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Annual Report 2020

ENEGEX LIMITED

ABN 28 160 818 986

CORPORATE DIRECTORY

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

COMPANY SECRETARY

R.J. Wright

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and Principal Administration Office**
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Stock Exchange Listing

ASX Limited
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

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CHAIRMAN'S REVIEW

Enegex Limited ("Enegex") is a resources company with its focus being to seek opportunities that may be created by new technologies and techniques in energy generation, transmission and storage, with a particular emphasis on the natural resources required to advance those new technologies.

In recent months, Enegex investigated and identified exploration opportunities in the South-West Terrane of Western Australia, which is emerging as a substantial mineral province.

Enegex has secured a tenement application position covering more than 3,500km². Enegex believes the exploration licence applications offer the opportunity for the discovery of a wide range of minerals.

Following the grant of exploration licences, Enegex intends to conduct exploration activities with a multi-commodity approach, with the immediate focus being on magmatic Ni-Cu-PGE deposits, porphyry Cu-Au deposits and Au deposits. It will also be vigilant regarding the potential for pegmatite Li-Ta-Sn deposits and ion absorption REE deposits.

Enegex is also continuing to progress its applications for two exploration licenses in the eastern margin of the East Kimberley Basin of Western Australia targeting Vanadium, Cobalt-Nickel, PGE and Fluorite mineralisation.

I thank my co-directors for their support during the year and welcome to our register new shareholders resulting from our recent share placement.



E.G. Albers
Chairman
17 September 2020

DIRECTORS' REPORT

The directors present their report on the results and state of affairs of Enegex Limited (“Enegex”, “the Company” or “the Group”) for the year ended 30 June 2020.

PRINCIPAL ACTIVITY

The principal activity of the company during the financial year ended 30 June 2020 was the exploration for natural resources, unchanged since the incorporation of the Company.

FINANCIAL RESULTS FOR THE YEAR

The company recorded an operating loss after income tax for the year ended 30 June 2020 of \$202,987 (2019: \$307,079).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than outlined in this report there have been no significant changes in the state of affairs during the financial year and to the date of this report.

DIVIDENDS

No dividend has been paid, provided or recommended during the financial year and to the date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The likely developments in the company’s operations in future years and the expected result from those operations are highly dependent on success in the permit areas in which the company holds an interest.

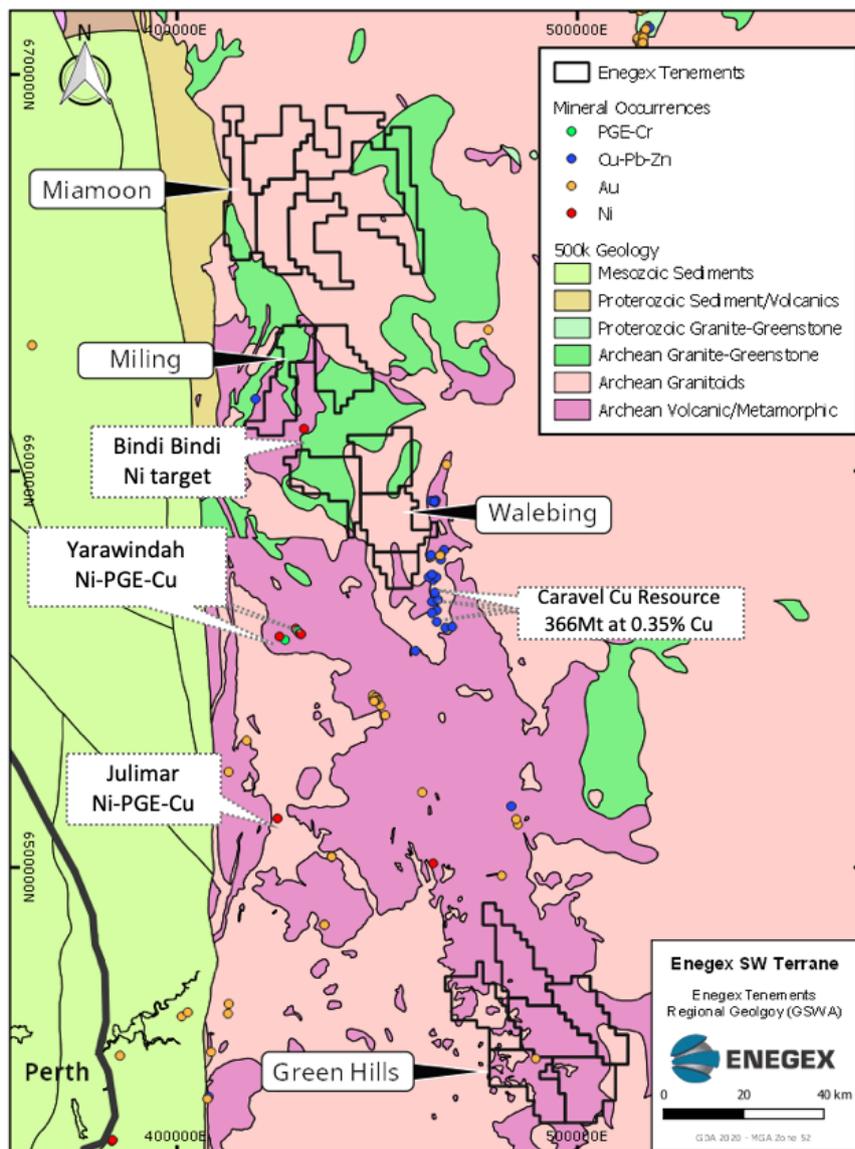
REVIEW OF FINANCIAL POSITION

At 30 June 2020, the company had a working capital (current assets less current liabilities) deficit of \$69,085 (2019: Surplus \$133,902).

