



June 2021 Quarterly Activities Report

DATE: 28 JULY 2021

HIGHLIGHTS

- **Seismic contract awarded to Polaris to conduct 2D survey in Cabora Bassa Basin**
- **Mr Joe Mutizwa appointed as a Non-Executive Director and Deputy Chairman of Invictus**
- **Aztech Well Construction appointed as Drilling Project Manager**
- **SG 4571 tenure renewal formally Gazetted for 3 years to June 2024**

Invictus Energy Limited ("Invictus" or "the Company"), is pleased to provide an update of its activities of its 80% owned and operated Cabora Bassa Project in Zimbabwe for the quarter ending June 2021.

Comments from Managing Director & CEO Scott Macmillan

"This has been an excellent quarter for the Company which has seen us advance our exploration program with award of the seismic contract to Polaris and drilling management contract to Aztech Well Construction. The seismic program is progressing well with line clearing operations having commenced in mid July and recording scheduled to commence in August. We have been extremely pleased with the response for our recruitment for the field crew and have filled all the positions from within the local community.

The drilling planning is progressing well with the completion of the preliminary Basis of Well Design (BoWD) completed which will enable the ordering of long lead drilling items for fabrication. The rig selection process is well advanced and the Company has received strong interest from multiple drilling rig contractors in the region.

We are also delighted to welcome Joe Mutizwa to the Board as Non-Executive Director and Deputy Chairman. Joe is a recognised senior business executive with a distinguished track record of leading some of the country's largest businesses and advisory boards. Joe's appointment will strengthen the Invictus Board at a critical time as the Company ramps up operations in Zimbabwe.

About Invictus Energy

Invictus Energy Ltd is an independent oil and gas exploration company focused on high impact energy resources in sub-Saharan Africa. Our asset portfolio consists of a highly prospective 250,000 acres within the Cabora Bassa Basin in Zimbabwe. Special Grant 4571 contains the world class multi-TCF Mzarabani and Msasa conventional gas-condensate prospects.

Board & Management

Dr Stuart Lake

NON-EXECUTIVE CHAIRMAN

Joe Mutizwa

NON-EXECUTIVE & DEPUTY CHAIRMAN

Scott Macmillan

MANAGING DIRECTOR

Brent Barber

COUNTRY MANAGER

Barnaby Egerton-Warburton

NON-EXECUTIVE DIRECTOR

Gabriel Chiappini

NON-EXECUTIVE DIRECTOR & COMPANY SECRETARY

We expect to complete the seismic survey in September quarter using a very experienced contractor in Polaris and together with Invictus have put in place a very experienced team to run the program. The seismic program will enable us to refine the Muzarabani-1 target defined from the existing seismic dataset and help us fill our prospect inventory ahead of our basin opening drilling campaign. The Company has an exciting and transformative period ahead as we work towards the drilling campaign.”

Invictus Awards Seismic Acquisition Contract to Polaris Natural Resources Inc

Invictus, following the recent signing of the PEDPA with the Republic of Zimbabwe, has awarded Polaris Natural Resources Inc, Canada’s longest standing seismic company to provide acquisition services for its first 2D seismic program in the Cabora Bassa Basin. Polaris has conducted over 1,000 seismic projects since 1996 and introduced the first ‘low impact seismic crew’ into Africa in 2008. Polaris has conducted over 15 projects in East Africa and has been well accepted in all communities where they have operated. Polaris will also deploy the world’s newest and smallest wireless recording nodes and receivers.

The Company intends to conduct, process, and interpret a minimum of 400 line kms of 2D seismic in order to refine the Mzarabani-1 drilling location and well path and identify additional prospectivity for the upcoming drilling campaign. The seismic survey will be conducted with a minimal environmental footprint and utilise existing roads and tracks wherever possible.



Figure 1 - Vibroseis unit (1 of 5) leaving Durban for Harare

The vibroseis units are currently clearing customs at the Zimbabwe border and expected in Harare at the end of July and the Company is grateful for the assistance we have received from the authorities to expedite the import of the equipment.

The recruitment campaign for over 100 local employees who will be involved in the seismic campaign have all been filled from the local community in line with the Company’s strong commitment to local content and employment. Line clearing operations commenced in mid July ahead of the vibroseis unit arrival at the camp and recording is expected to commence in August and be completed in the September quarter.



Figure 2 - Seismic Line 002

Mr Joe Mutizwa appointed as a Non-Executive Director and Deputy Chairman of Invictus

Joe is the current chairman of Mangwana Capital, a major shareholder of the Company and is a director of the Company's 100% owned local subsidiary Invictus Energy Resources Zimbabwe Pty Ltd. Joe served for ten years as Chief Executive of Delta Corporation, one of Zimbabwe's largest listed companies before taking early retirement in 2012.

He currently sits on the Presidential Advisory Council (PAC), a body appointed by Zimbabwe's President, His Excellency CDE E.D Mnangagwa, and is comprised of experts and leaders drawn from diverse sectors to advise and assist the President in formulating key economic policies and strategies in the country. Joe served on the board of the Reserve Bank of Zimbabwe (2015-2019) and currently chairs the board of the Infrastructure Development Bank of Zimbabwe (IDBZ).

Aztech Well Construction Appointed as Drilling Project Manager

During the quarter the Company appointed Aztech Well Construction ("Aztech") as Drilling Project Manager for the upcoming basin opening drilling program. Aztech is a well project management company headquartered in Perth with an extensive track record in both onshore and offshore drilling projects.

