

27 July 2021

Quarterly Activity Report 30 June 2021

Highlights:

- Two further exploration licences granted at the Sefton Project, taking granted tenure to 2,105km²
 - Lag sampling carried out at Sefton Project to expand previous reconnaissance sampling into untested areas and to complete infill sampling around the known areas of anomalism
 - Three new exploration license applications made forming the 'Hope Campbell Project' southeast of the Sefton Project
 - \$750,000 raised via placement to Sophisticated and Professional Investors
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Assets and Activities Overview

Sefton Project, Eastern Goldfields Province

Octanex's Sefton Project is located between the Laverton and Yamarna Greenstone Belts, in the Eastern Goldfields province of Western Australia (refer **Figure 1**). It presently comprises five granted tenements covering approximately 2,105km² following the grant of two exploration licenses during the quarter. An additional 480km² remains under application. Octanex has the right to earn an 80% interest in the Sefton Project. 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.

Lag Sampling activities

Octanex's near-term objective is to identify areas of anomalous geochemistry along structural trends that will be targets for follow up geochemical evaluation, and potential drill testing.



Results were announced from an initial lag sampling program (from the previous quarter). This program was successful, returning several anomalous gold results and identified 6 anomalous areas with greater than 1.5ppb gold.

This sampling was expanded on during the quarter by further lag sampling in May and June. This program expanded the reconnaissance sampling into untested areas, as well as infill sampling around the known areas of anomalism.

The sampling team were in the field for 26 days. The four-man team was made up of a geologist and field assistant team collecting samples on motorbikes (modified to suit the terrane). The other two field assistants worked on logistics (moving camps, camp supplies, mechanical repairs) and providing access into the interior of the project. This style of team proved to be very effective in this remote terrane.

Samples have been submitted to Intertek-Genalysis for geochemical analysis with results pending.