REVIEW OF OPERATIONS

South West Terrane Initiative

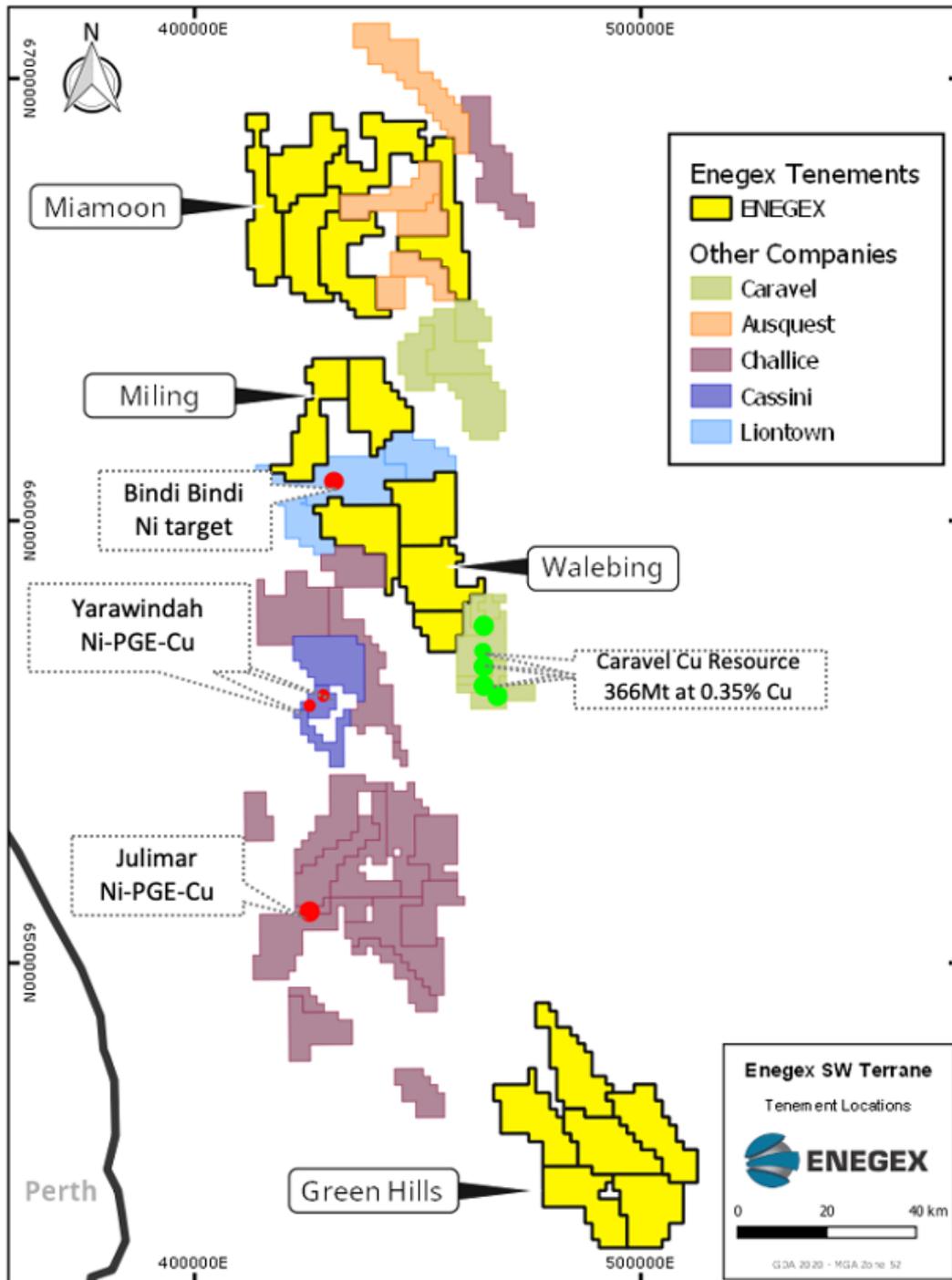
During the year, EnegeX initiated a major exploration play in the South West Terrane, Western Australia, which it expanded with further exploration licence applications in August 2020, to cover an area of over 3,550km².



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 Chalice Gold Mines Limited at its Julimar Project and Caravel Minerals Ltd's Caravel copper deposit.

Based on regional geophysical and geological data, EnegeX's northern 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 Chalice to the south.

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 Amira during the 1990's 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.



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 Caraval 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 a magnetic layered gabbroic complex. Similar gabbroic bodies with similar magnetic features, 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 Ltd of the Caraval 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 a 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 has long been recognized as one of the world's premier bauxite mining provinces.

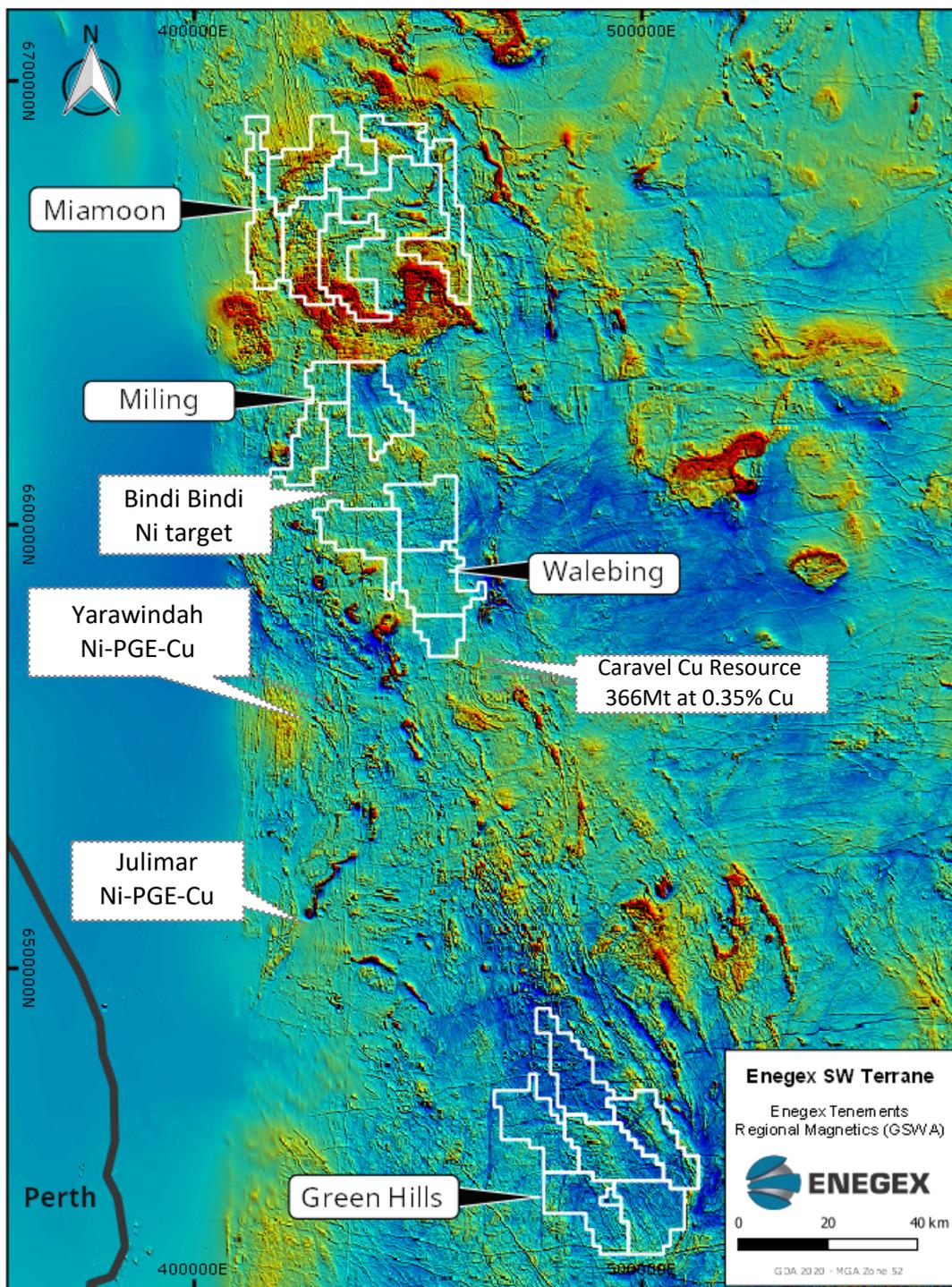
Enegex believes that the combination of the presence of wide-spread highly radioactive granitoids and a deeply weathered laterite profile covering large areas of the South West Terrane is also an attractive environment for the discovery of ion adsorption REE deposits.

