

ENEGEX Limited

ABN 28 160 818 986

HALF YEAR FINANCIAL REPORT

31 December 2020

Contents

CORPORATE DIRECTORY	2
DIRECTORS' REPORT	3
DIRECTORS' DECLARATION	10
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ..	11
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	12
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	13
CONSOLIDATED STATEMENT OF CASH FLOWS	14
NOTES TO THE FINANCIAL STATEMENTS.....	15
AUDITOR'S INDEPENDENCE DECLARATION	21
INDEPENDENT AUDITOR'S REVIEW REPORT	22

CORPORATE DIRECTORY

BOARD OF DIRECTORS

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

COMPANY SECRETARY

R.J. Wright

Registered Office

Level 1, 10 Yarra Street
South Yarra, Victoria 3141, Australia
Telephone: +61 (0)3 8610 4713
Facsimile: +61 (0)3 8610 4799
Email: admin@enegex.com
Website: www.enegex.com

Auditor

Grant Thornton Audit Pty Ltd
Tower 5, Collins Square
727 Collins Street
Melbourne, Victoria 3008 Australia

Share Registry

Automic Pty Ltd
Level 3
50 Holt Street
Surry Hills, NSW 2010, Australia

Telephone: 1300 288 664 (within Australia)
Telephone: +61 (2) 9698 5414 (outside Australia)
Website: www.automic.com.au

Stock Exchange Listing

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

ASX Code:

ENX Ordinary Shares

Incorporated in the State of Victoria

17 October 2012

DIRECTORS' REPORT

The directors of Eneget Limited (**Eneget** or **the company**) submit their report on the consolidated results of the company and its wholly-owned subsidiaries (**controlled entities**) or (**the group**) for the half year ended 31 December 2020.

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

<i>Geoffrey Albers</i>	– <i>Non-Executive Chairman</i>
<i>Raewyn Clark</i>	– <i>Executive Director</i>
<i>Peter Armitage</i>	– <i>Non-Executive Director</i>

FINANCIAL RESULTS FOR THE HALF YEAR

The consolidated entity, being the company and its controlled entities recorded a consolidated net loss for the half year, after income tax, was \$187,069 (2019: \$83,571).

SHARE CAPITAL

During the half year Eneget raised \$440,000 (before costs) via an oversubscribed placement of 20,000,000 ordinary fully paid shares at \$0.022 (2.2 cents) per share with attached 1 for 2 unlisted options to be granted on the basis of one option for every two shares subscribed, exercisable at \$0.03 (3 cents) on or before 31 August 2022.

Eneget also conducted a pro-rata shareholder entitlement offer on the same terms as the placement. Eligible shareholders were invited to subscribe for their pro-rata entitlement shares on the basis of 1 new share for every 3 shares held and the grant of 1 new option for no additional consideration on the basis of 1 new option for every 2 shares subscribed for under the entitlement offer. The offer raised \$542,236 with 24,647,043 new shares issued and 12,323,617 options granted. The rights issue shortfall of 8,852,869 shares was placed at \$0.04 (4 cents) per share to raise a further \$354,115. No new options were offered or granted as part of the shortfall placement.

Since 31 December 2020 a total of 2,382,789 previously issued, unlisted options have been exercised, resulting in the issue of 2,382,789 shares and raising a further \$68,482.

DIVIDENDS

No dividend was declared or paid during the half year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There are no significant changes in the state of affairs for the half year ended 31 December 2020 and to the date of signing this report.

REVIEW OF OPERATIONS

South West Terrane Projects

EnegeX has a large tenement package covering ~3,780km² in the South West Terrane, Western Australia. EnegeX's tenements are spread across five separate project areas, all within 200km of the Julimar Ni-Cu-PGE discovery (Figure 1). Following grants in December 2020 and January 2021, EnegeX's South West Terrane Exploration tenement package is comprised of 10 granted exploration licenses and 10 in application.

