

Quarterly Activities Report

For the period ending 31 December 2021

Highlights

- Multiple anomalies identified at the Miamoon Project from newly acquired Falcon Airborne Gravity Gradiometer and Gravity Survey data
- Priority targets identified for immediate follow-up with field checking and additional detailed geophysical and geochemical surveys to commence as soon as feasible
- New datasets received for Green Hills, Goomalling and Walebing Project areas including WorldView-3 satellite imagery and geology interpretation of reprocessed seismic line

West Yilgarn Ni-Cu-PGE Projects – Enege 100%

Background

Enege (ASX: **ENX**) has built a strategic tenure position of 20 granted exploration licences covering 3,576km² in the West Yilgarn Ni-Cu-PGE province of Western Australia. The prospectivity of the West Yilgarn as an endowed mineral province is highlighted by the discovery of the nearby Gonneville Ni-Cu-PGE resource at Julimar (**Figure 1**) by Chalice Mining.

The Archean-aged West Yilgarn is an emerging mineral province that has not undergone systematic historical exploration for Ni-Cu-PGE mineral systems. The province is now a focus of significant exploration activity following the Julimar discovery.

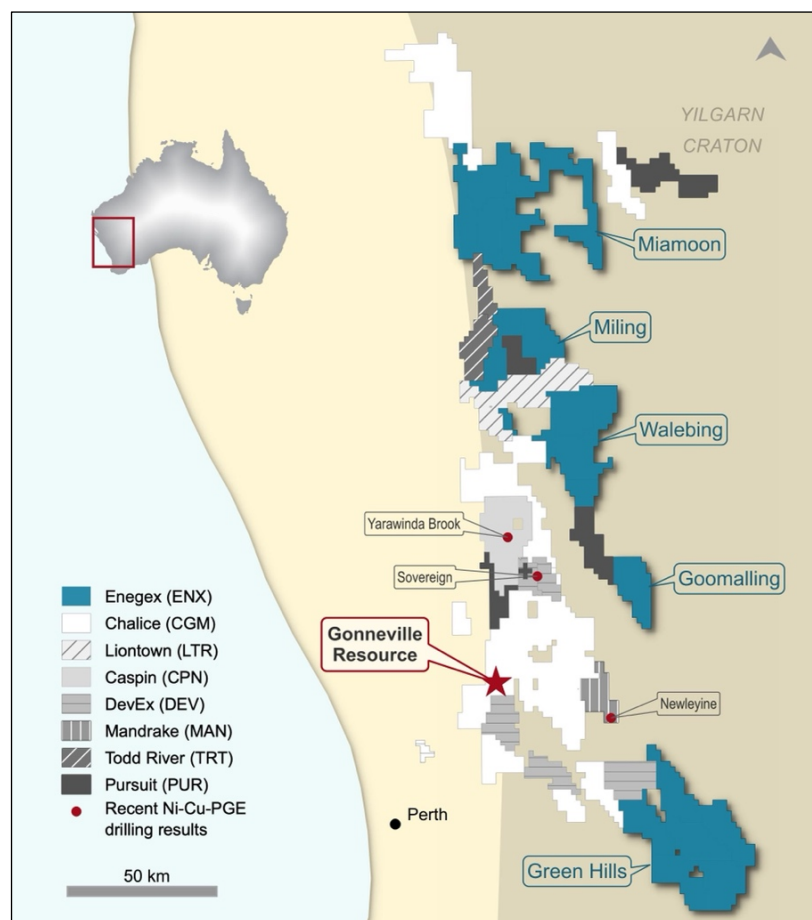


Figure 1 Enege Tenure across the West Yilgarn Ni-Cu-PGE Province

Enegex Project Overview

Enegex has divided its West Yilgarn tenements, into five project areas; Miamoon, Miling, Walebing, Goomalling and Green Hills (Figure 2).

Archean geology across the Enegex project areas is not well defined. Historically most exploration activities in Western Australia have been directed away from private freehold farming land that is prevalent across the West Yilgarn province. As a result, the area has undergone precursory geology and explorative work largely limited to broad-scale government mapping, interpreting the bedrock geology as metamorphic sedimentary, greenstone and granite (**Figure 2**). Moreover, economic potential of the province is highlighted by the Julimar discovery of Ni-Cu-PGE mineralisation within a mafic-ultramafic host rock sequence (the Gonneville intrusion) in an area historically interpreted to be a granitic domain.

