



ABN 61 005 632 315

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2021

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DIRECTORY

BOARD OF DIRECTORS

E.G. Albers (Chairman)

R.L. Clark

J.M.D. Willis

K. How Kow

COMPANY SECRETARY

R.J. Wright

REGISTERED OFFICE

Level 1, 10 Yarra Street

South Yarra, Victoria 3141, Australia

Telephone: +61 (0)3 8610 4702

Facsimile: +61 (0)3 8610 4799

E-mail: admin@octanex.com.au

Website: www.octanex.com.au

AUDITOR

Grant Thornton Audit Pty Ltd

Tower 5, Collins Square

727 Collins Street

Melbourne, Victoria 3008 Australia

SHARE REGISTRY

Automic Pty Ltd

Level 3

50 Holt Street

Surry Hills, NSW 2010, Australia

Telephone: 1300 288 664 (within Australia)

Telephone: + 61(2) 9698 5414 (outside Australia)

Website: www.automic.com.au

STOCK EXCHANGE LISTING

ASX Ltd

Level 4, North Tower, Rialto

525 Collins Street

Melbourne Victoria 3000

ASX Code: OXX

CURRENCY

The company's functional and presentation currency is Australian Dollars.

FORWARD LOOKING STATEMENTS

This report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the company or not currently considered material by the company.

INCORPORATED

Incorporated in Victoria on 13 March 1980

DIRECTORS' REPORT

The directors of Octanex Limited (**Octanex** or **the company**) submit their report on the consolidated results of the company and its wholly-owned subsidiaries (**controlled entities**) or (**the group**) for the half year ended 31 December 2021.

Directors

The names of the company's directors in office during the half year and until the date of this report are as follows:

E Geoffrey Albers – Executive Chairman and Chief Executive Officer

Raewyn Clark – Executive Director and Chief Operating Officer

James Willis – Independent Non-Executive Director

Kevin How Kow – Non-Executive Director

Financial Results for the half year

The consolidated entity, being the company and its controlled entities, recorded a consolidated loss for the half year of \$5,382,277 (2020: loss of \$119,579).

Dividends

No dividend was declared or paid during the half year.

Share Capital

In July 2021 1,153,846 ordinary shares were issued to earn an additional 15% interest in the Sefton exploration project. No options were granted in the half year.

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 (Figure 1).

Hope Campbell Project – 100%

The Hope Campbell Project covers an area of 1,356km² immediately to the southeast of the Sefton Project (Figure 1). It is comprised of two exploration licences which were granted during the half year and one exploration licence application.

Many of the features, 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 tenement areas.