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

Enegex's new project areas contain interpreted Archean 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.

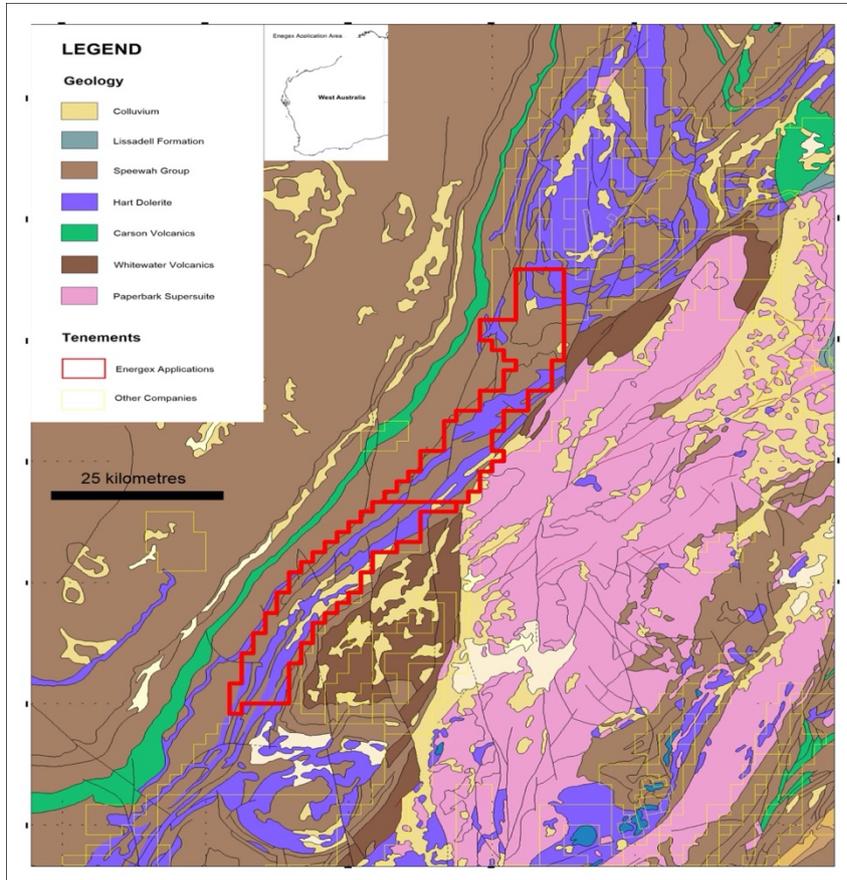
¹ Combined Indicated and Inferred Mineral Resources, Source: Caravel Minerals announcement 3 February 2019
<https://caravelminerals.com.au/wp-content/uploads/2019/02/2019-02-13-Major-Increase-in-Caravel-Copper-Resource.pdf>

Although the South West Terrane contains a prestigious suite of mineral resources and mines, it has been subject to limited exploration. The tenement package acquired by EnegeX has received little exploration attention from previous explorers.



Kimberley Basin Exploration Licences

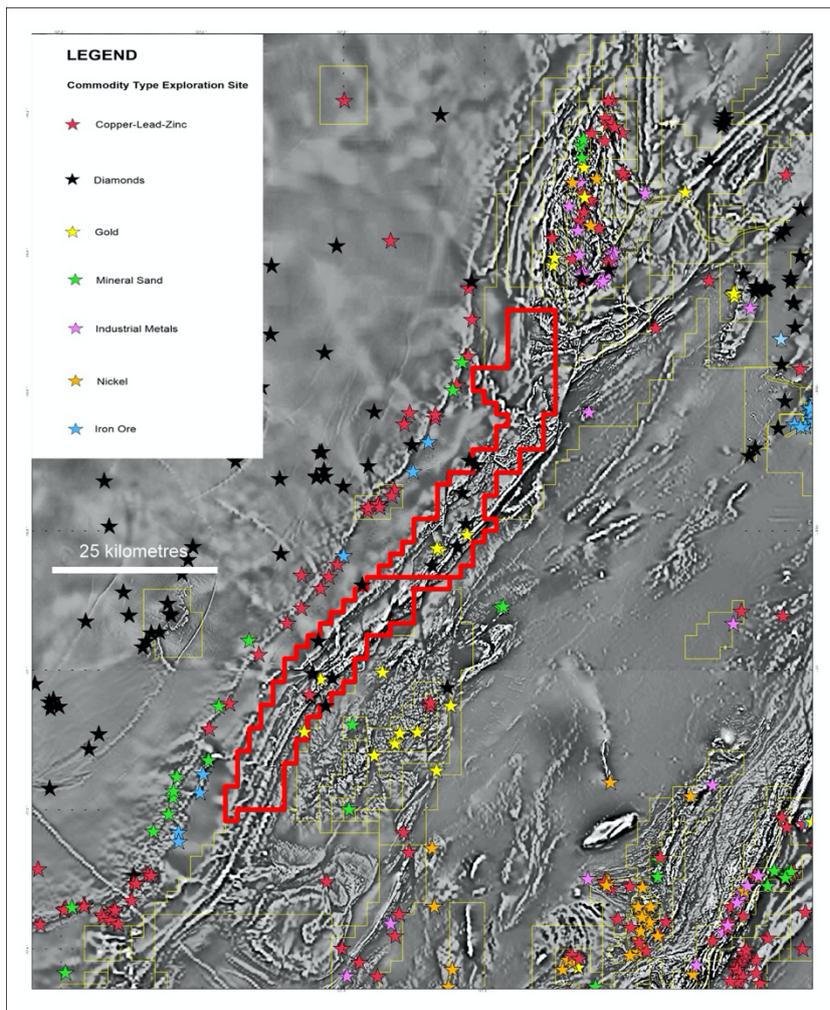
Enegex has applied for two exploration license applications in the eastern margin of the Kimberley Basin of Western Australia covering an area of rocks identified as prospective for vanadium, cobalt-nickel, PGE and fluorite mineralisation.



