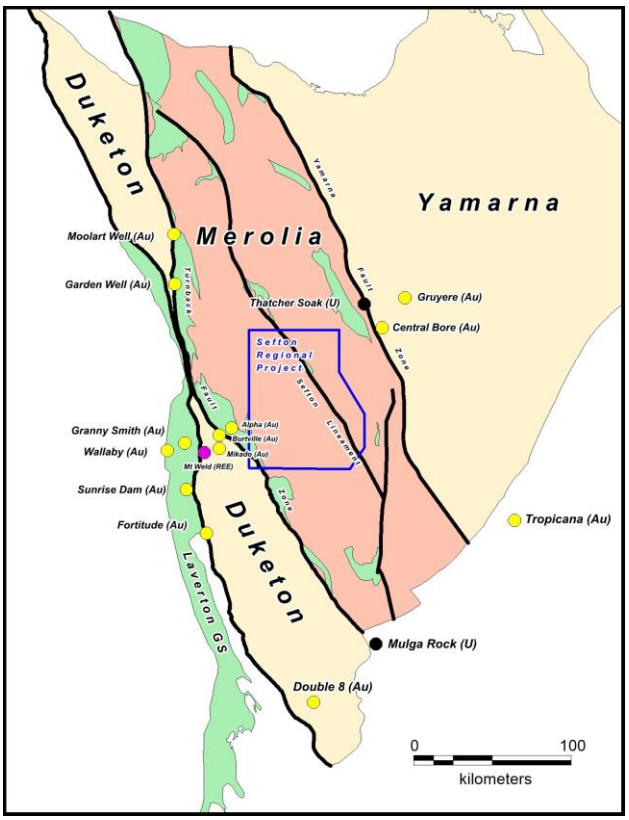


Figure 4 Regional tectonic framework of the Burtville Terrane| and its major resource projects

Octanex's near-term objective is target generation to identify priority structural targets for early drill and geochemical evaluation. Focussing principally on high calibre targets that could present opportunities for the discovery of large gold resources quickly and cheaply, the Company's structural focus also creates opportunity to synchronously locate shear-associated intrusions that could have potential for other commodity elements including rare earth metals, niobium and tantalum.

Field Reconnaissance and Lag Sampling

Bedrock outcrop is limited across the project area, which is dominated by broad expanses of transported aeolian sand plains and dunes with smaller islands of residual lateritic soils and granitic outcrop exposed around the base of dissected laterite breakaways forming low hill ranges.

The bedrock is interpreted to be dominantly Archaean granite and granite gneiss with some small greenstone enclaves. Major NNW-SSE and N-S shear zones, including the Sefton Lineament, traverse the project area.

Lag is located in areas where the ground surface has a veneer of siliceous and/or ferruginous stony material. This material is predominantly bedrock-derived (despite severe modification by prolonged weathering) and can be selectively sampled and analysed as an indicator of bedrock geochemistry.

In lag sampling, particles in the range 2.0–6.0 mm are screened on site from the unconsolidated surface material and send to the laboratory for analysis. Many of the elements assayed only exist in very low levels.

A lag sampling program was designed to test the project area for anomalous (low-grade) geochemical anomalies. Due to the widespread transported cover, deep weathering profile of the region and lack of previous modern exploration across the area, a wide suite of elements were recommended for the first program.

Pathfinder elements are considered a key tool for detecting gold mineralisation and quantitatively classifying alteration assemblages and host rocks under cover. Defining these mineralisation footprints increases the probability of determining the direction of gold mineralisation from broad-spaced basement sampling

