OCTANEX LIMITED

ABN 61 005 632 315

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2022

CORPORATE DIRECTORY

Directors
Mr Geoffrey Albers
Chairman

Ms Raewyn Clark
Executive Director

Mr James Willis
Independent Non-Executive Director

Company Secretary
Mr Robert Wright

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

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Surry Hills, NSW 2010, Australia
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Stock Exchange
ASX Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne, Victoria 3000 Australia
ASX Code: OXX

Incorporated in Victoria on 13 March 1980

Review of Operations

East Yilgarn Project

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.

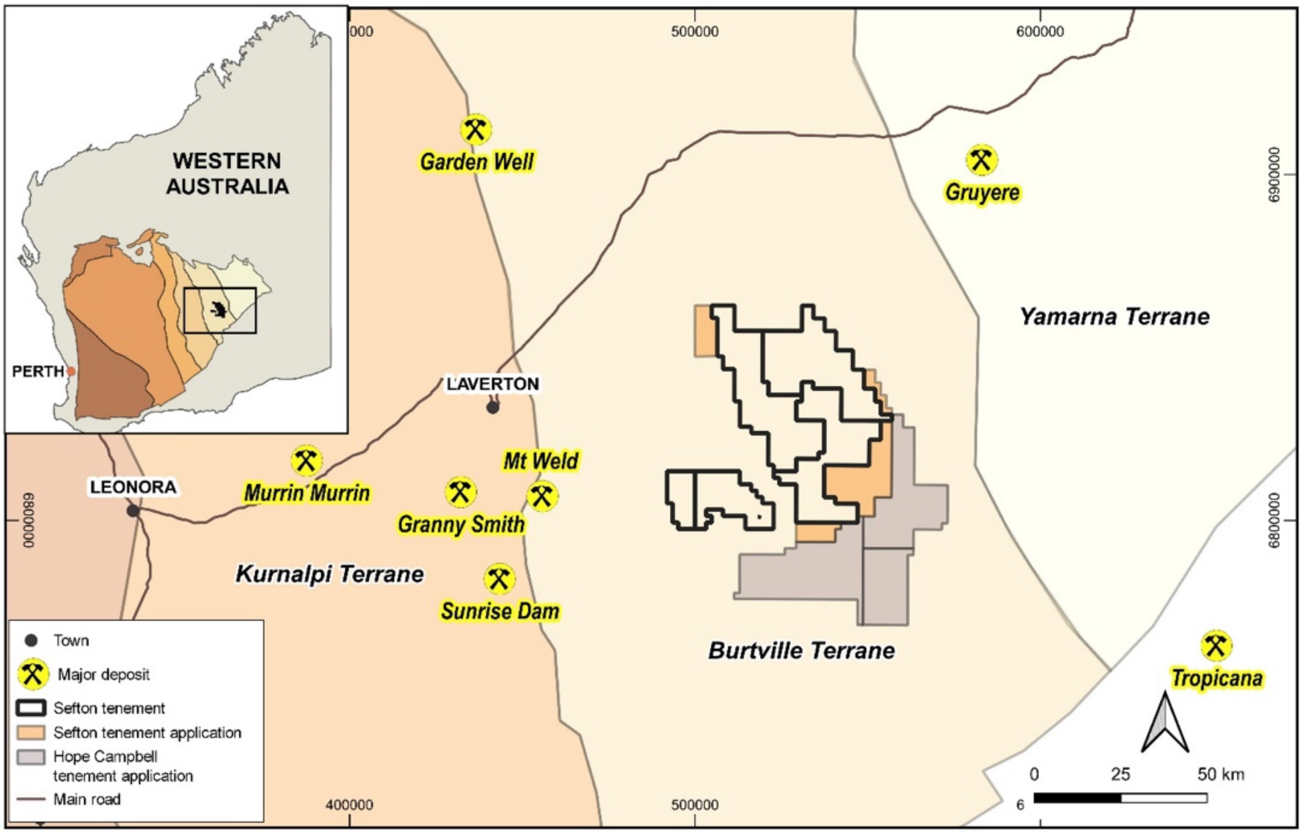

Figure 1. Octanex's suite of tenements (*tenements depicted prior to strategic review*) are located within the Burtville Terrane of the East Yilgarn Superterrane.

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 were completed 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 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***).