The geology of the tenements has been mapped as “Hart Dolerite”, a regionally extensive Proterozoic mafic sill complex which was historically overlooked as a potential nickel target. Previous exploration in the area has been limited to gold and diamonds.

Enege has identified recent advances in geological understanding that have altered perceptions regarding the prospectivity of the Hart Dolerite:

- Mapping and exploration of the Speewah Dome, immediately to the north of the Enege tenement areas, has revealed the Hart Dolerite to be a differentiated layered intrusion (Intrusive Suite) and that the most prospective part of the Intrusive Suite is the Disseminated Magnetite Gabbro unit which hosts the Speewah Dome Vanadium Deposit (adjacent to the Enege application area). The presence of disseminated gold- and copper-bearing sulphides in the upper magnetite-rich parts of the Intrusive Suite indicates potential for reef-type PGE mineralization.
- Regolith sampling by the Geological Survey of Western Australia (GSWA) identified coincident nickel-cobalt anomalies associated with the Hart Dolerite which provides encouragement to explore the intrusion for these metals.



In the Speewah area the Hart Dolerite was subject to a late-stage epithermal event with carbonate and fluorite overprinting the dolerite. Fluoride is currently being investigated as a potential replacement for lithium in batteries.

Limited previous exploration has not determined which portions of the differentiated magmatic sequence of the Intrusive Suite are exposed in the Enege application areas. Thus, following grant of the exploration licenses, Enege intends to assess the magmatic stratigraphy of the Intrusive Suite and explore primarily for nickel, copper, cobalt, PGE, gold and fluorite.

Both tenements are proceeding through the Native Title Tribunal process.

DIRECTORS

The directors in office during the entire financial year and to the date of this report were:

EG Albers LLB, FAICD

Chairman since 12/4/17

Director since 1/10/15

Mr Albers has over 35 years' experience as a director and administrator in corporate law, resource exploration and investment.

Mr Albers is also a director of the ASX listed companies Octanex Limited and Peako Limited.

RL Clark B.Bus (dist), CA, MAICD, AGIA, ACIS

Executive Director

Director since 12/10/15

Mrs Clark has more than 20 years' experience focussed primarily on the natural resources sector. Her experience includes business development, financial modelling and analysis, capital raising and mergers and acquisitions, as well as managing joint venture partners, government, regulator and investor relations.

Mrs Clark is also a director of the ASX listed companies Octanex Limited and Peako Limited.

AP Armitage FCA FAICD

Non-Executive Director

Director since 11/4/17

Mr Armitage began his professional career with an international accounting firm. After qualification he was invited into partnership of a national firm. Since the early 1980s he has been a director of a number of listed exploration companies in both Australia and New Zealand.

COMPANY SECRETARY

RJ Wright B Bus, CPA – appointed 17 October 2012

Mr Wright is a senior financial professional with over 30 years commercial experience in the resource, energy and manufacturing industries gained at various companies and locations, including 14 years at BHP. As well as carrying out his secretarial duties for EnegeX, he is the company's Chief Financial Officer and the Company Secretary and CFO of the ASX listed companies Octanex Limited and Peako Limited. Mr Wright is a member of CPA Australia.

BOARD AND COMMITTEE MEETINGS

There were no formal board and committee meetings held during the year. All matters that required formal Board resolutions were dealt with via written circular resolutions. The directors met and corresponded at numerous times throughout the financial year to discuss the Group's affairs. The board undertakes all audit committee functions

SHARE CAPITAL**ORDINARY SHARES**

No shares were issued during the year to 30 June 2020. On 20 August 2020 the company completed a share placement, issuing 20,000,000 ordinary shares and raising \$440,000 before costs and issuing.

OPTIONS

No options were issued during the year and to the date of this report.

REMUNERATION REPORT

This report is audited.

Directors / Executives	Position Held
EG Albers	Non-Executive Chairman
RL Clark	Executive Director
AP Armitage	Non-Executive Director

During the year there were no employees or consultants to the company that meet the definition of key management personnel, other than the directors.

Remuneration levels are reviewed annually.

Director Remuneration

During the year under review, directors were remunerated a total of \$Nil (2019: \$Nil).

There is no performance related remuneration for directors. Directors' remuneration paid covers all board activities including serving on committees.

ENEGEX LIMITED

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Remuneration Report (continued)

The directors do not receive employee benefits, including annual leave and long service leave, but remuneration may include the grant of options (share based payments) over shares of the company so as to align directors' interests with that of the shareholders.

There is no direct relationship between remuneration of directors and the company's performance since incorporation.

Components of directors' compensation are disclosed below.

		<i>Short Term</i>		<i>Post Employment</i>	<i>Equity Settled</i>	<i>Total</i>	
	<i>Year</i>	<i>Direct ors Fees \$</i>	<i>Other Fees \$</i>	<i>Super annuation \$</i>	<i>Options \$</i>	<i>\$</i>	<i>Options as percentage of Total</i>
EG Albers	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
RL Clark	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
AP Armitage	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
TOTAL	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-

There were no shares or options issues to directors as part of compensation during the year ended 30 June 2020.

Directors' interests in shares

The number of shares in the company held during by each director, including their related parties, is set out below:

Directors	Held at 1 July 2019	Net Change Other	Held At 30 June 2020
EG Albers	32,904,849	-	32,904,849
RL Clark	75,000	-	75,000
AP Armitage	-	-	-
	<u>32,979,849</u>	<u>-</u>	<u>32,979,849</u>

End of Remuneration Report

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year and to the date of this report, the company did not pay premiums in respect of contracts insuring officers or auditors of the company against liabilities arising from their position of officers or auditor of the company.