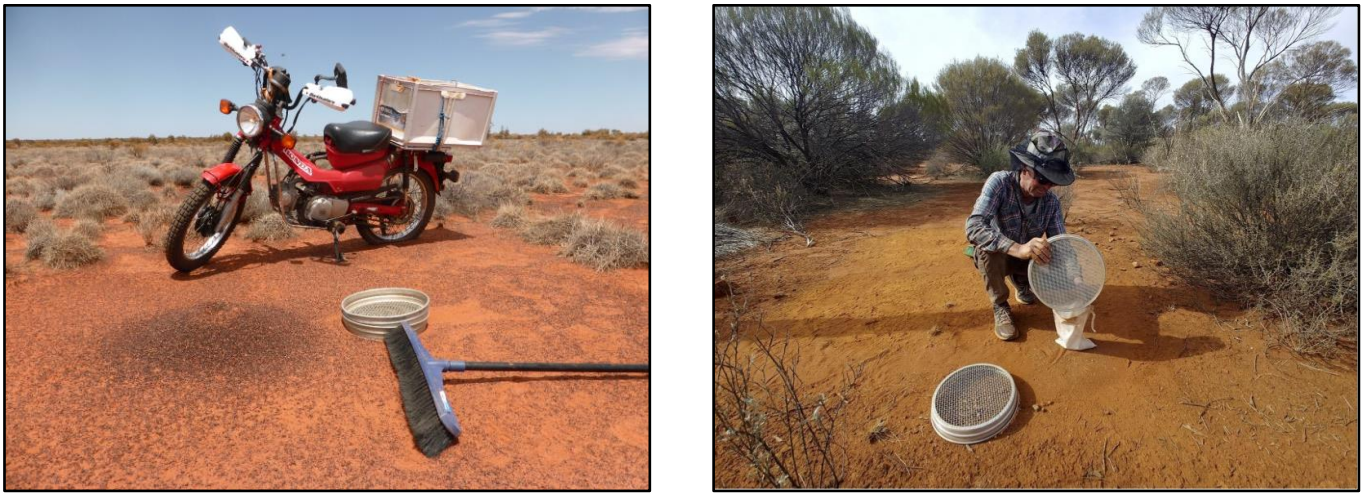


Figure 5. Lag sampling at Sefton Project.

In general, lag samples are comprised of various combinations of regolith materials including ferricrete nodules, silcrete/chert (variably ferruginous), calcrete, weathered to fresh granite, vein quartz and coarse aeolian quartz sand. Typically, one or two of the materials dominate any given lag sample.

A total of 80 wide-spaced reconnaissance lag samples were collected, together with regolith and geology data at each sample site. Samples were assayed by Intertek Genalysis (Kalgoorlie) and analysed for a 53 element suite including a low detection level Au assay (0.1ppb Au).

Six samples identified gold anomalies with greater than 1.5ppb gold, in most instances, anomalous gold-pathfinder elements support or expand the size of the anomalous fingerprint.