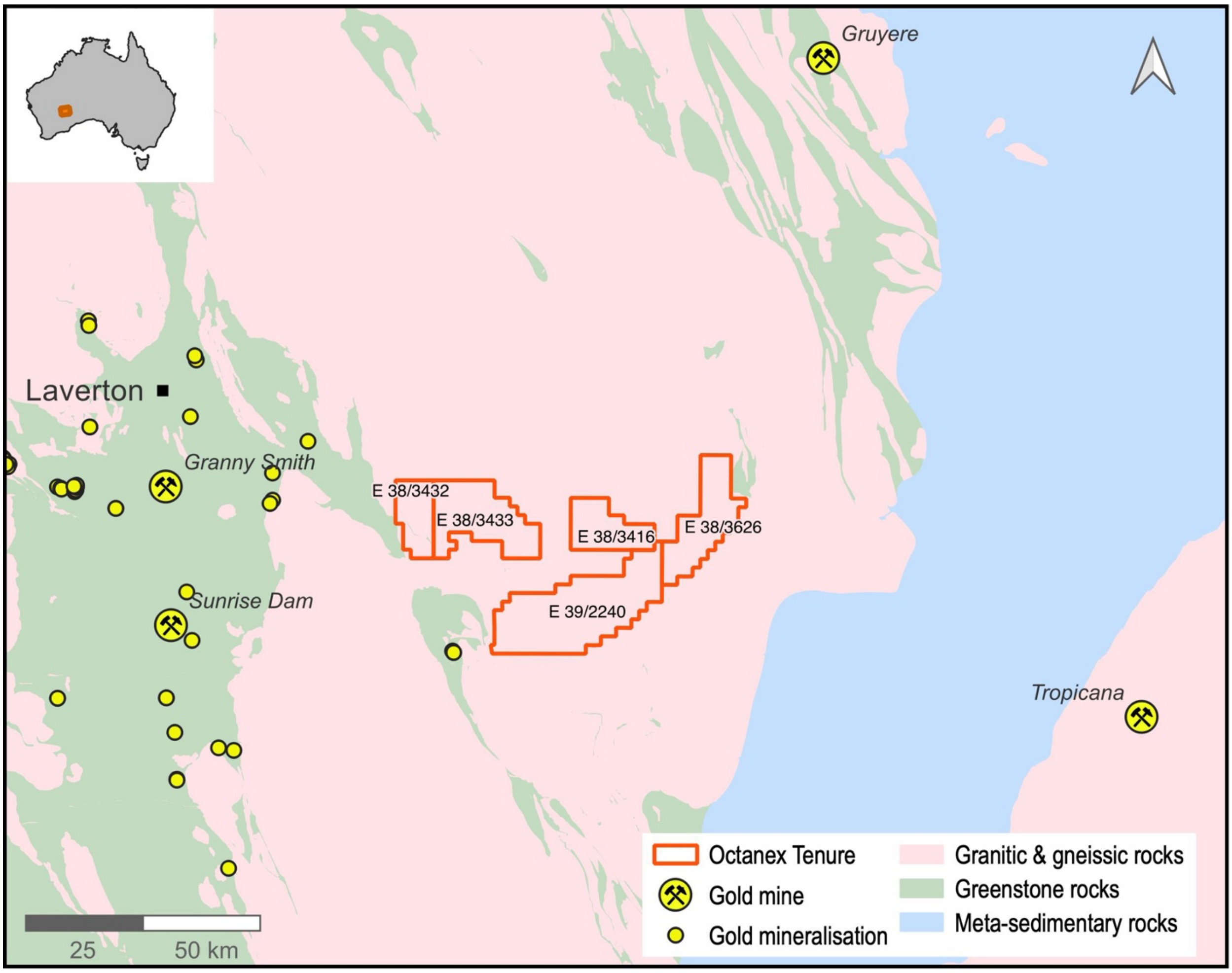

Figure 2. Octanex tenure area following prospectivity review

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. This data will be interrogated in order to investigate and prioritise each of the conceptual targets identified in the tenement areas.

Ascalon Gas, Bonaparte Basin

Petroleum exploration permit WA-407-P, which included the Ascalon gas accumulation, ended during the year. 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.

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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 audit of Octanex Limited for the year ended 30 June 2022, 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 audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 29 September 2022

Directors' Report

Directors

Mr Geoff Albers LL.B, FAICD
Chairman
Appointed 2 October 1984

Mr Albers has over thirty-five years oil and gas industry experience, having first became involved in oil exploration in 1977. Mr Albers is a law graduate of the University of Melbourne and has had extensive experience as a director and administrator in corporate law, petroleum exploration and resource sector investment.

Mr Albers founded Octanex Limited and is a substantial shareholder in the company. He is also a director and substantial shareholder in the ASX listed Peako Limited and Enegex Limited.

Ms Rae Clark
B.Bus(dist), CA, MAICD, AGIA, ACIS
Executive Director
Appointed 17 October 2014

Ms Clark has more than twenty years' experience focussed primarily on the natural resource sector. She has wide operational, commercial and project development knowledge and her experience includes business development, financial modelling and analysis, capital raising and mergers and acquisitions, as well as managing joint venture partners, government, regulator and investor relations.

Ms Clark was previously Commercial Manager of Octanex. Having commenced her career with Deloitte in 1997, Ms Clark has worked with oil and gas companies since 2005. She is also a Director of Peako Limited and Enegex Limited.

Ms Clark holds a Bachelor of Business (with distinction), a Graduate Diploma (ICAA) and Graduate Diploma in Applied Corporate Governance.

Mr James Willis LL.M (Hons), Dip Acc
Independent Non-Executive Director
Appointed 18 August 2009

Previously an executive director of Octanex (2009-2011) Mr Willis is an upstream petroleum consultant who has held governance positions with and consulted to various participants in the oil and gas exploration sector. Mr Willis is a former partner in the leading New Zealand law firm of Bell Gully where his practice specialty was in the upstream oil and gas area, particularly relating to issues concerning gas contracting and the development of oil and gas reserves, joint ventures and upstream petroleum related acquisitions.

Mr Willis is a director of New Zealand Energy Corp, a company with New Zealand operations and listed on the TSX Venture exchange.

Datuk Kevin Kow How FCA
Non-Executive director
Appointed 18 December 2014 – resigned 29 April 2022

Datuk Kevin Kow How is a director of Sabah Development Bank. He is a member of the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants and a fellow member of the Institute of Singapore Chartered Accountants and the Institute of Chartered Accountants in England & Wales. He was made a partner of Ernst & Young ("EY"), Malaysia in 1984 and served as the partner-in-charge of EY's offices in Sabah and Sarawak. Later, from 1996 onwards, he was the partner-in-charge of EY's practice in Sabah and Labuan until his retirement at the end of 2003. He also serves as a Director of Cahya Mata Sarawak Berhad, K&N Kenanga Holdings Berhad, Kenanga Investment Bank Berhad, Saham Sabah Berhad, Sarawak Cable Berhad, M3nergy Berhad and several private limited companies.

Mr Robert Wright B Bus, CPA
Company Secretary

Mr Wright is a senior financial professional with over 30 years commercial experience in the resource, energy and manufacturing industries gained at various companies and locations, including 14 years at BHP.
He is the Chief Financial Officer (CFO) and the Company Secretary of Octanex and CFO and Company Secretary of the listed companies, Enegex Limited and Peako Limited. Mr Wright is a member of CPA Australia.

Principal Activities

The principal activities of the consolidated entity during the year were exploration and development and investment in the natural resources sector.

Financial Results

The net loss of the consolidated entity for the financial year was $6,043,464 (2021: loss of $300,198).

Dividends

No dividend was declared or paid during the year and to the date of this report.

Review of Operations

A review of the consolidated entity's Operations during the financial year is provided in the Operational Review.

Surrendered and expired interests

Offshore oil and gas permit WA-407-P (Ascalon) expired on 18 February 2022.

On 26 July 2022 Octanex announced a strategic review of its mining tenements. As a result of this review three permits (E38/3417, E38/3418 and E39/2241) were surrendered.

Change in State of Affairs

Other than as described in these annual financial statements there have been no changes in the state of affairs of the company.

Subsequent Events

On 26 July 2022 Octanex announced a strategic review of its mining tenements. As a result of this review three permits (E38/3417, E38/3418 and E39/2241) were fully surrendered and as such the three permit carrying values have been written off at 30 June 2022 ($481,419). Further from this review and the resulting reduction in permit sizes and holdings minimum expenditure commitments were reduced by $2.9m from the position at 30 June 2022; prior to the review conducted in July 2022.

Future Developments

Future developments in the company's operations and the expected result from those operations are dependent on exploration and development success in the permit areas in which the group holds interests.

Directors' Meetings

There were no formal board and committee meetings held during the year. All matters that required formal Board resolutions were dealt with via written circular resolutions. The directors corresponded numerous times throughout the financial year to discuss the Group's affairs. The board undertakes all audit committee functions.

Share Capital

Ordinary Shares

The Company's share capital consists of 258,977,686 ordinary fully paid shares (2021: 257,823,840).

In July 2021 1,153,846 ordinary shares were issued to earn an additional 15% interest in the Sefton exploration project.