ENVIRONMENT, HEALTH AND SAFETY

The company has adopted an environmental, health and safety policy and conducts its operations in accordance with industry best practice.

There were no known contraventions of any relevant environmental regulations by the company, its subsidiary or by the operator of any of the permits in which an interest is held.

The company believes all injuries are avoidable and has policies and procedures to ensure employees and contractors manage safety accordingly. The company monitors and evaluates its procedures. During the year there were no known contraventions of health and safety by the company or reported health and safety incidents.

CORPORATE GOVERNANCE STATEMENT

A corporate governance statement reporting on Enegex's governance framework, principles and practices is provided on the Enegex website www.enegex.com.au.

WEBSITE

The company has a website that can be found at www.enegex.com.au where relevant company documents and information are displayed.

EVENTS SINCE BALANCE DATE

On 7 August 2020 the group applied for six additional exploration permits in the South West Terrane, Western Australia, an emerging new Nickle-Copper-Cobalt-PGE province.

On 20 August 2020 the company completed a share placement raising \$440,000 before costs.

On 27 August 2020 the company announced a 1 for 3 pro-rate non-renounceable rights issue to raise up to approximately \$737,998.

PROCEEDINGS ON BEHALF OF THE COMPANY

There are no proceedings on behalf of the company.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

A copy of the Auditor's Independence Declaration, as required under Section 307C of the Corporations Act 2001, is attached on page 37 and forms part of this Directors' Report for the year ended 30 June 2020.

No fees were paid to the auditor for non-audit services.

Signed in accordance with a resolution of the directors.



R.L. Clark
Director
Melbourne, 17 September 2020

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. 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 and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001;
 - (b) give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
 - (c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. The remuneration disclosures included in pages 10 to 11 of the Directors' Report, (as part of the audited Remuneration Report), for the year ended 30 June 2020, comply with section 300A of the Corporations Act 2001.
4. The directors have been given the declarations by the executive officer and the financial officer required by section 295A of the Corporations Act.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



R.L. Clark
Director
Melbourne, 17 September 2020

ENEGEX LIMITED

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
Interest income		289	3,433
Interest costs		(534)	-
Expenses	2	<u>(202,742)</u>	<u>(310,512)</u>
		<u>(202,987)</u>	<u>(307,079)</u>
Loss before income tax expense		(202,987)	(307,079)
Income tax expense	3	-	-
Loss for the year		<u>(202,987)</u>	<u>(307,079)</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		(4,813)	(3,370)
Total comprehensive income for the year		<u>(207,800)</u>	<u>(310,449)</u>
		cents	cents
Basic loss per share (cent per share)	15	(0.252)	(0.381)
Diluted loss per share (cent per share)	15	(0.252)	(0.381)

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

ENEGEX LIMITED

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	4	50,138	139,914
Trade and other receivables	5	5,797	2,809
Prepayments	6	139,688	30,056
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		195,623	172,779
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income	7	19,735	24,548
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		19,735	24,548
		<hr/>	<hr/>
TOTAL ASSETS		215,358	197,327
CURRENT LIABILITIES			
Trade and other payables	8	134,136	38,877
Interest bearing liabilities	9	130,572	-
		<hr/>	<hr/>
TOTAL LIABILITIES		264,708	38,877
		<hr/>	<hr/>
NET ASSETS		(49,350)	158,450
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Issued capital	10	1,366,891	1,366,891
Reserves		(1,399)	3,414
Accumulated losses		(1,414,842)	(1,211,855)
		<hr/>	<hr/>
TOTAL EQUITY		(49,350)	158,450
		<hr/> <hr/>	<hr/> <hr/>

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

ENEGEX LIMITED

ABN 28 160 818 986

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Issued capital	Accumulated losses	Financial assets at fair value through other comprehensive income	Total Equity
	\$	\$	\$	\$
At 1 July 2019	1,366,891	(1,211,855)	3,414	158,450
Loss for the year	-	(202,987)	-	(202,987)
Revaluation of financial asset (net of tax)	-	-	(4,813)	(4,813)
Total comprehensive income for the year	-	(202,987)	(4,813)	(207,800)
At 30 June 2020	1,366,891	(1,414,842)	(1,399)	(49,350)
At 1 July 2018	1,366,891	(904,776)	6,784	468,899
Loss for the year	-	(307,079)	-	(307,079)
Revaluation of financial asset (net of tax)	-	-	(3,370)	(3,370)
Total comprehensive income for the year	-	(307,079)	(3,370)	(310,449)
At 30 June 2019	1,366,891	(1,211,855)	3,414	158,450

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

ENEGEX LIMITED

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(76,265)	(99,256)
Interest received		653	4,060
		<u> </u>	<u> </u>
Net cash outflow in operating activities	(i)	(75,612)	(95,196)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to suppliers - exploration		(120,164)	(51,942)
		<u> </u>	<u> </u>
Net cash outflow from investing activities		(120,164)	(51,942)
		<u> </u>	<u> </u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		106,000	-
		<u> </u>	<u> </u>
Net Cost inflow from financing activities		106,000	-
		<u> </u>	<u> </u>
Net decrease in cash and cash equivalents		(89,776)	(147,138)
Cash and cash equivalents at the beginning of the year		139,914	287,052
		<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT YEAR END	4	50,138	139,914
		<u> </u>	<u> </u>
(i) RECONCILIATION OF LOSS TO NET CASH OUTFLOW IN OPERATING ACTIVITIES			
Loss after income tax		(202,987)	(307,079)
Exploration expensed		29,636	5,315
Impairment of asset		-	201,820
<i>Changes in Assets and Liabilities:</i>			
Increase in payables		100,727	4,997
Decrease in receivables		(2,988)	(249)
		<u> </u>	<u> </u>
Net cash outflow from operating activities		(75,612)	(95,196)
		<u> </u>	<u> </u>

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

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NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2020****NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

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 108 Marlborough Street, Bentleigh East, Victoria 3165. The consolidated financial report of the company for the year ended 30 June 2020 comprises the company and its subsidiaries (together referred to as the “consolidated entity” or “the group”) and the consolidated entity’s interest in joint operations. Financial information for EnegeX Limited as an individual entity is included in Note 18. The financial report was authorised by the directors for issue on 17 September 2020. The principal activity of the company during the year was natural resources exploration, evaluation and investment.

(a) Statement of compliance

The consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, including the Accounting Interpretations, issued by the Australian Accounting Standards Board (‘AASB’) and the *Corporations Act 2001*. The financial report of the company complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

The consolidated financial report is presented in Australian dollars which is the company’s functional currency and is prepared on the accrual and historical cost basis. The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in note 1(m).

