

ENEGEX Limited

ABN 28 160 818 986

HALF YEAR FINANCIAL REPORT

31 December 2021

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

E.G. Albers (Chairman)
R.L. Clark
A.P. Armitage
R.A. Sharpe

COMPANY SECRETARY

R.J. Wright

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Auditor

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Tower 5, Collins Square
727 Collins Street
Melbourne, Victoria 3008 Australia

Share Registry

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Level 3
50 Holt Street
Surry Hills, NSW 2010, Australia

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Website: www.automic.com.au

Stock Exchange Listing

ASX Ltd
Level 4, North Tower, Rialto
525 Collins Street
Melbourne, Victoria 3000, Australia

ASX Code:

ENX Ordinary Shares

Incorporated in the State of Victoria

17 October 2012

DIRECTORS' REPORT

The directors of Eneget Limited (**Eneget** 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.

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

<i>Geoffrey Albers</i>	– <i>Non-Executive Chairman</i>
<i>Raewyn Clark</i>	– <i>Executive Director</i>
<i>Peter Armitage</i>	– <i>Non-Executive Director</i>
<i>Robina Sharpe</i>	– <i>Non-Executive Director (appointed 31 January 2022)</i>

FINANCIAL RESULTS FOR THE HALF YEAR

The consolidated entity, being the company and its controlled entities recorded a consolidated net loss for the half year, after income tax, was \$310,940 (2020: \$187,069).

SHARE CAPITAL

During the half year a total of 5,209,022 previously issued, listed options have been exercised, resulting in the issue of 5,209,022 shares and raising \$156,187.

In November 2021 1,250,000 incentive unlisted options were granted following approval of shareholders at the annual general meeting.

DIVIDENDS

No dividend was declared or paid during the half year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There are no significant changes in the state of affairs for the half year ended 31 December 2021 and to the date of signing this report.

REVIEW OF OPERATIONS

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

Background

EnegeX (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 (**Figure 1**). 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 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.

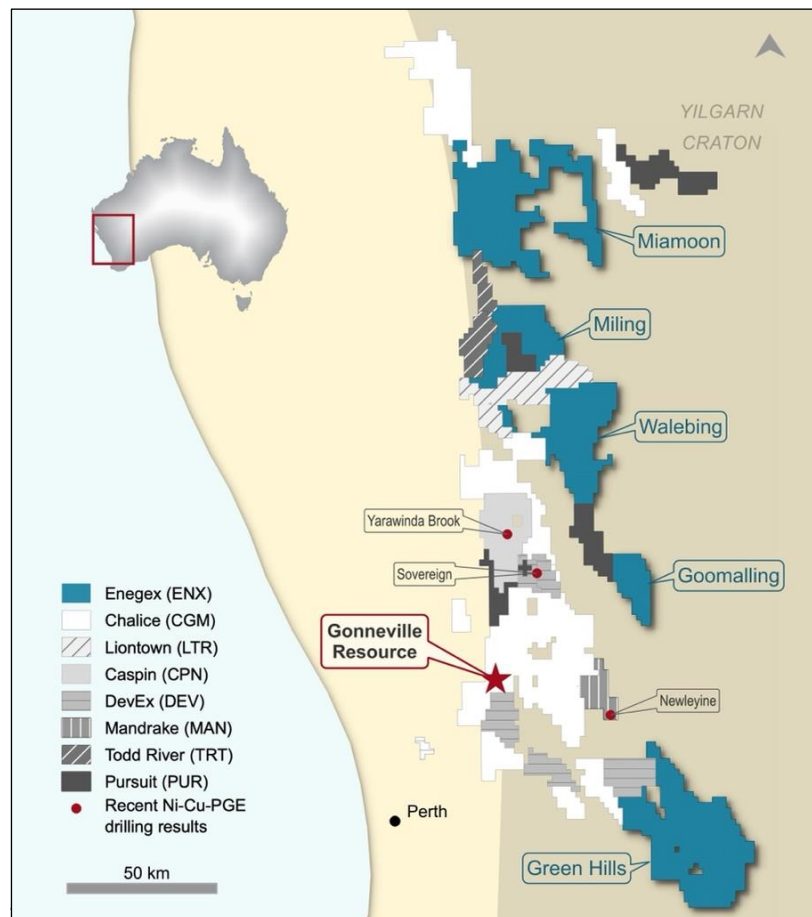


Figure 1 EnegeX Tenure across the West Yilgarn Ni-Cu-PGE Province

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.

