

ENEGEX Limited

ABN 28 160 818 986

HALF YEAR FINANCIAL REPORT

31 December 2022

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

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

COMPANY SECRETARY

R.J. Wright

Registered Office

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South Yarra, Victoria 3141, Australia
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Email: admin@enegex.com
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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 2022.

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>
<i>Robina Sharpe</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, is \$391,366 (2021: \$310,940).

REVIEW OF OPERATIONS

West Yilgarn Ni-Cu-PGE Projects – Eneget 100%

Background

Eneget (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 1**) by Chalice Mining.

The province is now a focus of exploration activity following the Julimar discovery.

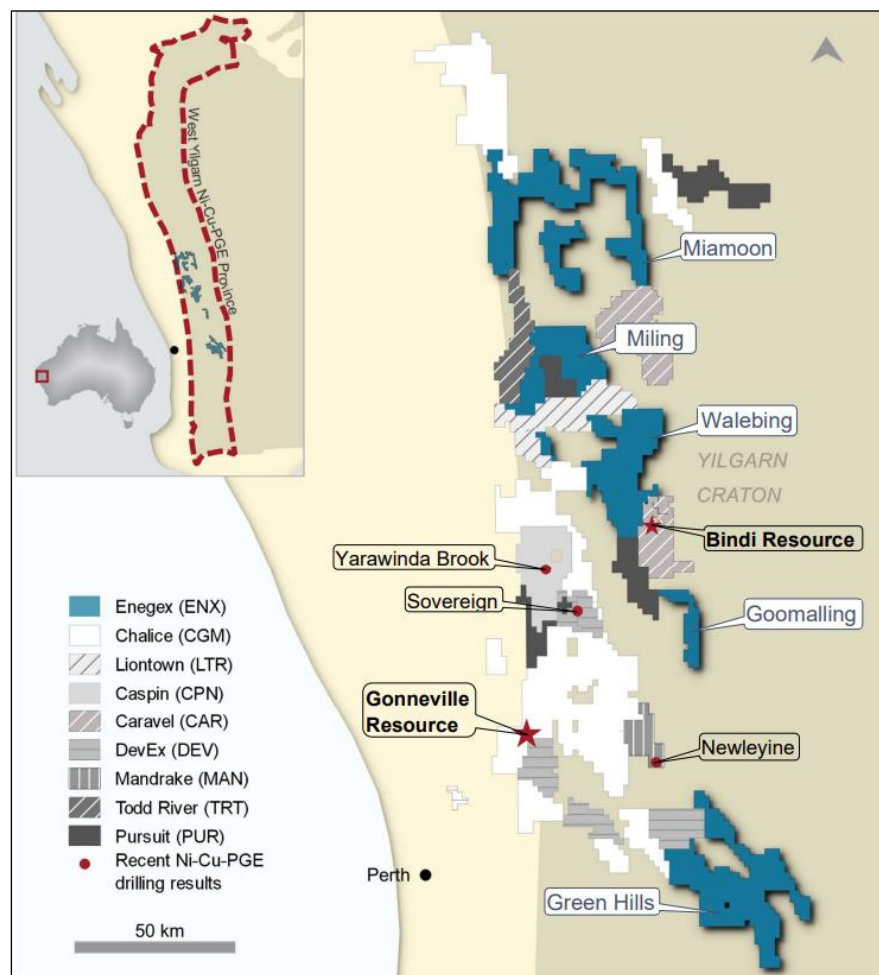


Figure 1. Eneget Tenure across the West Yilgarn Ni-Cu-PGE Province.

Enegex Project Overview

Enegex has divided its West Yilgarn tenements into five project areas; Miamoon, Miling, Walebing, Goomalling and Green Hills (**Figure 2**).

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 (**Figure 2**). 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) in an area historically interpreted to be a granitic domain.