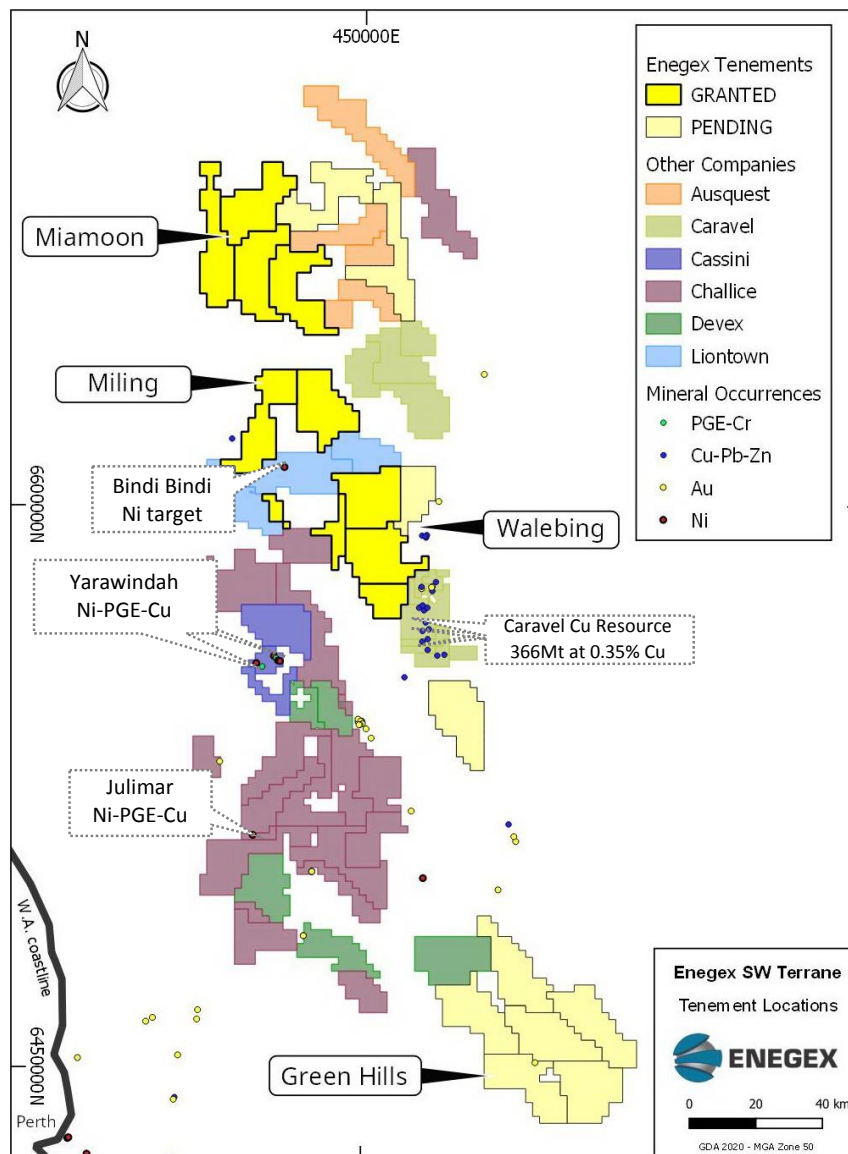


Figure 1 EnegeX South West Terrane Project Area (shown in yellow) with neighbouring tenement holders

Located proximal to Perth, the South West Terrane is an emerging mineral province of importance following the recent discovery of palladium and nickel mineralisation by Challice Gold Mines Limited at its Julimar Project and Caravel Minerals' Caravel copper deposit.

Based on regional geophysical and geological data (refer Figure 2 and 3), EnegeX's exploration licence applications are interpreted to contain mafic and ultramafic igneous intrusions considered to be similar to the Julimar intrusion hosting the high-grade Ni-Cu-PGE mineralization discovered by Challice to the south.