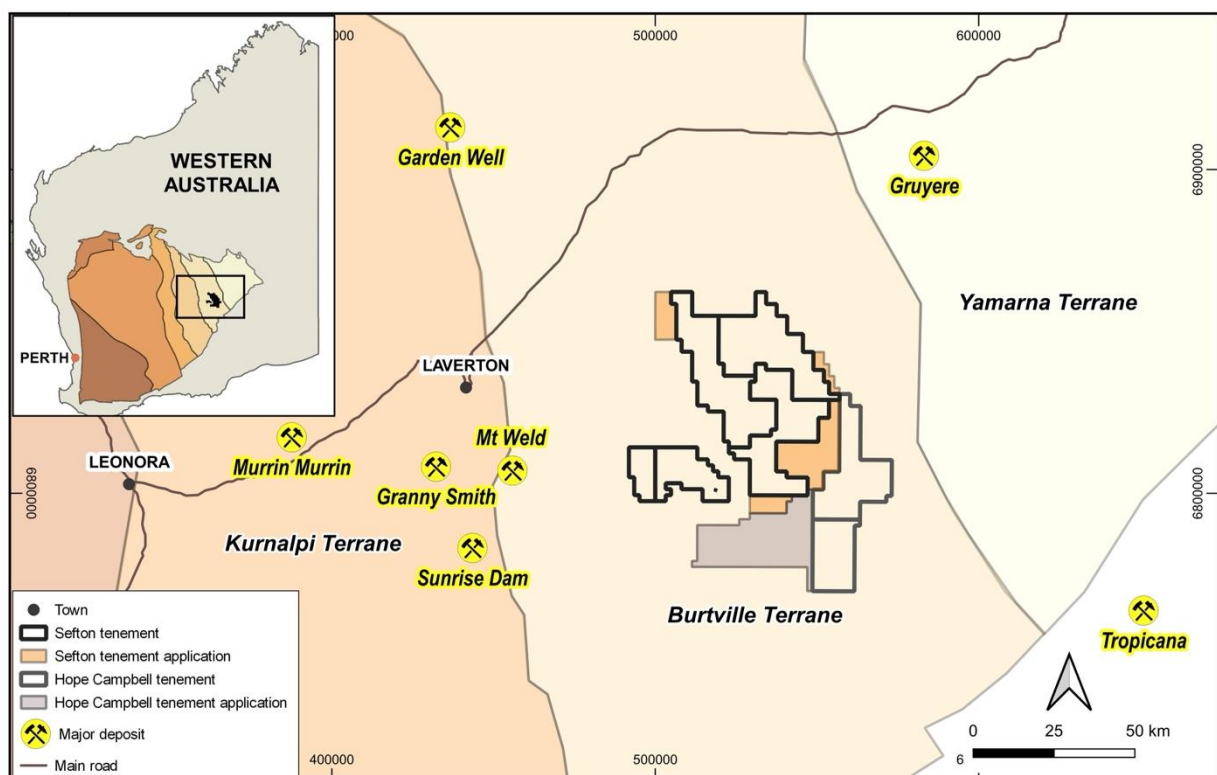


Figure 1. Octanex's Eastern Goldfields Projects

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 adjacent NNE-SSW trending greenstone belts to the west of Octanex's Projects.

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

Octanex has completed wide-spaced reconnaissance sampling across the Sefton Project area. Low-level gold anomalism has been identified with highest individual assay results of 5ppb gold. The majority of gold anomalies are located along, or proximal to, regional magnetic and/or gravity lineaments traversing the Sefton Project.

During the half year, Octanex took delivery of high-resolution WorldView-3 satellite imagery captured over the Sefton Project area (**Figure 2**).

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.