The plan for the drilling campaign is advancing well with the preliminary Basis of Well Design (BoWD) completed, which will enable the ordering of long lead drilling items (casing and wellheads) for fabrication. The BoWD will be further refined and finalised once the seismic processing and interpretation has been completed.

The Company has received strong interest from multiple drilling rig contractors in the region and further afield to provide a rig for the campaign. Aztech are concluding the technical evaluation of the rig contractor options ahead of shortlisting to participate in a formal process to select a rig for the campaign.

SG 4571 tenure renewal formally Gazetted for 3 years to June 2024

Special Grant 4571 held by Geo Associates (Private) Limited, the Company's 80% owned subsidiary, was notified of the publishing in the official Zimbabwean Government Gazette of the extension of tenure for a 3 year period to 17th June 2024 under section 301 of the Mines and Minerals Act [Chapter 21:05] by the Minister of Mines and Mining Development under the authorisation of the President.

Information Required Under ASX Listing Rules

1. ASX LR 5.3.5

During the quarter \$139,000 was paid to related parties of the Company relating to executive director salary, non- executive director fees and company secretary fee.

2. ASX LR 5.3.1

The exploration and evaluation activity spend for the quarter consisted of:

Category	Amount (AUD\$'000)
Consultancy	114
Seismic	940
Other	13
Total	1,067

3. ASX LR 5.3.3

In accordance with ASX Listing Rule 5.3.3 please find below the Company's tenements as at 30 September 2020

Tenement	Opening	Disposed	Acquired	Closing
SG 4571*	80%	-	-	80%

*Located within the Cabora Bassa Basin in Zimbabwe. No binding farm-in or farm-out agreements were entered into during the quarter.

Authorised for release by the Board

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For further information on Invictus Energy, please visit the Company's website at www.invictusenergy.com



About the Cabora Bassa Project

The Cabora Bassa Project encompasses the Muzarabani Prospect, a multi-TCF and liquids rich conventional gas-condensate target, which is potentially the largest, undrilled seismically defined structure onshore Africa. The prospect is defined by a robust dataset acquired by Mobil in the early 1990s that includes seismic, gravity, aeromagnetic and geochemical data.

#Cautionary Statement: *The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons. Prospective Resource assessments in this release were estimated using probabilistic methods in accordance with SPE-PRMS standards.*

The Company is not aware of any new information and that all material assumptions and technical parameters underpinning prospective resource estimate continue to apply and have not materially changed.

***Giant fields** are conventional oil or gas fields with a recoverable reserve of 500 MMboe or more as defined by the American Association of Petroleum Geologists (AAPG)

***Elephant fields** are conventional oil or gas fields with a recoverable reserve of 1 Billion boe (1,000 MMboe) or more as defined by the American Association of Petroleum Geologists (AAPG)

SG 4571 - Special Grant Permit 4571 was granted in August 2017, the first exploration work programme has been completed. Invictus has an 80% equity stake in SG4571 via its subsidiary Geo Associates (Private) Limited

Authorised by and for further information, please contact:

Scott Macmillan

Managing Director

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Appendix 5B

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

Name of entity

Invictus Energy Ltd

ABN

21 150 956 773

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(178)	(457)
(e) administration and corporate costs	(425)	(979)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other:		
- Office recharges	37	114
- Fee for surrendering head office lease	358	358
1.9 Net cash from / (used in) operating activities	(208)	(963)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(1,067)	(1,336)
(e) investments	-	-

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 (12 months) \$A'000
	(f) other non-current assets	-	-
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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,067)	(1,336)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	8,198
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,610	2,100
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(29)	(536)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other:		
	- Receipt of cash from Mangwana Pension Fund for ordinary shares in IVZ	-	219
3.10	Net cash from / (used in) financing activities	1,581	9,981

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,817	1,497
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(208)	(963)

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 (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,067)	(1,336)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,581	9,981
4.5	Effect of movement in exchange rates on cash held	12	(44)
4.6	Cash and cash equivalents at end of period	9,135	9,135

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	2,321	838
5.2	Call deposits	6,814	7,979
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)	9,135	8,817

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 | 139 ¹ |
| 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

¹ Payments relate to executive director salary, non- executive director fees and company secretary fee

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	400 ^	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 ^The Company has a share placement agreement with Mangwana Opportunities Fund for an additional 2 tranches of funding which may be called on over the next 12-24 months as announced on 30 April 2020. USD300k using an exchange rate of 0.75 at 30 June 2021.		
Not applicable		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)a	(208)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(1,067)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,275)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	9,135
8.5 Unused finance facilities available at quarter end (Item 7.5)	400
8.6 Total available funding (Item 8.4 + Item 8.5)	9,535
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	7.5
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
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: Not applicable	
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: Not applicable	
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: Not applicable	

9. Tenement Summary

In accordance with ASX Listing Rule 5.3.3 below is the Company's tenement holdings at quarter end.

Tenement	Opening	Disposed	Acquired	Closing
SG 4571 *	80%	-	-	80%

* Located within the Cabora Bassa Basin in Zimbabwe. No farm-in or farm-out agreements were entered into during the quarter.

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.

Date: 28 July 2021

Authorised by: Authorised by the: Audit & Risk Committee

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.