

26 July 2022

East Yilgarn Projects Update

- Strategic review completed for Octanex's East Yilgarn Projects
- Focus of efforts and resources on a more tightly constrained area
- Historical geochemical data captured to provide a framework for critical review of remaining tenure areas to test concept targets identified from the strategic review

Octanex Limited (ASX: OXX, "Octanex" or the "Company") provides a update to shareholders following a strategic review conducted in respect to the Company's East Yilgarn tenement interests.

Located in the Burtville Terrane (between the Kurnalpi and Yamarna Terranes), Octanex's East Yilgarn tenements cover areas that have previously had little modern exploration. With the belief that the new era of Tier 1 gold deposits are likely to be under cover, and encouraged by high-grade gold discoveries at Gruyere and Tropicana to the east, Octanex has pursued a gold-focussed exploration program.

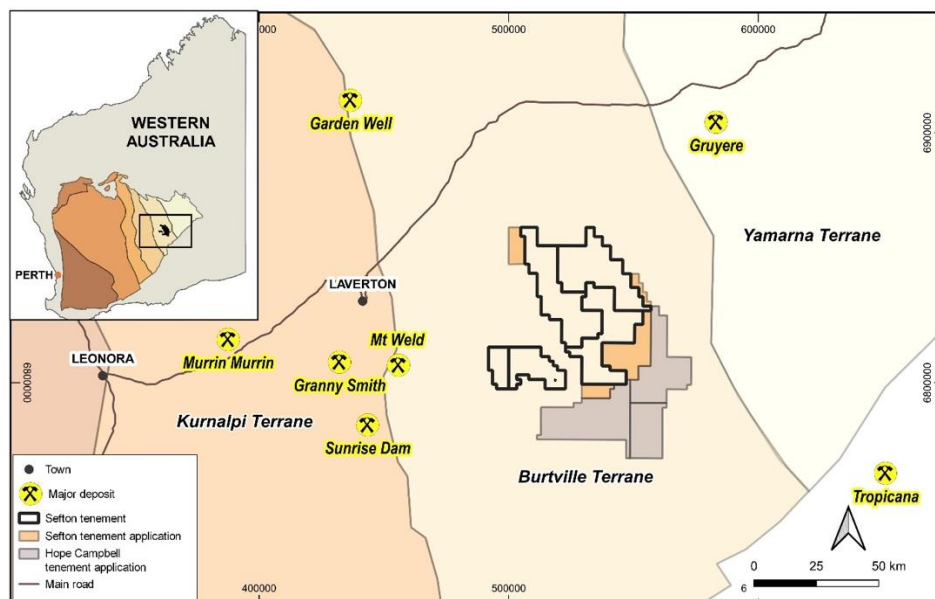


Figure 1. Octanex's suite of tenements (*tenements depicted prior to strategic review*) are located within the Burtville Terrane of the East Yilgarn Superterrane.

The tenement areas have extremely limited outcrop, and are dominated by broad expanses of transported aeolian sand planes and dunes with smaller islands of residual lateritic soils and granitic outcrop.

Four separate wide-spaced lag sampling programs have been completed in 2020 - 2021 with the objective of defining structural targets with favourable geochemistry for subsequent infill geochemistry (aircore/RAB) drilling in order to define potential targets.

The highest value returned from the lag sampling programs was 5ppb gold. Based on the lag sampling results, Octanex's consultant geologist interpreted gold values of 1ppb or higher as anomalous and by plotting percentile contours, interpreted low level gold anomalies with kilometric-scale extent centred on or adjacent to interpreted geophysical linear structures. Our consultant geologist's recommendation following the fourth lag sampling campaign was for further reconnaissance and infill surface lag sampling.

Octanex decided to undertake a strategic review of its acreage before proceeding with further geochemical sampling, conscious that compelling targets for aircore/RAB drilling had not been defined after four lag sampling programs, at significant expense.

Given the size of the granitoid terrane within the tenements, rare earth element (REE) and pegmatite-related mineralisation (eg lithium) was also considered.

The lack of outcrop in the tenement areas posed a significant challenge for geological interpretation and targetting. Accordingly the review integrated numerous datasets including geophysics, geology, geochronology and topography as well as new high resolution WorldView-3 satellite imagery and spectral study over the northern half of the tenements.

The review also integrated new spatial Accelerated Geoscience Program (AGP) datasets released by the Geological Survey of Western Australia (GSWA) in 2021; the Far East Yilgarn (FEY) dataset and the Critical Minerals datasets.

The FEY dataset covers much of the tenement areas and includes new whole rock data, an extensive geochemistry compilation and a new major crustal boundaries layer which integrates the most recent geophysical data with current understanding of the geological evolution of Western Australia.