Unlisted Options

	2022	2021
Unlisted Options		
Balance at beginning of year	11,500,000	-
Options Granted	-	11,500,000
Balance at end of year	11,500,000	11,500,000

No options were granted during the year ended 30 June 2022 and to the date of this report.

Indemnification of Directors and Officeholders

During the year and to the date of this report, the company did not pay premiums in respect of contracts insuring officers or auditors of the company against liabilities arising from their position of officers or auditor of the company.

The Company has entered into Deeds of Access and Indemnity with each of the Directors referred to in this report who held office during the year indemnifying each against all liabilities incurred in their capacity as directors of the Company to the full extent permitted by law.

Corporate Governance

The Board is responsible for the strategic direction of the Company, the identification and implementation of corporate policies and goals, and the monitoring of the business and affairs of the Company on behalf of its shareholders.

The Board delegates responsibility for the day-to-day management of Octanex to the Executive Director. All Directors have unrestricted access to Company records and information and receive detailed financial and operational reports.

The Board is currently comprised of three Non-Executive Directors and one Executive Director. In accordance with the Company's Constitution and the ASX Listing Rules, the Directors (other than the Executive Director) are subject to re-election by shareholders every three years.

The Board meets regularly throughout the year. Where appropriate, presentations are given to the Board from management who may be questioned directly by Board members on technical, operational and commercial issues.

Details of the Company's corporate governance practices are included in the Corporate Governance statement found on the Company's website.

Auditor independence and non–audit services

A copy of the auditor's independence declaration, as required under Section 307C of the Corporations Act 2001, is attached and forms part of this Directors' Report for the year ended 30 June 2022.

No fees were paid to the auditor for non-audit services.

This Directors' Report is made in accordance with a resolution of the directors and forms part of the financial statements.

On behalf of the Directors:

E.G. Albers
Director
29 September 2022

Remuneration Report

This Remuneration Report for the year ended 30 June 2022 outlines the key management personnel remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 (Act) and its regulations. The disclosures in this Remuneration Report have been audited as required by section 308(3C) of the Act.

Key Management Personnel

For the purpose of this report, Key Management Personnel (KMPs) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company directly or indirectly. The following have been identified as KMPs at 30 June 2022 for the purpose of this Remuneration Report:

Executive Director	
RL Clark	Executive Director
Non-executive Directors	
EG Albers	Chairman
JMD Willis	Director
KK How	Director - resigned 29/4/22

The board of directors is responsible for determining and reviewing compensation arrangements for the directors and executives. The board assesses the appropriateness of the nature and amount of emoluments on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executives.

Remuneration levels for directors and executives of the company are competitively set to attract and retain appropriately qualified and experienced directors and executives. The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structure takes into account:

- The capability and experience of the directors and executives;
- The ability of directors and executives to control the entity's performance; and
- The requirement that directors apply a portion of their remuneration to the purchase of shares in the company, at market price, so as to align the interests of directors with that of shareholders.

In accordance with the company's constitution, directors' non-executive remuneration was approved by shareholders on 28 November 2014 at $250,000 per annum. During the year, non-executive director remuneration of $nil was paid or payable (2021: $nil). Total director remuneration of $61,087 was paid and payable during the year (2021: $104,643).

There is no performance related remuneration for directors. Remuneration paid to directors covers all board activities, including serving on committees.

Remuneration Report (continued)

Additional information

The earnings of the Consolidated Entity for the five years to 30 June 2022 are summarised below:

	2022	2021	2020	2019	2018
	$	$	$	$	$
Loss after income tax	-6,043,464	-300,198	-5,264,733	-4,262,732	-21,501,847
Share price at financial year end (cents per share)	1.2	3.0	1.2	0.1	1.4

Apart from a retirement benefit for the chairman and statutory leave for RL Clark, the other directors do not receive employee benefits such as annual leave and long service leave, but remuneration may include the grant of options over shares of the company to align directors' interests with that of the shareholders. There is no direct relationship between remuneration and the company's performance for the last five years.

Components of directors' compensation paid are disclosed below.

		Short Term		*Post Employment*		*Equity Settled*	*Total*
		Directors Fees	*Salary*	*Super-annuation*	*Retirement Benefits*	*Options(1)*	
		$	*$*	*$*	*$*	*$*	*$*
EG Albers	**2022**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	-	-	-	-	-	-
JMD Willis	**2022**	**-**	**-**	-	-	**-**	**-**
	2021	-	-	-	-	-	-
RL Clark	**2022**	**-**	**55,542**	**5,545**	**-**	**-**	**61,087**
	2021	-	55,542	5,268	-	43,833	104,643
KK How(2)	**2022**	**-**	**-**	-	-	**-**	**-**
	2021	-	-	-	-	-	-
TOTAL	**2022**	-	**55,542**	**5,545**	-	**-**	**61,087**
	2021	-	55,542	5,268	-	43,833	104,643

(1) The whole value of options granted during the year has been disclosed as remuneration rather than the amount vested.
(2) Kevin Kow How resigned 29 April 2022 and was not replaced.

Remuneration Report (continued)

Interests in Equity Instruments

The disclosures relating to equity instruments of directors includes equity instruments of personally related entities, being relatives and the spouses of relatives of the director and any entity under the joint or several control or significant influence of the director. All equity transactions with directors, other than options granted as remuneration, have been entered into under terms and conditions, applicable to all shareholders.

	Interests in fully paid ordinary shares			Interests in unlisted options			
	Balance 1/7/2021	Net Change	Balance 30/6/2022	Held at 1/7/2021	Issued	Held at 30/6/2022	Vested and exercisable 30/6/2022
EG Albers	155,435,574	-	155,435,574	-	-	-	-
RL Clark	57,551	-	57,551	4,000,000	-	4,000,000	4,000,000
KK How(1)	100,000	(100,000)	-	-	-	-	-
JMD Willis	3,117,382	-	3,117,382	-	-	-	-

(1) Kevin Kow How resigned 29 April 2022 and was not replaced.

No options over ordinary shares were granted to a director during the financial year (2021: 4,000,000).

Other transactions with key management personnel

In the year ended 30 June 2022, the Company incurred Office services and amenities fees of $117,047 (2021: $72,154) with Exoil Pty Ltd, a director-related entity of EG Albers. The fees were provided under normal commercial terms and conditions with $117,037 remaining unpaid at 30 June 2022 (2021: $38,789).

In the year ended 30 June 2022, the Company incurred geological services fees of $40,900 (2021: $9,570) with Enegex Limited, a director-related entity of EG Albers and RL Clark. The fees were provided under normal commercial terms and conditions with $770 remaining unpaid at 30 June 2022 (2021: $10,527).

End of Remuneration Report.

Directors Declaration

The directors of the company declare that:

1. 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 and:

    (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
    (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date.
    (c) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. The remuneration disclosures included in pages 9-11 of the directors' report, (as part of audited Remuneration Report), for the year ended 30 June 2022, comply with section 300A of the Corporations Act 2001.