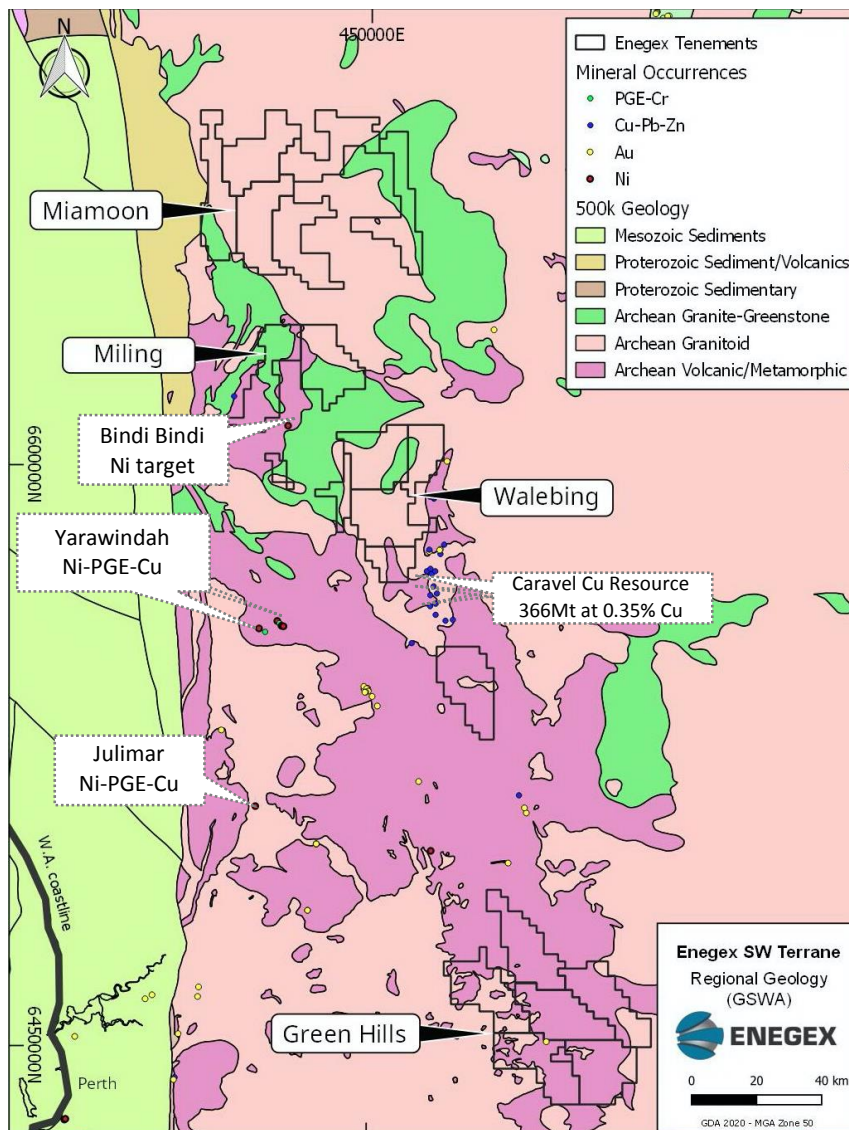


Figure 2 Eneget South West Terrane Project Area on Regional Geology

The geology of the South West Terrane is a complex mix of Archean high-grade metamorphic gneisses and highly radioactive granites with widespread enclaves of greenstone and dismembered layered mafic and ultramafic intrusions. Proterozoic tectonic events, mainly evident from mafic dyke swarms, have also impacted the terrane. In general, the Archean bedrock geology is not well known as it is blanketed by laterite soil profiles and transported sands.

The Julimar and Caravel deposit discoveries, together with an improved geological and geophysical understanding of the South West Terrane, are changing perceptions regarding the prospectivity of the South West Terrane:

- The Julimar Ni-PGE-Cu deposit discovery, made by Challis Gold Mines, is associated with magnetic layered gabbroic complex. Similar gabbroic bodies with similar magnetic features in the terrane, such as Yarawindah Brook and Coates Siding, are also attracting increased exploration attention, as are various ultramafic bodies in the terrane.

- The discovery by Caravel Minerals of the Caravel Cu deposits (366 million tonnes at 0.35% Cu¹), hosted by granite, has attracted increased exploration attention for ancient porphyry Cu-Au deposits in the terrane.
- The giant Boddington gold deposit, generally considered to be a porphyry Au-(Cu-Mo-Bi-W) deposit, is associated with late-stage diorite intrusion.
- The Greenbushes lithium mine, hosted by granitic pegmatite, has been a long-lived mining operation for lithium, tantalum and tin and is recognized as the world's largest commercial lithium resource.
- The South West Terrane is recognized as one of the world's premier bauxite mining provinces.

Energex believes that the combination of the presence of wide-spread highly radioactive granitoids and a deeply weathered laterite profile covering large areas of the South West Terrane is also an attractive environment for the discovery of ion adsorption REE deposits.

In summary, the South West Terrane contains large mines and mineral resources in a favourable geographical location with excellent infrastructure, proximal to Perth (including a proposed REE processing plant). However, it remains little explored, especially for magmatic Ni-Cu-PGE, porphyry Cu-Au-Mo and Au deposits.

Energex's project areas contain interpreted Archaean gneisses and granites and numerous pronounced and subtle magnetic anomalies interpreted to be a combination of greenstone enclaves and mafic and ultramafic intrusions.

The Miamoon project area is dominated by a regolith of transported sand and residual laterite overlying a number of unexplained magnetic anomalies which attract comparisons to the Julimar magnetic anomaly. The Walebing and Miling project areas, while dominated by a regolith of transported sand and residual laterite, contain outcropping ultramafic and mafic rocks. Historically, the Greenhills project area has received very little exploration for any mineral commodity. Previous exploration has been focussed on bauxite and kaolin, and to a lesser extent, copper and gold. Previous geological mapping identified the presence of small ultramafic intrusions and mafic rocks (amphibolite, mafic gneiss, mafic granulite, hornblendite) of uncertain geological affinities. Regional laterite sampling programmes by the Geological Survey of Western Australia and the Australian Minerals Industries Research Association (Amira) during the 1990s revealed the presence of anomalous Ni, Cu, Cr, Zn and Au which identifies the project area as being of exploration interest. It is, for example, the closest regional laterite Au-Cu anomaly to the Boddington laterite Au-Cu anomaly.

During the half-year, Energex commenced a desktop study of its South West Terrane project areas to assist in designing a work program to generate targets for exploration testing. Work during the quarter included reprocessing of open-file geophysical data – magnetics, radiometrics and gravity and compilation of historical exploration reports covering the project areas.