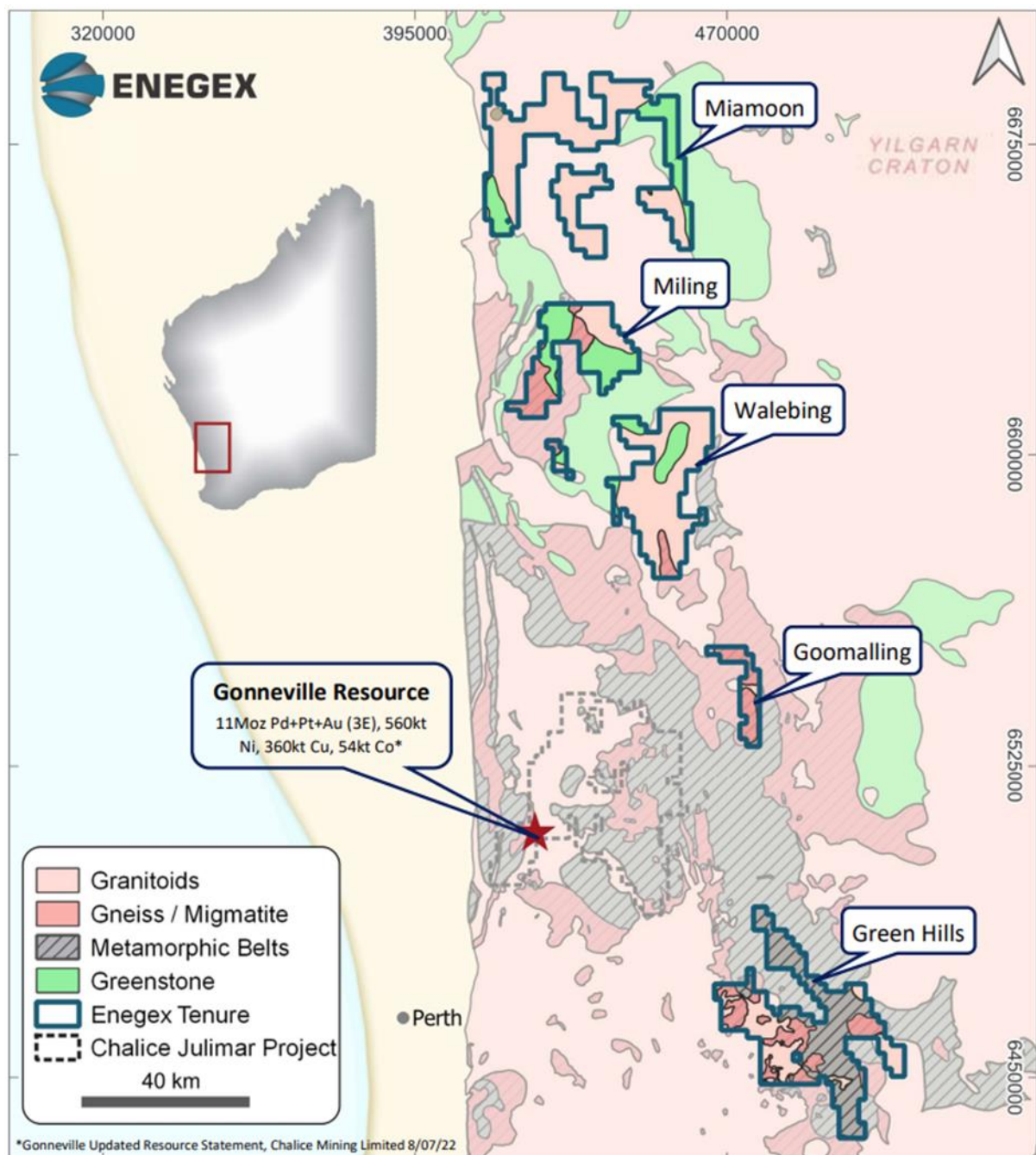


Figure 2. GSWA Interpreted bedrock geology 1:500,000 scale with Enegex Tenure.

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 including Miamoon and Milling. 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.

EnegeX's activities during the six months to 31 December 2022 are outlined below.

Miamoon Project

At its flagship Miamoon Project, EnegeX acquired an Airborne Falcon Gravity Gradiometer (AGG) survey over the western part of the Miamoon Project in late 2021 for which interpretation and modelling was subsequently completed.

Numerous geophysical target areas were defined from the gravity data interpretation and are shown on the right panel of **Figure 3**, with priority targets highlighted in red.

A first pass soil sampling program consisting of 123 samples was completed over geophysical targets 29 and 30 that are located in the far south west of the Miamoon project (**Figures 3 and 4**). Samples were sent to Genalysis Intertek and assayed using multi-element leachwell method MSQ53 with low level platinum anomalism returned. Further grab samples will be collected from a dolerite within the target area that may contain above background level levels of platinum.

A DMIRS co-funded drilling grant under the Exploration Incentive Scheme (EIS) in respect of RC drilling at the Miamoon project was previously awarded to EnegeX and is available for drilling completed in the period ending 31 May 2023. The grant is for an amount of \$90,500 and based on drilling 6 RC holes for 1600m to test the Spitfire target. As access has not been granted by freehold landholders over the 'Spitfire' and 'Crusader' priority drill target areas, it is expected that the EIS grant will lapse.

During the reporting period areas at the Miamoon Project considered to have low exploration potential were relinquished. Tenement E70/5459 was surrendered and partial surrenders were made in tenements E70/5457, E70/5460 and E70/5463. The areas were surrendered to reduce administrative overheads and to focus on more prospective areas.

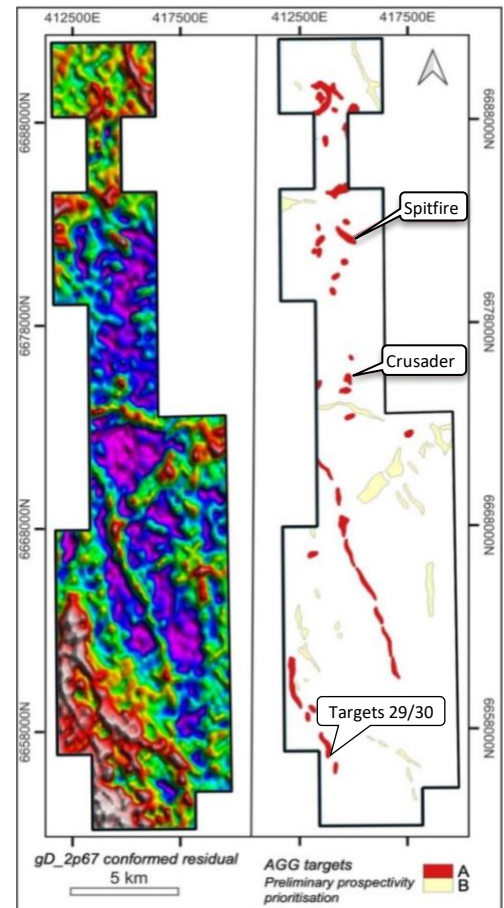


Figure 3. Miamoon Gravity Survey and anomalies.