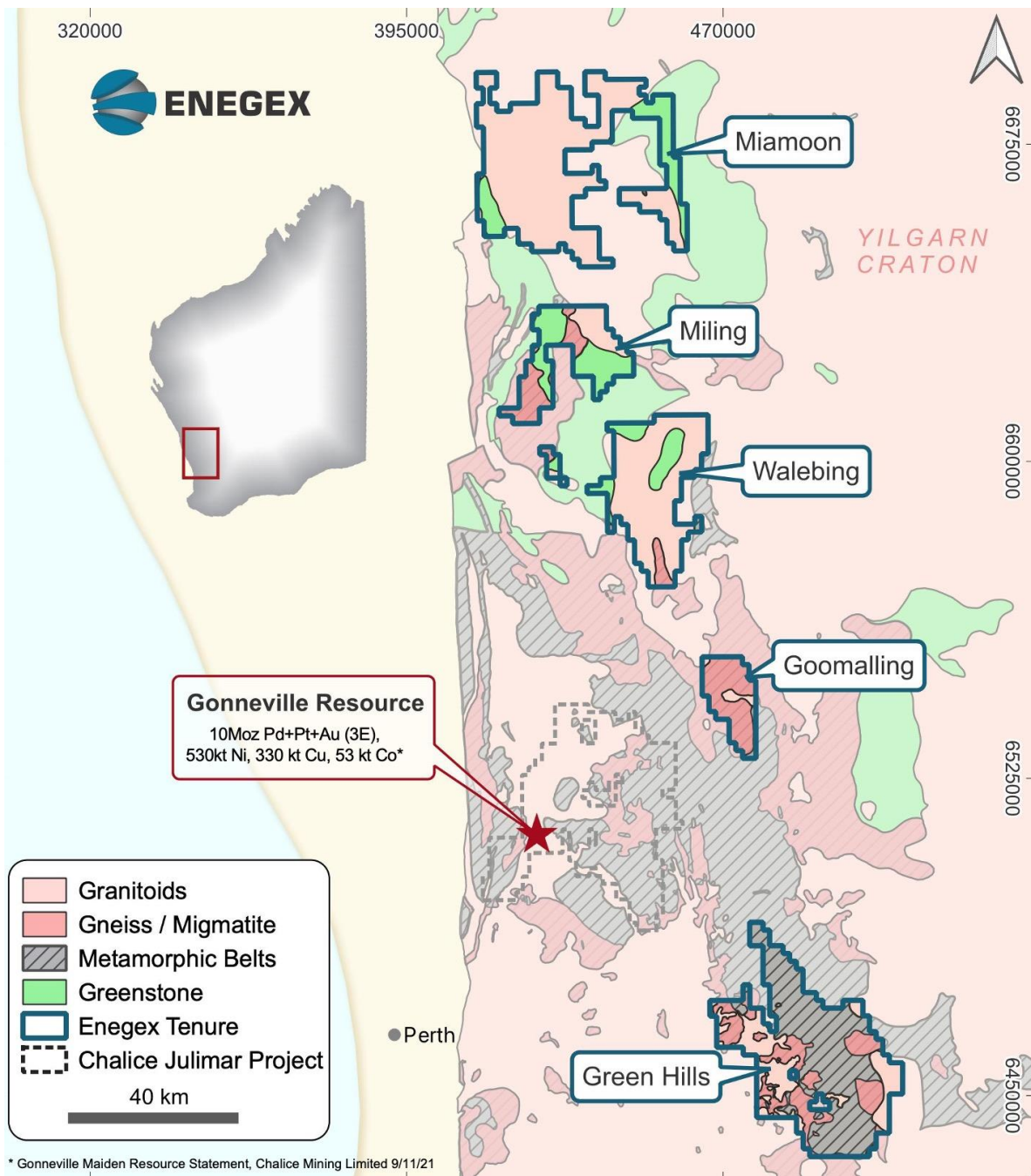


Figure 2 GSWA Interpreted bedrock geology 1:500,000 scale showing Enegetex Tenure

Whilst the geology of Enegetex 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 Enegetex tenements is encouraging with definition and evaluation of these units needed to evaluate mineralisation potential.

Exploration Activities

Miamoon and Miling Priority Project Areas

Energex's near term objective is to define quality drill targets at Miamoon and Miling. Activities during the half year 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, Energex completed an Airborne Falcon Gravity Gradiometer (AGG) survey over the western part of the Miamoon Project during the half year (**Figure 3**). Detailed evaluation and interpretation of the new gravity data, including 3D inversion modelling, was nearing completion by half year 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. Energex 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. Energex is highly encouraged by the quality of these target features with field-checking to commence once land access is obtained.

