

29 October 2021

Quarterly Activity Report 30 September 2021

Highlights:

- **80% interest earned in Sefton Project**
- **Geochemical lag sampling results continued to define kilometre-scale clusters of gold anomalism including a coherent zone of gold anomalism associated with the Sefton Lineament**
- **Further wide-spaced geochemical sampling commenced to expand reconnaissance sampling into new areas to provide coverage across the project area**
- **WorldView-3 high resolution satellite imagery acquired**

Assets and Activities Overview

Eastern Goldfields Province Projects

Sefton Project – 80%

Octanex's 2,585km² Sefton Project is located in the Burtville Terrane (between the Kurnalpi and Yamarna Terranes) and covers an area that has had little modern exploration. The Company considers this area prospective for the discovery of a significant gold resource (Figure 1).

During the quarter Octanex earned a further 15% interest in the Sefton Project (for an aggregate 80% project interest). A contributing joint venture will now be formed with the 20% interest holder Mr Christopher Reindler. The joint venture will be operated on a pro rata contributing basis and subject to dilution provisions, with Octanex as manager.

Hope Campbell Project – 100%

The Hope Campbell Project is comprised of three exploration licence applications and covers an area of 1,356km² immediately to the southeast of the Sefton Project (Figure 1). 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.



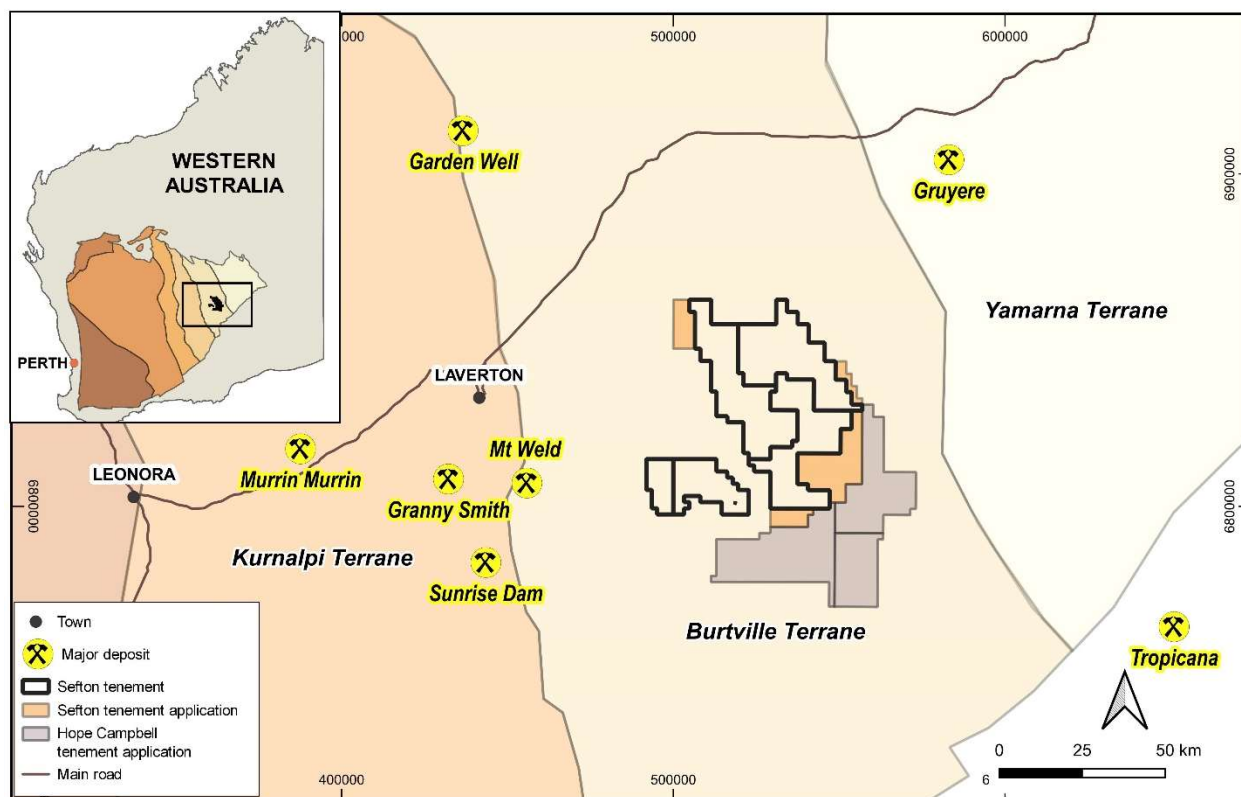


Figure 1. Octanex's Eastern Goldfields Projects

The Eastern Goldfields is known for its gold endowment with substantial gold discoveries (including AngloGold Ashanti's Sunrise Dam mine, and Gold Field's Granny Smith mine) occurring in the same NNE-SSW trending greenstone belts.