Figure 4. Soil sampling at targets 29 and 30 at the Miamoon project.

Miling Project

Energex has a number of prioritised targets at the Miling project where magnetic anomalies are coincident with prospective stratigraphy and also where mineralised trends identified on adjacent tenements potentially extend in strike into Energex tenements (**Figure 5**).

Work continued during the reporting period aimed at gaining land access over priority target areas across the Miling project.

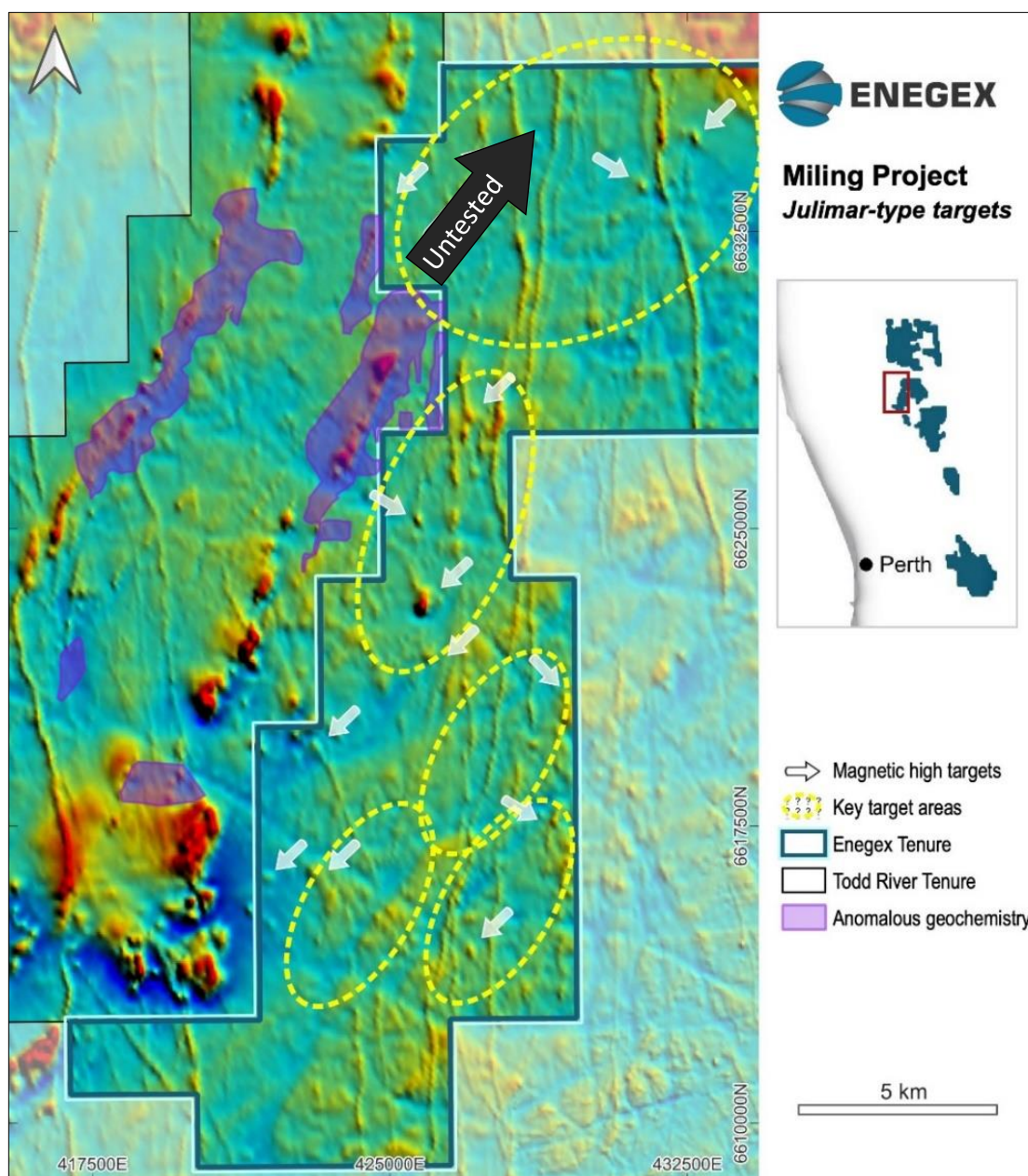


Figure 5. Miling Project target areas on magnetics and anomalous geochemistry zones.

Several occurrences of mafic and ultramafic rocks that are potential host rocks for the Ni-Cu-PGE mineralisation style that Enegeex is targeting were observed during the reporting period prior to the cropping season. Following cropping, these areas will be the focus of more detailed mapping in areas where land access has been obtained.