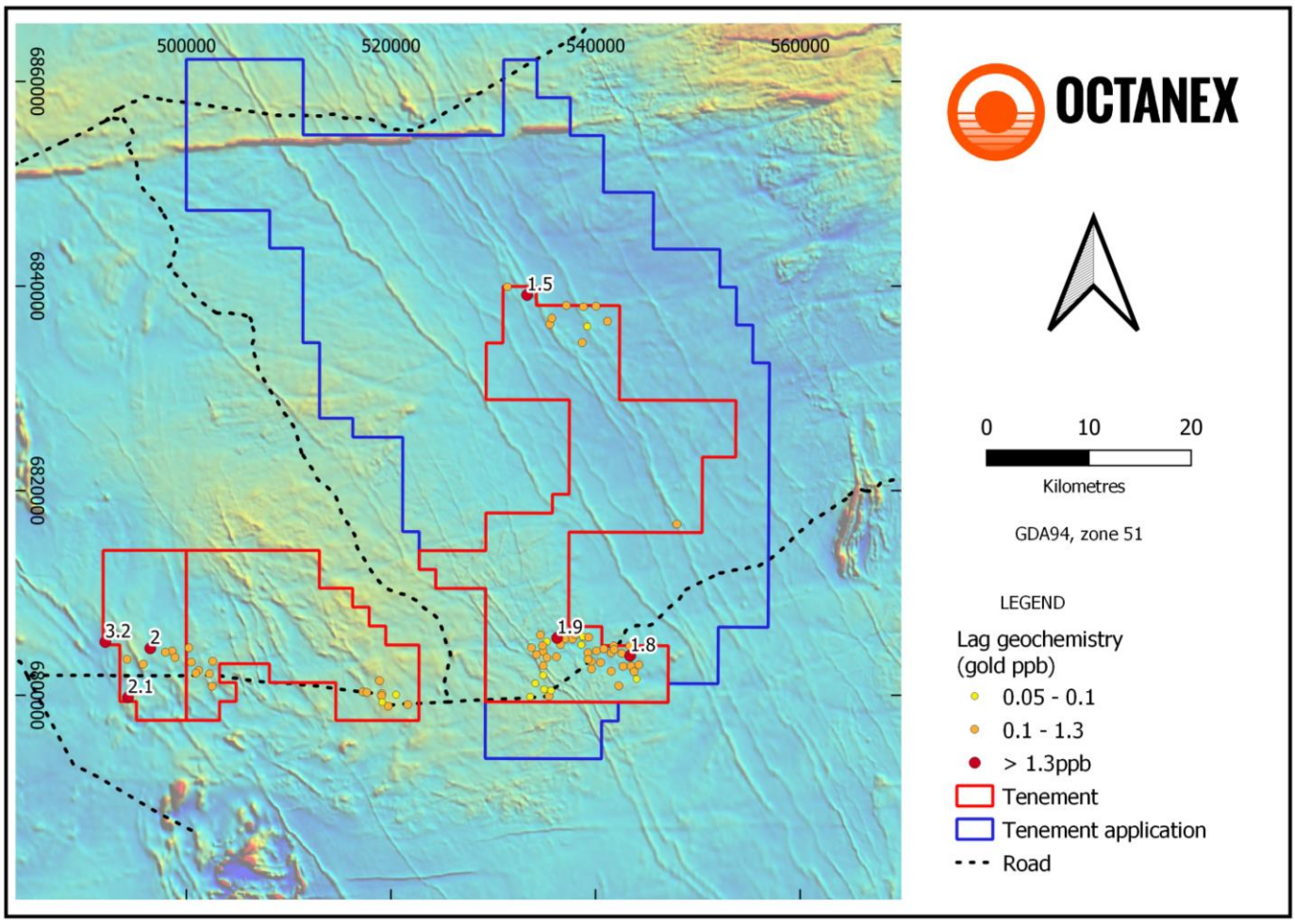


Figure 6. Gold geochemistry from Sefton Project lag sampling program on magnetic base

The lag sampling results are considered by the Company to be encouraging given the regolith of the terrane, the limited sampling and wide-spacing of the samples. The results provide substantial impetus for additional reconnaissance and infill lag sampling in the coming months. The next phase of lag sampling (planned to commence in May 2021) will expand the reconnaissance sampling into areas not yet been tested and to complete closer spaced infill sampling around the known areas of anomalism.

Ascalon Gas, Bonaparte Basin

The Ascalon gas accumulation is located mostly within exploration permit WA-407-P in which Octanex has a 100% interest. Ascalon has an aerial extent of 320 km2, a proven source/charge, trap, seal and a high reservoir pressure (10,500 psi), which is 3,500 psi over normally pressured, but may be due to a much deeper closing contour and greater gas in place.

Proximity to existing infrastructure and gas resources presents opportunities for the future development of Ascalon options. Located in shallow water (68 m), wells can be drilled using a jack-up rig, while unmanned wellhead platform development options indicate reduced CAPEX and OPEX potential.