The Terrane to the east of Laverton has been underexplored for gold, with the majority of historical exploration concentrating on nickel in the 1960s and 1970s. The granitoid-hosted Gruyere deposit and granite-gneiss-hosted Tropicana deposit, further to the east, demonstrate the prospectivity of the far eastern terranes with potential for gold deposits to exist under cover

Geochemical Sampling Program

Octanex continued its systematic, wide spaced geochemical lag sampling of the Sefton Project, which is aimed at defining kilometric-scale gold and gold-pathfinder anomalies for follow-up bedrock testing via aircore/RAB drilling. The sampling program is designed to use low-level detection geochemistry to test for anomalies via a staged approach to provide coverage across the project area.

Due to widespread transported cover and the deep weathering profile of the region, low values of gold and other 'pathfinder' elements in surface material are considered significant and may provide indications of gold in the bedrock.

Results were received during the quarter for sampling completed in June which define coherent zones of gold anomalism, observed in structural corridors defined by the regional aeromagnetic images (refer Figure 2).

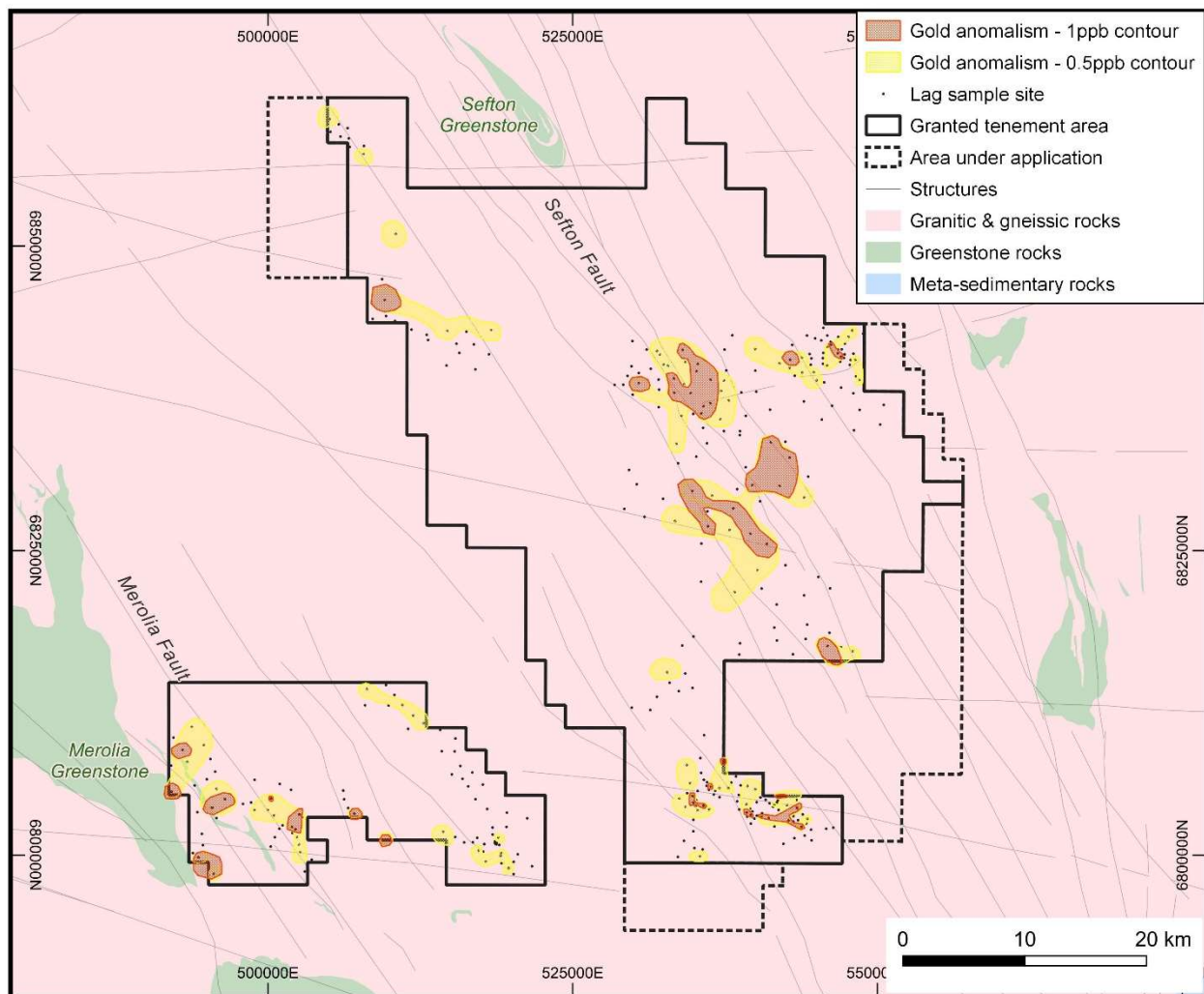


Figure 2 Octanex's staged geochemical sampling program has identified kilometric-scale gold anomalism at the Sefton Project.

Infill sampling in E38/3432 and E38/3416 confirmed and expanded gold anomalies identified in Octanex's earlier sampling. There is a group of anomalous samples that are on structures in an area mapped as the Merolia Greenstone (E38/3432). This anomalism extends for approximately 10km of strike length within the project area.