Other West Yilgarn Projects Areas

Enegeex's activities across its southern West Yilgarn project areas (Walebing, Goomalling and Green Hills) comprised ongoing communications and making new contacts with landowners over priority target areas. This will ensure as much land as possible will be accessible for exploration once crops are harvested to maximise field season productivity.

Negotiations with landowners in the Goomalling and Green Hills project areas commenced during the quarter and continued at the Walebing project. Landowners from the Goomalling and Green Hills project areas have generally been amenable to exploration on their land. At the Green Hills project, access was successfully negotiated for a property that contains the Edwards Crossing gold prospect. Reconnaissance mapping and sampling will be completed over this area as a priority.

Extraction and capture of soil sample data and data from 3 diamond drill holes located within and just to the east of the Walebing project were completed and uploaded to EnegeX's SQL database.

Interpretation of new datasets, in conjunction with integration of historical map and datasets, underpin target generative activities that define EnegeX's forward exploration framework. An important aspect of this process will be field checking target areas during the coming field season.

West Yilgarn Landholding Reductions

Eight tenements from the Walebing, Goomalling and Green Hills projects were subject to partial tenement relinquishment totalling 534km² during the reporting period. These partial relinquishments followed a review of EnegeX's extensive tenement holdings in light of our evolving exploration model. Areas that did not contain exploration targets were surrendered in order to reduce exposure and administrative overheads and to focus exploration on priority target areas.

Sale of Project Tenement to Caravel Minerals

In March 2023, subsequent to the end of the reporting period, an agreement was entered into for the sale of tenement E70/5442 (82.4km²) from the Walebing project to Caravel Minerals. Terms of the sales are outlined at the Subsequent Events section of this report.

Hart Project, North Kimberley - EnegeX 100%

EnegeX's Hart project consists of two tenement areas along the eastern margin of the Kimberley Basin of Western Australia (**Figure 6**). The tenements incorporate one granted tenement covering 374km² (E80/5354) and a second tenement of 350km² under application.

The geology of the Hart project has been mapped largely as a regionally extensive Proterozoic sill complex termed the "Hart Dolerite". The understanding of the geology is still developing within the project area, but mapping of the Hart Dolerite complex indicates the dolerite consists of a layered series of intrusive rocks, including mafic sills, that are mostly tholeiitic in composition. Tholeiitic compositions, although associated with a wide range of tectonic settings, are often associated with higher prospectivity for Ni, Cu, PGE, V and Ti mineralisation, concentrated in specific layers within the intrusive complex.

Previous exploration by other companies within the mafic-ultramafic intrusion units across the Halls Creek Orogen have identified a number of Ni sulphide deposits including the Savannah (Sally Malay) and Copernicus (Alicia Downs Ultramafics) deposits in addition to numerous untested prospects along the belt.

