

Invictus Energy Limited

ABN 21 150 956 773

**Annual Report  
30 June 2022**

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**Table of Contents**

<b>Directors' Report .....</b>	<b>4</b>
<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income .....</b>	<b>18</b>
<b>Consolidated Statement of Financial Position.....</b>	<b>19</b>
<b>Consolidated Statement of Changes in Equity .....</b>	<b>20</b>
<b>Consolidated Statement of Cash Flows .....</b>	<b>21</b>
<b>1. SUMMARY OF ACCOUNTING POLICIES .....</b>	<b>22</b>
<b>2. NEW AND AMENDED STANDARDS NOT YET ADOPTED BY THE GROUP .....</b>	<b>25</b>
<b>3. FINANCIAL RISK MANAGEMENT .....</b>	<b>26</b>
<b>4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS .....</b>	<b>29</b>
<b>5. SEGMENT INFORMATION .....</b>	<b>30</b>
<b>6. OTHER REVENUE, CORPORATE COSTS AND PROFESSIONAL FEES .....</b>	<b>31</b>
<b>7. AUDITOR REMUNERATION.....</b>	<b>31</b>
<b>8. TAXATION .....</b>	<b>32</b>
<b>9. GAIN/(LOSS) PER SHARE.....</b>	<b>34</b>
<b>10. CASH AND CASH EQUIVALENTS .....</b>	<b>34</b>
<b>11. EXPLORATION AND EVALUATION EXPENDITURE .....</b>	<b>35</b>
<b>12. TRADE AND OTHER PAYABLES.....</b>	<b>35</b>
<b>13. SHARE CAPITAL .....</b>	<b>36</b>
<b>14. RESERVES .....</b>	<b>38</b>
<b>15. INTERESTS IN OTHER ENTITIES .....</b>	<b>39</b>
<b>16. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW USED .....</b>	<b>41</b>
<b>17. PARENT ENTITY .....</b>	<b>41</b>
<b>18. RELATED PARTY TRANSACTIONS .....</b>	<b>42</b>
<b>19. SHARE BASED PAYMENTS .....</b>	<b>43</b>
<b>20. EVENTS OCCURRING AFTER REPORTING DATE .....</b>	<b>48</b>
<b>21. CAPITAL AND OTHER COMMITMENTS.....</b>	<b>48</b>
<b>22. CONTIGENCIES .....</b>	<b>49</b>
<b>Director's Declaration.....</b>	<b>50</b>
<b>Independent Audit Report.....</b>	<b>51</b>
<b>Auditors Independence Declaration .....</b>	<b>55</b>
<b>Other Additional ASX Information .....</b>	<b>57</b>

## Corporate Directory

### Directors

Dr Stuart Lake  
*Non- Executive Chairman*

Joseph Mutizwa  
*Non-Executive Director & Deputy Chairman*

Mr Scott Macmillan  
*Managing Director*

Mr Gabriel Chiappini  
*Non-Executive Director*

### Company Secretary

Mr Gabriel Chiappini

### Registered Office

Level 1, 10 Outram Street  
West Perth WA 6005  
Tel: +618 6102 5055  
Fax: +618 6323 3378

### Share Register

**Link Market Services Limited**  
Ground Floor  
Level 4 Central Park  
152 St Georges Terrace  
Perth WA 6000

### Stock Exchange Listings

**Australian Securities Exchange (ASX: IVZ)**

### Auditor

**BDO**  
Level 9  
Mia Yellagonga Tower 2  
5 Spring Street  
Perth WA 6000

### Solicitors

**Steinepreis Paganin**  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6001

### Website

[www.invictusenergy.com](http://www.invictusenergy.com)

## Directors' Report

Your Directors' present their report together with the financial statements on Invictus Energy Limited (the 'Company') and the entities it controlled (the "consolidated entity") for the year ended 30 June 2022.

### Review of Operations

During the year the Company undertook the following activities:

- Seismic data processing Contract awarded to Earth Signal
- Drilling long lead items tender completed
- Corporate Social Responsibility Program Expanded
- Cabora Bassa 2021 seismic survey completed with 840 line km 2D data acquired
- Drilling rig secured for Muzarabani-1 well
- Capital raising completed for mobilisation of drill rig and long leads for 2nd well
- SG 4571 acreage increased seven-fold
- Well services contract awarded
- Funding completed for mobilisation of drilling rig and long lead items
- New Country Manager appointed
- Mukuyu updated independent prospective resource of 20 trillion cubic feet (Tcf) + 845 million barrels (4.3 billion boe) of conventional gas-condensate
- Substantial new shallow target identified in Mukuyu Prospect demonstrating strong AVO conformance to structure
- Funding completed to support drilling campaign
- Exalo Rig 202 commenced mobilisation to Mukuyu-1 wellsite

### 1. DIRECTORS AND COMPANY SECRETARY

The Directors and the company secretary of the Company at any time during or since the end of the financial year are as follows.