Following completion of the desktop study, Energex intends to carry out field reconnaissance of priority areas.

¹ Combined Indicated and Inferred Mineral Resources, Source: Caravel Minerals announcement 3 February 2019 <https://caravelminerals.com.au/wp-content/uploads/2019/02/2019-02-13-Major-Increase-in-Caravel-Copper-Resource.pdf>

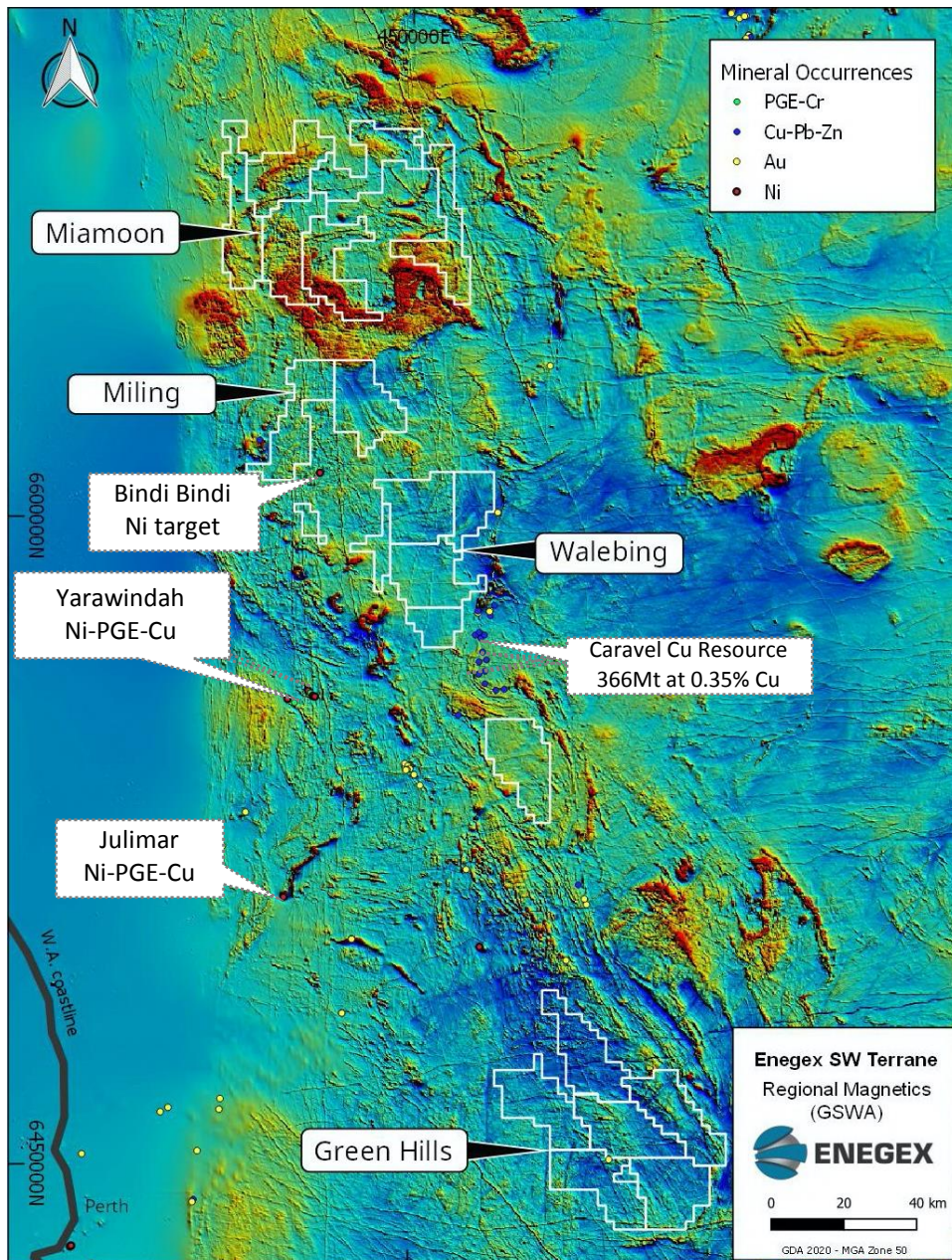


Figure 3 Enege project areas over regional airborne magnetics data

Kimberley Basin Exploration Licences

EnegeX has two exploration tenements in the eastern margin of the Kimberley Basin of Western Australia, one of which was granted during the half-year. (Figure 4).

