

3 March 2023

Sale of Project Tenement to Caravel Minerals

Highlights

- **Agreement entered for sale of Tenement E70/5442 (part of Walebing Project) to Caravel Minerals Ltd (ASX:CVV)**
- **Consideration due to EneGex to include royalty, cash payment, and historical proprietary surface sampling data across EneGex's West Yilgarn projects.**
- **Accelerates EneGex's exploration, unlocking potential across the West Yilgarn Project portfolio.**

EneGex Limited (**EneGex** or **Company**) is pleased to announce the execution of a sale agreement with Caravel Minerals Ltd (ASX:CVV) (**Caravel**) in respect of tenement E70/5442. E70/5442 comprises 82.4km² and is located approximately 122km north east from Perth (**Figure 1**). EneGex will retain 100% ownership of the remaining four tenements within the Walebing Project located to the immediate NNW of the Caravel Copper Project.

As well as providing for a 2.5% Net Smelter Royalty and cash consideration, the agreement will provide EneGex with access across its entire West Yilgarn tenure to the same geochemical sampling dataset that led to the discovery of the Caravel Copper Project owned by Caravel.

The Caravel Copper Project is located adjacent to the eastern boundary of EneGex's Walebing Project and is reported to be the largest undeveloped copper project in Australia. It has a current mineral resource of 1.18 billion tonnes at 0.24% Copper (Cu) and 48ppm Molybdenite (Mo) for 2.84Mt of contained Cu (0.1% Cu cut-off)¹.

EneGex Director Rae Clark commented:

"We are very pleased to announce this transaction with copper-focused Caravel and excited to review the significant new dataset that this transaction provides to EneGex.

The new dataset will be combined with existing datasets to help refine and prioritise targets and to potentially generate new targets over our West Yilgarn Projects.

The transaction will also provide EneGex with exposure to Caravel's exploration expertise through a royalty agreement in an area that is located less than 4km from their flagship copper project.

¹ Caravel Minerals, ASX Announcement, 23 November 2021

Results of Caravel's exploration within E70/5442 will also be provided to EnegeX as part of the agreement. These results could have implications for exploration on EnegeX's adjoining Walebing Project as well as our wider West Yilgarn area tenure."