#### **Directors**

Dr Stuart Lake – *Non- Executive Chairman (Appointed 1 August 2019)*

Dr Lake has over 37 years of global experience in the Petroleum industry and significant expertise, having operated assets in 20 countries worldwide, including in over ten African countries. He brings a combination of in-depth technical knowledge and a world class track record as an oil and gas finder, having led many teams in maintaining a 90% exploration success rate (from over 300 wells in 11 countries including deep-water and new plays) throughout his career. Dr Lake has held a wide variety of roles in international Oil and Gas companies including:

- Current NED Vedra Hydrogen capturing carbon-negative hydrogen at scale from residual oil while storing 3rd party CO<sub>2</sub>. The process delays decommissioning liabilities, changes the fields to hydrogen and extends the asset life.
- Current NED Capterio providing flare gas solutions for energy companies to capture flared gas, create value and reduce pollution. Our public toll [www.flareintel.com](http://www.flareintel.com) shows that is flaring what and where.
- Current CEO for Durrant Petroleum working onshore conventional Exploration assets outside Africa and helping clients operate responsibly leveraging ESG credentials.
- Former CEO of AGM Petroleum, the operator of the offshore South Deep-water Tano Block in Ghana, he brought in Petrica Energy as the new main shareholder and acquired over 2000km<sup>2</sup> 3D seismic, leading to a recently reported new oil discovery from the Exploration drill campaign. Then as Senior Advisor to Aker

### Directors' Report (Continued)

Energy and TRG Energy, that acquired Hess Ghana assets, in which Dr Lake and his team at Hess Corporation had made 7 consecutive deep-water discoveries. Dr Lake stepped down in April 2020.

- He was also the former CEO of African Petroleum Corporation Ltd, where he successfully concluded a number of farm outs and commercial deals for their West African portfolio in a challenging market and successfully listed the company on the Oslo Bors in Norway, transferring the company from the NSX.
- Vice President of Exploration in the Hess Corporation, leading highly successful Exploration campaigns, including Ghana, Libya and 30 onshore discoveries in Russia over 4 years. Prior to that Dr Lake was a Director at Apache Corporation.
- Vice President Russia in the Shell International and former Deputy VP Deep-water Shell. Dr Lake was in Shell for 19 years in five countries fulfilling a number of roles.

Former directorships held in the last 3 years: AGM Petroleum, and Castle Petroleum.

#### Mr Joe Mutizwa – *Non- Executive Director and Deputy Chairman (Appointed 19 May 2021)*

Mr Mutizwa is the current chairman of Mangwana Capital, a major shareholder of the Company and is a director of the Company's 100% owned local subsidiary Invictus Energy Resources Zimbabwe Pty Ltd. Joe served for ten years as Chief Executive of Delta Corporation, one of Zimbabwe's largest listed companies before taking early retirement in 2012. He currently sits on the Presidential Advisory Council (PAC), a body appointed by Zimbabwe's President, His Excellency CDE E.D Mnangagwa, and is comprised of experts and leaders drawn from diverse sectors to advise and assist the President in formulating key economic policies and strategies in the country. Joe served on the board of the Reserve Bank of Zimbabwe (2015-2019) and currently chairs the boards of the of Star Africa Corporation Zimbabwe (ZSE:SACL), a local sugar refiner; as well as the board of the Infrastructure Development Bank of Zimbabwe (IDBZ). Joe has a BSc degree (with first class honours) from The London School of Economics; an MBA from the University of Zimbabwe and an MSc from HEC – Paris and Oxford University.

Mr Mutizwa has not held any other directorships in the past 3 years.

#### Mr Scott Macmillan – *Managing Director (Appointed 21 June 2018)*

Mr Macmillan is a Reservoir Engineer and founder of Invictus Energy Resources Pty Ltd. He has a Bachelor of Chemical Engineering and an MSc in Petroleum Engineering from Curtin University. He is a member of the Society of Petroleum Engineers (SPE) and has over 13 years experience in exploration, field development planning, reserves and resources assessment, reservoir simulation, commercial valuations and business development. He also has extensive business experience in Zimbabwe.

Mr Macmillan has not held any other directorships in the past 3 years.

#### Mr Gabriel Chiappini – *Non-executive Director (Appointed 6 August 2015)*

Mr Chiappini is a Chartered Accountant with over 20 years of experience as a finance and governance professional and is an experienced ASX director and has been active in the capital markets for 17 years. He has assisted in raising AUD\$450m and has provided investment and divestment guidance to a number of companies and has been involved with a number ASX IPO's and transactions in the last 12 years. He is a current member of the Australian Institute of Company Directors and Institute of Chartered Accountants (Australia).