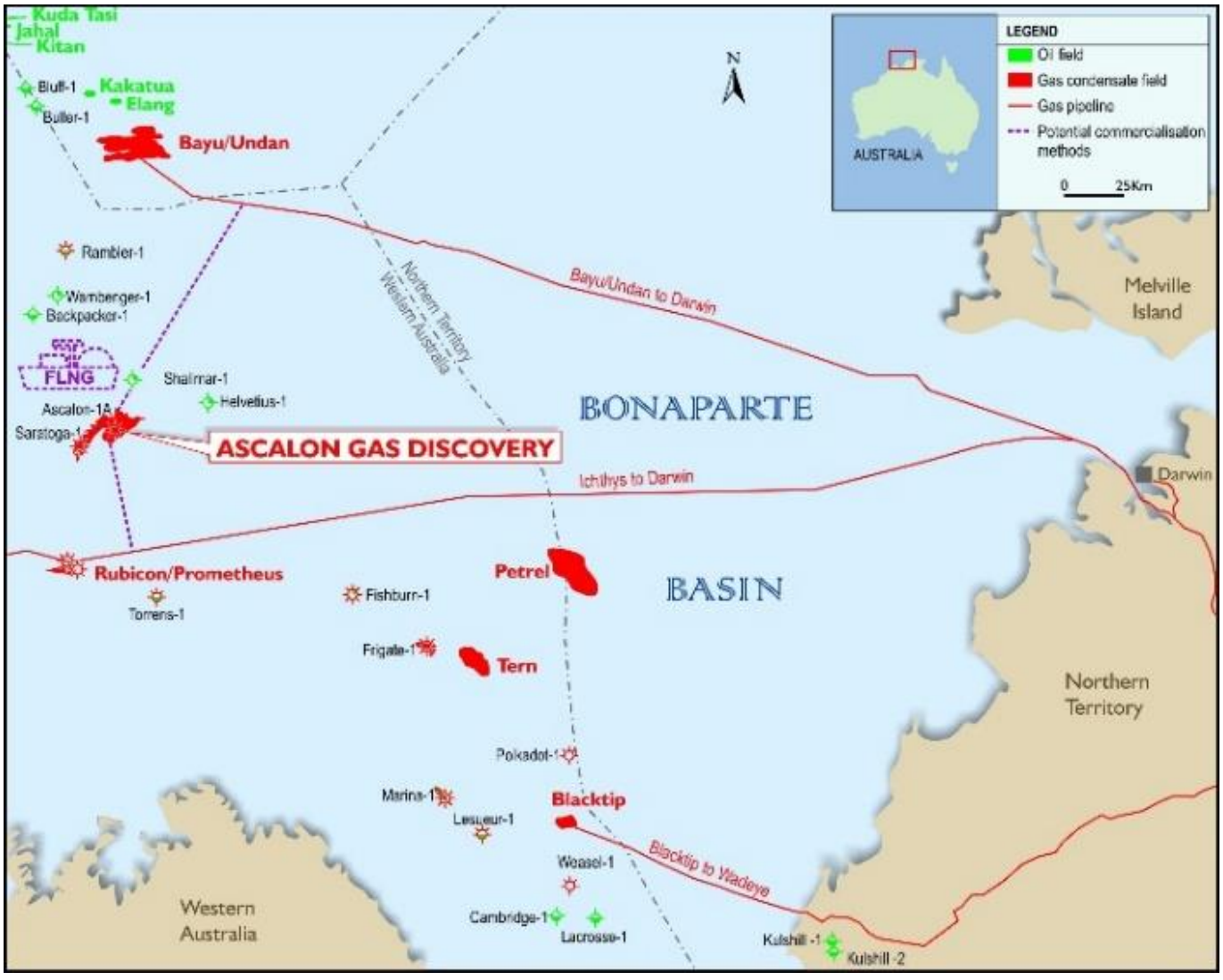


Figure 7. Ascalon proximity to gas infrastructure

Ascalon-1A, drilled in 1995 by Mobil, encountered 155m TVD[1] gross section in the same Permian formation as the Petrel and Tern Gas accumulations. However, approximately 60% of the shallower reservoir in Ascalon-1A was not flow tested due to mechanical issues.

WA-407-P is in year 6 of its initial term, which ends in February 2022. The year 6 work program comprises geotechnical studies to inform the design of an appraisal well.

[1] *True Vertical Depth*

REFERENCES

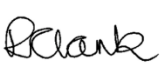
The information in this report that relate to Exploration Results at Octanex's Sefton Project was previously reported. The Company is not aware of any new information or data that materially affects the information included in each relevant market announcement.

Further details can be found in the following Octanex ASX announcement:

27 April 2021	Sefton Project Exploration Update – Corrected

Competent Person Declaration

The information in this report that relates to exploration results is based on information compiled by Carolyn Higgins, a Competent Person, who is a Member of the Australasian Institute of Mining and Metallurgy. Ms Higgins is a consultant employee of the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Higgins consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.



Rae Clark
Director
29 April 2021

Additional Information Required by Listing Rules 5.3.3 and 5.4.3

Mineral Tenements held/applied for at the end of the quarter and their location

Tenement	Octanex interest	Tenement status	Size Km2	Note
Offshore Western Australia (Bonaparte Basin)				
WA-407-P	100%	Granted	4,918.00	
Western Australia (Mount Margaret District)				
E 38/3416	Up to 80%	Granted	541.21	1
E 38/3417	Up to 80%	Application	602.2	2
E 38/3418	Up to 80%	Application	575.52	3
E 38/3432	Up to 80%	Granted	120.14	
E 38/3433	Up to 80%	Granted	267.30	
E 38/3512	Up to 80%	Application	601.44	4
E 38/3513	Up to 80%	Application	351.85	4
E 38/3514	Up to 80%	Application	601.62	5
E 38/3515	Up to 80%	Application	250.23	6

Notes

1. Overlapped by E38/3512 and E38/3514
2. Overlapped by E38/3513 and E38/3515
3. Overlapped by E38/3512, E38/3514 and E38/3515
4. Overlaps E38/3416, E38/3417 and E38/3418
5. Overlaps E38/3416 and E38/3418
6. Overlaps E38/3417 and E38/3418

The total net area covered by the Octanex's Mount Margaret District tenements, after excluding overlap between tenements, is 2,587.53 km2.

Tenements acquired during the quarter and their location

Nil

Tenements disposed of during the quarter and their location

Nil

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the Quarter:

Octanex's Mount Margaret District tenements were applied for pursuant to an agreement with Mr Christopher Reindler. Under the terms of the agreement Octanex has the right to a 65% interest or an 80% interest by satisfying specific exploration expenditures.

Additional Information Required by Listing Rule 5.3.5

Payments to related parties during the quarter included in Appendix 5B – Quarterly Cash Flow Report

Payments were made to directors and their associates during the quarter totalling approximately $51,000. Payments were for contracted services including consulting fees, office costs and administrative support.