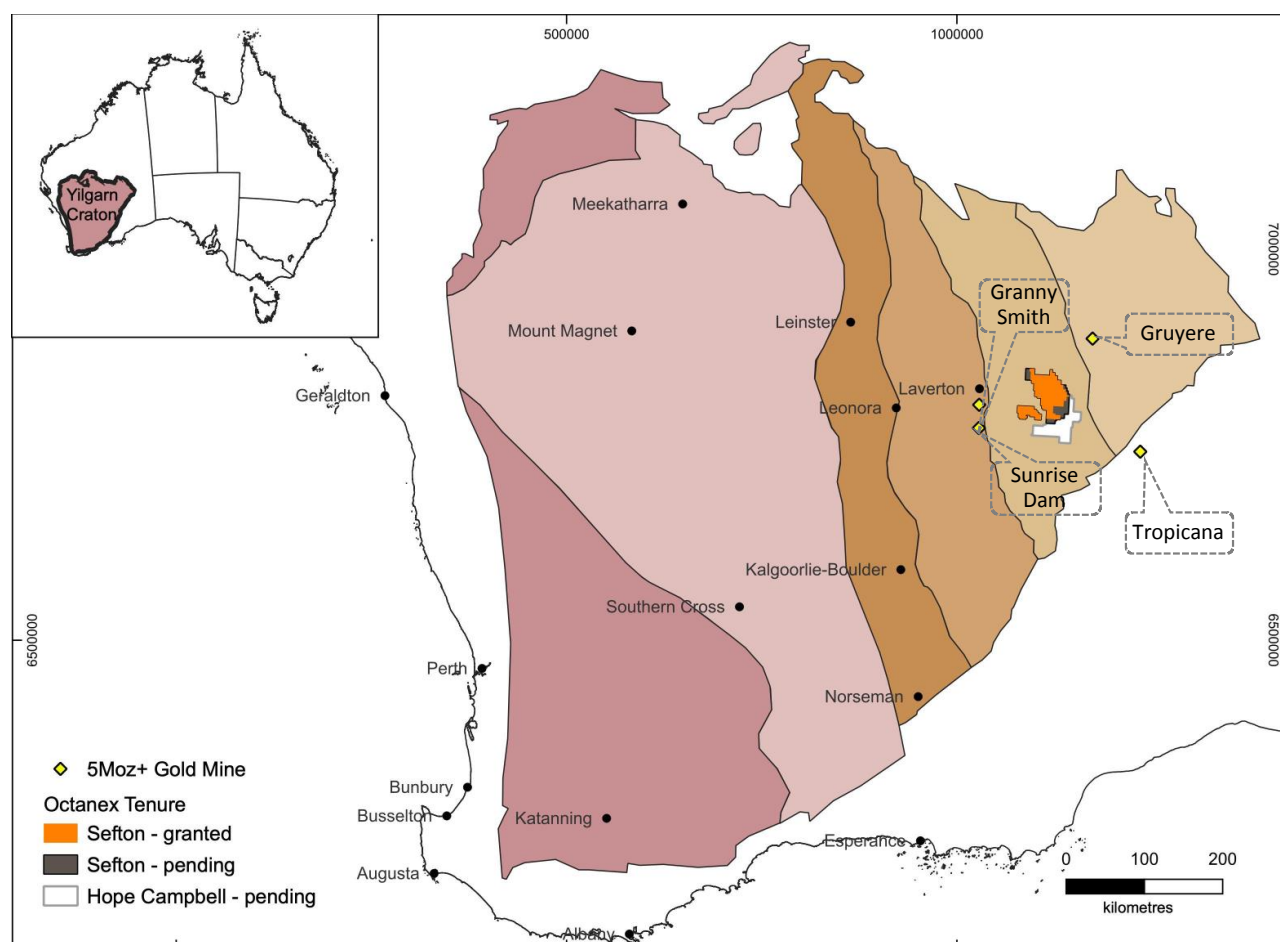


Figure 1. Sefton and Hope Campbell Project Locations



Hope Campbell Project

Three new exploration licenses, covering an area of 1,356km², were applied for during the quarter. This area, named the Hope Campbell Project, is located to the southeast (and is continuous to) the Sefton Project. Many of the structures, interpreted from the regional magnetics, that run through the Sefton Project area appear to continue into the Hope Campbell Project area. Octanex holds a 100% interest in these applications.

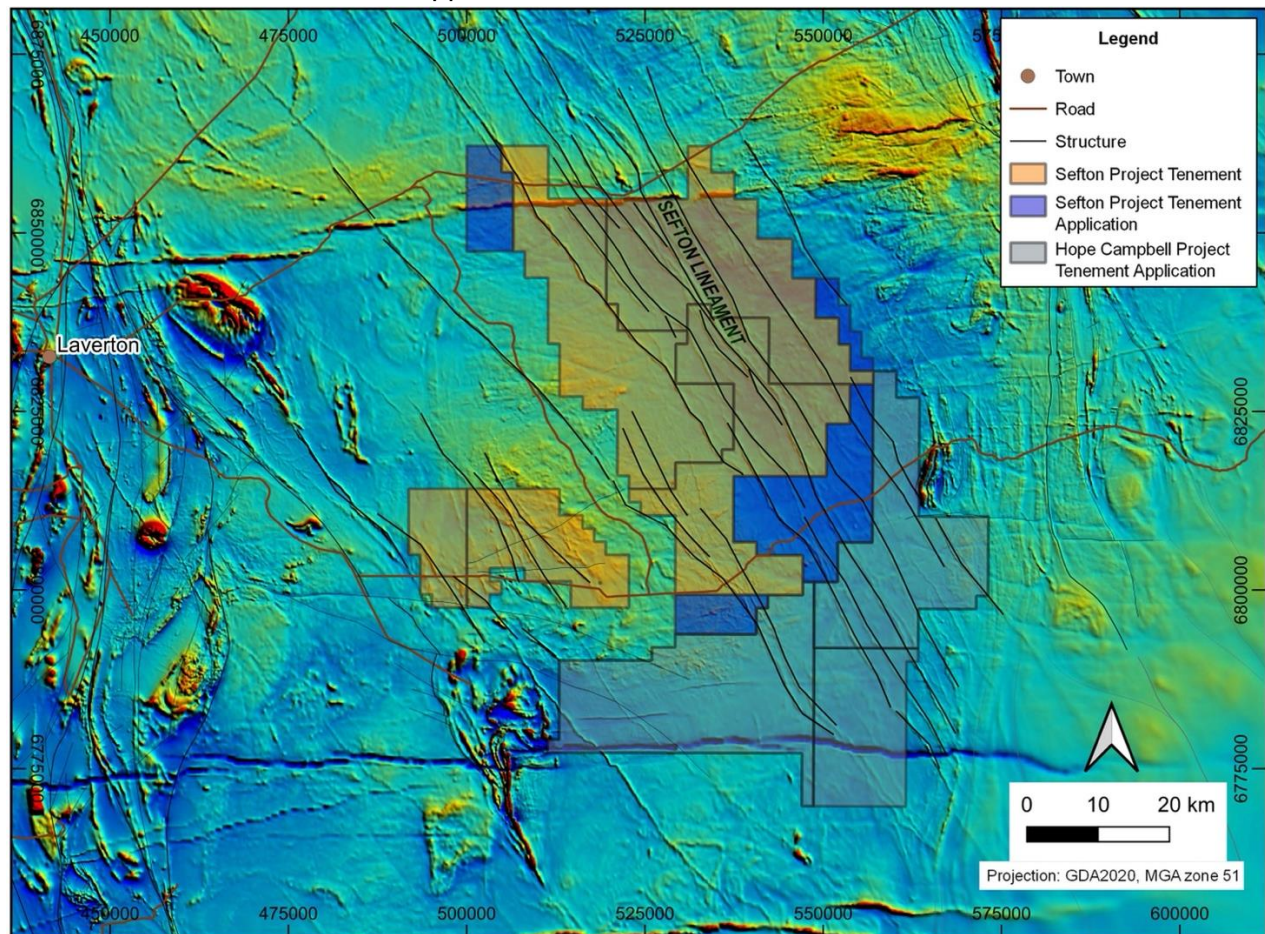


Figure 2. Sefton Project and Hope Campbell Project tenements on a regional magnetic base, showing major structures.