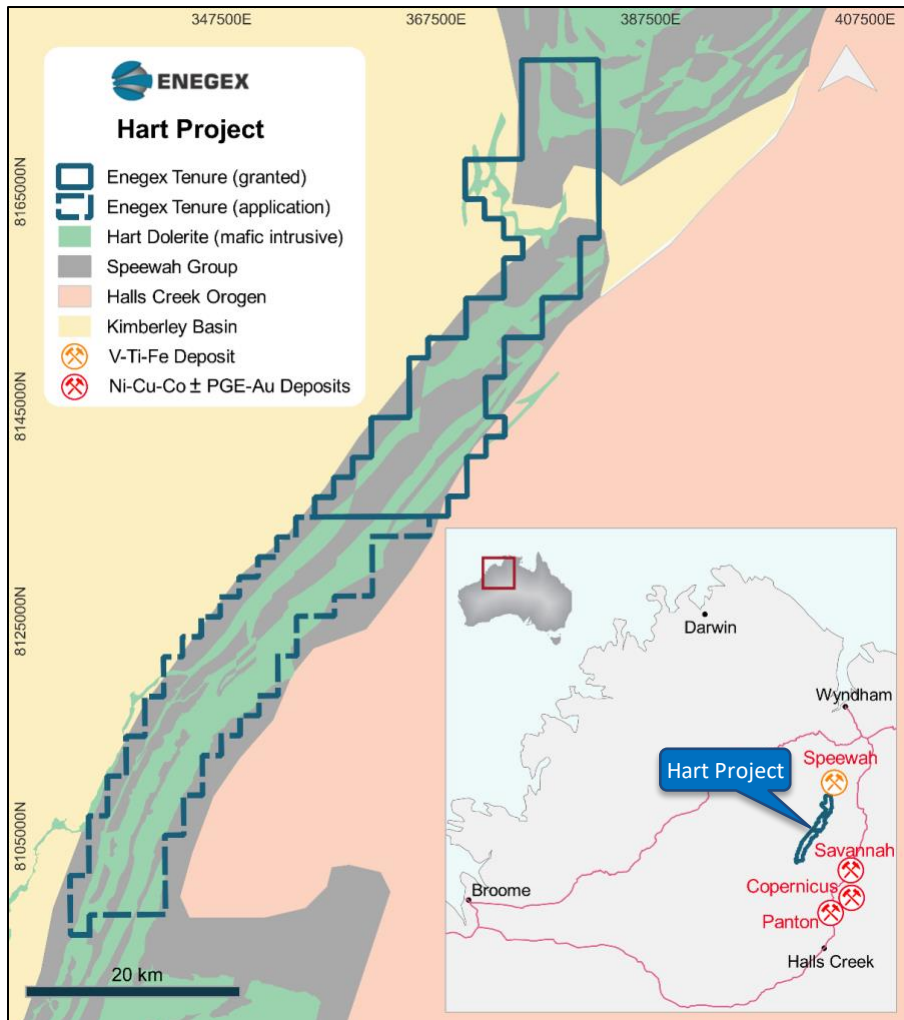


Figure 6. Hart Project Location.

A reconnaissance exploration campaign was completed between July and August 2022 (**Figure 7**). The mapping campaign highlighted a strongly magnetic gabbroic sill that is considered to be the same prospective horizon that hosts the Speewah V-Ti-Fe resource. A felsic rock unit prospective for low-sulfide style PGE-Cu-Ni mineralisation was also defined that consists of multiple horizons with an extensive lateral footprint.

A total of 214 samples were collected with a subset of approximately 140 samples selected and submitted for Aqua Regia multi-element analysis at Genalysis Intertek, Perth. A further subset of 54 and 36 samples were then submitted for 4-acid digestion method and fire assay analysis respectively.

The results confirm the potential for Ni-Cu-PGE and V-Ti mineralisation with up to 0.37% V_2O_5 and 2.14% Ti within the magnetic gabbro sill. This horizon is also anomalous in PGEs, Au, Co, Cu and Ni, but further work is required to identify zones of PGE enrichment. The anomalous results are located over a strike length of 14km.

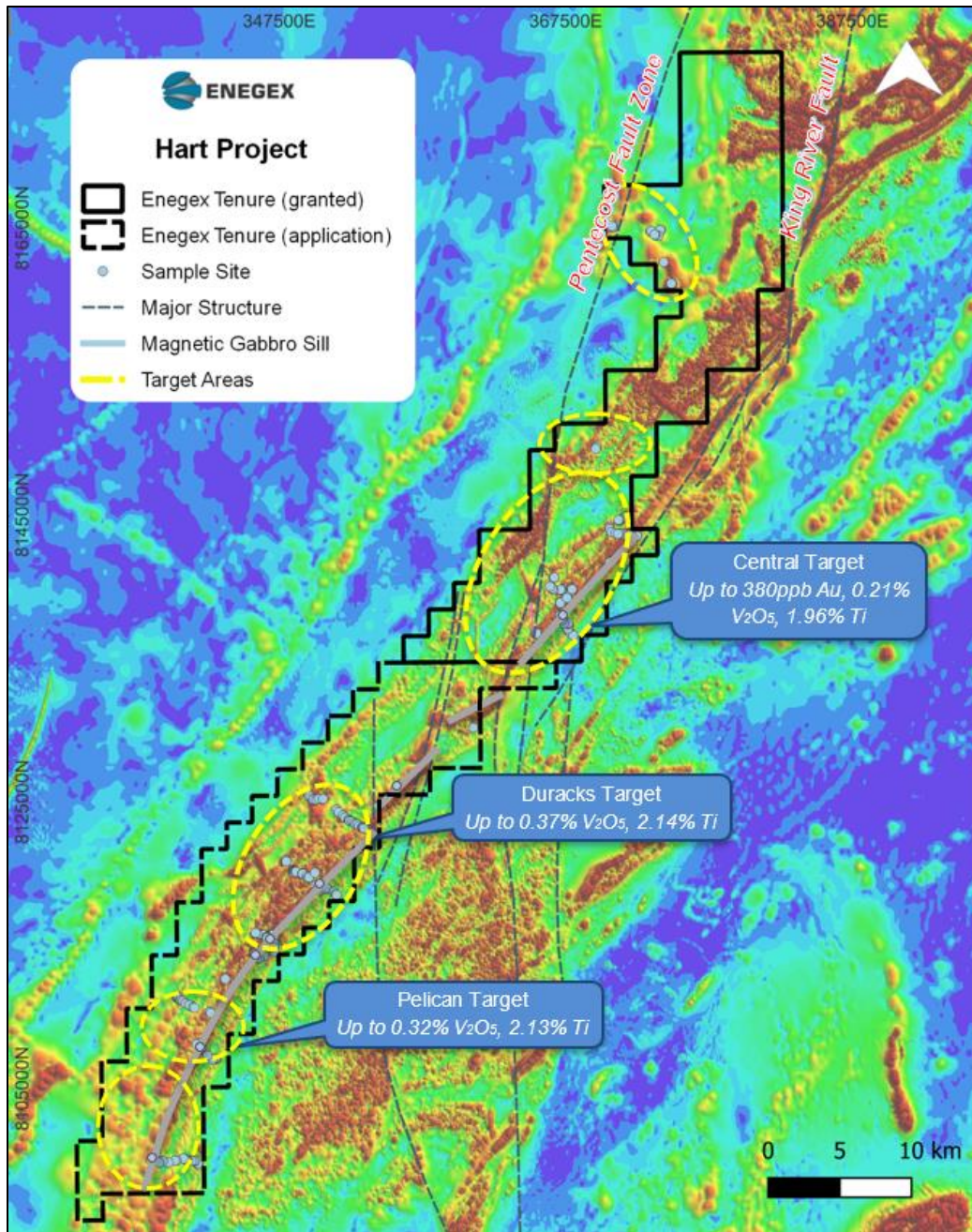


Figure 7. Location of rock chip results at the Hart Project.