Reconnaissance sampling into previously untested areas continued to define kilometric-scale clusters of gold anomalism. The majority of gold anomalies are located along, or proximal to, regional magnetic and/or gravity lineaments traversing the Sefton Project. Some of the largest and most coherent zones of gold anomalism are associated with the Sefton Lineament and include the highest individual assay of 5ppb gold.

A further phase of sampling was commenced late in the quarter with the following aims:

- Collect reconnaissance lag samples over areas that have not previously been sampled by the Octanex field crew.
- Infill lag sample areas previously identified as gold and copper-gold anomalies to better define them.

Samples have been submitted to Intertek-Genalysis laboratory for geochemical analysis with results expected in the December quarter.

WorldView-3 Imagery

During the quarter, high-resolution WorldView-3 satellite imagery was captured over the Sefton Project area (**Figure 3**).

Specialist geoscientific processing was carried out by Exploration Mapping Group, Inc. in the United States. A number of image processing techniques were used to explore scene variability, enhance surface cover types, map the spectral geology and alteration and provide potential vectors to mineralisation.

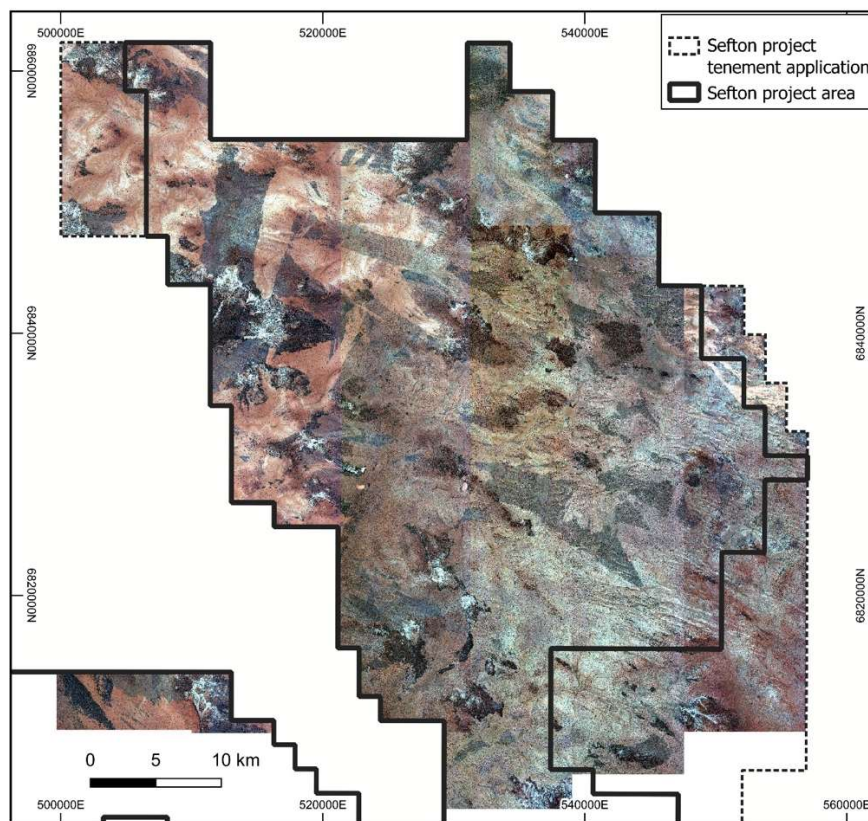


Figure 3. WorldView-3 natural colour imagery

The WorldView-3 satellite measures 17 spectral bands which enables mapping of areas with respect to clay minerals (including argillic, phyllic and propylitic clay alteration), iron minerals, silica minerals as well as “hotspot” alteration intensity mapping to identify zonation within alteration assemblages. All of these data products can be used to assist target generation.