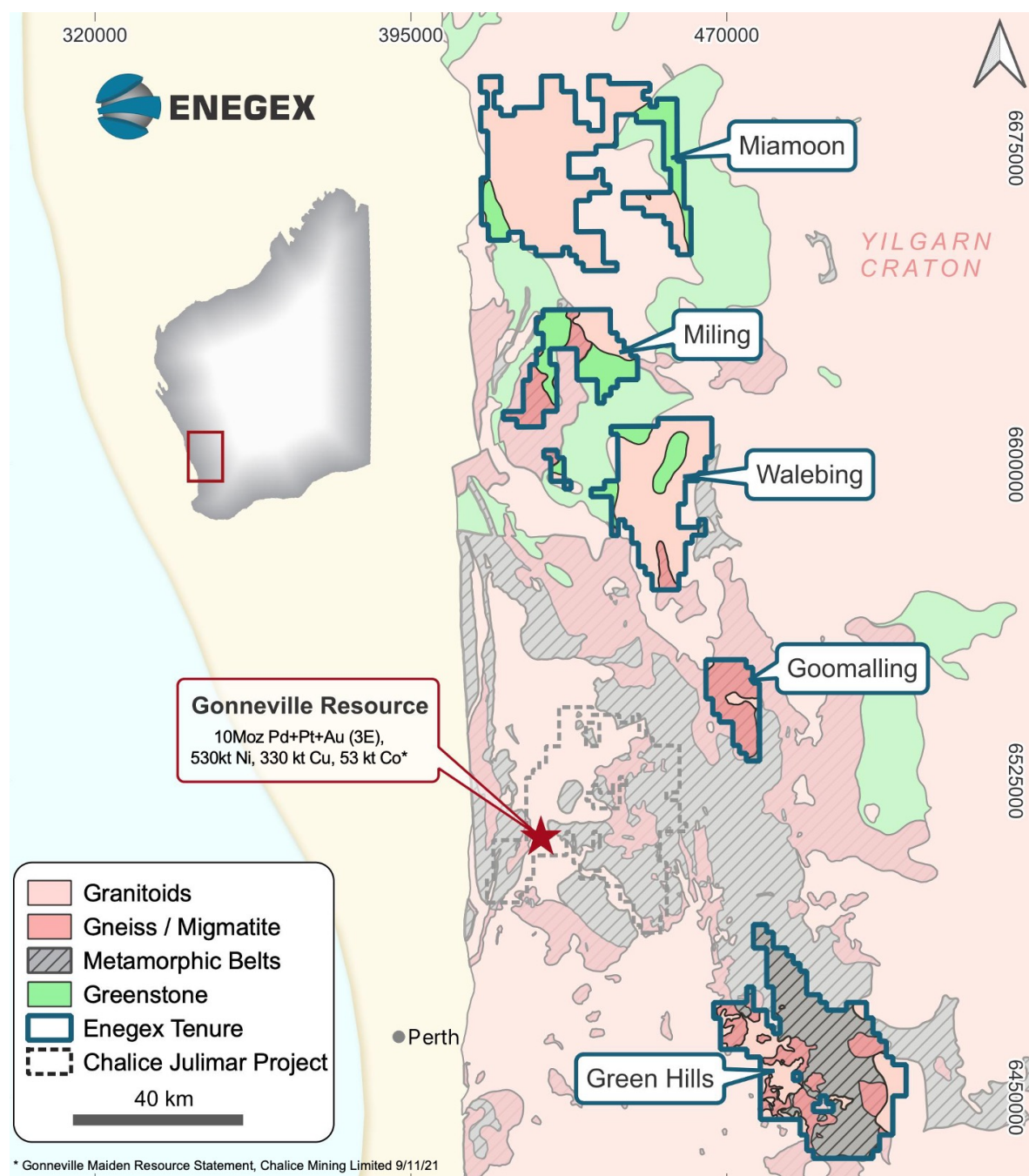


Figure 2 GSWA Interpreted bedrock geology 1:500,000 scale showing Enegex Tenure

Whilst the geology of Enegex tenements is at this stage not well defined, government geology maps record small areas of outcropping mafic (greenstone) to ultramafic units scattered across a number of the tenement areas including Miamoon and Miling. The presence of these mafic-ultramafic rock units on Enegex tenements is encouraging with definition and evaluation of these units needed to evaluate mineralisation potential.

Exploration Activities

Miamoon and Miling Priority Project Areas

Enegex's near term objective is to define quality drill targets at Miamoon and Miling. Activities during the quarter were directed toward the development of robust drill targets, as well as arrangements to enable access to private freehold property.

Miamoon Project

At its flagship Miamoon Project, Enegex completed an Airborne Falcon Gravity Gradiometer (AGG) survey over the western part of the Miamoon Project during the quarter (**Figure 3**). Detailed evaluation and interpretation of the new gravity data, including 3D inversion modelling, was nearing completion by quarter end.

Target areas defined from the new gravity data interpretation are shown on the right panel of **Figure 3**, with priority targets highlighted in red.