Mr Chiappini is currently a Director of Black Rock Mining (ASX:BKT) and Black Dragon Gold Corp (ASX:BDG)

Former directorships held in the last 3 years: FBR Ltd (ASX:FBR), and Gefen International AI (ASX:GFN)

## Directors' Report (Continued)

Mr Barnaby Egerton-Warburton – *Non-executive Director (Appointed 29 July 2016, Resigned 25 October 2021)*

Mr Egerton-Warburton holds a Bachelor of Economics Degree and is a graduate of the Australian Institute of Company Directors and a member of the American Association of Petroleum Geologists. He has over 20 years of trading, investment banking, international investment and market experience. He has held positions with global investment banks in Hong Kong, New York and Sydney including JP Morgan, Banque Nationale de Paris and Prudential Securities.

Mr Egerton-Warburton is an experienced company Director and is currently also the Managing Director of Eneabba Gas Limited (ASX:ENB), Non-Executive Director of iSignthis Limited (ASX:ISX), Non-Executive Chairman of Hawkstone Mining Limited (ASX:HWK) and Non-Executive Chairman of Pantera Minerals Ltd (ASX:PFE).

Former directorships held in the last 3 years: Global Geoscience (ASX: GSC).

### Company Secretary

Mr Gabriel Chiappini – refer to director details for information on Mr Chiappini.

#### 1.1 Directors' Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year were:

Director	Board of Directors meetings	
	Eligible to attend	Attended
Stuart Lake	9	9
Joe Mutizwa	9	9
Scott Macmillan	9	9
Gabriel Chiappini	9	9
Barnaby Egerton-Warburton <sup>1</sup>	2	2

<sup>1</sup> Mr Egerton-Warburton resigned 25 October 2021

During the reporting period, the Directors also met or communicated as a collective group at least bi-weekly on numerous occasions to discuss and consider governance and operational strategies and resolutions.

#### 1.2 Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Invictus Energy Limited support and have adhered to the principles of sound corporate governance. The board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that the Company is in compliance with those guidelines which are of importance to the commercial operation of a junior listed resource company. The Company's Corporate Governance Statement has been approved by the Board and can be located on the Company's website at [www.invictusenergy.com](http://www.invictusenergy.com).

## Directors' Report (Continued)

### 2. REMUNERATION REPORT (Audited)

This Remuneration Report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the Directors and key management personnel of the Company. The 2021 remuneration report received positive shareholder support at the Annual General Meeting with a vote, by way of a poll, of 86.02% in favour.

#### (a) Key management personnel

Directors of the Company who had authority and responsibility during the financial year for planning, directing and controlling the activities of the Group, directly or indirectly, as well as other senior executives are the key management personnel disclosed in this report

Name	Position
Stuart Lake	Non-Executive Chairman
Joe Mutizwa	Non-Executive Director and Deputy Chairman
Scott Macmillan	Managing Director
Barnaby Egerton-Warburton <sup>1</sup>	Non-Executive Director
Gabriel Chiappini	Non-Executive Director & Company Secretary

<sup>1</sup> Mr Egerton- Warburton resigned 25 October 2021

#### (b) Non-executive Director remuneration policy

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive Directors' fees and payments are reviewed annually by the board.

The base remuneration of Non-Executive Directors is set at A\$60,000 per annum.

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at A\$300,000 per annum and was approved by shareholders at the general meeting on 12 October 2011.

#### (c) Executive remuneration policy and framework

In determining executive remuneration, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The executive remuneration framework has two components:

- base pay and benefits, including superannuation; and
- long-term incentives through the issue of options and performance shares.

##### *Base pay and benefits*

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the board's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market.

## Directors' Report (Continued)

There are no guaranteed base pay increases included in executives' contracts. There are no short-term cash bonuses included in the figures contained in the Remuneration Report.

### *Superannuation*

Retirement benefits are limited to superannuation contributions as required under the Australian superannuation guarantee legislation.

### *Long-term incentives*

Long-term incentives are provided to Directors and executives as incentives to deliver long-term shareholder returns. Some of the issued options and performance shares are granted only if certain performance conditions are met and the Directors and executives are still employed by the Company at the end of the vesting period.

### *Share trading policy*

The Company has a share trading policy in place. The Board of Directors ratified and approved the share trading policy previously adopted without change, on 15 September 2019.

### **(d) Link of remuneration to Company performance and shareholders' wealth**

The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and executives. Currently, this is facilitated through the issue of options and performance shares to Directors and executives to encourage the alignment of personal and shareholder interests. There are currently various financial and other targets set for the performance related remuneration, and therefore, remuneration is linked to Company performance or shareholder wealth.

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four (4) financial years:

Item	2022	2021	2020	2019
EPS loss – continuing operations (cents)	(\$0.58)	(\$0.25)	(\$0.41)	(\$0.28)
Net loss – continuing operations ('000)	(\$3,786,181)	(\$1,255,646)	(\$1,773,456)	(\$1,022,049)
Share price	\$0.175	\$0.170	\$0.026	\$0.046

### **Use of remuneration consultants**

The Company did not use the services of remuneration consultants for designing the remuneration policies for Directors or key management personnel.