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 320km², 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 (68m), wells can be drilled using a jack-up rig, while unmanned wellhead platform development options indicate reduced CAPEX and OPEX potential.

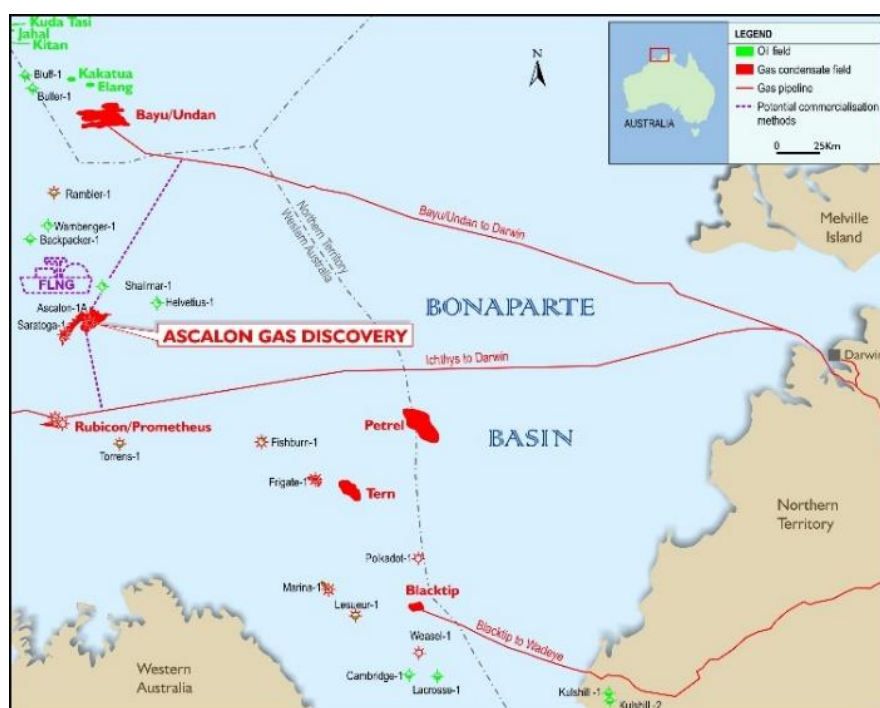


Figure 3. *Ascalon proximity to gas infrastructure*

Ascalon-1A, drilled in 1995 by Mobil, encountered 155m TVD¹ 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

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During the quarter the Company raised \$750,000, before costs, through a placement to Professional and Sophisticated investors to advance exploration on the Company's projects, particularly its Sefton Gold Project. The Placement comprised the issue of 15,000,000 fully paid ordinary shares at \$0.05 (5 cents) per share and the grant of 7,500,000 unlisted options, exercisable at \$0.075 (7.5 cents) on or before 30 April 2023.

REFERENCES

Further details relating to the information provided in this release can be found in the following Octanex ASX announcements:

- 7 July 2021 Octanex Increases Interest in Sefton Project
- 1 June 2021 New Tenements Granted at the Sefton Project.
- 18 May 2021 Lag Sampling Underway at Sefton Project.
- 5 May 2021 Exploration Program Funding Secured.
- 27 April 2021 Sefton Project Exploration Update – Corrected.

The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement.

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

27 July 2021

For more information

Rae Clark

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This ASX Announcement was authorized for release by the Board of Octanex Limited.



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)				
Sefton Project				
E 38/3416	65% and up to 80%	Granted	541.21	1
E 38/3417	65% and up to 80%	Granted*	602.2	2
E 38/3418	65% and up to 80%	Granted*	575.52	3
E 38/3432	65% and up to 80%	Granted	120.14	
E 38/3433	65% and up to 80%	Granted	267.30	
E 38/3512	65% and up to 80%	Application	601.44	4
E 38/3513	65% and up to 80%	Application	351.85	4
E 38/3514	65% and up to 80%	Application	601.62	5
E 38/3515	65% and up to 80%	Application	250.23	6
Hope Campbell Project				
E 38/3626	100%	Application	465.55	
E 39/2240	100%	Application	599.65	
E 39/2241	100%	Application	290.72	

Notes

* Tenement status changed from Application to Granted during quarter

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 Sefton Project tenements, after excluding overlap between tenements, is 2,587.53 km2.

Tenements acquired during the quarter and their location

Tenement	Octanex interest	Tenement status	Size Km2	Note
Western Australia (Mount Margaret District)				
E 38/3626	100%	Application	465.55	
E 39/2240	100%	Application	599.65	
E 39/2241	100%	Application	290.72	



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 Sefton Project tenements were applied for pursuant to an agreement with Mr Christopher Reindler. Under the terms of the agreement Octanex has earned a 65% interest and elected to earn 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 totaling approximately \$38,000. Payments were for contracted services including consulting fees, office costs and administrative support.