Early assessment has identified several high priority target areas for immediate follow-up. Enegex has named two of these target areas, '**Spitfire**' and '**Crusader**' (refer **Figure 3**). Both Spitfire and Crusader are discrete targets that have a strong correlation between magnetic and gravity high signatures. Enegex is highly encouraged by the quality of these target features with field-checking to commence as soon as feasible.

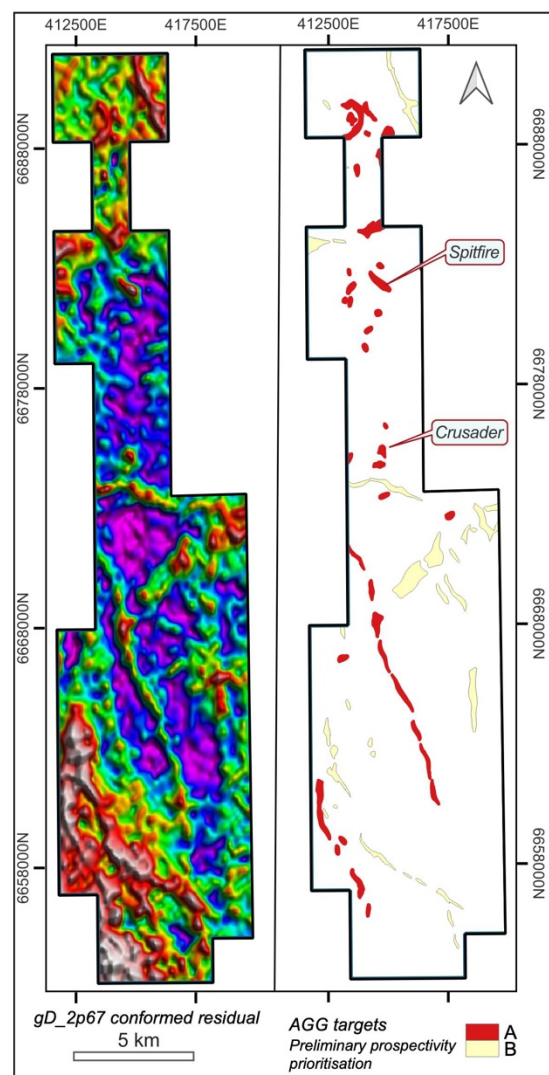


Figure 3 Left: Processed new AGG gravity gradiometer survey data, west Miamoon tenement area. Right: High priority (red) and intermediate (yellow) gravity targets (red) .

The Spitfire Target

Spitfire is defined by coincident gravity and magnetic anomaly highs and has a northwest trend extending over 1.3km (**Figure 4**). Complexity within the magnetic anomaly features a subtle magnetic low within the magnetic high that *could be indicative* of magnetite destruction associated with hydrothermal alteration and mineralisation. 3D inversion modelling of the magnetic and gravity data at Spitfire has identified two discrete blocks; one a shallow, moderately magnetic and high-density source sitting above a second deeper, strongly magnetic and highly dense source.

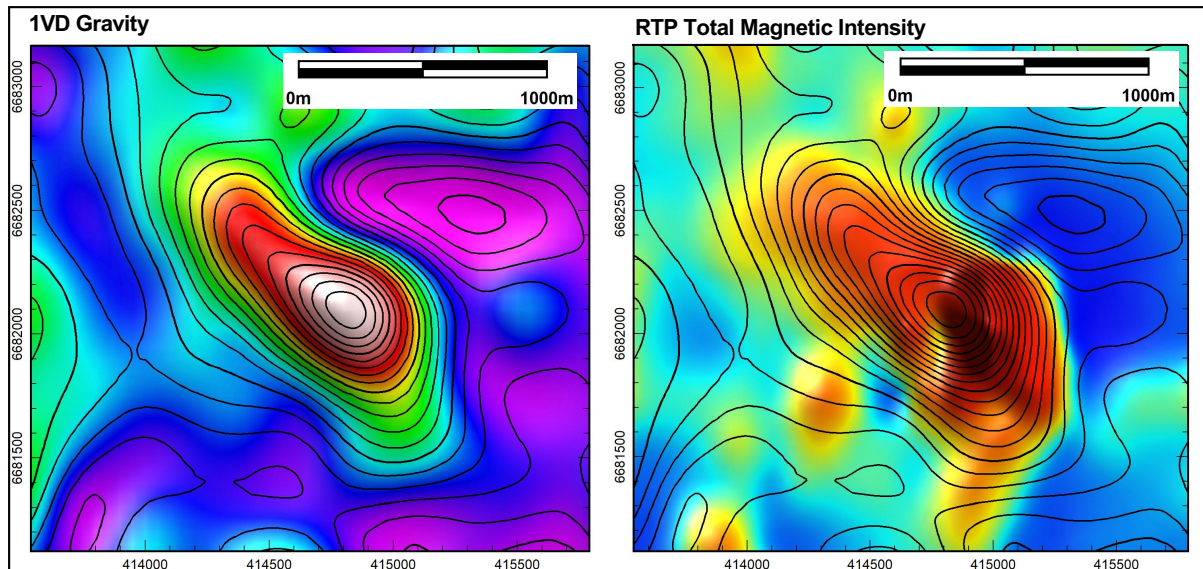


Figure 4 Gravity (left) and magnetic (right) data over the Spitfire target area

The Crusader Target

Crusader is defined by coincident gravity and magnetic highs (**Figure 5**) that also correlate to an area with anomalous copper geochemistry in historical RAB drilling data.