### **(e) Service agreements**

The Company has service contracts in place with the following four board members during the year. Details of the service agreements are listed below.

#### *Dr Stuart Lake -Non-Executive Chairman*

- Commencement date: 1 August 2019
- Director fee: GBP 50,000 per annum
- The agreement is not subject to any termination notice period



**Directors' Report (Continued)**

Dr Joe Mutizwa -*Non-Executive Director and Deputy Chairman*

- Commencement date: 19 May 2021
- Director fee: \$60,000 per annum
- The agreement is not subject to any termination notice period

Mr Scott Macmillan –*Managing Director*

- Commencement date: 15 June 2018
- Base salary: 1 July 2021 to 30 September 2021 was \$250,000 per annum plus statutory superannuation guarantee contribution
- Base salary: 1 October 2021 to 30 June 2022 was \$350,000 per annum plus statutory superannuation guarantee contribution
- No fixed term
- The agreement is subject to a three months' notice period by either party
- The Company may, from time to time, offer the Managing Director the right to participate in an employee incentive plan and may be granted performance shares or other incentives on terms and performance criteria to be determined by the Board in its absolute discretion

Mr Barnaby Egerton Warburton

- Commencement date: 28 July 2017
- Resignation date: 25 October 2021
- Director fee: \$54,795 per annum plus statutory superannuation guarantee contribution
- No fixed term
- The agreement is not subject to any termination notice period

Mr Gabriel Chiappini–*Non-executive Director & Company Secretary*

- Commencement date: 6 August 2015
- The combined Non- Executive Director & Company Secretary fee is \$60,000 per annum.
- The agreement is not subject to any termination notice period

No other key management personnel have service contracts in place with the consolidated entity.

**Directors' Report (Continued)**

**(f) Details of remuneration**

The following tables set out remuneration paid to key management personnel of the Company during the current year:

	Short term		Post employment	Equity settled			Total	Proportion of remuneration	
	Cash salary and fees	Other	Super-annuation	Shares	Performance shares	Options		Fixed	Performance linked
2022	\$	\$	\$	\$	\$	\$	\$	%	%
Stuart Lake	184,756	-	-	-	-	303,872	488,628	100%	-
Joe Mutizwa	-	-	-	-	-	303,872	303,872	100%	-
Scott Macmillan	325,000	-	30,875	-	-	303,871	659,746	100%	-
Barnaby Egerton-Warburton <sup>1</sup>	17,381	-	1,651	-	-	303,871	322,903	100%	-
Gabriel Chiappini	75,000	-	-	-	-	303,871	378,871	100%	-
<b>Total</b>	<b>602,137</b>	<b>-</b>	<b>32,526</b>	<b>-</b>	<b>-</b>	<b>1,519,357</b>	<b>2,154,020</b>	<b>100%</b>	<b>-</b>

Note 1: Mr Egerton-Warburton resigned 25 October 2021

No short-term cash bonuses included as paid or accrued for during the year ended 30 June 2022.

The following tables set out remuneration paid to key management personnel of the Company during the previous year:

	Short term		Post employment	Equity settled			Total	Proportion of remuneration	
	Cash salary and fees	Other <sup>1</sup>	Super-annuation	Shares	Performance shares	Options		Fixed	Performance linked
2021	\$	\$	\$	\$	\$	\$	\$	%	%
Stuart Lake	67,712	-	-	18,514	-	11,254	97,480	100%	-
Joe Mutizwa <sup>2</sup>	6,904	-	-	-	-	-	6,904	100%	-
Scott Macmillan	250,000	5,703	25,234	-	-	-	280,937	100%	-
Barnaby Egerton-Warburton	41,096	-	5,206	11,278	-	-	57,580	100%	-
Eric de Mori <sup>3</sup>	22,368	-	2,215	-	-	-	24,583	100%	-
Gabriel Chiappini	45,000	-	-	12,350	-	-	57,350	100%	-
<b>Total</b>	<b>433,080</b>	<b>5,703</b>	<b>32,655</b>	<b>42,142</b>	<b>-</b>	<b>11,254</b>	<b>524,834</b>	<b>100%</b>	<b>-</b>

Note 1: Annual leave expense

Note 2: Mr Mutizwa was appointed 19 May 2021

Note 3: Eric de Mori resigned 27 November 2020

No short-term cash bonuses included as paid or accrued for during the year ended 30 June 2021.