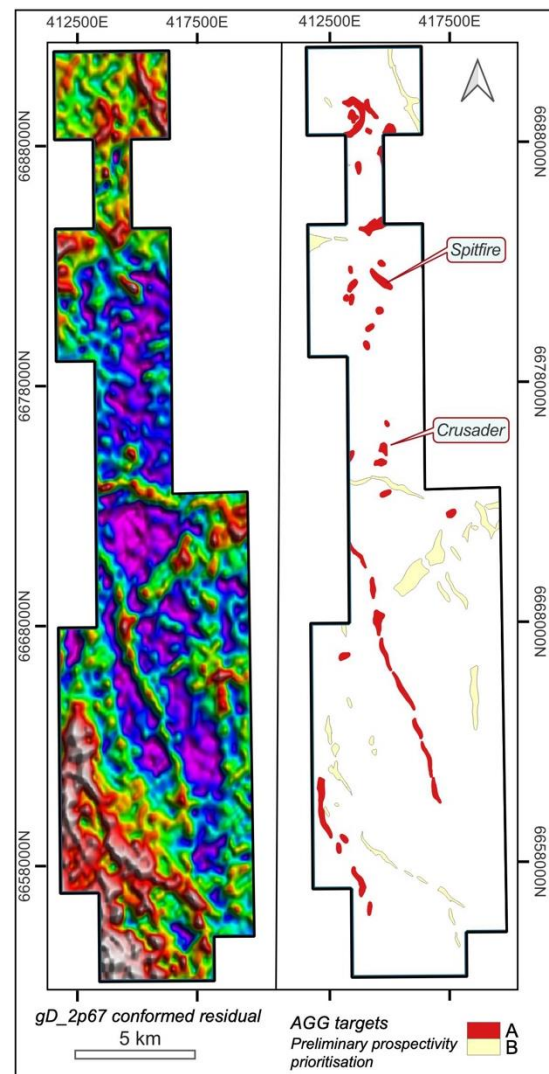


Figure 3 Left: Processed new AGG gravity gradiometer survey data, west Miamoon tenement area. Right: High priority (red) and intermediate (yellow) gravity targets (red) .

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.

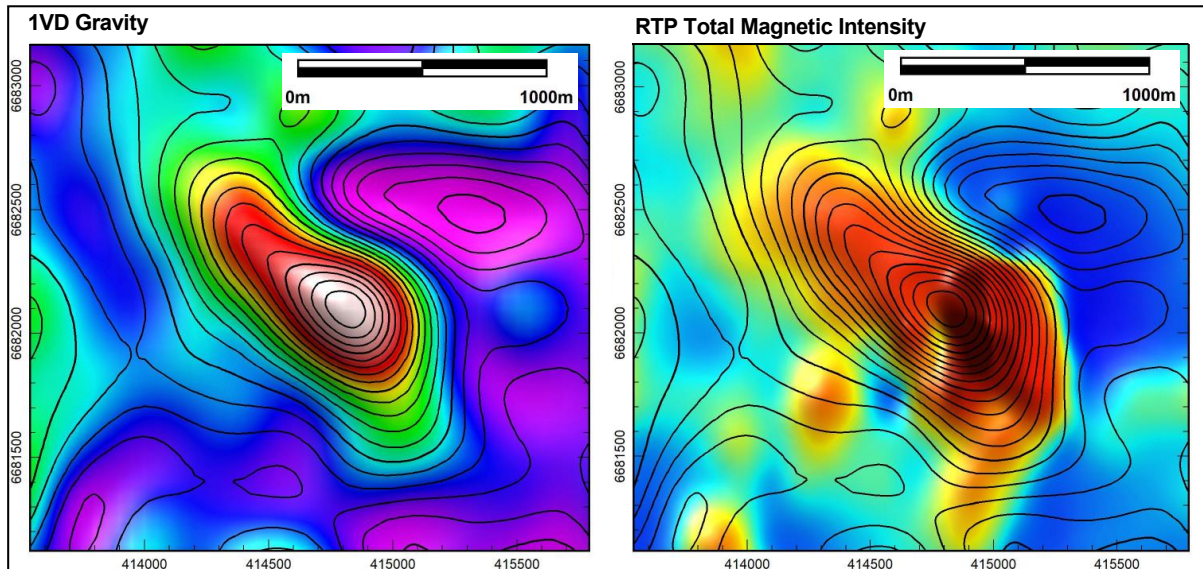


Figure 4 Gravity (left) and magnetic (right) data over the Spitfire target area

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.