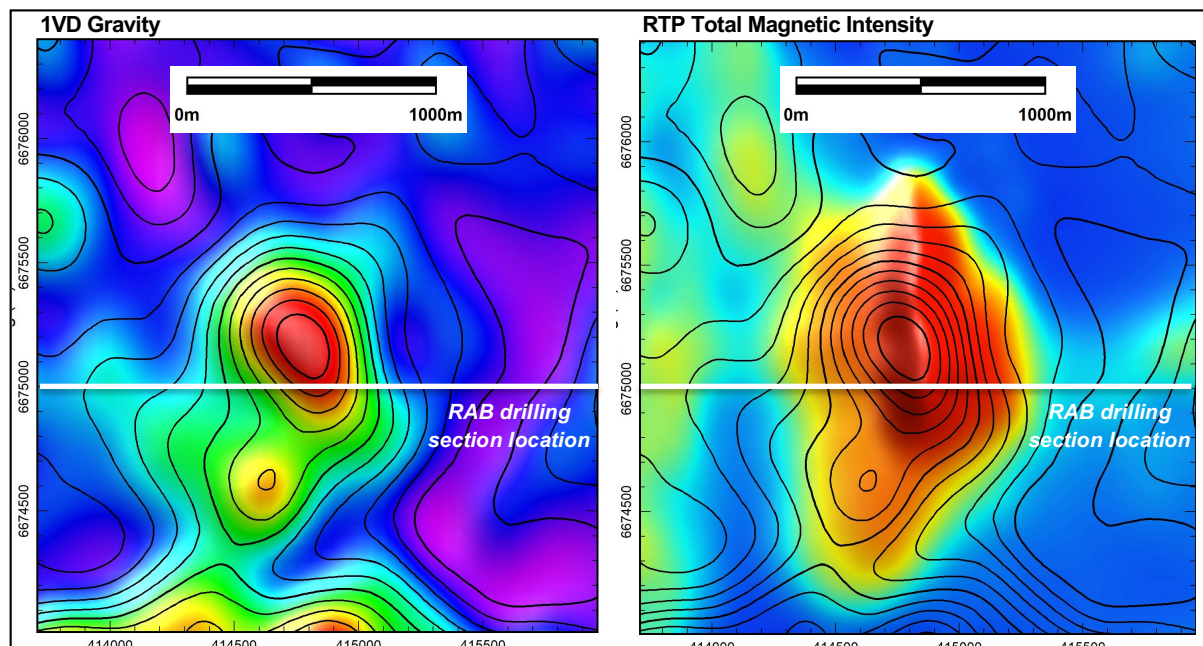


Figure 5 Crusader target coincident gravity (left) and magnetic (right) highs

Correlation of gravity and magnetic highs with anomalous RAB geochemistry at Crusader

A single line of RAB drilling completed by Independence Group NL (IGO) in 2008 across the Crusader target area intercepted elevated copper assays up to 506ppm (**Figure 6**). Whilst the IGO RAB drilling did not test the Crusader gravity and magnetic target zones, the low level anomalous copper from RAB drilling is considered encouraging.