## Directors' Report (Continued)

### (g) Amounts owing to KMP

	30 June 2022	30 June 2021
	\$	\$
Stuart Lake	54,145	-
Joe Mutizwa	-	-
Scott Macmillan	-	-
Barnaby Egerton-Warburton <sup>1</sup>	-	-
Gabriel Chiappini	-	-
<b>Total</b>	54,145	-

<sup>1</sup> Mr Egerton- Warburton resigned 25 October 2021

There are no loans to Key Management Personnel (2021: nil).

### (h) Share-based compensation

#### Options

On 26 July 2021, 15,000,000 unlisted options were issued to the Directors, with an exercise price of \$0.02355 and an expiry date of 23 July 2024. The options were awarded as part of the remuneration for the services provided by the Directors to the Company and were approved by shareholders at a general meeting on 8 July 2021. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

- Grant date: 8 July 2021
- Expiry date: 23 July 2024
- Risk free rate: 0.16%
- Stock volatility: 103.61%
- Share price at grant date: \$0.1750
- Exercise price: \$0.2355

Refer to Note 19 for further details.

No options for employee share- based payments were issued during the previous year.

#### Performance rights

During the June 2022 financial year, no performance rights were issued.

During the June 2021 financial year, the following performance rights were issued:

	Class A	Class B	Total
Scott Macmillan	3,400,000	3,400,000	6,800,000
Stuart Lake	2,500,000	2,500,000	5,000,000

## Directors' Report (Continued)

The performance rights were subject to the following conditions:

Performance Rights	Project Milestone	Share Price Milestone
Class A	(a) The Company announcing the execution of the Non-Binding Farm-in Agreement on or before 31 December 2020; and  (b) the Binding Farm-in Agreement, having been executed, becomes unconditional on or before 30 June 2021.	The Company achieving a VWAP of at least \$0.045 over any twenty consecutive trading day period before 31 December 2020.
Class B	The Company achieving the grant of the Extension Application on or before 31 December 2020.	The Company achieving a VWAP of at least \$0.045 over any twenty consecutive trading day period before 31 December 2020.

As the milestones for class A and B were not achieved within the specified time frame, the underlying performance rights lapsed and were cancelled. As such, no performance right expense was recognised in the statement of financial performance during the 2021 financial year.

### Performance shares

No performance shares for employee share-based payments were issued during the current year (2021: \$nil).

### Ordinary shares

During the 2022 financial year no shares were issued to KMP's in lieu of cash for services rendered.

During the 2021 financial year 3,242,650 shares were issued to KMP's at a price of \$0.0482 per share in lieu of cash for services rendered.

## (i) Equity instruments held by key management personnel

### (i) Option holdings

The following table show options held by key management personnel during the financial year.

	Balance at start of the year	Granted	Exercised /Lapsed	Other	Balance at the end of the year	Vested during the year	Vested and exercisable	Unvested
<b>2022</b>								
Stuart Lake	9,000,000	3,000,000	-	-	12,000,000	3,000,000	12,000,000	-
Joe Mutizwa	-	3,000,000	-	-	3,000,000	3,000,000	3,000,000	-
Scott Macmillan	-	3,000,000	-	-	3,000,000	3,000,000	3,000,000	-
Barnaby Egerton-Warburton <sup>1</sup>	-	3,000,000		(3,000,000)	-	3,000,000	-	-
Gabriel Chiappini	-	3,000,000	-	-	3,000,000	3,000,000	3,000,000	-
<b>TOTAL</b>	<b>9,000,000</b>	<b>15,000,000</b>	<b>-</b>	<b>(3,000,000)</b>	<b>21,000,000</b>	<b>15,000,000</b>	<b>21,000,000</b>	<b>-</b>

<sup>1</sup> Barnaby Egerton-Warburton resigned on 25 October 2021, on which date he held 3,000,000 options. The options have subsequently been cancelled.

## Directors' Report (Continued)

### (i) Performance share holdings

The following table shows performance shares held by key management personnel during the financial year.

	Balance at start of the year	Granted	Exercised/Lapsed	Balance at the end of the year
<b>2022</b>				
Scott Macmillan	38,970,317	-	(38,970,317)	-

No other director held performance shares during the current or prior year.

### (ii) Share holdings

The following table shows ordinary shares held by key management personnel during the current year.

	Balance at start of the year	Received on exercise of options during the year	Received on vesting of performance shares during the year	Issued in lieu of cash payments during the year	Other changes	Balance at the end of the year
<b>2022</b>						
<b>Directors</b>						
Stuart Lake	2,259,732	-	-	-	-	2,259,732
Joe Mutizwa	-	-	-	-	-	-
Scott Macmillan	73,271,547	-	-	-	-	73,271,547
Barnaby Egerton-Warburton <sup>1</sup>	14,784,329	-	-	-	(14,784,329)	-
Gabriel Chiappini	8,862,662	-	-	-	-	8,862,662

<sup>1</sup> Barnaby Egerton-Warburton resigned on 25 October 2021, on which date he held 14,784,329 shares in the Company.