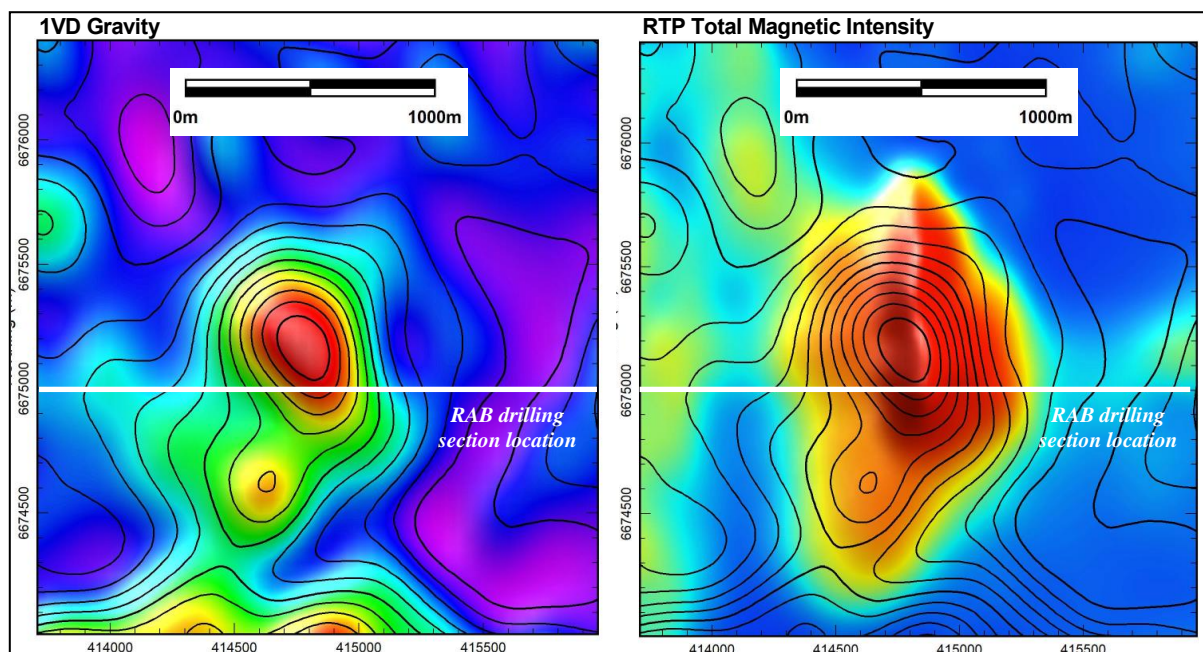


Figure 5 Crusader target coincident gravity (left) and magnetic (right) highs

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.

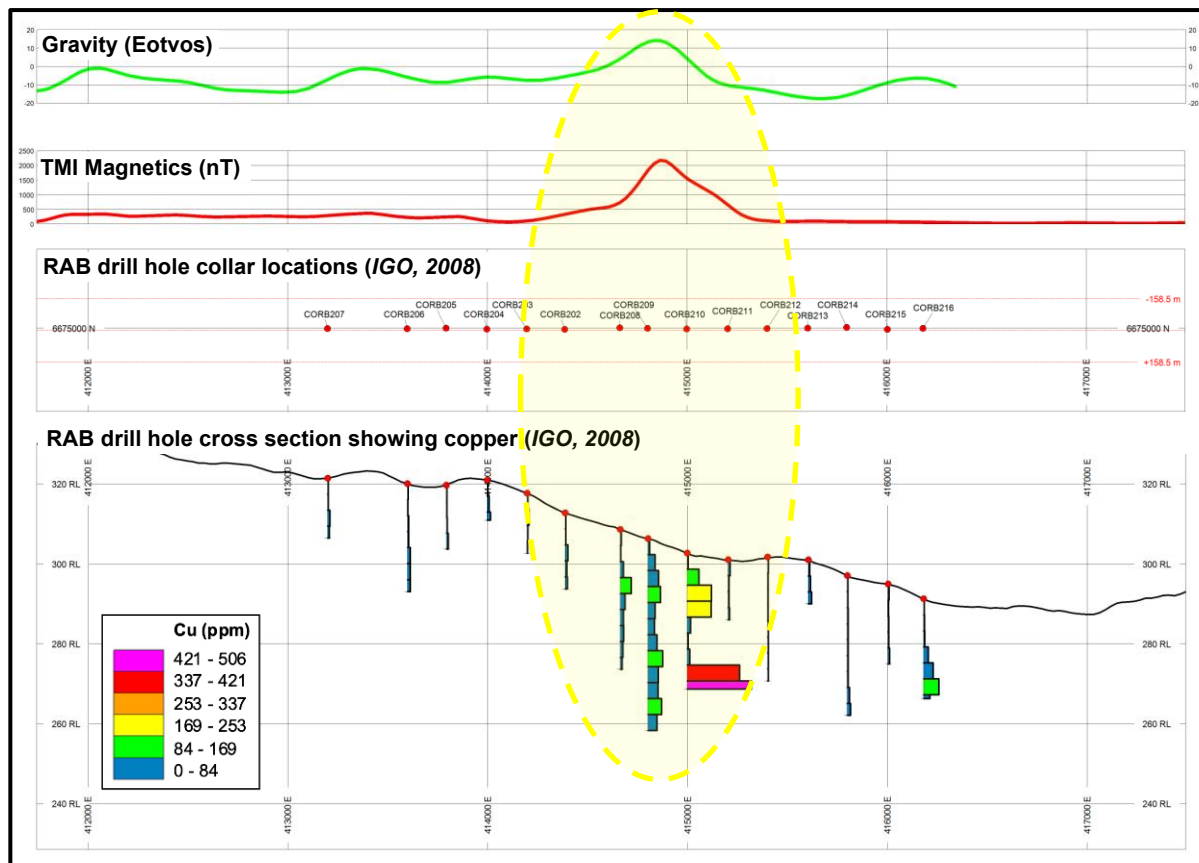


Figure 6. Elevated Copper in historical RAB drilling coincident with defined magnetic and gravity highs at Crusader

High priority targets including Spitfire and Crusader identified from early assessment of the Miamoon gravity survey data are an immediate focus for Enege'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 Enege can carry out these activities and, accordingly, are a key focus of current activities.

Miling Project

At its Miling Project, Enegeex 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 Enegeex tenements.

A roadside auger sampling program planned for the half year 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 half year, reprocessing of open file magnetic data was initiated to assist with geology and structure interpretation and targeting activities.