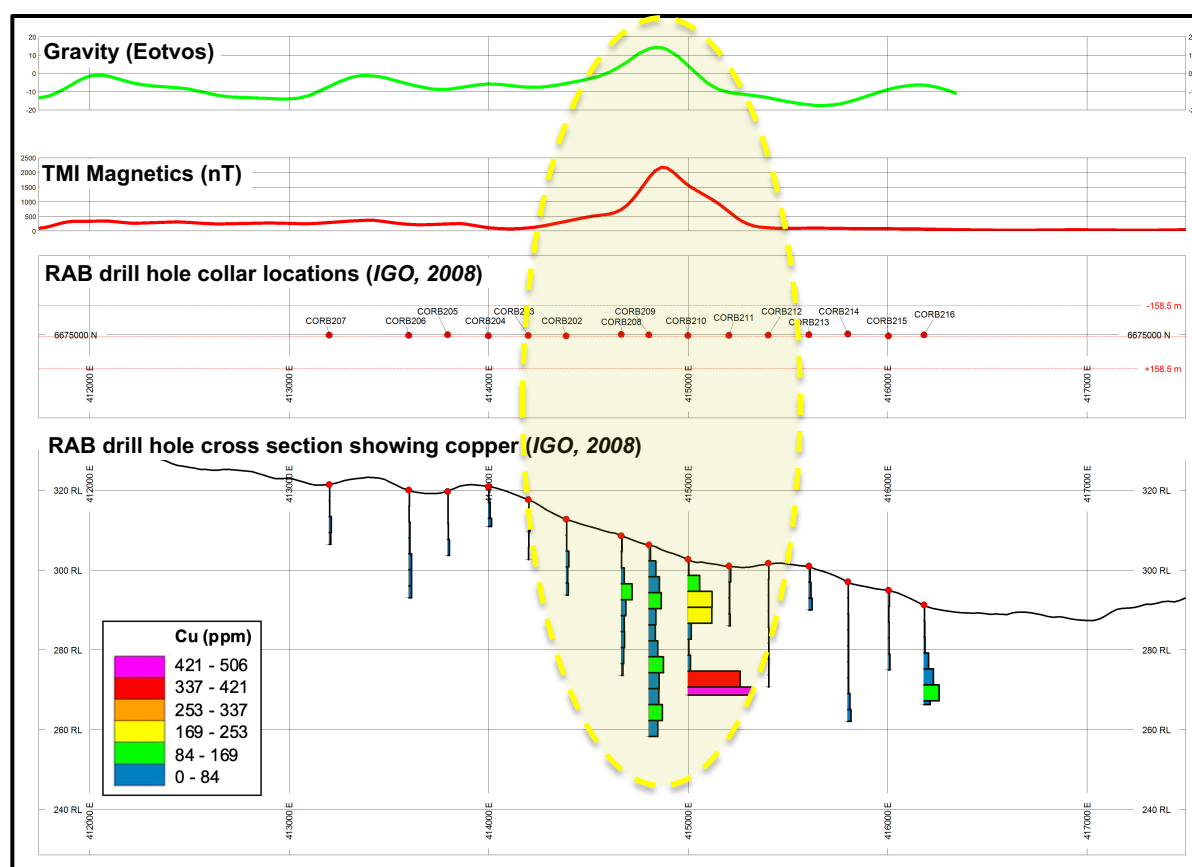


Figure 6. Elevated Copper in historical RAB drilling coincident with defined magnetic and gravity highs at Crusader

High priority targets including Spitfire and Crusader identified from early assessment of the Miamoon gravity survey data are an immediate focus for Enegex's exploration activities. Our objective is to develop robust targets for drill testing as soon as feasible with next steps. These include field-checking of target areas, geochemical sampling and detailed geophysical surveys to provide better depth resolution of dense bodies. Access arrangements with private landholders are required before Enegex can carry out these activities and, accordingly, are a key focus of current activities.

Miling Project

At its Miling Project, EnegeX continued data integration and interpretation to define initial target areas where magnetic anomalies are coincident with prospective stratigraphy and also where mineralised trends identified on adjacent tenements potentially extend in strike onto EnegeX tenements.

A roadside auger sampling program planned for the quarter was delayed by various pending approvals. Efforts were re-focused to landholder access arrangements to enable geochemical sampling of highly prospective target areas in the Miling Project area as soon as feasible.

During the quarter, reprocessing of open file magnetic data was initiated to assist with geology and structure interpretation and targeting activities.