### (j) Other transactions with key management personnel

During the year the Company paid \$75,000 to Laurus Corporate Services Pty Ltd, an entity related to Mr Gabriel Chiappini, for the provision of non- executive director and company secretarial services, on normal commercial terms and conditions and at market rates (2021: \$57,000).

On 15 February 2019 the Company entered into an arrangement with Laurus Corporate Services Pty Ltd, an entity related to which Mr Gabriel Chiappini, whereby Laurus Corporate Services Pty Ltd rents one office and one car bay at a cost of \$1,950 plus GST from the Company per calendar month. The arrangement is for no fixed term and can be cancelled by either party by providing one months notice. On 1 October 2021, the amount was reduced to \$1,225 plus GST.

On 1 May 2022 the Company entered into an agreement with Black Dragon Gold Ltd, and entity related to Mr Gabriel Chiappini, whereby Black Dragon Gold Ltd rents one office and one car bay at a cost of \$1,225 plus GST from the Company per calendar month. The arrangement is for no fixed term and can be cancelled by either party by providing one months notice.

On 15 February 2019 the Company entered into an arrangement with Eneabba Gas Ltd, an entity related to Mr Gabriel Chiappini (resigned 28 April 2021) and Mr Barnaby Egerton- Warburton, for the provision of one office and one car bay at a cost of \$1,950 plus GST per calendar month. The arrangement was for no fixed term and can be cancelled by either party by providing one months notice. This arrangement ceased on 3 December 2021.

### Directors' Report (Continued)

During the prior financial year the Company entered into an arrangement with Pantera Minerals Ltd, an entity related to Mr Barnaby Egerton- Warburton, for the provision of 3 offices and one car bay at a cost of \$7,150 plus GST per calendar month. The arrangement was for no fixed term and can be cancelled by either party by providing one months notice. This ceased to be a related party transaction when Mr Barnaby Egerton- Warburton resigned as a Non-Executive Director of the Company on 25 October 2021.

During the prior financial year the Company entered into an arrangement with BXW Pty Ltd, an entity related to Mr Barnaby Egerton- Warburton, for the provision of one car bay at a cost of \$450 plus GST per calendar month. The arrangement was for no fixed term and can be cancelled by either party by providing one months notice.

This ceased to be a related party transaction when Mr Barnaby Egerton- Warburton resigned as a Non-Executive Director of the Company on 25 October 2021.

All transactions were made on normal commercial terms and conditions and at market rates. There were no other transactions with related parties during the current year.

End of Audited Remuneration Report.

### 3. PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity carried out during the financial year consisted of the exploration and appraisal of the Cabora Bassa Project.

### 4. RESULTS AND DIVIDENDS

The consolidated entity's loss after tax from continuing operations attributable to members of the consolidated entity for the financial year ending 30 June 2022 was \$3,786,181 (2021: \$1,255,646 loss).

No dividends have been paid or declared by the Company during the year ended 30 June 2022 (2021: nil).

### 5. LOSS PER SHARE

The basic loss per share for the consolidated entity for the year was \$0.58 per share (2021: \$0.25 loss per share).

### 6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have not been any significant changes in the State of Affairs of the Company. Invictus Energy remains focused on advancing its 80% owned Cabora Bassa Project in Zimbabwe.

## Directors' Report (Continued)

### 7. EVENTS SUBSEQUENT TO REPORTING DATE

At the Company's general shareholder meeting on 22 July 2022, shareholders approved the issue of the following unlisted performance rights to Directors of the Company;

Class	Number	Issue date	Expiry date	Vesting condition
A	15,500,000	9-Aug-22	31-Dec-24	<ul style="list-style-type: none"> <li>a) The drilling of an exploration or appraisal well in the Cabora Bassa Project that results in the maiden booking of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) on or before 31 December 2024; and</li> <li>b) The Company achieving a 20-day volume weighted average price of at least \$0.50 on or before 31 December 2024.</li> </ul>
B	15,500,000	9-Aug-22	31-Dec-26	<ul style="list-style-type: none"> <li>a) An independent estimate of Contingent Resources or Reserves (as those defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) of greater than or equal to two hundred million barrels or oil equivalent (200 mmboe) on a 100% gross project basis; and</li> <li>b) The Company achieving a 20-day volume weighted average price of at least \$0.75 on or before 31 December 2026.</li> </ul>

On 31 August 2022, the Company announced a private placement to raise \$25m (before costs) at \$0.23 per share following the Company's decision to sole fund the initial drilling campaign in Zimbabwe's Cabora Bassa Basin.

On 19 September 2022, the Company was notified of the publishing of General Notice 2010 of 2022 in the official Zimbabwe Government Gazette of the assignment of the exploration rights of the Sovereign Wealth Fund of Zimbabwe ('SWFZ') for Exclusive Prospecting Orders (EPOs) 1848 and 1849 for a period of three years to 15 September 2025. The rights are assigned to the Company's 80% owned subsidiary Geo Associates (Private) limited under section 92(2) of the Mines and Minerals Act [Chapter 21:05] following the recommendation of the Mining Affairs Board.