4. The directors have been given the declarations by the executive director and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

E.G. Albers
Director
Melbourne
29 September 2022

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Independent Auditor’s Report

To the Members of Octanex Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Octanex Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors’ declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group’s financial position as at 30 June 2022 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial statements, which indicates that the Group incurred a net loss after tax of $6,043,464 during the year ended 30 June 2022 and a net cash outflow from operating and investing activities of $908,503. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and Evaluation Assets (Note 8)	
At 30 June 2022 the carrying value of exploration and evaluation assets was $509,663. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement. This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.	Our procedures included, amongst others: • obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • reviewing management's area of interest considerations against AASB 6; • conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including; – tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; – enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; • evaluating the competence and capabilities of management in the evaluation of potential impairment triggers; and • assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

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

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 8 to 10 of the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Octanex Limited, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 29 September 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2022

	NOTE	2022 $	2021 $
Interest income		39	218
Other income	2	291,203	396,428
Expenses	3	(721,766)	(696,844)
Impairment of exploration assets	8,24	(5,612,940)	-
Loss before tax		(6,043,464)	(300,198)
Income tax benefit	4	-	-
Net Loss after tax		(6,043,464)	(300,198)
Items that will not be reclassified subsequently to profit or loss			
Changes in financial assets at fair value through other comprehensive income	13	-	80,882
Income tax on items of comprehensive income	13	-	(24,264)
Other comprehensive income for the year net of tax		-	56,618
Total comprehensive income for the year		(6,043,464)	(243,580)
Basic loss per share (cents per share)	21	(2.334)	(0.123)
Diluted loss per share (cents per share)	21	(2.334)	(0.123)

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 30 June 2022

	NOTE	2022 $	2021 $
CURRENT ASSETS			
Cash and cash equivalents	5	41,530	700,033
Trade and other receivables	6	91,499	181,808
Prepayments	7	30,683	148,332
TOTAL CURRENT ASSETS		163,712	1,030,173
NON-CURRENT ASSETS			
Exploration and evaluation assets	8	509,663	5,314,686
TOTAL NON-CURRENT ASSETS		509,663	5,314,686
TOTAL ASSETS		673,375	6,344,859
CURRENT LIABILITIES			
Trade and other payables	9	222,038	165,723
Provisions	10	208,949	191,552
TOTAL CURRENT LIABILITIES		430,987	357,275
NON - CURRENT LIABILITIES			
Interest bearing liabilities	11	253,641	-
TOTAL LIABILITIES		684,628	357,275
NET ASSETS		(11,253)	5,987,584
EQUITY			
Issue capital	12	69,598,020	69,568,020
Reserves	13	23,243	(752,221)
Accumulated losses		(69,632,516)	(62,828,215)
TOTAL EQUITY		(11,253)	5,987,584

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

Consolidated Statement of Changes in Equity
Year Ended 30 June 2022

	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	-	(6,043,464)	-	-	(6,043,464)
Total comprehensive income for the year	-	(6,043,464)	-	-	(6,043,464)
Vesting of previously granted options	-	-	-	14,627	14,627
Issue of shares	30,000	-	-	-	30,000
Derecognition of financial asset	-	(760,837)	760,837	-	-
At 30 June 2022	69,598,020	(69,632,516)	-	23,243	(11,253)

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

OCTANEX

Consolidated Statement of Changes in Equity
Year Ended 30 June 2021

	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	-	(300,198)	-	-	(300,198)
Other comprehensive income					
Changes in fair value on financial assets at fair value through other comprehensive income net of tax	-	-	56,618	-	56,618
Total comprehensive income for the year	-	(300,198)	56,618	-	(243,580)
Issue of shares	750,000	-	-	-	750,000
Costs of issue	(49,907)	-	-	-	(49,907)
Grant of Options	-	-	-	8,616	8,616
Reclassification of expired options	-	1,037,563	-	(1,037,563)	-
At 30 June 2021	69,568,020	(62,828,215)	(760,837)	8,616	5,987,584

Consolidated Statement of Cash Flows
Year Ended 30 June 2022

	NOTE	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Administration fees received		392,009	371,299
Interest received		-	-
Payments to suppliers		(585,548)	(559,775)
Government Grants – Covid		-	119,500
Net cash outflow from operating activities	(i)	(193,539)	(68,976)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to suppliers - exploration		(714,964)	(511,396)
Proceeds from sale of investment		-	98,954
Net cash outflow from investing activities		(714,964)	(412,442)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		250,000	-
Proceeds of share issue		-	750,000
Costs of issue		-	(49,907)
Net inflow from financing activities		250,000	700,093
Net increase / (decrease) in cash and cash equivalents		(658,503)	218,675
Exchange gains		-	-
Cash and cash equivalents at beginning of the year		700,033	481,358
CASH AND CASH EQUIVALENTS AT 30 JUNE	5	41,530	700,033

(i) Reconciliation of Net Cash from Operating Activities with Loss after Income Tax

		2022	2021
Loss after income tax		(6,043,464)	(300,198)
Non cash items:			
Employee Provisions expense		17,397	30,961
Share based payment expense		14,627	8,616
Profit on sale of investments		-	(12,254)
Impairment of exploration assets	24	5,612,940	-
Changes in assets and liabilities:			
Decrease in receivables		90,310	62,551
Exploration expensed		32,332	129,461
Increase in payables		82,319	11,887
Net Cash outflow from Operating Activities		(193,539)	(68,976)

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Octanex Limited ("Octanex" or "the company") 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 year ended 30 June 2022 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. Financial information for Octanex Limited as an individual entity is included in Note 22. The financial report was authorised by the directors for issue on 29 September 2022.

(a) Statement of compliance

The consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, including the Accounting Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The consolidated financial statements and notes comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

(b) Basis of preparation

The financial report is presented in Australian dollars, which is the consolidated group's functional currency, rounded to the nearest dollar. It has been prepared under the historical cost convention as modified by the revaluation of the available for sale investments at fair value.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in note 1(q). The accounting policies set out below have been applied consistently to all periods presented in the financial report.

Going concern

For the year ended 30 June 2022 the Group incurred a net cash outflow from operating and investing activities of $908,503 (2021: $481,418) and a net loss after tax of $6,043,464 (2021: $300,198). As at 30 June 2022, the Group has negative working capital of $267,275 (2021: positive working capital $672,898).

Directors expect that the group will be able to successfully raise sufficient funding to enable it to continue as a going concern for at least 12 months from the signing of annual financial report. An amended line of credit facility effective 30 June 2022 was signed increasing the facility from $250,000 to $725,000 and extending the maturity date to 31 December 2022 (Note 16). At the date of signing the annual report $450,000 of the $725,000 has been drawn down. The facility's provider has stated that should it be necessary; the maturity date could be extended beyond 31 December 2022; as was the case at 30 June 2022.