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2020***Going concern*

For the year ended 30 June 2020 the Group incurred a net cash outflow from operating and investing activities of \$195,776 (2019: \$147,138) and a net loss after tax of \$202,742 (2019: \$307,079). As at 30 June 2020, the Group has negative working capital of \$69,085 (2019: positive \$148,231) and a net asset deficiency of \$49,350 (2019 net asset surplus \$158,450).

The financial report has been prepared on a going concern basis. The Group raised \$440,000 (before costs) in a share placement completed in August 2020. Directors expect that the Group will raise approximately \$737,000 from a rights issue announced 27 August 2020 to enable it to continue to meet its debts, if and when they fall due, for at least 12 months from the signing of the annual financial report.

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

The company has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the company.

The adoption of the new and revised Australian Accounting Standards and Interpretations, including AASB 16 leases, has had no impact on the company's accounting policies or the amounts reported during the current year.

(c) Exploration and evaluation expenditure

Exploration and evaluation assets, including the costs of acquiring permits or licences, are capitalised as exploration and evaluation assets on an area of interest basis. Exploration and evaluation assets are only recognised if the rights to tenure of the area of interest are current and either:

- i. the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale or partial sale: or
- ii. activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

The tests contained in AASB6.20 are applied to determine whether exploration and evaluation assets are assessed for impairment:

- 1) the exploration and evaluation tenure right has expired or are expected to expire in the near future, and is not expected to be renewed.
- 2) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- 3) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- 4) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2020****NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)**

Proceeds from the sale of exploration permits or recoupment of exploration costs from farmin arrangements are credited against exploration costs previously capitalised. Any excess of the proceeds over costs recouped are accounted for as a gain on disposal.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are provided for as part of the cost of those activities. Costs are estimated on the basis of current legal requirements, anticipated technology and future costs that have been discounted to their present value. Estimates of future costs are reassessed at each reporting date.

(d) Trade and other receivables and contract assets

The company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and at call bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Impairment of assets

The carrying amounts of the company's assets are reviewed at each reporting date to determine whether there are indicators of impairment. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

(g) Share capital

Ordinary share capital is recognised at the fair value of the consideration received by the company. Transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the consideration received, net of any related income tax benefit.

(h) Provisions

A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2020****NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)****(i) Trade and other payables**

Trade, accruals and other payables are recorded initially at fair value and subsequently at amortised cost. Trade payables are non-interest bearing and are normally settled on 60-day terms.

(j) Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(k) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2020****NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)****(k) Income tax (continued)**

The initial recognition of assets or liabilities that do not affect accounting nor taxable profit is not provided for in determining deferred tax amounts. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be applied. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company recognises deferred tax assets arising from unused tax losses of the company to the extent that is probable that future taxable profits of the company will be available against which the asset can be utilised.

(l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(m) Accounting estimates and judgements

Management determine the development, selection and disclosure of the company's critical accounting policies and estimates and the application of these policies and estimates. Other than as disclosed in these notes there are no estimates and judgements that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Work requirements achieved by farm-ins materially reduce the level of expenditure incurred by the company to comply with work program commitments.

Management has determined that realisation of the estimated deferred tax asset arising from tax losses and temporary differences is not probable and has not brought to account the asset at balance date (Note 3).

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2020****NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)****(m) Accounting estimates and judgements (continued)**

Per Note 1(c) and 1(f) management exercise judgement as to the recoverability of exploration expenditure. Any judgement may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off through profit or loss and other comprehensive income.

(n) Fair value

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures. Fair values for financial instruments traded in active markets are based on quoted market prices at statement of financial position date. The quoted market price for financial assets is the current bid price and the quoted market price.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Assumptions used are based on observable market prices and rates at balance date. Estimated discounted cash flows are used to determine fair value of the remaining financial instruments.

The carrying value (less impairment provision of trade receivables and payables) are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments

(o) Foreign Currency Translation

The functional and presentation currency of the company is Australian dollars (A\$).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2020

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to members of EnegeX, adjusted for the after-tax effect of preference dividends on preference shares, if any, classified as equity, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(q) New and revised accounting standards issued not yet effective

The company has adopted all of the new and revised Accounting Standards issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2019.

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.

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NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2020

	NOTE	2020 \$	2019 \$
NOTE 2 EXPENSES			
Audit and other related fees		27,637	26,650
Consultants fees		15,959	1,603
Licence Fees		18,979	-
Impairment of exploration asset		-	201,820
Office costs		70,011	22,717
Stock exchange and registry costs		20,979	20,878
Other expenses		49,177	36,844
		<u>202,742</u>	<u>310,512</u>
NOTE 3 INCOME TAX BENEFIT			
Components of income tax benefit			
Current tax benefit		(60,896)	(92,194)
Deferred tax asset not brought to account		60,896	92,194
		<u>-</u>	<u>-</u>
Income tax benefit			
		<u>-</u>	<u>-</u>
Reconciliation between tax benefit and pre-tax loss			
Loss before tax		(202,987)	(307,079)
		<u>(202,987)</u>	<u>(307,079)</u>
Income tax using statutory income tax rate of 30% (2019: 30%)			
		(60,896)	(92,124)
		<u>(60,986)</u>	<u>(92,124)</u>
Tax benefit		(60,986)	(92,124)
Deferred tax asset not brought to account		60,896	92,124
		<u>-</u>	<u>-</u>
Income tax benefit			
		<u>-</u>	<u>-</u>
Unrecognised deferred tax asset			
The estimated deferred tax asset arising from tax losses and temporary differences not brought to account at balance date as realisation of the benefit is not probable:			
Tax losses carried forward		1,590,274	1,268,715
Temporary differences		17,399	11,221
		<u>1,607,673</u>	<u>1,279,936</u>
NOTE 4 CASH AND CASH EQUIVALENTS			
Cash at bank and on hand		50,138	139,914
		<u>50,138</u>	<u>139,914</u>

ENEGEX LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2020****2020**
\$ **2019**
\$**NOTE 5 TRADE & OTHER RECEIVABLES**

Other receivables	5,797	2,809
	<u>5,797</u>	<u>2,809</u>
	<u><u>5,797</u></u>	<u><u>2,809</u></u>

The carrying amount of all receivables is equal to their fair value as they are short term. None of the receivables have a loss allowance as there aren't any expected shortfalls in contractual cash flows. The maximum credit risk for the company is the gross value of all receivables. All receivables are non-interest bearing.