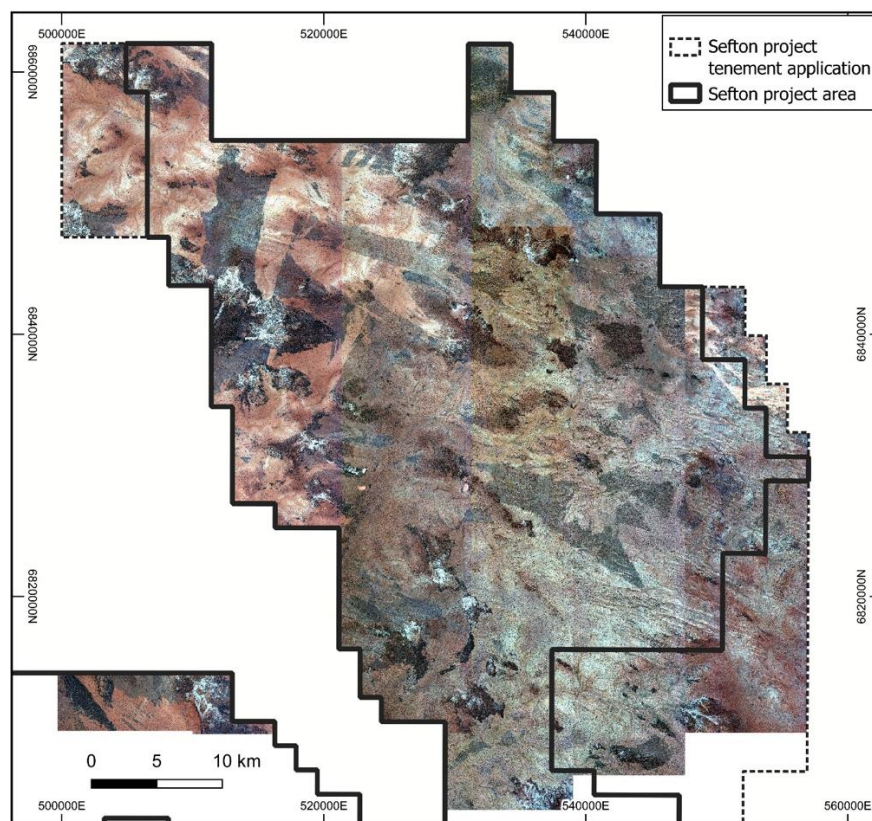


Figure 2. WorldView-3 natural colour imagery

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.

Interpretation of the Worldview-3 data 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.

REE Prospectivity

Octanex’s data compilation and review will also consider the rare earth element (REE) potential of the Sefton and Hope Campbell project areas where the granitoid terrane may have prospectivity for REE mineralisation hosted by laterite clays and strongly weathered granites.

Given the size of the granitoid terrane within the Sefton and Hope Campbell Projects there is potential to discover a range of granophile mineral deposits within the Sefton Regional Project area. Any syenites that might be identified within the areas may be prospective for REEs.

REE deposits are present in the west of the Burtville Terrane, including the world class laterite-hosted REE resource that caps the Mt Weld carbonatite.

Lithium Prospectivity Potential

High grade metamorphic granite and granite gneiss terranes are often characterised by abundant pegmatite so the project areas may also have potential for discovery of an economic pegmatite-hosted mineral deposit, the most attractive would be lithium.

Ascalon Gas, Bonaparte Basin

The Ascalon gas accumulation is located mostly within exploration permit WA-407-P which ended on 18 February 2022. 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.

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.

Year 6 of WA-407-P's initial term ended in February 2022. The regulator has advised that the Commonwealth-Western Australia Joint Authority expected that any renewal of WA-407-P would contain a well obligation in the primary term.

The objective of the year 6 work program was therefore to reduce technical risks associated with Ascalon including key uncertainties including whether it can flow at commercial rates, whether there are one or more gas water contacts (which would significantly reduce the size of the accumulation) and reservoir quality.

During the half year reservoir studies were undertaken including petrography studies on cuttings from the Ascalon-1A core which characterised the potential reservoir qualities as poor.

SUBSEQUENT EVENTS

WA-407-P

Taking into account the high technical and economic risks associated with the Ascalon accumulation and Octanex's focus on minerals exploration, Octanex did not seek a renewal of the WA-407-P permit which therefore expired on 18 February 2022.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration as required under section 307C of the Corporations Act 2001 from our auditor, Grant Thornton Audit Pty Ltd, a copy of which is included at page 18.

Signed in accordance with a resolution of the directors

A handwritten signature in black ink, appearing to read 'R. Clark', written in a cursive style.

R.L. Clark
Director

Melbourne, 11 March 2022

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Octanex Limited, I state that:

In the opinion of the directors:

- (a) the financial statements of the group, 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 including:
 - (i) giving a true and fair view of the financial position of the group as at 31 December 2021 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) at the date of this declaration there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