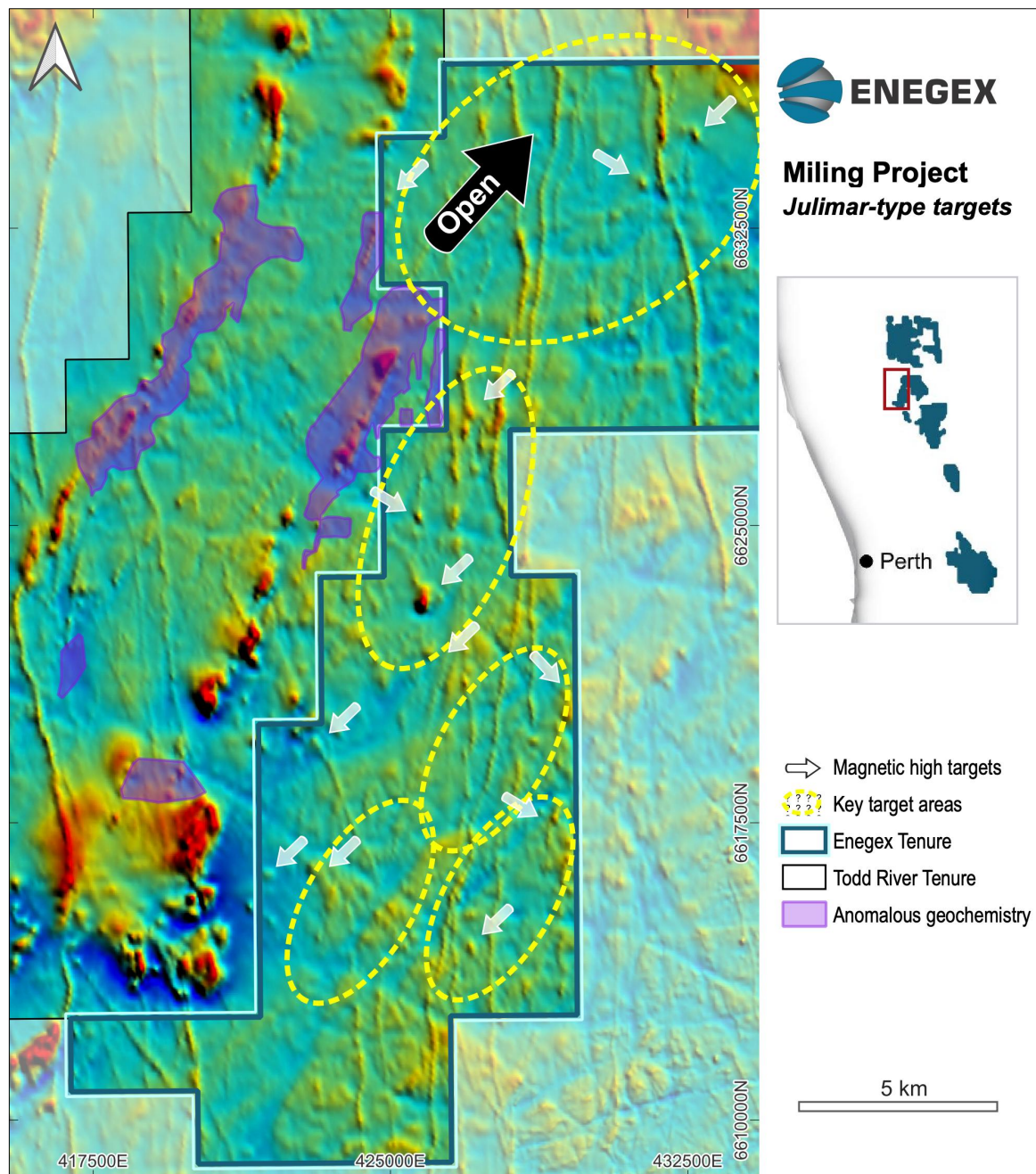


Figure 7. Miling Project target areas on magnetics and anomalous geochemistry zones

Other West Yilgarn Projects Areas

EnegeX's activities at its southern project areas (Walebing, Goomalling and Green Hills) incorporates ongoing interpretation and data integration to define first pass target areas for field checking and follow-up.

New datasets received during the quarter include:

- High-resolution WorldView-3 satellite data acquired across the Goomalling and Green Hills projects areas to assist target generation. The specialist geoscientific processing of the Worldview data was undertaken by Exploration Mapping Group, Inc. in the United States with the WorldView-3 data pack measuring 17 spectral bands. A key feature of Worldview data is its ability to enable mapping of clay minerals (including argillic, phyllic and propylitic clay alteration), iron minerals, silica minerals and a "hotspot" alteration intensity mapping to identify zonation within alteration assemblages.
- Geological interpretation of a 12km section of seismic line extending east-west across EnegeX's E70/5442 tenement in the Walebing Project which was re-processed using high-resolution depth imaging to improve clarity.

Interpretation of the new datasets is ongoing and will be integrated with historical map and data to underpin the target generative activities that define EnegeX's forward exploration framework.

Hart Ni-PGE Project, North Kimberley - EnegeX 100%

EnegeX's Hart Dolerite project consists of two tenement areas along the eastern margin of the Kimberley Basin of Western Australia (**Figure 8**). The tenements incorporate one granted tenement covering 374km²(E80/5354) , and a second tenement of 350km² under application.

The geology of the project area has been mapped largely as a regionally extensive Proterozoic sill complex termed the "Hart Dolerite". The project area has undergone little previous exploration with mapping of the Hart Dolerite complex (by other companies) to the north of EnegeX's project area indicating the dolerite units consist of a layered series of intrusive rocks including mafic sills that are tholeiitic in composition Tholeiitic compositions although associated with a wide range of tectonic settings (continental flood basalt provinces, back-arc basins, volcanic arcs and mid ocean ridges) can often be associated with higher prospectivity for Ni, Cu, PGE, V and Ti mineralisation, often concentrated in specific layers within the intrusive complex.

Previous exploration by other companies along mafic-ultramafic intrusion units in the Halls Creek Orogen along the eastern margin of the Kimberley Basin have identified a number of Ni sulphide deposits including the Savannah (Sally Malay) and Copernicus (Alicia Downs Ultramafics) deposits in addition to numerous untested prospects across the area.