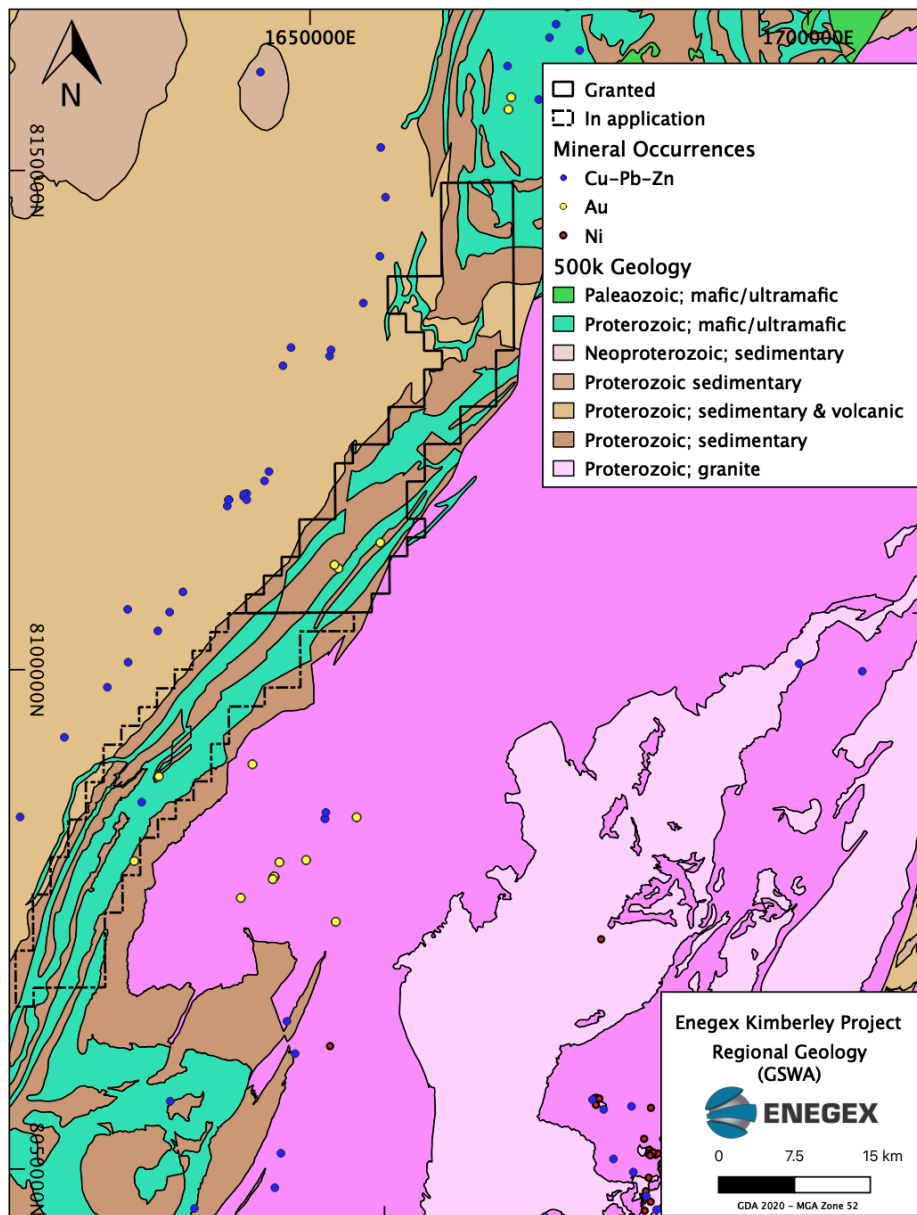


Figure 4 EnegeX Tenements shown on regional geology

The geology of the tenements has been mapped as “Hart Dolerite”, a regionally extensive Proterozoic sill complex which has historically not been considered prospective. The tenement areas have been the subject of only limited prior exploration.

EnegeX has identified recent advances in geological understanding that alter the prospectivity of the Hart Dolerite:

- Mapping and exploration of the Speewah Dome, immediately to the north of the EnegeX tenement areas, has identified that the Hart Dolerite comprises a layered intrusive suite of rocks (Intrusive Suite), and that the prospective part of the Intrusive Suite is the Disseminated Magnetite Gabbro which hosts the Speewah Dome Vanadium Deposit (adjacent to the

Enegex application area). Disseminated gold and copper also identified in the sulphides of the Intrusive Suite indicate potential for reef-type PGE mineralization in the upper, differentiated, magnetite-rich parts of the layered intrusion.

- Regolith sampling by Geological Survey WA (GSWA) has identified high cobalt and coincident high nickel anomalies in Hart Dolerite, indicating prospective fertile host rocks for these minerals within the Suite.
- A later epithermal event has been identified in the Hart Dolerite in the Speewah area with carbonate and epithermal fluorite overprinting the dolerite. Fluoride is currently being investigated as a potential replacement for lithium in batteries.

The limited historical exploration in the Enegex tenement area has not determined which units of the Intrusive Suite are exposed. Enegex intends to conduct exploration activities to determine the presence or otherwise of prospective units within the tenement area.