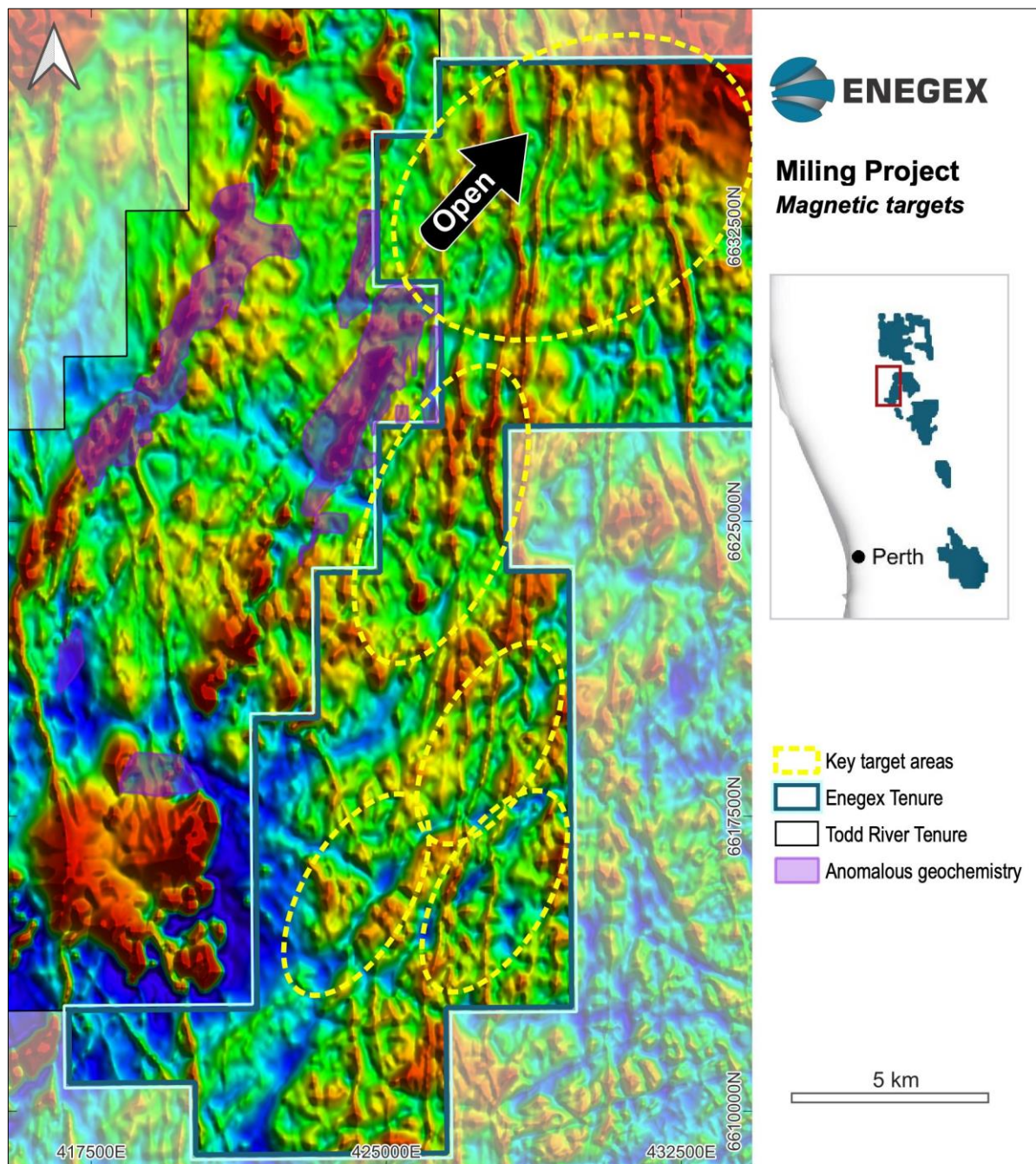


Figure 7. Miling Project target areas on magnetics and anomalous geochemistry zones

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 half year 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 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.