A sample of felsic intrusive with 380ppb Au was returned from the northern tenement at the Central target. The sample is located between the Pentecost and King River Faults that are major regional fault structures indicating that there is potential for structurally controlled Au deposits (**Figure 7**).

Thin sections were prepared for 13 samples and SWIR analysis has been completed for 4 samples. A preliminary review of thin sections indicates that the pyrite and chalcopyrite mineralisation is not associated with magnetite and ilmenite and is more likely to be structurally controlled. Many of the SWIR data signatures were aspectral and a review of the data has not yet been completed.

All data will now be used to assess the prospectivity and to refine and update the exploration model. Target areas will be prioritised for further work and to frame potential field work programs.

Competent Person Declaration

The information in this report that relates to Exploration Results has been previously reported in the following ASX announcement:

24th November 2022 Mineralisation and Ni-Cu-PGE Potential at Hart Project

The Company is not aware of any new information or data that materially affects the information included in that market announcement.

SUBSEQUENT EVENTS

Sale of Tenement to Caravel

In March 2023 an agreement was entered into for the sale of tenement E70/5442 from the Walebing project to Caravel Minerals

In consideration for transfer of a 100% interest in E70/5442, Enegex will receive consideration as follows:

- 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.

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

Short Term Line of Credit

Effective 15 March 2023 Enegex executed a Line of Credit Facility with Australis Finance Pty Ltd, an entity associated with Mr Geoff Albers, the Chairman of the Company (Australis Facility). The Facility is for an amount of \$240,000, has an interest rate of 0%, is unsecured, and has a maturity date of 15 May 2023 and is to be repaid from the proceeds of a share placement. At the date of this report an amount of \$100,000 has been drawn down.

Proposed Placement

On 15 March 2023 Enegex went into a trading halt pending an announcement in relation to a proposed equity placement (Placement). Sufficient funds are expected to be raised to meet the Company's funding requirements for at least the next twelve months including repayment of the Australis Facility.

SHARE CAPITAL

During the half year 2,473,027 previously issued, listed options were exercised, resulting in the issue of 2,473,027 shares and raising \$74,821.

In November 2022 5,000,000 unlisted incentive options were granted following approval of shareholders at the annual general meeting.

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 2022 and to the date of signing this report.

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 23.

Signed in accordance with a resolution of the directors

A handwritten signature in black ink, appearing to read 'RL Clark', with a stylized, cursive script.

RL Clark
Director

Melbourne, 15 March 2023

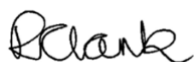
DIRECTORS' DECLARATION

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 2022 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 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	CONSOLIDATED	
	31/12/2022	31/12/2021
	\$	\$
Sundry income	21,605	46,369
Accounting and company secretary fees	(86,964)	(61,787)
Audit	(18,588)	(16,303)
Consulting	(50,650)	(13,677)
Exploration costs written off	(55,351)	-
Investor relations	-	(36,000)
Legal expenses	-	(2,100)
Office costs	(29,823)	(25,580)
Other expenses	(49,428)	(56,801)
Salaries	(26,691)	(52,763)
Share registry	(6,396)	(5,837)
Shares based payment	(51,722)	(47,772)
Stock exchange	(28,126)	(34,912)
Tenement expenses	(9,232)	(3,777)
Loss before income tax benefit	<u>(391,366)</u>	<u>(310,940)</u>
Income tax benefit	-	-
Net Loss for the half year	<u>(391,366)</u>	<u>(310,940)</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	1,925	(1,925)
Total comprehensive income for the half year	<u>(389,441)</u>	<u>(312,865)</u>
Basic and diluted loss per share	(0.00233)	(0.00208)

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 2022

		CONSOLIDATED	
	Note	31/12/2022	30/6/2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		142,195	706,486
Trade and other receivables		36,786	16,876
Prepayments	6	14,552	14,552
TOTAL CURRENT ASSETS		<u>193,533</u>	<u>737,914</u>
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income	5	12,996	11,071
Exploration and evaluation assets	7	1,732,519	1,473,059
TOTAL NON-CURRENT ASSETS		<u>1,745,515</u>	<u>1,484,130</u>
TOTAL ASSETS		<u>1,939,048</u>	<u>2,222,044</u>
CURRENT LIABILITIES			
Trade and other payables		140,703	168,631
Provisions		21,021	13,191
TOTAL CURRENT LIABILITIES		<u>161,724</u>	<u>181,822</u>
TOTAL LIABILITIES		<u>161,724</u>	<u>181,822</u>
NET ASSETS		<u>1,777,324</u>	<u>2,040,222</u>
EQUITY			
Issued capital	9	4,457,350	4,382,529
Reserves		241,730	188,083
Accumulated losses		(2,921,756)	(2,530,390)
TOTAL EQUITY		<u>1,777,324</u>	<u>2,040,222</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 2022