SUBSEQUENT EVENTS

In January 2021 seven of Enegex's South West Terrane exploration permits were granted, making a total of ten granted tenements in the South West Terrane.

Since 31 December 2020 a total of 2,382,789 previously issued, unlisted options have been exercised, resulting in the issue of 2,382,789 shares and raising a further \$68,482.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration as required under section 307C of the Corporations Act 2001 from our auditor, Grant Thornton Audit Pty Ltd, a copy of which is included at page 21.

Signed in accordance with a resolution of the directors



RL Clark
Director

Melbourne, 15 March 2021

DIRECTORS' DECLARATION

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

In the opinion of the directors:

- (a) the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the financial position as at 31 December 2020 and the performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



RL Clark
Director
Melbourne, 15 March 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	CONSOLIDATED	
	31/12/2020	31/12/2019
	\$	\$
Interest income	-	288
Accounting and company secretary fees	(36,645)	(14,050)
Audit	(10,687)	(8,637)
Consulting	(62,124)	(1,300)
Legal expenses	(999)	(2,459)
Licence fees	(11,685)	-
Office costs	(18,730)	(34,413)
Other expenses	(9,895)	(18,707)
Share registry	(4,723)	(2,524)
Shares based payment	(9,125)	-
Stock exchange	(13,782)	(1,769)
Tenement expenses	(8,674)	-
Loss before income tax benefit	<u>(187,069)</u>	<u>(83,571)</u>
Income tax benefit	-	-
Net Loss for the half year	<u>(187,069)</u>	<u>(83,571)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in financial assets at fair value through other comprehensive income	2,888	(2,888)
Total comprehensive income for the half year	<u>(184,181)</u>	<u>(86,459)</u>
Basic and diluted loss per share (cents per share)	(0.168)	(0.104)

The above Statement of Profit or loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

		CONSOLIDATED	
	Note	31/12/2020	30/6/2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,075,337	50,138
Trade and other receivables		8,321	5,797
Prepayments	6	170,156	139,688
TOTAL CURRENT ASSETS		<u>1,253,814</u>	<u>195,623</u>
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income	5	22,623	19,735
Exploration and evaluation assets	7	44,484	-
TOTAL NON-CURRENT ASSETS		<u>67,107</u>	<u>19,735</u>
TOTAL ASSETS		<u>1,320,921</u>	<u>215,358</u>
CURRENT LIABILITIES			
Trade and other payables		74,285	134,136
Interest bearing liabilities		-	130,572
TOTAL CURRENT LIABILITIES		<u>74,285</u>	<u>264,708</u>
TOTAL LIABILITIES		<u>74,285</u>	<u>(49,350)</u>
NET ASSETS		<u>1,246,636</u>	<u>(49,350)</u>
EQUITY			
Issued capital	9	2,837,933	1,366,891
Reserves		10,614	(1,399)
Accumulated losses		(1,601,911)	(1,414,842)
TOTAL EQUITY		<u>1,246,636</u>	<u>(49,350)</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Issued capital	Accumul'd losses	Financial assets at fair value through other comprehensive income	Options reserve	Total Equity
	\$	\$	\$	\$	\$
CONSOLIDATED					
At 1 July 2020	1,366,891	(1,414,842)	(1,399)	-	(49,350)
Loss for the half year	-	(187,069)	-	-	(187,069)
Revaluation of financial asset (net of tax)	-	-	2,888	-	2,888
Total comprehensive income for the half year	-	(187,069)	2,888	-	(184,181)
Issue of shares	1,558,212	-	-	-	1,558,212
Costs of issue	(87,170)	-	-	-	(87,170)
Issue of options	-	-	-	9,125	9,125
At 31 December 2020	2,837,933	(1,601,911)	1,489	9,125	1,246,636
CONSOLIDATED					
At 1 July 2019	1,366,891	(1,211,855)	3,414	-	158,450
Loss for the half year	-	(83,571)	-	-	(83,571)
Revaluation of financial asset (net of tax)	-	-	(2,888)	-	(2,888)
Total comprehensive income for the half year	-	(83,571)	(2,888)	-	(86,459)
At 31 December 2019	1,366,891	(1,295,426)	526	-	71,991

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	CONSOLIDATED	
	31/12/2020	31/12/2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers - other	(181,899)	(62,876)
Interest received	-	653
Net cash outflow from operating activities	<u>(181,899)</u>	<u>(62,223)</u>
INVESTING ACTIVITIES		
Payments to suppliers – tenements*	(133,372)	-
Cash outflow from investing activities	<u>(133,372)</u>	<u>-</u>
FINANCING ACTIVITIES		
Proceeds from borrowing	70,000	-
Repayment of borrowings*	(200,572)	-
Proceeds from share issues	1,558,212	-
Costs of share issues	(87,170)	-
Cash inflow from investing activities	<u>1,340,470</u>	<u>-</u>
	1,025,199	(62,223)
Net increase / (decrease) in cash assets		
Cash assets at the beginning of the half year	50,138	139,914
Cash assets at the end of the half year	<u>1,075,337</u>	<u>77,691</u>