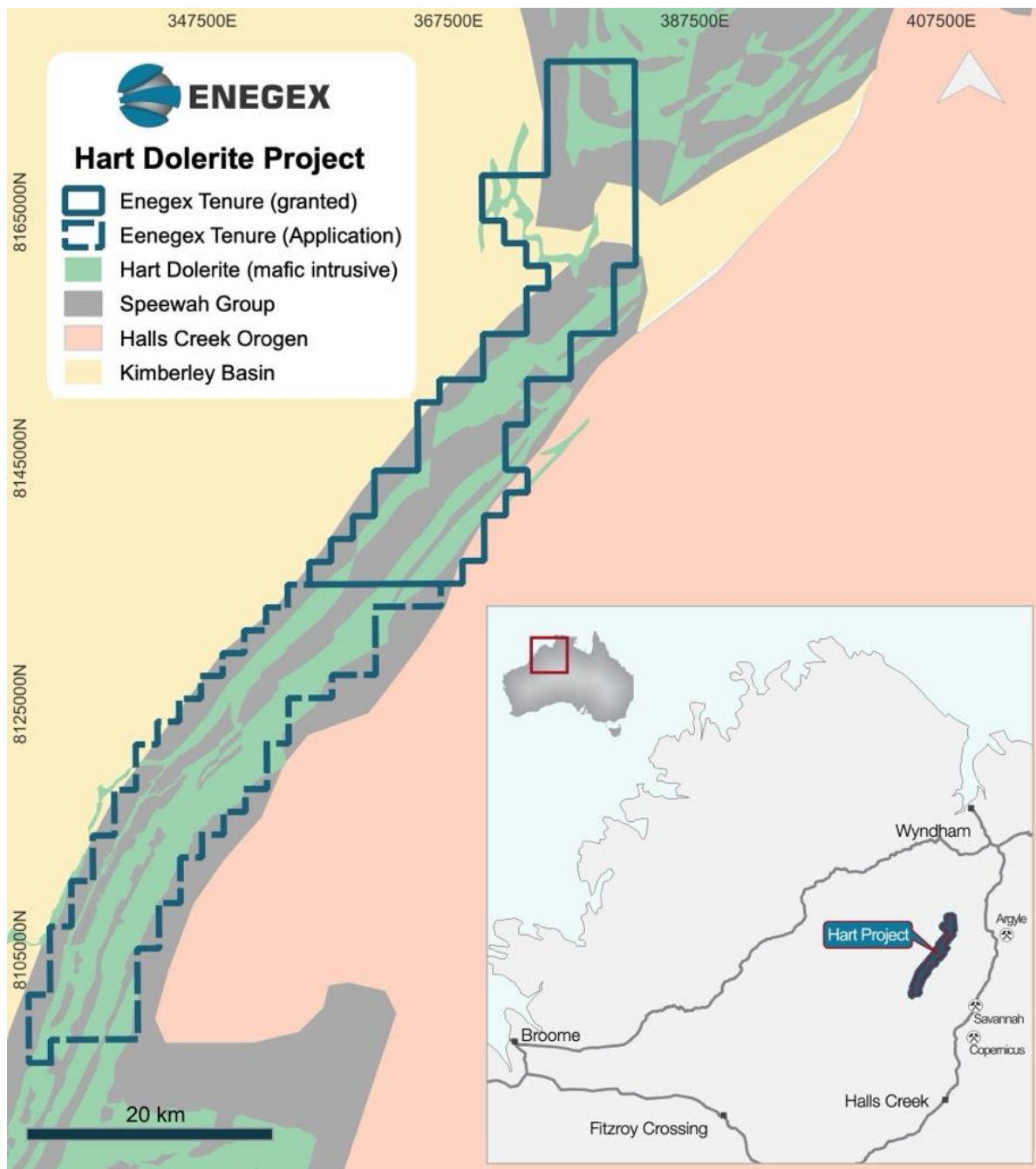


Figure 8 Hart Project Location

During the half year, 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 include integration with previous work and historical maps to define structures and targets for ground-checking during the 2022 Kimberley field season.

Competent Person Declaration

The information in this report that relates to Exploration Results has been previously reported in the following ASX announcement:

18 January 2021

[Priority Targets Emerging at Miamoon](#)

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

SUBSEQUENT EVENTS

In November 2021 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 ('options'), on the basis of one option granted for every share issued. The SPP closed on 28 January 2022 with 16,375,500 new shares and 16,375,500 options issued on 4 February 2022. The SPP raised \$1,313,000 prior to costs.

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 23.

Signed in accordance with a resolution of the directors



RL Clark
Director

Melbourne, 15 March 2022

DIRECTORS' DECLARATION

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

In the opinion of the directors:

- (a) the financial statements, 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 as at 31 December 2021 and the 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) 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.



RL Clark
Director
Melbourne, 15 March 2022

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

	CONSOLIDATED	
	31/12/2021	31/12/2020
	\$	\$
Sundry income	46,369	-
Accounting and company secretary fees	(61,787)	(36,645)
Audit	(16,303)	(10,687)
Consulting	(13,677)	(62,124)
Investor relations	(36,000)	-
Legal expenses	(2,100)	(999)
Licence fees	-	(11,685)
Office costs	(25,580)	(18,730)
Other expenses	(56,801)	(9,895)
Salaries	(52,763)	-
Share registry	(5,837)	(4,723)
Shares based payment	(47,772)	(9,125)
Stock exchange	(34,912)	(13,782)
Tenement expenses	(3,777)	(8,674)
Loss before income tax benefit	<u>(310,940)</u>	<u>(187,069)</u>
Income tax benefit	-	-
Net Loss for the half year	<u>(310,940)</u>	<u>(187,069)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in financial assets at fair value through other comprehensive income	(1,925)	2,888
Total comprehensive income for the half year	<u>(312,865)</u>	<u>(184,181)</u>
Basic and diluted loss per share (cents per share)	(0.208)	(0.168)