EnegeX plans to undertake first pass reconnaissance work during the 2022 Kimberley field season to test for similar styles of mineralisation at its Hart Dolerite Project.

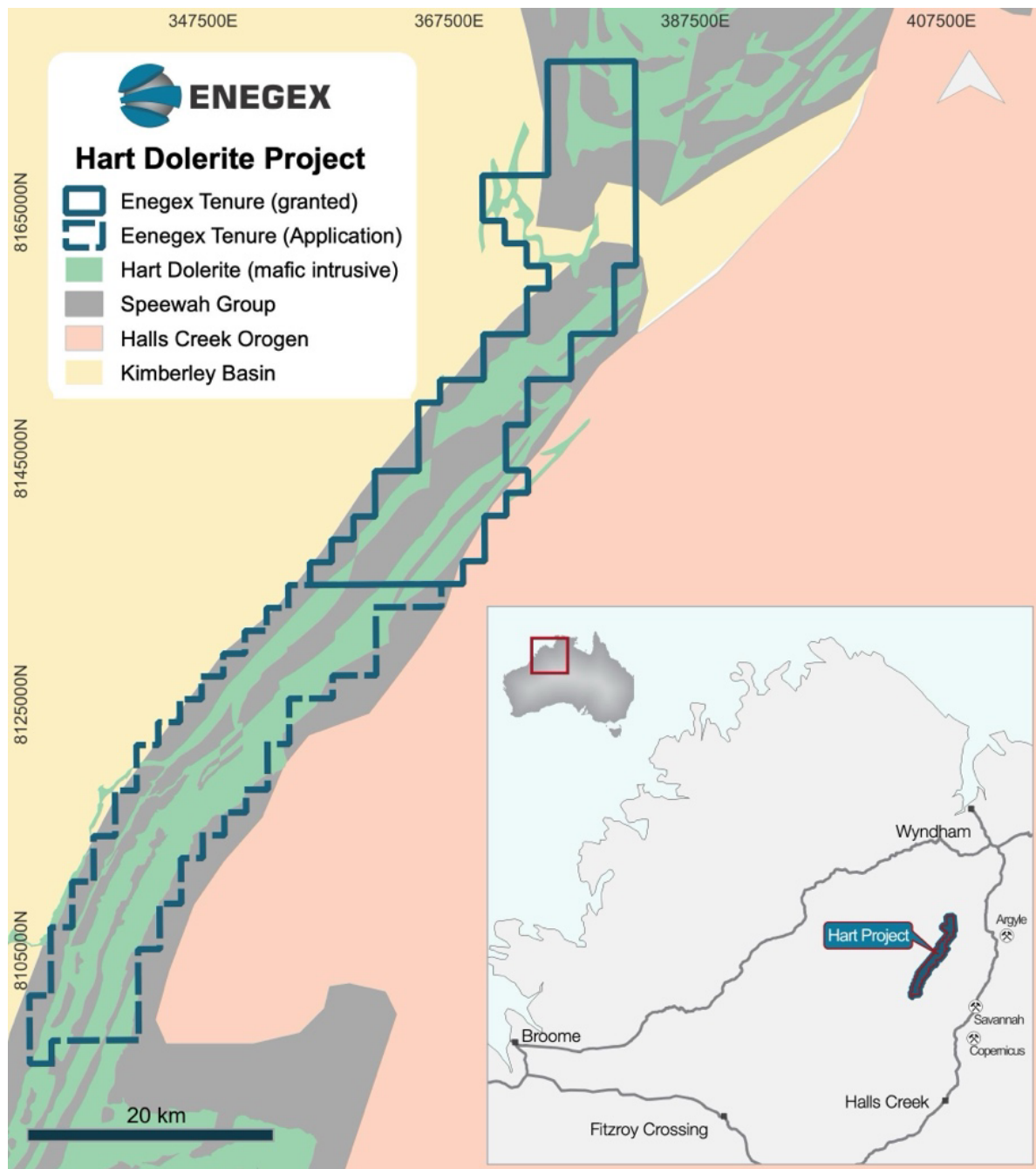


Figure 8 Hart Project Location

During the quarter, high-resolution WorldView-3 satellite data across the Hart Project E80/5354 tenement was acquired and delivered. Specialist geoscientific processing of the Worldview data was undertaken by Exploration Mapping Group, Inc. in the United States. WorldView-3 measures 17 spectral bands that not only enable the mapping of areas with respect to clay minerals (including argillic, phyllic and propylitic clay alteration), but also iron, silica, and carbonate minerals as well as “hotspot” alteration intensity mapping to identify zonation within alteration assemblages. The spectral response of the Hart Dolerite complex including internal variations in iron, silica and carbonate will also facilitate definition of the various layers and intrusion history of the complex as well as assist target generation in identifying more prospective layers in the sequence for field follow up and geochemical testing as well as structural framework.