Key outcomes of this review include the following:

- Octanex's prospectivity assessment of a large portion of the tenement package has been downgraded with previously interpreted "major structures" and "anomalous gold" results along those structures not supported by this review;
- Available granite geochemistry data does not support prospectivity for REE and Pegmatite-related mineralisation;
- Conceptual target areas have been identified based on review of geophysical, geochemical and geological datasets



As a result of this review, Octanex has determined to relinquish approximately 70% of its initial ~3,900km² tenement package, reducing its project areas to 5 tenements totaling approximately 1,245km² (*refer Figure 2*).

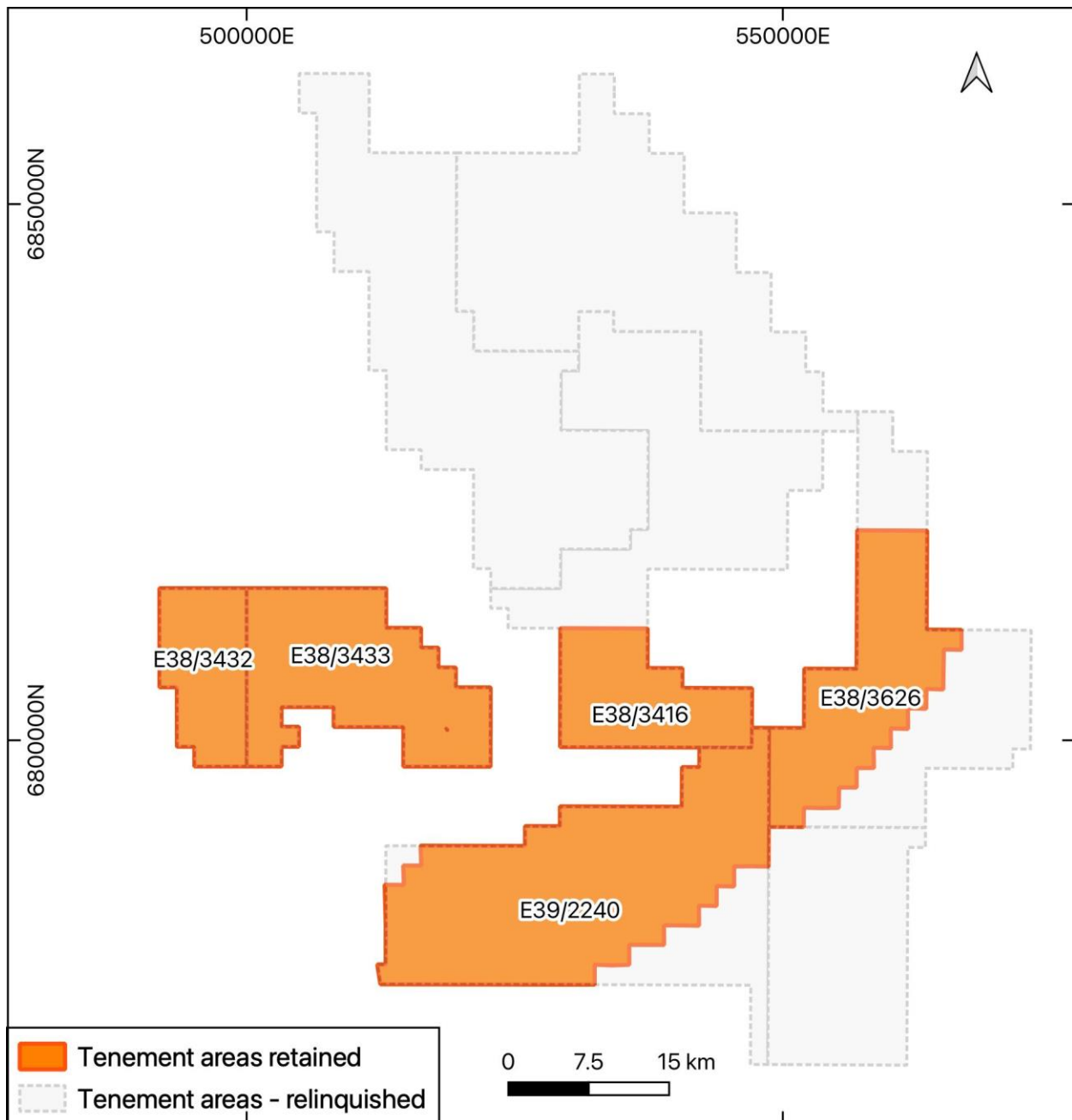


Figure 2. Areas to be retained and relinquished

This reduced tenement package will result in smaller expenditure commitments, enabling Octanex to focus its efforts and resources on a more tightly constrained area. Octanex plans to critically review the conceptual targets identified. To assist with this objective geochemistry data has been compiled from historical open-file reports across and nearby to the tenement areas, with more than 18,000 soil sample locations captured, which data will be interrogated to test conceptual targets identified in the tenement areas.

REFERENCES

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

- 12 August 2021 Sefton Lag Sampling Confirms Gold Mineralisation
- 27 April 2021 Sefton Project Exploration Update – Corrected.

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

For more information

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