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
AT 31 DECEMBER 2021

		CONSOLIDATED	
	Note	31/12/2021	30/6/2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		115,630	961,700
Trade and other receivables		76,526	41,244
Prepayments	6	14,552	14,552
TOTAL CURRENT ASSETS		<u>206,708</u>	<u>1,017,496</u>
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income	5	19,253	21,179
Exploration and evaluation assets	7	996,288	263,719
TOTAL NON-CURRENT ASSETS		<u>1,015,541</u>	<u>284,898</u>
TOTAL ASSETS		<u>1,222,249</u>	<u>1,302,394</u>
CURRENT LIABILITIES			
Trade and other payables		163,276	140,864
Provisions		13,885	2,990
TOTAL CURRENT LIABILITIES		<u>177,161</u>	<u>143,854</u>
TOTAL LIABILITIES		<u>177,161</u>	<u>143,854</u>
NET ASSETS		<u>1,045,088</u>	<u>1,158,540</u>
EQUITY			
Issued capital	9	3,082,089	2,930,447
Reserves		164,233	118,387
Accumulated losses		(2,201,234)	(1,890,294)
TOTAL EQUITY		<u>1,045,088</u>	<u>1,158,540</u>

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

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

	Issued capital	Accumul'd losses	Financial assets at fair value through other comprehensive income	Options reserve	Total Equity
	\$	\$	\$	\$	\$
CONSOLIDATED					
At 1 July 2021	2,930,447	(1,890,294)	45	118,342	1,158,540
Loss for the half year	-	(310,940)	-	-	(310,940)
Revaluation of financial asset (net of tax)	-	-	(1,925)	-	(1,925)
Total comprehensive income for the half year	-	(310,940)	(1,925)	-	(312,865)
Issue of shares	156,187	-	-	-	156,187
Costs of issue	(4,545)	-	-	-	(4,545)
Issue of options	-	-	-	47,771	47,771
At 31 December 2021	3,082,089	(2,201,234)	(1,880)	166,113	1,045,088
CONSOLIDATED					
At 1 July 2020	1,366,891	(1,414,842)	(1,399)	-	(49,350)
Loss for the half year	-	(187,069)	-	-	(187,069)
Revaluation of financial asset (net of tax)	-	-	2,888	-	2,888
Total comprehensive income for the half year	-	(187,069)	2,888	-	(184,181)
Issue of shares	1,558,212	-	-	-	1,558,212
Costs of issue	(87,170)	-	-	-	(87,170)
Issue of options	-	-	-	9,125	9,125
At 31 December 2020	2,837,933	(1,601,911)	1,489	9,125	1,246,636

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

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

	CONSOLIDATED	
	31/12/2021	31/12/2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers - other	(399,245)	(181,899)
Receipts for geological services	28,798	-
Net cash outflow from operating activities	<u>(370,447)</u>	<u>(181,899)</u>
INVESTING ACTIVITIES		
Payments to suppliers – tenements	(3,773)	(133,372)
Payments to suppliers – exploration	(623,492)	-
Cash outflow from investing activities	<u>(627,265)</u>	<u>(133,372)</u>
FINANCING ACTIVITIES		
Proceeds from borrowing	-	70,000
Repayment of borrowings	-	(200,572)
Proceeds from share issues	156,187	1,558,212
Costs of share issues	(4,545)	(87,170)
Cash inflow from investing activities	<u>151,642</u>	<u>1,340,470</u>
Net (decrease) / increase in cash assets	(846,070)	1,025,199
Cash assets at the beginning of the half year	961,700	50,138
Cash assets at the end of the half year	<u>115,630</u>	<u>1,075,337</u>

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

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

NOTE 1 CORPORATE INFORMATION

Enegex Limited ("Enegex" 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").

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 company as the annual financial report.

The half year financial report should be read in conjunction with the annual financial report of Enegex Limited for the year ended 30 June 2021. All accounting policies are consistent with those applied at 30 June 21.

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

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 cash outflows from operating and investing activities of \$997,712 (December 2020: \$315,271) and a net loss after tax of \$310,940 (2021: \$187,069). As at 31 December 2021, the Group has positive working capital of \$29,547 (June 2021: \$873,642).

Enegex closed a Share Purchase Plan on 28 January 2022 (Note 4) with 16,375,500 new shares and 16,375,500 options issued on 4 February 2022. Funds of \$1,313,000 prior to costs were raised from this capital raise. 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.

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 raised 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 directors. At regular intervals, the board is provided management information at a company level for the company's cash position, the carrying value of its assets and a company cash forecast for the next twelve months of operation.

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

NOTE 4 EVENTS SUBSEQUENT TO BALANCE DATE

In November 2021 Eneget 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 Eneget 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 ("options"), on the basis of one option granted for every share issued. The SPP closed on 28 January 2022 with 16,375,500 new shares and 16,375,500 options issued on 4 February 2022. The SPP raised \$1,313,000 prior to costs.

NOTE 5 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	CONSOLIDATED	
	31/12/2021	30/06/2021
	\$	\$
Investment in listed equities (Genex Limited)	19,253	21,179
	=====	=====

When adopting AASB 9, the Company has applied transitional relief and elected not to restate prior periods. Asset has been reclassified from available-for-sale to financial assets at fair value through other comprehensive income but there has been no other impact for the change in standards.