Interpretation of the Worldview 3 data will commence next quarter including integration with previous work and historical maps to define a structures and targets for ground-checking during the Kimberley field season later this year.

Corporate

During the quarter EnegeX announced a Share Purchase Plan (**SPP**) whereby eligible existing shareholders were offered the opportunity to subscribe for up to \$30,000 of new shares in EnegeX at an issue price of \$0.08 per share, together with a free unlisted option, exercisable at \$0.14 on or before 30 June 2024, on the basis of one option granted for every share issued. The SPP closed on 28 January 2022 with new shares and options to be issued on 4 February 2022.

During the quarter 1,250,000 incentive options were granted following approval of shareholders at the annual general meeting.

Following the end of the quarter, Dr Robina Sharpe was appointed a non-executive director of the Company. Robina has 30 years' experience with a focus on the exploration for and evaluation of gold and base metal projects in Australia and internationally. Robina's diverse industry background spans green and brown field projects that have ranged from the evaluation and drill delineation of mine to near-mine resource expansion projects, to project generative and prospectivity analysis, including program implementation and management.

References

The information in this report that relates to Exploration Results was previously reported in the ASX announcement listed below. The Company is not aware of any new information or data that materially affects the information included in the market announcement.

Further details can be found in the following ASX announcement:

18 January 2021 [Priority Targets Emerging at Miamoon](#)

Competent Person Declaration

The information in this report that relates to exploration results is based on information compiled or reviewed by Carolyn Higgins, a Competent Person, who is a Member of the Australasian Institute of Mining and Metallurgy. Ms Higgins is an 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.

By Order of the Board



R J Wright
Company Secretary
31 January 2022

Additional Information Required by Listing Rules 5.3.3 and 5.4.3

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

Tenement	EnegeX interest	Km ²	Tenement status
Western Australia (Kimberley Region)			
E 80/5354	100%	373.79	Granted
E 80/5355	100%	350.22	Application
Western Australia (South-West Terrane)			
E 70/5439	100%	203.55	Granted
E 70/5440	100%	206.21	Granted
E 70/5441	100%	85.43	Granted
E 70/5442	100%	82.40	Granted
E 70/5446	100%	207.76	Granted
E 70/5459	100%	207.64	Granted
E 70/5457	100%	207.55	Granted
E 70/5458	100%	208.00	Granted
E 70/5460	100%	207.71	Granted
E 70/5463	100%	207.97	Granted
E 70/5444	100%*	204.00	Granted
E 70/5445	100%*	203.93	Granted
E 70/5566	100%	203.78	Granted
E 70/5567	100%	204.06	Granted
E 70/5568	100%	203.47	Granted
E 70/5569	100%	203.83	Granted
E 70/5570	100%	203.45	Granted
E 70/5571	100%	203.72	Granted
E 70/5580	100%	214.18	Granted
E 70/5631	100%	115.06	Granted

* via First Right of Refusal

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:

Nil

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 \$53,000. Payments were for contracted services including consulting fees, office costs and administrative support.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ENEGEX LIMITED

ABN

28 160 818 986

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	29
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(73)	(132)
	(e) administration and corporate costs	(83)	(267)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(156)	(370)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	(2)	(4)
	(c) property, plant and equipment		
	(d) exploration & evaluation	(493)	(623)
	(e) investments		
	(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(495)	(627)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	156
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(5)	(5)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(5)	151

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	772	962
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(156)	(370)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(495)	(627)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	151

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	116	116

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	116	772
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	116	772

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	53
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(156)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(495)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(651)
8.4	Cash and cash equivalents at quarter end (item 4.6)	116
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	116
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.2
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>Answer: No; operating expenditure is expected to be lower in the March 2022 with activities focussed on ground reconnaissance of target areas and land access work. Expenditure in the December 2021 quarter included the acquisition of new datasets to underpin targeting activities in the coming quarters; including an airborne gravity survey at the Miamoon Project and Worldview-3 imagery at the Goomalling, Green Hills and Hart Projects.</p>	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<p>Answer: Yes. The Company announced a Share Purchase Plan (SPP) on 24 November 2021 whereby eligible existing shareholders were offered the opportunity to subscribe for up to \$30,000 of new shares in EnegeX at an issue price of \$0.08 per share, together with a free unlisted option, exercisable at \$0.14 on or before 30 June 2024, on the basis of one option granted for every share issued. The SPP closed on 28 January 2022 with new shares and options to be issued on 4 February 2022.</p>	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<p>Answer: Yes – see 8.8.1 and 8.8.2</p>	
<p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 January 2022

Date:



Authorised by:

Robert Wright – Company Secretary

Released with authority of the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.