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 or if the line of credit facility is not further extended beyond the maturity date of 31 December 2022 to meet all of the Group's commitments, debt and payables, the interest in some or all of the Group's tenements may be affected and all assets and liabilities may not be realised at the amounts disclosed. 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.

New and revised accounting standards applicable for the first time to the current reporting period

The company has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the company. The adoption of the new and revised Australian Accounting Standards and Interpretations has had no impact on the company's accounting policies or the amounts reported during the current year.

(c) Principles of consolidation

The consolidated entity financial statements consolidate those of the company and all of its subsidiaries as at year end

(i) Subsidiaries

The company controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investments in subsidiaries are carried at their cost of acquisition in the parent entity note.

All transactions and balances between companies within the consolidated entity are eliminated on consolidation, including unrealised gains and losses on transactions between group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a consolidated entity perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the consolidated entity. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New and revised accounting standards applicable for the first time to the current reporting period

The company has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the company. The adoption of the new and revised Australian Accounting Standards and Interpretations has had no impact on the company's accounting policies or the amounts reported during the current year.

(ii) Investments in associates and joint ventures

Associates are those entities over which the consolidated entity is able to exert significant influence but which are not subsidiaries. A joint venture is an arrangement that the consolidated entity controls jointly with one or more other investors, and over which the consolidated entity has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the consolidated entity has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation Interests in joint operations are accounted for by recognising the consolidated entity's assets and liabilities (including its share of any assets and liabilities held jointly), its revenue from the sale of its share of the output arising from the joint operation, and its expenses (including its share of any expenses incurred jointly). Any goodwill or fair value adjustment attributable to the consolidated entity's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the consolidated entity's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the consolidated entity.

When the consolidated entity's share of losses exceeds its interest in the associate or joint venture the entity discontinues recognising its share of further losses. The interest in an associate or joint venture is the carrying amount of the investment in the associate or joint venture together with long-term interests that in substance form part of the entity's net investment in the associate or joint venture. Unrealised gains and losses on transactions between the consolidated entity and its associates and joint ventures are eliminated to the extent of the consolidated entity's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

(iii) Joint operations

The interest of the company and of the consolidated entity in unincorporated joint operations and joint operated assets are brought to account by recognising in its financial statements the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint operation. The financial statements of the unincorporated joint operations and assets are prepared for the same reporting period as the parent company using consistent accounting policies.

(iv) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the consolidated entity's interest in the entity with adjustments made to the 'Investment in associates' and 'Share of associates' net profit

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

accounts. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised as the contributed assets are consumed or sold by the associates or, if not consumed or sold by the associate, when the consolidated entity's interest in such entities is disposed of.

(d) Taxes

Income Tax- Income taxes are accounted for using the comprehensive balance sheet liability method whereby:

The tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements;

Current and deferred tax is recognised as income or expense except to the extent that the tax related to equity items or to a business combination;

- A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset;
- Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period where the asset is realised or the liability settled.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Tax Consolidation
The company and its wholly owned resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity.

The head entity within the tax-consolidated group is Octanex Limited. Current tax expense / income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of the assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation. Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable (receivable) to / (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(e) Foreign Currency Translation

The functional and presentation currency of Octanex Limited and its Australian subsidiaries

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

is Australian dollars (A$).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary

assets and liabilities, are recognised in the Statement of Profit or Loss and Other Comprehensive Income, except when they are deferred in equity as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into dollars at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss and Other Comprehensive Income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and at call bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(g) Payables

Trade, accruals and other payables are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing and are normally settled on 60-day terms.

(h) Trade and other receivables and contract assets

The company makes uses of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

(i) Equity investments

All equity investments are measured at fair value. Equity investments that are held for trading are measured at fair value through profit or loss. For all other equity investments, the group can make an irrevocable election at initial recognition of each investment to recognise changes in fair value through other comprehensive income ("OCI") rather than profit or loss. At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed as profit or loss. The group subsequently measures all equity investments at fair value. The directors have elected to present fair value gains and losses on equity investments in OCI. There is no subsequent reclassification of fair value gains

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other revenue when the group's right to receive payments is established and as long as they represent a return on investment.

(j) Share capital

Ordinary share capital is recognised at the fair value of the consideration received by the company. Transactions costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the consideration received, net of any income tax benefit. Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration

(k) Impairment

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the profit or loss where the asset's carrying value exceeds its recoverable amount.

(i) Calculation of recoverable amount
Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other groups or assets, in which case, the recoverable amount is determined for the class of assets to which the asset belongs.

(ii) Reversals of impairment

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

(l) Restoration, rehabilitation and environment expenditure

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are provided for as part of the cost of those activities. Costs are estimated on the basis of current legal requirements, anticipated technology and future costs that have been discounted to their present value. Estimates of future costs are reassessed at each reporting date.

(m) Exploration and evaluation assets

Exploration and evaluation assets, including the costs of acquiring permits or licences, are capitalised as exploration and evaluation assets on an area of interest basis. Exploration and evaluation assets are only recognised if the rights to tenure of the area of interest are current and either:

i. the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale or partial sale: or

ii. activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The tests contained in AASB6.20 are applied to determine whether exploration and evaluation assets are assessed for impairment indicators:

i. the exploration and evaluation tenure right has expired or are expected to expire in the near future, and is not expected to be renewed.
ii. substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
iii. exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
iv. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Proceeds from the sale of exploration permits or recoupment of exploration costs from farmin arrangements are credited against exploration costs previously capitalised. Any excess of the proceeds overs costs recouped are accounted for as a gain on disposal.

(n) Accounting estimates and judgements

Management determine the development, selection and disclosure of the company's critical accounting policies and estimates and the application of these policies and estimates.

Other than as disclosed in these notes, there are no estimates and judgements that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. There is, however, a risk that actual expenditure to achieve minimum work obligations could differ from estimates disclosed in the notes to the financial statements (see Note 14).

Per Note 1(p), management exercises judgement as to the whether exploration expenditure is assessed for impairment. Any judgment may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes, once activities in the area of interest have reached a stage which permits a reasonable assessment of technical feasibility and commercial viability, that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off through the statement of profit or loss and other comprehensive income.

The determination of the consolidated entity's provision for current income tax as well as deferred tax assets and liabilities involves significant judgements and estimates on certain matters and transactions, for which the ultimate outcome may be uncertain. If the final outcome differs from the consolidated entity's estimates, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(o) Revenue and other income

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Interest
Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(p) Share-based payment transactions

Equity settled transactions

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fair value of options granted are recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the grantee become unconditionally entitled to the options. The fair value at grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

(q) Fair value

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures.