On 24 September 2022, drilling at the Mukuyu-1 exploration well in SG 4571 commenced from the installed conductor at 67 metres to a planned depth of ~650 metres in the 17 ½ inch intermediate hole section. Please refer to the Company's ASX announcement on 26 September 2022 for further details.

Other than the above, no matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the Group in future financial years.

### 8. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company intends to develop its Cabora Bassa Basin Gas Condensate project in Zimbabwe by attracting a senior farm-in partner. Following securing of funding the Company intends to drill 2 wells at its Cabora Bassa project including Mukuyu-1 and Baobab-1.

### 9. ENVIRONMENTAL REGULATIONS

The company is not subject to the reporting requirements of either the Energy Efficiency Opportunities Act 2006 or the National Greenhouse and Energy Reporting Act 2007. When operations commence in Zimbabwe, the Company will be subject to meeting the environmental laws and regulations.

## Directors' Report (Continued)

### 10. DIRECTORS' AND EXECUTIVES' INTERESTS

As at the date of this report, the interests of the Directors and executives in the shares, options and performance shares of the Company were:

	Shares	Performance Rights	Options
Stuart Lake	5,859,732	7,000,000	3,000,000
Joe Mutizwa	1,428,570	7,000,000	3,714,285
Scott Macmillan	73,271,547	10,000,000	3,000,000
Gabriel Chiappini	8,862,662	7,000,000	3,000,000
<b>Total</b>	<b>89,422,511</b>	<b>31,000,000</b>	<b>12,714,285</b>

### 11. EQUITY INSTRUMENTS ON ISSUE

#### Ordinary shares

As at the date of this report, there were 874,936,756 listed ordinary shares on issue.

#### Unlisted options

As at the date of this report, the following unlisted options over ordinary shares on issue is as follows:

Expiry	Exercise	Number
26-Jul-2023	\$0.35	37,516,341
30-Mar-2024	\$0.17	28,518,456
23-Jul-2024	\$0.2355	12,000,000
31-Jan-2025	\$0.14	31,168,692

#### Performance rights

As at the date of this report, there the following unlisted performance rights over ordinary shares on issue is as follows:

Class	Number	Issue date	Expiry date	Vesting condition
A	15,500,000	9-Aug-22	31-Dec-24	<p>a) The drilling of an exploration or appraisal well in the Cobora Bassa Project that results in the maiden booking of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) on or before 31 December 2024; and</p> <p>b) The Company achieving a 20-day volume weighted average price of at least \$0.50 on or before 31 December 2024.</p>
B	15,500,000	9-Aug-22	31-Dec-26	<p>a) An independent estimate of Contingent Resources or Reserves (as those defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) of greater than or equal to two hundred million barrels or oil equivalent (200 mmboe) on a 100% gross project basis; and</p> <p>b) The Company achieving a 20-day volume weighted average price of at least \$0.75 on or before 31 December 2026.</p>



## Directors' Report (Continued)

### 12. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

#### *Indemnification*

An indemnity agreement has been entered into with each of the Directors, chief financial officer and company secretary of the Company named earlier in this report. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities to the extent permitted by law. There is no monetary limit to the extent of this indemnity.

#### *Insurance*

During the financial year the Company has taken out an insurance policy in respect of Directors' and officers' liability and legal expenses for directors and officers.

### 13. CORPORATE STRUCTURE

Invictus Energy Limited is a Company limited by shares that is incorporated and domiciled in Australia. The Company is listed on the Australian Securities Exchange under the code "IVZ".

### 14. AUDIT AND NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and the experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor, BDO Audit (WA) Pty Ltd ("BDO"), are set out below.

During the current year, the following fees were paid or payable for audit and non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	30-Jun-22 A\$	30-Jun-21 A\$
<b>Services provided by the Auditor – BDO Audit (WA) Pty Ltd</b>		
Audit and review of financial statements	47,904	44,544
<b>Total services provided by the Auditor</b>	<b>47,904</b>	<b>44,544</b>

### 15. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's Independence Declaration is set out on page 55 and forms part of the Directors' report for the financial year ended 30 June 2022.