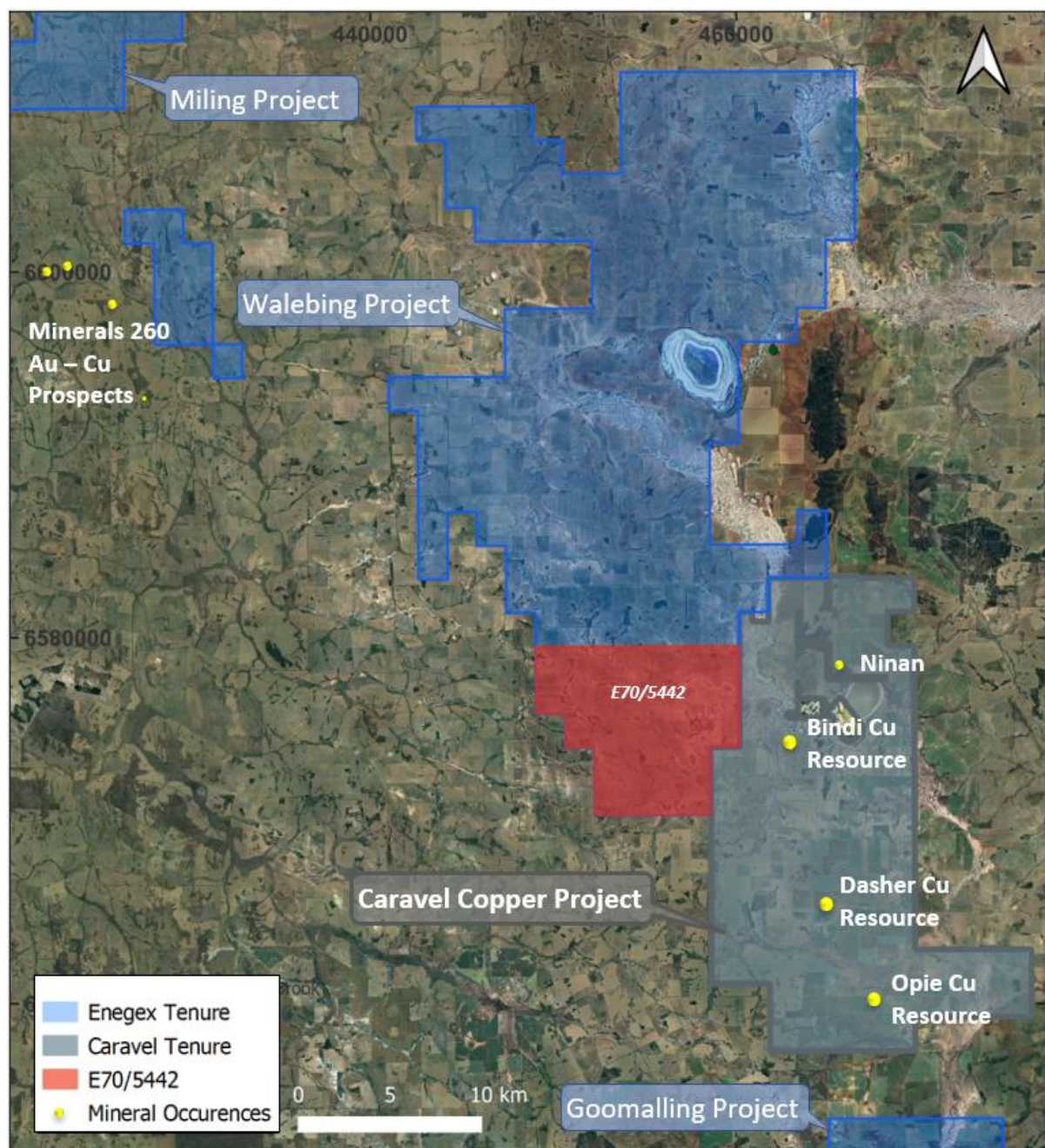


Figure 2. EnegeX's Walebing Project and Caravel's adjacent Caravel Copper Project with the location of the E70/5442 tenement subject to the sale agreement with Caravel shown in red.

Key Terms of the Agreement

Enegex has entered into a binding agreement for the sale of the E70/5442 tenement to Caravel

In consideration for transfer of a 100% interest in exploration license E70/5442, Caravel will provide the following consideration to Enegex:

- An uncapped 2.5% net smelter royalty (**NSR**) from any mineral production within E70/5442;
- A cash payment of \$75,000;
- A surface sample database across Enegex's West Yilgarn tenure area, including proprietary roadside surface sample assay results collected by Dominion Mining between 1998 and 2011, with an agreed value of \$250,000;
- Access to pulp residues from samples within Enegex's West Yilgarn tenure area, and;
- Exploration data generated from Caravel's activities to be undertaken in E70/5442.

Enegex has granted Caravel a right to negotiate in relation to its West Yilgarn tenure, whereby Caravel may negotiate terms to acquire an interest in any of Enegex's West Yilgarn tenements.

Completion is expected to occur before the end of March 2023.

Benefits to Enegex Shareholders

Significantly, the transaction provides future long-term exploration exposure via an uncapped 2.5% NSR to any mineral production within the E70/5442 tenement. This will leverage Caravel's exploration expertise and access to funding in a highly prospective terrane, adjacent to Caravel's Copper Project, which is now at definitive feasibility study stage.

The transaction has been structured so that it is simple and highly compelling for Enegex shareholders. It not only provides a potentially lucrative 2.5% NSR royalty, but also a cash component and importantly, provides a valuable propriety dataset over Enegex's West Yilgarn tenure.

The sample data being made available to Enegex includes a portion of the Dominion Mining (predecessor of Caravel) roadside sampling data that was collected over a period of 13 years. The original laboratory analysis focused on gold and, as the agreement with Caravel provides Enegex with access to the sample pulps, there is scope to add value to the data by re-analysis for multi-elements. Enegex will be able to quickly undertake initial field checks on any areas of interest, as the Dominion Mining sampling was predominantly carried out on the verges of public roadsides.

Next Steps

Reconnaissance visits to Enegex's West Yilgarn Project target areas are being systematically completed now that crops have been harvested. Land holder access negotiations continue over all project areas.

Following completion, the newly acquired dataset will be reviewed and any geochemical anomalies identified will be prioritised and integrated with Enegex's existing exploration targets so that the data is able to be utilized in the current field season.

Field reconnaissance visits will be reprioritised, in the expectation that new target priorities and target areas with strong geochemical anomalies may result from the new dataset and, in order to assess such areas for further exploration work, including additional geochemical sampling.

Multi-element laboratory analysis of the Dominion Mining pulps (which were initially assayed mainly for gold) is planned to be completed over high priority target areas. The multi-element data could then potentially be used to vector into mineralisation using trace elements and potentially assist in identifying underlying geology.

Enegex Project Overview

Enegex (ASX: **ENX**) has built a strategic tenure position in the West Yilgarn Ni-Cu-PGE province of Western Australia. The prospectivity of the West Yilgarn as an endowed mineral province is highlighted by the discovery of the nearby Gonneville Ni-Cu-PGE resource at Julimar (**Figure 2**) by Chalice Mining.