R.L. Clark
Director

Melbourne, 11 March 2022

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

| | NOTE | CONSOLIDATED | |
|------------------------------------------------------------------------------|------|--------------|--------------|
| | | 31/12/2021 | 31/12/2020 |
| | | \$ | \$ |
| Recovery of salary costs | | 142,428 | 125,461 |
| Covid support income | | - | 108,700 |
| Interest income | | - | 218 |
| Profit from sale of financial assets | | - | 12,257 |
| Sundry income | | 49 | - |
| Consulting | | - | (73,450) |
| Impairment of exploration assets | 7 | (5,131,521) | - |
| Investor relations fees | | (36,000) | - |
| Management fees | | (25,060) | (10,000) |
| Office costs | | (38,370) | (28,094) |
| Other expenses | | (60,712) | (57,025) |
| Reporting, registry and stock exchange | | (37,772) | (11,245) |
| Salaries | | (170,207) | (170,229) |
| Superannuation | | (17,738) | (16,172) |
| Share based payment | | (7,374) | - |
| Loss before income tax | | (5,382,277) | (119,579) |
| Income tax benefit | | - | - |
| Net loss for the half year | | (5,382,277) | (119,579) |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Changes in financial assets at fair value through other comprehensive income | | - | 56,618 |
| Other comprehensive income for the half year net of tax | | - | - |
| Total comprehensive income for the half year | | (5,382,277) | (62,961) |
| | | Cents | Cents |
| Basic loss per share | | (2.079) | (0.049) |
| Diluted loss per share | | (2.079) | (0.049) |

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**AS AT 31 DECEMBER 2021**

| | NOTE | 31/12/2021 \$ | CONSOLIDATED 30/6/2021 \$ |
|-----------------------------------|------|------------------|---------------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 176,230 | 700,033 |
| Trade and other receivables | | 98,943 | 181,808 |
| Prepayments | 5 | 58,883 | 148,332 |
| TOTAL CURRENT ASSETS | | 334,056 | 1,030,173 |
| NON-CURRENT ASSETS | | | |
| Exploration and evaluation assets | 7 | 810,190 | 5,314,686 |
| TOTAL NON-CURRENT ASSETS | | 810,190 | 5,314,686 |
| TOTAL ASSETS | | 1,144,246 | 6,344,859 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 241,130 | 165,723 |
| Provisions | | 210,377 | 191,552 |
| Interest bearing liabilities | 8 | 50,058 | - |
| TOTAL CURRENT LIABILITIES | | 501,565 | 357,275 |
| TOTAL LIABILITIES | | 501,565 | 357,275 |
| NET ASSETS | | 642,681 | 5,987,584 |
| EQUITY | | | |
| Issued capital | 9 | 69,598,020 | 69,568,020 |
| Reserves | | (744,847) | (752,221) |
| Accumulated losses | | (68,210,492) | (62,828,215) |
| TOTAL EQUITY | | 642,681 | 5,987,584 |

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

| | 31/12/2021 | CONSOLIDATED 31/12/2020 |
|-----------------------------------------------|------------------|----------------------------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Administration fees received | 242,514 | 151,959 |
| Payments to suppliers – other | (300,296) | (270,807) |
| Covid support | - | 108,700 |
| Net cash outflow from operating activities | <u>(57,782)</u> | <u>(10,148)</u> |
| INVESTING ACTIVITIES | | |
| Payments to suppliers – exploration | (561,493) | (26,320) |
| Payments to suppliers – tenements | (27,483) | (169,566) |
| Proceeds from sale of investment | - | 98,954 |
| Refund of tenement applications | 72,897 | - |
| Net cash outflow from investing activities | <u>(516,079)</u> | <u>(96,932)</u> |
| FINANCING ACTIVITIES | | |
| Proceeds from borrowing | 50,058 | - |
| Net cash inflow from financing activities | <u>50,058</u> | <u>-</u> |
| Net decrease in cash and cash equivalents | (523,803) | (107,080) |
| Cash assets at the beginning of the half year | 700,033 | 481,358 |
| Cash assets at the end of the half year | <u>176,230</u> | <u>374,278</u> |

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

| | Contributed equity | Accumulated losses | Financial assets at fair value through other comprehensive income | Option reserve | Total |
|-----------------------------------------|-----------------------|-----------------------|----------------------------------------------------------------------------------|-------------------|-------------|
| | \$ | \$ | \$ | \$ | \$ |
| CONSOLIDATED ENTITY | | | | | |
| At 1 July 2021 | 69,568,020 | (62,828,215) | (760,837) | 8,616 | 5,987,584 |
| Loss after tax | - | (5,382,277) | - | - | (5,382,277) |
| Total comprehensive income for the year | - | (5,382,277) | - | - | (5,382,277) |
| Issue of shares | 30,000 | - | - | - | 30,000 |
| Vesting of options | - | - | - | 7,374 | 7,374 |
| At 31 December 2021 | 69,598,020 | (68,210,492) | (760,837) | 15,990 | 642,681 |