NOTE 6 PREPAYMENTS

Prepaid tenement rent	139,688	30,056
	<u>139,688</u>	<u>30,056</u>
	<u><u>139,688</u></u>	<u><u>30,056</u></u>

The company applied for twelve exploration tenements in May 2020. The company now has fourteen applications in progress. If the tenements are granted rent paid on application will cover rent required on the first year of exploration in all tenements. As at 30 June 2020 and to the date of signing the report the tenements have not been granted. If the tenements are not granted the rent paid on application is fully refundable.

**NOTE 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH
OTHER COMPREHENSIVE INCOME***Investments in listed equities*

Balance at beginning of year	24,548	27,917
Net revaluation increment	(4,813)	(3,369)
	<u>19,735</u>	<u>24,548</u>
Balance at end of year	<u><u>19,735</u></u>	<u><u>24,548</u></u>

NOTE 8 TRADE AND OTHER PAYABLES

Other payables and accrued expenses	28,507	19,344
Director-related entities – other payables (Note 12)	105,629	19,533
	<u>134,136</u>	<u>38,877</u>
	<u><u>134,136</u></u>	<u><u>38,877</u></u>

Trade payables are current liabilities which result in their fair value being equal to the current carrying amount. Information about the company's exposure to foreign exchange risk in relation to other trade payables and accrued expenses, including sensitivities to changes in foreign exchange rates, is provided in Note 13.

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**NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2020****NOTE 9 INTEREST BEARING LIABILITIES**

Line of credit facility	130,572	-
	<u>=====</u>	<u>=====</u>

The line of credit facility is from Australis Finance Pty Ltd which has an interest rate of 7% p.a. Australis Finance Pty Ltd is a director-related entity (note 12).

NOTE 10 ISSUED CAPITAL

	2020	2020	2019	2019
Issued Capital	Shares	\$	Shares	\$
Ordinary shares fully paid	<u>80,499,737</u>	<u>1,366,891</u>	<u>80,499,737</u>	<u>1,366,891</u>
Ordinary Shares				
Movements during the year				
Balance at beginning of year	80,499,737	1,366,891	80,499,737	1,366,891
Shares issued: costs of issue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>80,499,737</u>	<u>1,366,891</u>	<u>80,499,737</u>	<u>1,366,891</u>

Ordinary Shares

Ordinary shares entitle the holder to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company. The company does not have a limited authorised capital and issued shares have no par value.

Share Options

No options were on issue during the year and to the date of this report.

NOTE 11 KEY MANAGEMENT PERSONNEL**Non-executive Directors**

EG Albers
AP Armitage

Executive Director

RL Clark

During the year the only persons that met the definition of key management personnel were the directors. The company has no employees.

Fees paid to PA Armitage, EG Albers and RL Clark in their capacities as consultants or service providers to Enegex are disclosed below in the Related Party Note 12. Fees paid to directors are summarised in the table below and detailed in the Remuneration Report section of the Directors' Report.

ENEGEX LIMITED

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Individual compensation disclosures

Information regarding individual director's compensation is provided in the Remuneration Report section of the Directors' Report. In summary form:

Year	Short Term		Post Employment	Equity Settled	Total
	Director Fees \$	Other Fees \$	Superannuation \$	Options \$	\$
TOTAL					
2020	-	-	-	-	-
2019	-	-	-	-	-

NOTE 12 RELATED PARTY TRANSACTIONS

The consolidated financial statements of the Group include:

Name	2020 Interest	2019 Interest	Country of Incorporation
Ellendale South Pty Ltd	100%	100%	Australia
Diamandia Pty Ltd	100%	100%	Australia

During the year services were provided under normal commercial terms and conditions by director-related entities as disclosed below together with amounts payable as at 30 June 2020.

Entity	Related director	Service	Amounts paid		Payable at	
			2020 \$	2019 \$	30/06/20 \$	30/06/19 \$
Samika Pty Ltd	RL Clark	Consulting services	-	2,480	-	1,215
Exoil Pty Ltd	EG Albers	Office services	70,011	24,970	75,417	7,069
Natural Resources Group Pty Ltd	EG Albers	Management of exploration tenements	5,000	744	-	744
Octanex Limited	EG Albers	Accounting and administrative support	27,465	21,755	30,212	10,505
			<u>102,476</u>	<u>49,949</u>	<u>105,629</u>	<u>19,533</u>

Director – related borrowings

During the year the Company borrowed \$130,572 (2019: \$nil) (note 9) against a line of credit facility from Australis Finance Pty Ltd, with interest rate of 7% p.a. Australis Finance Pty Ltd is a director-related entity of EG Albers.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2020****NOTE 13 FINANCIAL INSTRUMENTS**

Purchases and sales of financial assets and financial liabilities are recognised on trade date; the date on which the company commits to purchase or sell the financial assets or financial liabilities. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Exposure to credit, interest rate, liquidity and currency risks arises in the normal course of the company's business. The company's overall risk management approach is to identify the risks and implement safeguards which seek to minimise potential adverse effects on the financial performance of the company.

Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

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 consolidated entity's financial assets measured and recognised at fair value at 30 June 2020 and 30 June 2019 on a recurring basis are as follows:

30 June 2020	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Listed securities	19,735	-	-	19,735
30 June 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Listed securities	24,548	-	-	24,548

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2020****Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. At balance date there were no significant concentrations of credit risk for the company. The maximum exposure to credit risk of financial assets is represented by the carrying amounts of each financial asset in the statement of financial position.

Interest rate risk

All financial liabilities and financial assets at floating rates expose the company to cash flow interest rate risk. The company has no exposure to interest rate risk at balance date, other than in relation to cash and cash equivalents which attract a floating interest rate. Details of cash and cash deposits can be found in Note 4. At balance date a 1% (100 basis point) increase/ decrease in the interest rate would improve / worsen the company's post tax profit by \$351 (2019: \$979)

Liquidity risk

Liquidity risk is monitored to ensure sufficient monies are available to meet contractual obligations as and when they fall due. All financial assets and liabilities have a maturity date of less than 12 months.

Foreign currency risk

The consolidated entity is exposed to foreign currency risk arising from purchases of goods and services that are denominated in a currency other than the Australian dollar functional currency. Data processing by overseas suppliers are usually denominated in US dollars. To this extent, the consolidated entity is exposed to exchange rate fluctuations between the Australian and US dollar. At 30 June 2020 the consolidated entity has no foreign currency exposure (2019: \$nil).

Capital Management

When managing capital, directors' objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

It is the company's plan that capital will be raised by any one or a combination of the following manners: placement of shares to excluded offerees, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares. Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be the company's intention to meet its exploration obligations by either partial sale of its interests or farmout, the latter course of action being part of its overall strategy.