** Some portion of repayment of borrowings included in the 31 December 2020 ASX Quarterly Appendix 5B has been re-classified to payments to suppliers – tenements as consistent with the consolidated entity's accounting policies for exploration expenses.*

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 1 CORPORATE INFORMATION

EnegeX Limited (“EnegeX” or “the company” or “the group”) is a for-profit company incorporated and domiciled in Australia with its registered office and principal place of business located at Level 1, 10 Yarra Street, South Yarra, Victoria 3141. The financial report of the company for the half year ended 31 December 2020 comprises the company and the company’s interest in joint operations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the company as the annual financial report.

The half year financial report should be read in conjunction with the annual financial report of EnegeX Limited for the year ended 30 June 2020.

It is also recommended that the half year financial report be considered together with any public announcements made by EnegeX Limited during the six months ended 31 December 2020, made in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Listing Rules of the ASX.

Basis of Preparation

The half year financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements. The half year financial report has been prepared on an historical cost basis.

For the purpose of preparing this financial report, the half year has been treated as a discrete reporting period.

The group has limited financial resources and will need to raise additional capital from time to time. Any such fund raisings will be subject to factors beyond the control of the company and its directors. When EnegeX requires further funding for its programs, it is the group’s intention that the additional funds would be raised in a manner deemed most expedient by the directors at the time, taking into account working capital, exploration results, budgets, share market conditions, capital raising opportunities and the interest of industry in co-participation in the group’s programs. At the date of signing the report directors believe the group has enough cash to get through the next 12 months without the need to raise additional capital and as such the financial report has been prepared on a going concern basis.

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

The group has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the group. The Directors do not believe that new and revised standards issued by AASB (that are not as yet effective), will have any material financial impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 3 SEGMENT INFORMATION

Segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the directors. At regular intervals, the board is provided management information at a company level for the company's cash position, the carrying value of its assets and a company cash forecast for the next twelve months of operation.

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

NOTE 4 EVENTS SUBSEQUENT TO BALANCE DATE

In January 2021 another seven exploration permits were granted.

Since 31 December 2020 a total of 2,382,789 previously issued, unlisted options have been exercised, resulting in the issue of 2,382,789 shares and raising a further \$68,482.

NOTE 5 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	CONSOLIDATED	
	31/12/2020	30/06/2020
	\$	\$
Investment in listed equities (Genex Limited)	22,623	19,735
	=====	=====

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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

The company's financial assets measured and recognised at fair value at 31 December 2020 on a recurring basis are as follows:

31 December 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Listed securities	22,623	-	-	22,623
Unlisted securities	-	-	-	-
Total	22,623	-	-	22,623

Measurement of fair value of financial instruments

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

a) Listed securities and money market funds

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

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. The company did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2020. The carrying amounts of cash and cash equivalents, current receivables and current payables are considered to be a reasonable approximation of their fair value.

CONSOLIDATED

31/12/20	30/6/20
\$	\$

NOTE 6 PREPAYMENTS

Prepaid tenement rent

Balance at the beginning of the period	139,688	-
Costs for the year	74,952	139,688
Transferred to exploration assets	(44,484)	-
Balance at the end of the period	170,156	139,688

The company applied for twelve exploration tenements in May 2020 and another ten permits by October 2020. If the tenements are granted rent paid on application will cover rent required on the first year of exploration. As at 31 December 2020 four of the tenements were granted. Rent costs for the first year of the four tenements was transferred to exploration and evaluation assets (Note 7). If the tenements are not granted the rent paid on application is fully refundable.

Subsequent to 31 December 2020, another seven permit were granted (note 4).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

CONSOLIDATED

31/12/20 **30/6/20**
\$ **\$**

NOTE 7 EXPLORATION AND EVALUATION ASSETS

Areas of interest in the exploration and evaluation phase

Balance at the beginning of the period	-	-
Transferred from prepayments	44,484	-
Costs for the period	-	-
Balance at the end of the period	<u>44,494</u>	<u>-</u>

Rent costs for the first year of the four tenements granted in the half-year ended 31 December 2020, as listed below, was transferred to exploration and evaluation assets (Note 4).

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

31/12/2020	30/06/2020	Notes
E80/5354	-	<i>Granted 23 November 2020</i>
E70/5457	-	<i>Granted 24 December 2020</i>
E70/5459	-	<i>Granted 24 December 2020</i>
E70/5463	-	<i>Granted 24 December 2020</i>

Subsequent to 31 December 2020, another seven permit were granted (note 4).