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

| | Contributed equity | Accumulated losses | Financial assets at fair value through other comprehensive income | Option reserve | Total |
|---------------------------------------------|-----------------------|-----------------------|----------------------------------------------------------------------------------|-------------------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| CONSOLIDATED ENTITY | | | | | |
| At 1 July 2020 | 68,867,927 | (63,565,580) | (817,455) | 1,037,563 | 5,522,455 |
| Loss after tax | - | (119,579) | - | - | (119,579) |
| Revaluation of financial asset (net of tax) | - | - | 56,618 | - | 56,618 |
| Total comprehensive income for the year | - | (119,579) | 56,618 | - | (62,961) |
| At 31 December 2020 | 68,867,927 | (63,685,159) | (760,837) | 1,037,563 | 5,459,494 |

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021****NOTE 1 CORPORATE INFORMATION**

Octanex Limited ("Octanex" 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 half year ended 31 December 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the annual financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of Octanex Limited as at 30 June 2021. All accounting policies are consistent with those applied at 30 June 2021; except as disclosed below.

Interest bearing liability

A line of credit facility for \$250,000 from Australis Finance Pty Ltd (a director-related entity of E.G Albers) was signed, effective 21 December 2021 (Note 8). All interest-bearing liabilities are initially recognised at fair value net of transaction costs incurred. Subsequent to initial recognition, interest-bearing liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

It is also recommended that the half year financial report be considered together with any public announcements made by Octanex Limited and its controlled entities during the half year ended 31 December 2021 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Listing Rules of the ASX.

(a) Basis of preparation

These general purpose financial statements for the half year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

The half year financial report has been prepared on an historical cost basis less impairment losses, except for financial assets at fair value through other comprehensive income that are measured at fair value. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

Going concern

For the half year ended 31 December 2021 the group incurred a net cash outflow from operating and investing activities of \$573,861 (2020: \$107,080) and a net loss after tax of \$5,382,277 (2020: \$119,579). As at 31 December 2021, the Group has negative working capital of \$167,509 (30 June 2021: positive working capital \$672,898).

A line of credit facility for \$250,000 from Australis Finance Pty Ltd (a director-related entity of E.G Albers) was signed, effective 21 December 2021 (Note 8). The facility will allow the group to operate until additional funding is found. The funding is likely to be in the form of a capital raise with existing shareholder participation. Directors expect that the group will be able to successfully raise sufficient funds to enable it to continue as a going concern for at least 12 months from the signing of the half-year financial report.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021****NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Going concern(continued)*

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. In the event that sufficient funds are not met to meet the Group's exploration commitments, the interest in some or all of the Group's tenements may be affected. 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.

(c) New and revised accounting standards applicable for the first time to the current half-year reporting period

The group has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the group. 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 3 SEGMENT INFORMATION

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 with management information at a group level for the group's cash position, the carrying values of exploration permits and a group cash forecast for the next twelve months of operation.

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

NOTE 4 EXPLORATION EXPENDITURE COMMITMENTS

| | CONSOLIDATED | |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|
| | 31/12/2021 | 31/12/2020 |
| | \$ | \$ |
| The consolidated minimum expenditure requirements in exploration permits held by the consolidated entity at reporting date: | | |
| Not later than 1 year | 723,917 | 444,000 |
| Payable later than one year but not later than five years | <u>4,451,000</u> | <u>1,545,000</u> |
| | <u>5,174,917</u> | <u>1,989,000</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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

| | CONSOLIDATED | |
|--------------------------------------------------------|---------------------|-------------------|
| | 31/12/2021 | 30/06/2021 |
| | \$ | \$ |
| NOTE 5 PREPAYMENTS | | |
| Carrying balance at beginning of the period | 148,332 | 104,880 |
| Transfer to exploration and evaluation assets (Note 7) | (35,532) | (96,462) |
| Refund - tenement applications withdrawn | (72,897) | - |
| Prepaid tenement rent for the year | <u>18,980</u> | <u>139,914</u> |
| Carrying balance at end of the period | <u>58,883</u> | <u>148,332</u> |