	Issued capital	Accumul'd losses	Financial assets at fair value through other comprehensive income	Options reserve	Total Equity
	\$	\$	\$	\$	\$
CONSOLIDATED					
At 1 July 2022	4,382,529	(2,530,390)	(10,063)	198,146	2,040,222
Loss for the half year	-	(391,366)	-	-	(391,366)
Revaluation of financial asset (net of tax)	-	-	1,925	-	1,925
Total comprehensive income for the half year	-	(391,366)	1,925	-	(389,441)
Issue of shares	74,821	-	-	-	74,821
Costs of issue	-	-	-	-	-
Issue of options	-	-	-	51,722	51,722
At 31 December 2022	4,457,350	(2,921,756)	(8,138)	249,868	1,777,324
CONSOLIDATED					
At 1 July 2021	2,930,447	(1,890,294)	45	118,342	1,158,540
Loss for the half year	-	(310,940)	-	-	(310,940)
Revaluation of financial asset (net of tax)	-	-	(1,925)	-	(1,925)
Total comprehensive income for the half year	-	(310,940)	(1,925)	-	(312,865)
Issue of shares	156,187	-	-	-	156,187
Costs of issue	(4,545)	-	-	-	(4,545)
Issue of options	-	-	-	47,771	47,771
At 31 December 2021	3,082,089	(2,201,234)	(1,880)	166,113	1,045,088

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 2022

	CONSOLIDATED	
	31/12/2022	31/12/2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers - other	(315,070)	(399,245)
Receipts for geological services	-	28,798
Net cash outflow from operating activities	<u>(315,070)</u>	<u>(370,447)</u>
INVESTING ACTIVITIES		
Payments to suppliers – tenements	(9,231)	(3,773)
Payments to suppliers – exploration	(314,811)	(623,492)
Cash outflow from investing activities	<u>(324,042)</u>	<u>(627,265)</u>
FINANCING ACTIVITIES		
Proceeds from share issues	74,821	156,187
Costs of share issues	-	(4,545)
Cash inflow from investing activities	<u>74,821</u>	<u>151,642</u>
Net (decrease) / increase in cash assets	(564,291)	(846,070)
Cash assets at the beginning of the half year	706,486	961,700
Cash assets at the end of the half year	<u>142,195</u>	<u>115,630</u>

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 2022

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 consolidated financial report of the company for the half year ended 31 December 2022 comprises the company and its subsidiaries (together referred to as the "consolidated entity" or "the group").

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 2022. All accounting policies are consistent with those applied at 30 June 2022.

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 2022, made in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Listing Rules of the ASX.

Basis of Preparation

These general purpose financial statements for the half year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

The half year financial report has been prepared on an historical cost basis less impairment losses, except for financial assets at fair value through other comprehensive income that are measured at fair value. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

Going concern

For the half year ended 31 December 2022 the Group incurred cash outflows from operating and investing activities of \$639,112 (December 2021: \$997,712) and a net loss after tax of \$391,366 (2021: \$310,940). As at 31 December 2022, the Group has positive working capital of \$31,809 (June 2022: \$556,092).

Effective 15 March 2023 Enegex executed a Line of Credit Facility (Facility) with Australis Finance Pty Ltd, an entity associated with Mr Geoff Albers, the Chairman of the Company, to provide working capital for the Company until a share placement is completed (Australis Facility). The Facility is for an amount of \$240,000 and has a maturity date of 15 May 2023. The Facility which has an interest rate of 0% and is unsecured, is to be repaid from the proceeds of a share placement. At the date of this report the amount drawn from the Facility is \$100,000.

On 15 March 2023 Enegex went into a trading halt pending an announcement in relation to a proposed equity placement (Placement). Sufficient funds are expected to be raised to meet the Company's funding requirements for at least the next twelve months including repayment of the Australis Facility. (Note 4)

On the bases of the Australis facility to fund working capital and the expectation that a Placement will raise sufficient funds to meet the Company's funding requirements for at least the next twelve months including repayment of the Australis Facility, Directors expect that the Group will be continue as a going concern for at least 12 months from the signing of the half-year financial report

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 available (through the Placement outlined above or through other means) to meet all of the Group's commitments, debt and payables, all assets and liabilities may not be realised at the amounts disclosed. These events and conditions represent a material uncertainty relating to going concern. 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 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.

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 March 2023 an agreement was entered into for the sale of tenement E70/5442 from the Walebing project to Caravel Minerals for which Completion is expected to occur before the end of March 2023.

In consideration for transfer of a 100% interest in E70/5442, EnegeX will receive consideration as follows:

- 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.