The company is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2020****NOTE 14 SEGMENT INFORMATION**

The company has adopted AASB 8 Operating Segments whereby 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 board of directors

At regular intervals the board is provided management information at a company level for the company's cash position, the carrying values of exploration permits and a company cash forecast for the next twelve months of operation.

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

All interest received has been derived in Australia.

NOTE 15 LOSS PER SHARE

The loss and weighted average number of ordinary shares used in the calculation of basic and dilutive loss per share is as follows:

	2020	2019
	\$	\$
Net Loss for the year	(202,742)	(307,079)
The weighted average number of ordinary shares	80,499,737	80,499,737
Total basic and dilutive loss per share (cents)	<u>(0.252)</u>	<u>(0.381)</u>

NOTE 16 AUDITOR'S REMUNERATION

Amounts received or due and receivable by the auditor of the Company for:

Audit of the full year and review of the half year financial reports	26,637	26,650
Other assurance services	-	-
	<u>26,637</u>	<u>26,650</u>

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NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2020****NOTE 17 EVENTS SINCE BALANCE DATE**

On 7 August 2020 the group applied for six additional exploration permits in the South West Terrane, Western Australia, an emerging new Nickle-Copper-Cobalt-PGE province.

On 20 August 2020 the company completed a share placement raising \$440,000 before costs.

On 27 August 2020 the company announced a 1 for 3 pro-rate non-renounceable rights issue to raise up to approximately \$737,998.

NOTE 18 PARENT ENTITY INFORMATION

The following details information related to the parent entity, EnegeX Limited at 30 June 2020. The information presented here has been prepared using consistent accounting policies as presented in Note 1, except for the use of the cost method for investment in subsidiary companies by the parent.

	2020	2019
	\$	\$
Current assets	55,934	142,723
Non-current assets	140,520	59,987
Total assets	<u>196,454</u>	<u>202,710</u>
Current liabilities	237,745	38,544
Non-current liabilities	-	-
Total liabilities	<u>237,745</u>	<u>38,544</u>
Contributed equity	1,366,891	1,366,891
Financial assets at fair value through other comprehensive income reserve	(1,399)	3,414
Accumulated losses	<u>(1,406,783)</u>	<u>(1,206,139)</u>
Total equity	<u>(41,291)</u>	<u>164,166</u>
Loss for the year	(200,644)	(301,363)
Other comprehensive income for the year	<u>(4,813)</u>	<u>(3,370)</u>
Total comprehensive income for the year	<u>(205,457)</u>	<u>(304,733)</u>

No dividends were paid by the parent entity in 2020 (2019: Nil).

Independent Auditor's Report

To the Members of Egegex Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Egegex Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. For the year ended 30 June 2020 we have determined there are no key audit matters to communicate in our report.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's/Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company/Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 10 to 11 of the Directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Enege Limited, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B L Taylor
Partner – Audit & Assurance

Melbourne, 17 September 2020

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 audit of Enegex Limited for the year ended 30 June 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B L Taylor
Partner – Audit & Assurance

Melbourne, 17 September 2020

Additional Information (unaudited)

As at 16 September 2020 Enegex holds the following interests in Mineral Tenements:

Tenement	Enegex interest	Tenement status
Western Australia (Kimberley Region)		
E 80/5354	100%	Application
E 80/5355	100%	Application
Western Australia (South-West Terrane)		
E 70/5439	100%	Application
E 70/5440	100%	Application
E 70/5441	100%	Application
E 70/5442	100%	Application
E 70/5446	100%	Application
E 70/5459	100%	Application
E 70/5457	100%	Application
E 70/5458	100%	Application
E 70/5460	100%	Application
E 70/5463	100%	Application
E 70/5444	First Right of Refusal	Application
E 70/5445	First Right of Refusal	Application
E 70/5566	100%	Application
E 70/5567	100%	Application
E 70/5568	100%	Application
E 70/5569	100%	Application
E 70/5570	100%	Application
E 70/5571	100%	Application
E 70/5580	100%	Application

Shareholder Information (compiled as at 16 September 2020)

DISTRIBUTION OF ORDINARY SHARES

Numbers of members by size of holding and the total number of shares on issue:

Ordinary Shares	No. of Holders	No. of Shares
1 – 1,000	203	65,229
1,001 – 5,000	292	890,477
5,001 – 10,000	184	1,446,298
10,001 – 100,000	367	11,808,065
100,001 and over	66	66,289,668
TOTAL ON ISSUE	1,112	80,499,737

870 holders held less than a marketable parcel of ordinary shares. There is no current on-market buy-back.

ENEGEX LIMITED

ABN 28 160 818 986

SUBSTANTIAL SHAREHOLDERS

As disclosed in notices given to the Company.

Name of Substantial Shareholder	Interest in Number of Shares	% of Shares
<i>Beneficial and non-beneficial</i>		
Albers Group	31,135,517	30.98
Ross Di Bartolo	10,201,611	10.15

THE 20 LARGEST HOLDERS OF ORDINARY SHARE

Holder Name	Holding	%
MR ERNEST GEOFFREY ALBERS	13,443,600	13.38%
MR ROSS DI BARTOLO	8,415,126	8.37%
AURALANDIA PTY LTD	5,000,000	4.98%
GASCORP AUSTRALIA PTY LTD	4,750,000	4.73%
SACROSANCT PTY LTD	2,273,886	2.26%
AUSTRALIS FINANCE PTY LTD	1,871,078	1.86%
CITICORP NOMINEES PTY LIMITED	1,709,199	1.70%
BULL EQUITIES PTY LTD	1,450,000	1.44%
MR IANAKI SEMERDZIEV	1,407,000	1.40%
TRE PTY LTD	1,345,942	1.34%
ICM INVESTMENTS PTY LTD	1,311,233	1.30%
MR ERNEST GEOFFREY ALBERS	1,246,867	1.24%
SMALL BUSINESS FINANCE PTY LIMITED	1,218,985	1.21%
ALBERS FOUNDATION PTY LTD	1,125,000	1.12%
OCEAN MIST PTY LTD	1,000,000	1.00%
ALBERS CUSTODIAN COMPANY PTY LTD	987,906	0.98%
MS YIFAN XIE	900,799	0.90%
MR OWEN HUNTER WALDRON	800,000	0.80%
MR XING WANG LI	779,999	0.78%
500 CUSTODIAN PTY LTD	765,000	0.76%
Total	51,801,620	51.54%