At 31 December 2021 the company has applied for five minerals exploration tenements (2020: nine applications). If the tenements are granted rent paid on application will cover rent required on the first year of exploration in all tenements. If the tenements are not granted or an application is withdrawn the rent paid on application is fully refundable.

NOTE 6 EVENTS SUBSEQUENT TO BALANCE DATE

WA-407-P expired on 18 February 2022.

NOTE 7 EXPLORATION AND EVALUATION ASSETS

| | | |
|----------------------------------------------|----------------|------------------|
| Carrying balance at beginning of the period | 5,314,686 | 4,925,108 |
| Impairment of exploration assets (a) | (5,131,521) | - |
| Transfer from prepaid tenement rent (Note 5) | 35,532 | 96,462 |
| Costs incurred during the period | <u>591,493</u> | <u>293,116</u> |
| Carrying balance at end of the period | <u>810,190</u> | <u>5,314,686</u> |

(a) WA-407-P expired on 18 February 2022 (note 6). It was decided not to seek renewal of the permit and as such the permit carrying value has been written off (\$5,131,521) at 31 December 2021.

Exploration and evaluation assets relate to the areas of interest in the exploration and evaluation phase for mining exploration permits.

| 31/12/2021 | 30/06/2021 | Notes |
|----------------------------|-------------------|------------------------------------|
| Exploration Permits | | |
| WA-407-P(b) | WA-407-P | Offshore oil and gas permit |
| E38/3417 | E38/3417 | Minerals tenement granted 19/5/21 |
| E38/3418 | E38/3418 | Minerals tenement granted 19/5/21 |
| E38/3416 | E38/3416 | Minerals tenement granted 11/1/21 |
| E38/3432 | E38/3432 | Minerals tenement granted 11/1/21 |
| E38/3433 | E38/3433 | Minerals tenement granted 11/1/21 |
| E38/3626 | - | Minerals tenement granted 24/11/21 |
| E39/2241 | - | Minerals tenement granted 24/11/21 |

(b) WA-407-P expired on 18 February 2022 (note 6).

Ultimate recovery of exploration and evaluation assets is dependent upon exploration and evaluation success and/or the company maintaining appropriate funding to support continued exploration and evaluation activities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

| CONSOLIDATED | |
|---------------------|-------------------|
| 31/12/2021 | 30/06/2021 |
| \$ | \$ |

NOTE 8 INTEREST BEARING LIABILITY

| | | |
|-------------------------|--------|-------|
| Line of credit facility | 50,058 | - |
| | ===== | ===== |

The \$250,000 line of credit facility is from Australis Finance Pty Ltd and has an interest rate of 6% p.a. Australis Finance Pty Ltd is a director-related entity of E.G Albers. The facility has a maturity date of 30 June 2022 and is currently payable by that date.

NOTE 9 ISSUED CAPITAL

In July 2021 1,153,846 ordinary shares were issued to earn an additional 15% interest in the Sefton exploration project. No options were granted in the half year.

Auditor's Independence Declaration

To the Directors of Octanex Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Octanex Limited for the half-year ended 31 December 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 11 March 2022

Independent Auditor's Review Report

To the Members of Octanex Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Octanex Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, and 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 half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Octanex Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Octanex Limited's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report, which indicates that the Group incurred a net loss of \$5,382,277 during the half year ended 31 December 2021 and, as of that date, the Group's current liabilities exceeded its current assets by \$167,509. As stated in Note 2(a), these events or conditions, along with other matters as set forth in Note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 11 March 2022