Fair values for financial instruments traded in active markets are based on quoted market prices at reporting date. The quoted market price for financial assets is the current bid price and the quoted market price. The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Assumptions used are based on observable market prices and rates at reporting date. Estimated discounted cash flows are used to determine fair value of the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

(r) Earnings per Share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to members of Octanex by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

In calculating the weighted average number of ordinary shares outstanding, the partly paid shares are accounted for on a pro-rata basis. according to the amount of call outstanding in relation thereto.

Diluted earnings per share
Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(s) New and revised accounting standards issued not yet effective

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 statement.

	NOTE	Consolidated 2022 $	Consolidated 2021 $
NOTE 2 OTHER INCOME			
Government grants – Covid		-	119,500
Administration fees income – director related	16(ii)	291,154	239,370
Profit from sale of shares		-	12,258
Other sundry income		49	25,300
Total income		291,203	396,428

NOTE 3 EXPENSES

	NOTE	2022 $	2021 $
Audit fees	18	25,303	28,042
Consulting		500	80,200
Employee benefits expense		398,097	408,828
Legal fees		20,792	8,505
Management fees		5,060	25,940
Reporting, registry and stock exchange		43,739	22,975
Office expenses		91,433	72,154
Other expenses		72,912	39,140
Permit fees		4,980	11,060
Investor relations fees		58,950	-
Total expenses		721,766	696,844

NOTE 4 INCOME TAX

	2022 $	2021 $
Components of income tax benefit		
Current tax expense		
Current period	-	-
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Total	-	-

Tax losses do not expire under current tax legislation.
Deferred tax assets have not been recognised in respect of tax losses because there is presently no expectation of future taxable profit against which the Group could utilise such benefits.

	2022 $	2021 $
Reconciliation between tax benefit and pre-tax loss		
Loss before tax	(6,043,464)	(300,198)
Income tax benefit using statutory income tax rate of 30%	(1,813,039)	(90,059)
Tax effect of adjustment recognised in the period for:		
Prospectus costs	2,994	2,994
Tax losses not brought to account	74,505	105,479
Non-assessable income	-	(20,999)
Other non–deductible expenses	1,735,540	2,585
Income tax benefit	-	-

NOTE 4 INCOME TAX (CONTINUED)

	NOTE	Consolidated 2022 $	2021 $
Unrecognised deferred tax asset			
The estimated deferred tax asset arising from tax losses and temporary differences not brought to account at balance date as realisation of the benefit is not probable:			
Tax losses carried forward		6,242,552	5,925,986
Temporary differences		(76,700)	(1,486,779)
		6,165,852	4,439,207
Franking credit balance:			
Franking account balance as at end of year		1,741,532	1,741,532

NOTE 5 CASH AND CASH EQUIVALENTS

	NOTE	2022 $	2021 $
Cash at bank and on hand		41,530	700,033

NOTE 6 TRADE AND OTHER RECEIVABLES

	NOTE	2022 $	2021 $
Current			
Other receivables		3,763	56,507
Director-related entities - other receivables	16(ii)	87,736	125,301
		91,499	181,808

The carrying amount of all receivables is equal to their fair value as they are short term. At 30 June 2022 no receivables are impaired or past due. All receivables are non-interest bearing.

NOTE 7 PREPAYMENTS

	2022 $	2021 $
Prepaid tenement rent	30,683	148,332
Balance at start for year	148,332	104,880
Prepaid tenement rent for the year	18,980	139,914
Applications withdrawn – rent refunded	(72,898)	-
Transfer to exploration and evaluation assets (Note 9)	(63,731)	(96,462)
Balance at end for year	30,683	148,332

As at 30 June 2022 the company has no tenement applications (2021: Seven applications). Three tenements were granted during the year ended 30 June 2022 (2021: Five) and the remaining four applications were withdrawn (2021; Nil). The $30,363 balance at 30 June 2022 was received as a rent refund in full on 8 July 2022.

	NOTE	Consolidated 2022 $	2021 $

NOTE 8 EXPLORATION AND EVALUATION ASSETS

	NOTE	2022 $	2021 $
Carrying amount at beginning of year		5,314,686	4,925,108
Impairment of exploration assets	24	(5,612,940)	-
Transfer from prepaid tenement rent (Note 7)		63,731	96,462
Cost incurred during the year		744,186	293,116
Carrying amount at end of year		509,663	5,314,686

Ultimate recovery of exploration and evaluation assets is dependent upon exploration success and/or the company maintaining appropriate funding to support continued exploration activities. Exploration and evaluation assets relate to the areas of interest in the exploration and evaluation phase for petroleum exploration permits as shown in the following table:

30/06/2022	**30/06/2021**	**Notes**
Exploration Permits		
-	WA-407-P	*Offshore oil and gas permit (1)*
E38/3417	E38/3417	*Minerals tenement granted 19/05/21(2)*
E38/3418	E38/3418	*Minerals tenement granted 19/05/21(2)*
E38/3416	E38/3416	*Minerals tenement granted 11/01/21*
E38/3432	E38/3432	*Minerals tenement granted 11/01/21*
E38/3433	E38/3433	*Minerals tenement granted 11/01/21*
E38/3626	-	*Minerals tenement granted 24/11/21*
E39/2241	-	*Minerals tenement granted 24/11/21(2)*
E39/2240	-	*Minerals tenement granted 23/05/22*

(1) WA-407-P expired on 18 February 2022. It was decided not to seek renewal of the permit and as such the permit carrying value has been written off ($5,131,521). (Note 24)

(2) On 26 July 2022 (Note 20) Octanex announced a strategic review of its mining tenements. As a result of this review three permits (E38/3417, E38/3418 and E39/2241) were fully surrendered and as such the three permit carrying values has been written off ($481,419). (Note 24)

Tenements E38/3416, E38/3432 and E38/3433 were applied for pursuant to an agreement with Mr Christopher Reindler. Under the terms of that agreement Octanex has earned a 65% interest and elected to earn an 80% interest by satisfying specific exploration expenditures.

	NOTE	Consolidated 2022 $	2021 $

NOTE 9 TRADE AND OTHER PAYABLES

Financial liabilities at amortised cost

	NOTE	2022 $	2021 $
Current			
Trade creditors and accruals		58,571	74,907
Director-related entities - other payables	16	163,467	90,816
		222,038	165,723

Trade and other payables are current liabilities of which the fair value is equal to the current carrying amount. Information about the company's exposure to foreign exchange risk in relation to trade payables, including sensitivities to changes in foreign exchange rates, is provided in Note 17.

NOTE 10 PROVISIONS

	2022 $	2021 $
Current		
Annual Leave	45,568	27,485
Directors' retirement benefit (1)	82,125	82,125
Long service leave	81,256	81,942
	208,949	191,552

(1) On the 29th October 1997 a Deed of Appointment was signed by EG Albers. The Deed detailed terms of continuation of his appointment as chairman of Octanex Limited. Amongst other things, it provides for a payment of a retirement benefit to EG Albers as chairman. A deed of variation was signed 16 August 2016, and effective 30 June 2016, that varied the terms of calculation of the Retirement Benefit under the original Deed. The amount reflects the 31 years of service EG Albers has provided to the company.