Effective 15 March 2023 EnegeX executed a Line of Credit Facility (Facility) with Australis Finance Pty Ltd, an entity associated with Mr Geoff Albers, the Chairman of the Company (Australis Facility). The Facility is for an amount of \$240,000 and has a maturity date of 15 May 2023. The Facility which has an interest rate of 0% and is unsecured, is to be repaid from the proceeds of a share placement. At the date of this report funds of \$100,000 have been drawn from the Facility.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 4 EVENTS SUBSEQUENT TO BALANCE DATE (continued)

On 15 March 2023 EnegeX went into a trading halt pending an announcement in relation to a proposed equity placement. Sufficient funds are expected to be raised to meet the Company's funding requirements for at least the next twelve months including repayment of the Australis Facility.

NOTE 5 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	CONSOLIDATED	
	31/12/2022	30/06/2022
	\$	\$
Investment in listed equities (Genex Limited)	12,996	11,071
	=====	=====

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).

The company's financial assets measured and recognised at fair value at 31 December 2022 on a recurring basis are as follows:

31 December 2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Listed securities	12,996	-	-	12,996
Unlisted securities	-	-	-	-
Total	12,996	-	-	12,996

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 2022. The carrying amounts of cash and cash equivalents, current receivables and current payables are considered to be a reasonable approximation of their fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	CONSOLIDATED	
	31/12/2022	30/6/2022
	\$	\$
NOTE 6 PREPAYMENTS		
<i>Prepaid tenement rent</i>		
Balance at the beginning of the period	14,552	14,552
Costs for the year	-	-
Transferred to exploration assets	-	-
Balance at the end of the period	<u>14,552</u>	<u>14,552</u>

As at 31 December 2022 the company has one tenement application (2021: one application). If the tenement is granted rent paid on application will cover rent required on the first year of exploration in the tenement. If the tenement is not granted the rent paid on application is fully refundable.

	CONSOLIDATED	
	31/12/2022	30/6/2022
	\$	\$
NOTE 7 EXPLORATION AND EVALUATION ASSETS		
<i>Areas of interest in the exploration and evaluation phase</i>		
Balance at the beginning of the period	1,473,059	263,719
Costs for the period	314,811	1,209,340
Costs written off (1)	(55,351)	-
Balance at the end of the period	<u>1,732,519</u>	<u>1,473,059</u>

(1) On 2 December 2022 a full relinquishment was made for E70/5459.

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:

31/12/2022	30/06/2021	Notes
E80/5354	E80/5354	Granted 23/11/2020
E70/5439	E70/5439	Granted 5/01/2021
E70/5440	E70/5440	Granted 5/01/2021
E70/5441	E70/5441	Granted 5/01/2021
E70/5442	E70/5442	Granted 5/01/2021
E70/5631	E70/5631	Granted 19/05/2021
E70/5444	E70/5444	Granted 4/01/2021
E70/5445	E70/5445	Granted 4/01/2021
E70/5446	E70/5446	Granted 4/01/2021
E70/5457	E70/5457	Granted 24/12/2020
E70/5458	E70/5458	Granted 9/04/2021
-	E70/5459	Surrendered 2/12/2022
E70/5460	E70/5460	Granted 23/03/2021
E70/5463	E70/5463	Granted 24/12/2020
E70/5566	E70/5566	Granted 19/03/2021
E70/5567	E70/5567	Granted 19/03/2021
E70/5568	E70/5568	Granted 10/03/2021
E70/5569	E70/5569	Granted 10/03/2021
E70/5570	E70/5570	Granted 10/03/2021
E70/5571	E70/5571	Granted 10/03/2021
E70/5580	E70/5580	Granted 19/03/2021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 8 COMMITMENTS

The minimum expenditure requirements in exploration permits held by the consolidated entity at reporting date:

	31/12/2022	30/6/2022
	\$	\$
Not longer than 1 year ⁽¹⁾	747,750	1,036,000
Longer than 1 year and not longer than 5 years ⁽¹⁾	3,851,000	7,000,000
	4,598,750	8,036,000

(1) On 2 December 2022 partial tenement relinquishments were executed in eleven tenements and a full relinquishment was made for E70/5459.

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 9 EQUITY SECURITIES ISSUED

During the half year 2,473,027 previously issued, listed options were exercised, resulting in the issue of 2,473,027 shares and raising \$74,821.

3,819,748 listed options lapsed during the half year.

In November 2022 5,000,000 unlisted incentive options were granted following approval of shareholders at the annual general meeting.

NOTE 10 SHARED BASED PAYMENT

Share options to directors, employees and consultants

5,000,000 options in total were granted to directors, employees and consultants in the half year ended 31 Dec 2022. (Dec 2021: 1,250,000). All 5,000,000 options granted have a service period vesting condition so the cost of the options are amortised over the life of the option.

5,000,000 options in total (exercisable at \$0.04 (4 cents) on or before 25 November 2024) were granted to directors, employees and consultants on 25/11/22. The accounting value of the options granted was \$43,351 with the share based payment expense for the half year \$2,135.

Share based payment expense for the half year from amortisation of prior period grants was \$49,587.

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Auditor's Independence Declaration

To the Directors of Energex Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Energex Limited for the half-year ended 31 December 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 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 2023

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Independent Auditor's Review Report

To the Members of Enege Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Enege Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, 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 Enege Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Enege Limited's financial position as at 31 December 2022 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 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group had net cash outflows from operating and investing activities of \$639,112 and incurred a net loss of \$391,366 during the half year ended 31 December 2022. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 2022 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 2023