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 5 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

The company's financial assets measured and recognised at fair value at 31 December 2021 on a recurring basis are as follows:

31 December 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Listed securities	19,253	-	-	19,253
Unlisted securities	-	-	-	-
Total	19,253	-	-	19,253

Measurement of fair value of financial instruments

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

a) Listed securities and money market funds

Fair values have been determined by reference to their quoted bid prices at the reporting date.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. The company did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2021. The carrying amounts of cash and cash equivalents, current receivables and current payables are considered to be a reasonable approximation of their fair value.

CONSOLIDATED

	31/12/2021	30/6/2021
	\$	\$

NOTE 6 PREPAYMENTS

Prepaid tenement rent

Balance at the beginning of the period	14,552	139,688
Costs for the year	-	74,952
Transferred to exploration assets	-	(200,088)
Balance at the end of the period	14,552	14,552

As at 31 December 2021 the company has one tenement application (2020: one application). If the tenement is granted rent paid on application will cover rent required on the first year of exploration in the tenement. If the tenement is not granted the rent paid on application is fully refundable.

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

CONSOLIDATED

	31/12/2021	30/6/2021
	\$	\$
NOTE 7 EXPLORATION AND EVALUATION ASSETS		
<i>Areas of interest in the exploration and evaluation phase</i>		
Balance at the beginning of the period	263,719	-
Transferred from prepayments	-	200,088
Costs for the period	732,569	63,631
Balance at the end of the period	<u>996,288</u>	<u>263,719</u>

The recoupment of exploration project acquisition costs carried forward is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively by sale of the respective areas. Exploration assets relate to the areas of interest in the exploration phase for minerals exploration licences as shown in the table below:

31/12/2021	30/06/2021	Notes
E80/5354	E80/5354	Granted 23/11/2020
E70/5439	E70/5439	Granted 5/01/2021
E70/5440	E70/5440	Granted 5/01/2021
E70/5441	E70/5441	Granted 5/01/2021
E70/5442	E70/5442	Granted 5/01/2021
E70/5631	E70/5631	Granted 19/05/2021
E70/5444	E70/5444	Granted 4/01/2021
E70/5445	E70/5445	Granted 4/01/2021
E70/5446	E70/5446	Granted 4/01/2021
E70/5457	E70/5457	Granted 24/12/2020
E70/5458	E70/5458	Granted 9/04/2021
E70/5459	E70/5459	Granted 24/12/2020
E70/5460	E70/5460	Granted 23/03/2021
E70/5463	E70/5463	Granted 24/12/2020
E70/5566	E70/5566	Granted 19/03/2021
E70/5567	E70/5567	Granted 19/03/2021
E70/5568	E70/5568	Granted 10/03/2021
E70/5569	E70/5569	Granted 10/03/2021
E70/5570	E70/5570	Granted 10/03/2021
E70/5571	E70/5571	Granted 10/03/2021
E70/5580	E70/5580	Granted 19/03/2021

NOTE 8 COMMITMENTS

The minimum expenditure requirements in exploration permits held by the consolidated entity at reporting date:

	31/12/2021	30/6/2021
	\$	\$
Not longer than 1 year	902,500	1,036,000
Longer than 1 year and not longer than 5 years	6,272,000	7,000,000
	<u>7,174,500</u>	<u>8,036,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 8 COMMITMENTS (Continued)

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

NOTE 9 EQUITY SECURITIES ISSUED

During the half year a total of 5,209,022 previously issued, listed options have been exercised, resulting in the issue of 5,209,022 shares and raising \$156,187.

In November 2021 1,250,000 incentive unlisted options were granted following approval of shareholders at the annual general meeting (Note 10).

In November 2021 Enege announced a Share Purchase Plan (SPP). The SPP closed on 28 January 2022 with 16,375,500 new shares and 16,375,500 options issued on 4 February 2022. The SPP raised \$1,313,000 prior to costs (Note 4).

NOTE 10 SHARED BASED PAYMENT

Share options to director and an employee

1,250,000 options were granted to a director and an employee in the half year ended 31 Dec 2021. (Dec 2020: 6,000,000). 1,000,000 of the options granted have a service period vesting condition so the cost of the options are amortised over the life of the option. 250,000 of the options fully vested on issue so the cost of the options are fully expensed on grant date.

1,000,000 options (exercisable at \$0.14 (14 cents) on or before 25 November 2024 were granted to employee on 26/11/21. The accounting value of the options granted was \$34,196 with the share based payment expense for the half year \$1,381.

250,000 options (exercisable at \$0.14 (14 cents) on or before 25 November 2024 were granted to director; Peter Armitage on 26/11/21. The accounting value of the options granted was \$8,729 with the share based payment expense for the half year \$8,729. These options fully vested on grant.

Share based payment expense for the half year from amortisation of prior period grants was \$37,662.

Auditor's Independence Declaration

To the Directors of Enegex Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Enegex 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, 15 March 2022

Independent Auditor's Review Report

To the Members of Eneget Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Eneget 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 Eneget Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Eneget 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 in the financial report, which indicates that the Group had net cash outflows from operating and investing activities of \$997,712 and incurred a net loss of \$310,940 during the half year ended 31 December 2021. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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, 15 March 2022