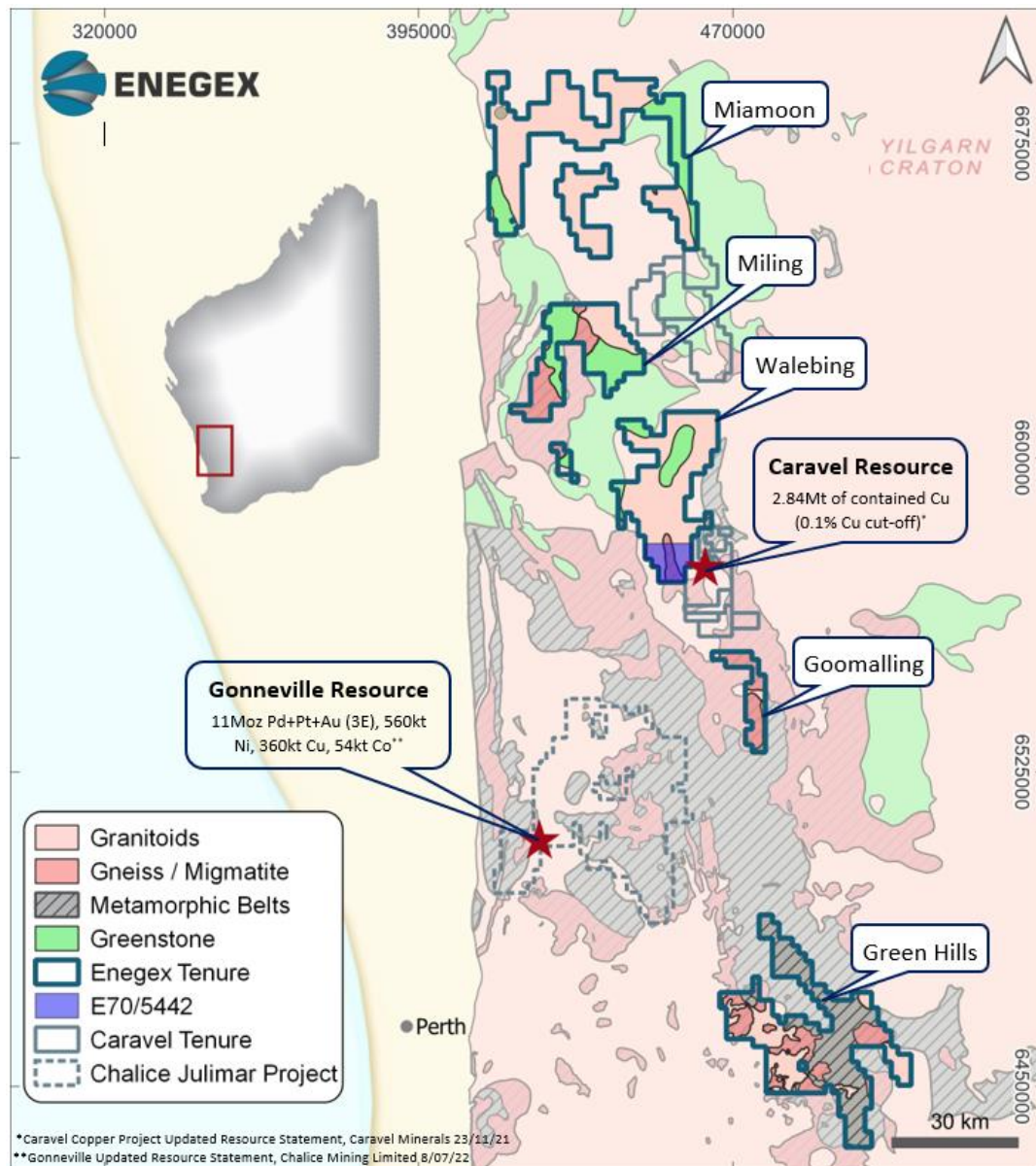


Figure 2. GSWA Interpreted bedrock geology 1:500,000 scale with Enegex Tenure.

Enegex has divided its West Yilgarn tenements into five project areas; Miamoon, Miling, Walebing, Goomalling and Green Hills

The understanding of the Archean geology across the Enegex project areas is still being developed. Private freehold farming land is prevalent across the West Yilgarn province. As a result, the area has, until recently, undergone precursory geology and explorative work largely limited to broad-scale government mapping, interpreting the bedrock geology as metamorphic sedimentary, greenstone and granite. The economic potential of the province is highlighted by the Julimar discovery of Ni-Cu-PGE mineralisation within a mafic-ultramafic host rock sequence (the Gonneville intrusion), an area historically interpreted to be a granitic domain.

Whilst the geology of Enegex tenements is, at this stage, not well defined, government geology maps record small areas of outcropping mafic (greenstone) to ultramafic units scattered across a number of Enegex tenement areas. The presence of these mafic-ultramafic rock units on Enegex tenements is encouraging, with further definition and evaluation of these units needed to determine mineralisation potential.

For more information

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