NOTE 11 INTEREST BEARING LIABILITIES

	2022 $	2021 $
Line of credit facility	253,641	-

A line of credit facility for $250,000 from Australis Finance Pty Ltd (a director-related entity of E.G Albers (Note 16)) was signed, effective 21 December 2021. The facility had an interest rate of 7% p.a. Effective 30 June 2022, an amendment deed to this line of credit facility was signed for an additional $475,000 to the new amended total of facility amount of $725,000. The amended facility has an interest rate of 8% p.a. and a maturity date of 31 December 2022.

Notes to the Financial Statements
30 June 2022

NOTE 12 CONTRIBUTED EQUITY

Issued Capital	**2022 Shares**	**2021 Shares**	**2022 $**	**2021 $**
Ordinary shares fully paid				
Balance at beginning of year	257,823,840	242,823,840	69,568,020	68,867,927
Shares issued	1,153,846	15,000,000	30,000	750,000
Issue costs	-	-	-	(49,907)
Balance at end of year	258,977,686	257,823,840	69,598,020	69,568,020

In July 2021 1,153,846 ordinary shares were issued to earn an additional 15% interest in the Sefton exploration project.

The company has unlimited authorised capital with no par value.

Terms and Conditions of Contributed Equity

Ordinary shares confer on the holder the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of (irrespective of the amounts paid up on) shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Unlisted Options

	2022	**2021**
Unlisted Options		
Balance at beginning of year	11,500,000	-
Options granted	-	11,500,000
Options expired	-	-
Balance at end of year	11,500,000	11,500,000

No options were granted during the year ended 30 June 2022.

Notes to the Financial Statements
30 June 2022

NOTE 13 RESERVES

	NOTE	Consolidated 2022 $	2021 $
Reserves			
Financial assets at fair value through other comprehensive income reserve		-	(760,837)
Option reserve		23,243	8,616
Carrying amount at end of year		23,243	(752,221)

	2022	2021
Financial assets at fair value through other comprehensive income reserve		
Balance at beginning of financial year	(760,837)	(817,455)
Derecognition of financial asset	760,837	-
Changes in fair value on financial assets at fair value through other comprehensive income	-	80,882
Income tax on other comprehensive income	-	(24,264)
	-	(760,837)

The financial assets at fair value through other comprehensive income reserve represents the changes in fair value on the group's equity instruments including realised gains or losses on those investments. Further information on the investments is set out in Notes 8 and 17.

	2022	2021
Option reserve		
Balance at beginning of financial year	8,616	1,037,563
Reclassification of expired options to accumulated losses	-	(1,037,563)
Share based payment expense	14,627	8,616
	23,243	8,616

The options reserve relates to share options granted to a director.

Notes to the Financial Statements
30 June 2022

NOTE 14 EXPLORATION AND EVALUATION EXPENDITURE COMMITMENTS

	NOTE	Consolidated 2022 $	2021 $
The consolidated entity's minimum expenditure requirements in exploration permits held by the consolidated entity at reporting date:			
Payable not later than one year		415,000	635,500
Payable later than one year but not later than four years		1,896,000	3,500,000
		2,311,000	4,135,500

On 26 July 2022 (Note 20) Octanex announced a strategic review of its mining tenements. As a result of this review three permits were fully surrendered and another three permits were partially surrendered. As a result minimum expenditure commitments were reduced by $2.9m from the position at 30 June 2022; prior to the review conducted in July 2022.

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 15 KEY MANAGEMENT PERSONNEL

Executive Director
RL Clark

Non-Executive Directors
EG Albers
JMD Willis
KK How – resigned 29/4/22

Individual compensation disclosures

Information regarding individual director's compensation is provided in the remuneration report section of the directors' report. There are no employees who meet the definition of key management personnel other than the executive director of the company. A summary of the remuneration report is shown below.

		Short Term		*Post Employment*		*Equity Settled*	*Total*
		Directors Fees	*Salary*	*Superannuation*	*Retirement Benefits*	*Options*	
		$	*$*	*$*	*$*	*$*	*$*
TOTAL	**2022**	**-**	**55,542**	**5,545**	**-**	**-**	**61,087**
	2021	-	55,542	5,268	-	43,833	104,643

Notes to the Financial Statements
30 June 2022

NOTE 16 RELATED PARTY DISCLOSURES

The consolidated financial statements of the Group include:

Name	2022 Interest	2021 Interest	Country of Incorporation
United Oil & Gas Pty Ltd	100%	100%	Australia
Octanex Bonaparte Pty Ltd	100%	100%	Australia
Braveheart Energy Pty Ltd	100%	100%	Australia
Octanex Cornea Pty Ltd	100%	100%	Australia
Winchester Resources Pty Ltd	100%	100%	Australia
Winchester Exploration Pty Ltd	100%	100%	Australia
Octanex Operations Pty Ltd	100%	100%	Australia
Strata Resources Pty Ltd	100%	100%	Australia
Octanex Exmouth Pty Ltd	100%	100%	Australia

Director-related Entities

Companies in which an Octanex director controls or significantly influences that provide services to the group or to a joint operation in which the group has an interest, or that also hold an interest in those joint operations or in which the group holds an investment.

(i)Providers of Services by Related Party

During the year services and/or facilities were provided under normal commercial terms and conditions by director-related entities as disclosed below together with amounts payable to related parties including those under joint operation arrangements:

Entity	Related director	Service	Amounts paid 2022 $	Amounts paid 2021 $	Payable at 30/06/22 $	Payable at 30/06/21 $
Exoil Pty Ltd	EG Albers	Office services and amenities in Melbourne	117,047	72,154	117,047	38,789
Natural Resources Group Pty Ltd	EG Albers	Management and project services	-	41,500	45,650	41,500
Enegex Limited	EG Albers / RL Clark	Geological services	40,900	9,570	770	10,527
			157,947	123,224	163,467	90,816

Notes to the Financial Statement
30 June 2022

NOTE 16 RELATED PARTY DISCLOSURES (Continued)

(ii)Providers of Services to Related Party

During the year accounting and office administration services were provided under normal commercial terms and conditions as disclosed below:

		Sundry Revenue		Receivable at	
Entity	**Related director**	**2022**	**2021**	**30/06/22**	**30/6/21**
		$	**$**	**$**	**$**
Enegex Limited	EG Albers/RL Clark	114,098	76,845	34,045	48,824
Exoil Pty Ltd	EG Albers	8,236	12,650	1,340	2,904
Cue Petroleum Pty Ltd	EG Albers	-	3,190	-	726
Peako Limited	EG Albers/RL Clark	168,820	147,045	52,351	77,847
		291,154	239,730	87,736	130,301

(iii) Director – related borrowings

During the year the Company borrowed $253,641 (2021: $nil) (note 11) against a line of credit facility from Australis Finance Pty Ltd. Effective 30 June 2022, an amendment deed to this line of credit facility was signed for an additional $475,000 to the new amended total of facility amount of $725,000. The amended facility has an interest rate of 8% p.a.