Work is now underway to interpret this new data set and to incorporate it into our GIS system. The Worldview 3 data interpretation will be integrated with historical datasets to define geology and structures and generate targets for ground-checking. Worldview-3 imagery will also provide high resolution base maps to constrain geographic and logistical considerations for field activities.

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 or overpressure effect.

Proximity to existing infrastructure and gas resources presents opportunities for the potential 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.

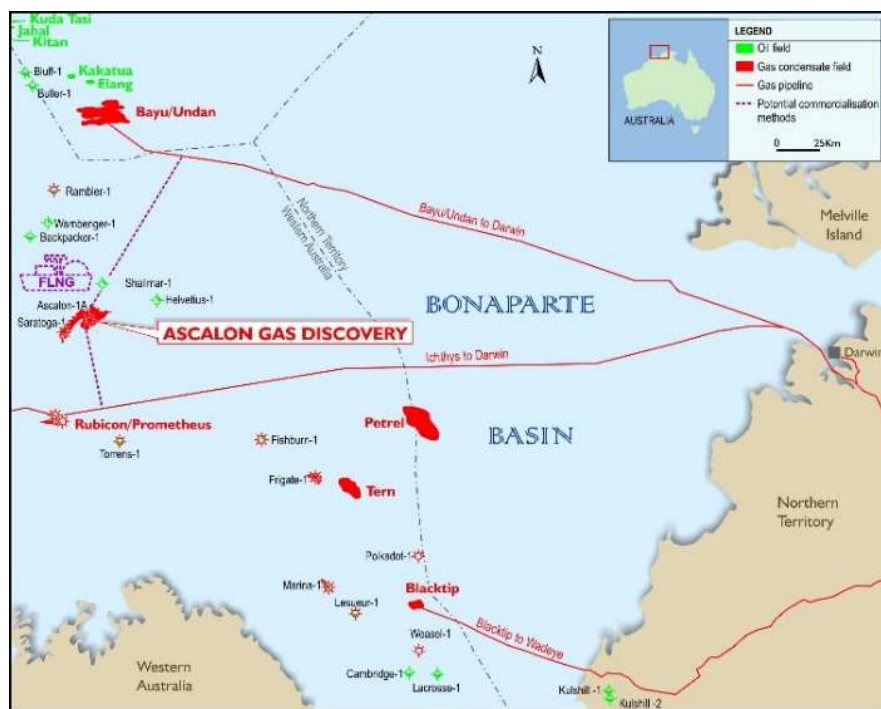


Figure 4. *Ascalon proximity to gas infrastructure*

Ascalon-1A, drilled in 1995 by Mobil, encountered 155m True Vertical Depth 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.



CORPORATE

During the quarter 1,153,846 ordinary fully paid shares in the Company were issued to Mr Christopher Reindler as consideration in connection with Octanex's election to earn a further 15% interest in the Sefton Project (for an aggregate 80% project interest)

REFERENCES

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

- 12 August 2021 Sefton Lag Sampling Confirms Gold Mineralisation
- 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

29 October 2021

For more information

Rae Clark

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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
Offshore Western Australia (Bonaparte Basin)			
WA-407-P	100%	Granted	4,918.00
Western Australia (Mount Margaret District)			
Sefton Project			
E 38/3416	80%	Granted	541.21
E 38/3417	80%	Granted	602.2
E 38/3418	80%	Granted	575.52
E 38/3432	80%	Granted	120.14
E 38/3433	80%	Granted	267.30
E 38/3643	80%	Application	481.15
E 38/3644	80%	Application	
E 38/3645	80%	Application	
E 38/3515	80%	Application	
Hope Campbell Project			
E 38/3626	100%	Application	465.55
E 39/2240	100%	Application	599.65
E 39/2241	100%	Application	290.72

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 Sefton Project tenements were applied for pursuant to an agreement with Mr Christopher Reindler. Under the terms of the agreement Octanex had earned an 80% interest at the end of the quarter by satisfying 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 \$43,000. Payments were for contracted services including consulting fees, office costs and administrative support.