NOTE 8 COMMITMENTS

	31/12/20	30/6/20
	\$	\$
Not longer than 1 year	728,000	-
Longer than 1 year and not longer than 5 years	3,640,000	-
	<u>4,368,000</u>	<u>-</u>

Expenditure commitments (minerals)

The Group has a commitment in minerals tenement E80/5354 which has a current year commitment of \$114,000. The permit year ends 22 November each year and currently expires 22 November 2025.

The Group has a commitment in minerals tenement E70/5457 which has a current year commitment of \$70,000. The permit year ends 23 December each year and currently expires 23 December 2025.

The Group has a commitment in minerals tenement E70/5459 which has a current year commitment of \$70,000. The permit year ends 23 December each year and currently expires 23 December 2025.

The Group has a commitment in minerals tenement E70/5463 which has a current year commitment of \$70,000. The permit year ends 23 December each year and currently expires 23 December 2025.

E70/5439 was granted subsequent to 31 December 2020, on 5 January 2021 (Note 4). The Group has a current year commitment of \$69,000 for this tenement. The permit year ends 4 January each year and currently expires 4 January 2026.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 8 COMMITMENTS (Continued)

E70/5440 was granted subsequent to 31 December 2020, on 5 January 2021 (Note 4). The Group has a current year commitment of \$70,000 for this tenement. The permit year ends 4 January each year and currently expires 4 January 2026.

E70/5441 was granted subsequent to 31 December 2020, on 5 January 2021 (Note 4). The Group has a current year commitment of \$29,000 for this tenement. The permit year ends 4 January each year and currently expires 4 January 2026.

E70/5442 was granted subsequent to 31 December 2020, on 5 January 2021 (Note 4). The Group has a current year commitment of \$28,000 for this tenement. The permit year ends 4 January each year and currently expires 4 January 2026.

E70/5446 was granted subsequent to 31 December 2020, on 4 January 2021 (Note 4). The Group has a current year commitment of \$70,000 for this tenement. The permit year ends 3 January each year and currently expires 3 January 2026.

E70/5444 was granted subsequent to 31 December 2020, on 4 January 2021 (Note 4). The Group has a current year commitment of \$69,000 for this tenement. The permit year ends 3 January each year and currently expires 3 January 2026.

E70/5445 was granted subsequent to 31 December 2020, on 4 January 2021 (Note 4). The Group has a current year commitment of \$69,000 for this tenement. The permit year ends 3 January each year and currently expires 3 January 2026.

NOTE 9 EQUITY SECURITIES ISSUED

During the half year Enege raised \$440,000 (before costs) via an oversubscribed placement of 20,000,000 ordinary fully paid shares at \$0.022 (2.2 cents) per share with attached 1 for 2 unlisted options to be granted on the basis of one option for every two shares subscribed, exercisable at \$0.03 (3 cents) on or before 31 August 2022.

Enege also conducted a pro-rata shareholder entitlement offer on the same terms as the placement. Eligible shareholders were invited to subscribe for their pro-rata entitlement shares on the basis of 1 new share for every 3 shares held and the grant of 1 new option for no additional consideration on the basis of 1 new option for every 2 shares subscribed for under the entitlement offer. The offer raised \$542,236 with 24,647,043 new shares issued and 12,323,617 options granted. The rights issue shortfall of 8,852,869 shares was placed at \$0.04 (4 cents) per share to raise a further \$354,115. No new options were offered or granted as part of the shortfall placement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 10 SHARED BASED PAYMENT

Share options to directors, an executive and a consultant

6,000,000 options were granted to directors, an executive and a consultant in the half year ended 31 Dec 2020. (Dec 2019: nil). All the options granted have a service period vesting condition so the cost of the options are amortised over the life of the option.

3,000,000 options (exercisable at \$0.092 (9.2 cents) on or before 5 November 2023) were granted to director; Rae Clark on 5/11/20. The accounting value of the options granted was \$90,448 with the share based payment expense for the half year \$4,626.

1,000,000 options (exercisable at \$0.092 (9.2 cents) on or before 5 November 2023) were granted to director; Peter Armitage on 5/11/20. The accounting value of the options granted was \$30,149 with the share based payment expense for the half year \$1,542.

2,000,000 options (exercisable at \$0.092 (9.2 cents) on or before 5 November 2023) were granted to an executive and a consultant on 5/11/20. The accounting value of the options granted was \$60,299 with the share based payment expense for the half year \$3,084.

Auditor's Independence Declaration

To the Directors of Enegex Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Enegex Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 15 March 2021

Independent Auditor's Review Report

To the Members of Eneget Limited

Report on the review of the half-year-financial report

Conclusion

We have reviewed the accompanying half-year financial report of Eneget Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Eneget Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of Eneget Limited's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 15 March 2021