NOTE 17 FINANCIAL INSTRUMENTS

	NOTE	2022 $	2021 $
Categories of Financial Instruments			
Financial Assets			
Cash & cash equivalents		41,530	700,033
Trade and other receivables		91,499	181,808
		133,029	881,841
Financial Liabilities			
Financial Liabilities at amortised cost			
Trade and other payables		222,038	165,723
Interest bearing liabilities		253,641	-

Recognition and derecognition

Purchases and sales of financial assets and financial liabilities are recognised on trade date which is the date on which the consolidated entity commits to purchase or sell the financial assets or financial liabilities. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. Exposure to credit, interest rate, liquidity, foreign currency, market price and currency risks arises in the normal course of the consolidated entity's business. The consolidated entity's overall risk management approach is to identify the risks and implement safeguards which seek to minimise potential adverse effects on the financial performance of the consolidated entity's business.

The board of directors are responsible for monitoring and managing the financial risks of the consolidated entity.

Notes to the Financial Statements
30 June 2022

NOTE 17 FINANCIAL INSTRUMENTS (Continued)

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. At the reporting date there were is no credit risk as the consolidated entity has no trade sales or trade receivables.

Interest rate risk

All financial liabilities and financial assets at floating rates expose the company to cash flow interest rate risk The consolidated entity has no exposure to interest rate risk at reporting date, other than in relation to cash and cash equivalents which attract an interest rate. Convertible notes are at a fixed rate of interest.

Sensitivity Analysis
At reporting date a 1% (100 basis point) increase/decrease in the interest rate would increase/decrease the consolidated entity loss by $291 (2021: $4,900).

Liquidity risk

Liquidity risk is monitored to ensure sufficient monies are available to meet contractual obligations as and when they fall due.

The following are the contractual maturities of the financial liabilities, including interest payments. Contractual amounts have not been discounted.

Consolidated	Carrying Amount $	Contractual cash flows $	0-12 months $	1-2 years $	2-10 years $
30 June 2022					
Non-derivative Financial Liabilities					
Trade and other payables	222,038	222,038	222,038	-	-
Interest bearing liabilities	253,641	253,641	253,641	-	-

Consolidated	Carrying Amount $	Contractual cash flows $	0-12 months $	1-2 years $	2-10 years $
30 June 2021					
Non-derivative Financial Liabilities					
Trade and other payables	165,723	165,723	165,723	-	-

NOTE 17 FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk

The consolidated entity is exposed to foreign currency risk arising from purchases of goods and services that are denominated in a currency other than the Australian dollar functional currency. To this extent, the consolidated entity is exposed to exchange rate fluctuations between the Australian and US dollar. At 30 June 2022 the consolidated entity has a foreign currency exposure by holding US dollars in bank accounts totalling US$63 (2021: $63).

NOTE 17 FINANCIAL INSTRUMENTS (Continued)

Capital Management

When managing capital, the directors' objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

It is the company's plan that capital, as and when required, further, will be raised by any one or a combination of the following manners: placement of shares to excluded offerees, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares. Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be the consolidated entity's intention to meet its exploration obligations by either partial sale of its interests or farmout.

No company in the consolidated entity is subject to any externally imposed capital requirements.

NOTE 18 AUDITOR'S REMUNERATION

	2022 $	2021 $
Amounts received or due and receivable by:		
Grant Thornton Audit Pty Ltd - Auditor of the consolidated entity and company	25,303	28,042

NOTE 19 SEGMENT INFORMATION

Under AASB 8 Operating Segments, 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 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. All interest received has been derived in Australia. All exploration and evaluation assets are held in Australia.

NOTE 20 EVENTS AFTER THE END OF THE REPORTING PERIOD

On 26 July 2022 Octanex announced a strategic review of its mining tenements. As a result of this review three permits (E38/3417, E38/3418 and E39/2241) were fully surrendered and as such the three permit carrying values have been written off at 30 June 2022 ($481,419). (Note 9 and Note 24). Further from this review and the resulting reduction in permit sizes and holdings minimum expenditure commitments were reduced by $2.9m from the position at 30 June 2022; prior to the review conducted in July 2022 (Note 15). This event was an adjusting event in the financial report for the year ended 30 June 2022.

Notes to the Financial Statement
30 June 2022

NOTE 21 LOSS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2022 $	2021 $
Net loss	(6,043,464)	(300,198)
	Number of Shares	**Number of Shares**
Weighted average number of shares	258,958,719	245,043,018

Despite having options on issue, basic and dilutive loss per share are the same as there is a loss position and to include options would be anti-dilutive.

NOTE 22 PARENT ENTITY INFORMATION

The following details information related to the parent entity, Octanex Limited at 30 June 2022. The information presented here has been prepared using consistent accounting policies as presented in Note 1, except for the use of the cost method for investment in subsidiary companies by the parent.

Current assets	133,029	881,841
Non-current assets	13,053,412	18,071,958
Total assets	13,186,441	18,953,799
Current liabilities	408,623	310,060
Non-current liabilities	13,335,231	13,081,991
Total liabilities	13,743,854	13,392,051
Contributed equity	69,598,020	69,568,020
Options reserve	23,244	8,616
Financial assets at fair value through other comprehensive income reserve	-	(639,113)
Accumulated losses	(70,178,677)	(63,375,775)
Total equity	(557,413)	5,561,748
Loss for the year	(6,163,789)	(167,955)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(6,163,789)	(167,955)

No dividends were paid by the parent entity in 2022 (2021: Nil).

NOTE 23 CONTINGENT ASSET

Goldsborough Pty Ltd was sold to Bass Strait Group Pty Ltd, a director-related entity of EG Albers pursuant to a Share Sale Agreement effective 16 December 2020. Under the terms of the Share Sale Agreement, Octanex will be entitled to contingent consideration in the event that proceeds are received by Goldsborough in connection with a royalty, calculated pursuant to a proceeds sharing formula.

NOTE 24 IMPAIRMENT OF EXPLORATION AND EVALUATION ASSET

WA-407-P expired on 18 February 2022. It was decided not to seek renewal of the permit and as such the permit carrying value has been written off ($5,131,521). (Note 9)

On 26 July 2022 three mining tenements (E38/3417, E38/3418 and E39/2241) were fully surrendered and as such the carrying values of the tenements have been written off at 30 June 2022 ($481,419). (Note 9 and Note 20).