

24 April 2023

Quarterly Activities Report 31 March 2023

Octanex Limited (ASX:OXX) (“**Octanex**” or the “**Company**”) provides its Quarterly Activities Report for the three months to 31 March 2023.

Exploration Activities

No exploration activities were undertaken during the quarter.

Corporate Activities

Privatisation Proposal

On 20 January 2023 Octanex announced that it had received a proposal from Mr Albers to acquire all of the shares in Octanex other than those shares held by Mr Albers and his Associates, with the acquisition to be by way of a Scheme of Arrangement (**Scheme**) between Octanex and its members.

During the quarter Octanex engaged PKF Melbourne as an Independent Expert to consider the Scheme and determine the Scheme is fair and reasonable from the point of view of the Non-Associated Shareholders and in their best interests in the absence of a superior offer or proposal.

Octanex also engaged solicitors to prepare documentation in order to convene a meeting of Shareholders to consider the Scheme including a draft Explanatory Statement (which forms the Scheme Booklet). This was lodged with the ASIC in March 2023 and application made to the Supreme Court of Victoria (**Court**) for Orders that Octanex convene the Scheme Meeting.

Subsequent to the end of the quarter, on 17 April 2023, the Company announced that the Court had made orders for Octanex to convene a meeting of its members to consider and, if thought fit, approve the proposed Scheme. Scheme documents were mailed to shareholders on Tuesday 18 April 2023.

Expected Forward Timetable

Last date for receipt of proxies	21 May 2023 (10am AEST)
Scheme Meeting	23 May 2023
Application to Supreme Court for Approval of Scheme	5 June 2023
Effective Date of Scheme	6 June 2023
Anticipated Implementation Date and payment of Scheme Consideration	14 June 2023



Suspension from Trading and anticipated Delisting

On 16 March 2023, the Shares in Octanex were suspended from trading by ASX following lodgement of Octanex's Half Year Financial report for the six-month period ended 31 December 2022.

As noted in the Scheme documents, Octanex no longer complies with the following "On-going requirements" for Listed entities set out in Listing Rule 12 in that:

- It has no operations of any kind; it fails to have an "adequate level of operations" as required by ASX LR12.1.
- Its financial condition is inadequate to warrant the continued quotation of its securities and its continued listing as required by ASX LR12.2.

It is anticipated that, whether the Scheme does or does not come into effect, Octanex will in due course be delisted from ASX. This will result either from action by ASX because Octanex no longer complies with the conditions for continued listing on ASX or because the Board requests delisting.

Company Secretary

On 28 March 2023 Ms Rae Clark was appointed as Company Secretary of Octanex, replacing Mr Rob Wright.



Rae Clark
Director
24 April 2023

For more information

Rae Clark
Director, Octanex Limited | admin@octanex.com.au



Additional Information Required by Listing Rules 5.3.3 and 5.4.3

Mineral Tenements held/applied for at the date of this report and their location

Nil.

Tenements acquired during the quarter

Nil.

Tenements disposed of during the quarter

Nil.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the Quarter:

Nil.

Additional Information Required by Listing Rule 5.3.5

Payments to related parties during the quarter included in Appendix 5B – Quarterly Cash Flow Report

Payments were made to directors and their associates during the quarter totalling approximately \$35,000. Payments were for office costs, contracted services and corporate work.



Appendix 5B

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

Name of entity

OCTANEX LIMITED

ABN

61 005 632 315

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	81	286
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(182)	(385)
	(e) administration and corporate costs	(45)	(320)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash used in operating activities	(146)	(419)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	(1)	(2)
	(c) property, plant and equipment		
	(d) exploration & evaluation	-	(38)
	(e) investments		
	(f) other non-current assets		

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other – application refunds	-	31
2.6	Net cash used in investing activities	(1)	(9)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	130	405
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from financing activities	130	405
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	35	41
4.2	Net cash used in operating activities (item 1.9 above)	(146)	(419)
4.3	Net cash used in investing activities (item 2.6 above)	(1)	(9)
4.4	Net cash from financing activities (item 3.10 above)	130	405

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	18	18

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	18	35
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	18	35

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	35
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	875	655
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	875	655
7.5 Unused financing facilities available at quarter end		220
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Octanex has extended its Line of Credit Facility with Australis Finance Pty Ltd effective 31 December 2022. The facility limit has been increased to \$875,000 with an interest rate of 8%p.a and maturity date of 30 June 2023. The facility is unsecured.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(146)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(146)
8.4 Cash and cash equivalents at quarter end (item 4.6)	18
8.5 Unused finance facilities available at quarter end (item 7.5)	220
8.6 Total available funding (item 8.4 + item 8.5)	238
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: No, the Company expects to be privatised prior to 30 June 2023	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes. The Company's finance facility with Australis has sufficient funding to meet the Company's expected outgoings until 30 June 2023, from which time it is expected that the Company will be privatised, subject to approval by Shareholders of the proposed Scheme of Arrangement between the Company and its members.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

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

24 April 2023

Date:



Authorised by:

Rae Clark – Company Secretary

Released with authority of the Board

Notes

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