This report is signed in accordance with a resolution of the board of Directors and is signed on behalf of the Directors by:



30 September 2022  
Scott Macmillan  
Managing Director

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
*for the year ended 30 June 2022*

	Notes	2022 A\$	2021 A\$
<b>Continuing operations</b>			
Interest revenue		1,413	927
Other revenue	6	199,934	536,700
Corporate costs	6	(364,373)	(324,502)
Professional fees	6	(614,950)	(469,283)
Directors' and executives' fees		(2,221,448)	(544,851)
Finance costs		(54,163)	(14,492)
Other	6	(1,000,075)	(207,220)
Depreciation		(264,004)	(136,140)
Loss on settlement of shares		-	(74,608)
Foreign currency gain/(loss)		531,485	(22,177)
<b>Loss from continuing operations before income tax</b>		<b>(3,786,181)</b>	<b>(1,255,646)</b>
Income tax expense	8	-	-
<b>Loss from continuing operations after income tax</b>		<b>(3,786,181)</b>	<b>(1,255,646)</b>
<b>Gain/(loss) for the period attributable to:</b>			
Members of the parent entity		(3,643,865)	(1,218,646)
Non-controlling interest		(142,316)	(37,000)
<b>Gain/(loss) for the year</b>		<b>(3,786,181)</b>	<b>(1,255,646)</b>
<b>Other comprehensive income/(loss):</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation – members of parent entity		561,076	(462,785)
Foreign currency translation – non-controlling interest		140,221	(114,910)
<b>Total other comprehensive gain/(loss) for the year</b>		<b>701,297</b>	<b>(577,695)</b>
<b>Total comprehensive gain/(loss) for the year attributable to:</b>			
Members of the parent entity		(3,082,789)	(1,681,431)
Non-controlling interest	15	(2,095)	(151,910)
		<b>(3,084,884)</b>	<b>(1,833,341)</b>
Basic and diluted loss per share (cents)	9	(0.58)	(0.25)

*The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.*

**Consolidated Statement of Financial Position**  
*as at 30 June 2022*

	Notes	2022 A\$	2021 A\$
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	10	13,718,461	9,135,271
Trade and other receivables		245,195	48,224
Other current assets		75,850	52,014
<b>Total current assets</b>		<b>14,039,506</b>	<b>9,235,509</b>
<i>Non-current assets</i>			
Exploration and evaluation expenditure	11	28,228,960	8,821,190
Property, plant and equipment		284,344	168,814
Right of use asset		457,724	64,489
Other financial assets		120,771	96,143
<b>Total non-current assets</b>		<b>29,091,799</b>	<b>9,150,636</b>
<b>Total assets</b>		<b>43,131,305</b>	<b>18,386,145</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade and other payables	12	4,051,782	291,556
Provisions		73,524	40,873
Lease liability		127,034	95,189
<b>Total current liabilities</b>		<b>4,252,340</b>	<b>427,618</b>
<i>Non-current liabilities</i>			
Lease liability		365,062	-
<b>Total non-current liabilities</b>		<b>365,062</b>	<b>-</b>
<b>Total liabilities</b>		<b>4,617,402</b>	<b>427,618</b>
<b>Net assets</b>		<b>38,513,903</b>	<b>17,958,527</b>
<b>Equity</b>			
Share capital	13	58,926,088	38,354,367
Reserves	14	3,144,107	492,458
Accumulated loss		(24,592,086)	(21,926,187)
<b>Total equity attributable to owners of Invictus Energy Limited</b>		<b>37,478,109</b>	<b>16,920,638</b>
Non-controlling interest	15	1,035,794	1,037,889
<b>Total equity</b>		<b>38,513,903</b>	<b>17,958,527</b>

*The consolidated statement of financial position is to be read in conjunction with the accompanying notes.*

Invictus Energy Limited  
Annual Report 30 June 2022

**Consolidated Statement of Changes in Equity**

	Share capital	Foreign currency translation reserve	Share- based payment reserve	Total reserves	Accumulated loss	Total attributable to equity holders of the Group/ Company	Non- controlling interest	Total equity
	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$
<b>Balance at 30 June 2020</b>	<b>27,911,659</b>	<b>281,148</b>	<b>662,841</b>	<b>943,989</b>	<b>(20,707,541)</b>	<b>8,148,107</b>	<b>1,189,799</b>	<b>9,337,906</b>
Loss for the year	-	-	-	-	(1,218,646)	(1,218,646)	(37,000)	(1,255,646)
Foreign currency translation	-	(462,785)	-	(462,785)	-	(462,785)	(114,910)	(577,695)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(462,785)</b>	<b>-</b>	<b>(462,785)</b>	<b>(1,218,646)</b>	<b>(1,681,431)</b>	<b>(151,910)</b>	<b>(1,833,341)</b>
Issue of shares – capital raising	8,224,676	-	-	-	-	8,224,676	-	8,224,676
Capital raising costs	(538,696)	-	-	-	-	(538,696)	-	(538,696)
Shares issued in lieu of services provided	582,120	-	-	-	-	582,120	-	582,120
Shares issued - exercise of options	2,100,000	-	-	-	-	2,100,000	-	2,100,000
Loss on settlement	74,608	-	-	-	-	74,608	-	74,608
Share-based payments (note 19)	-	-	11,254	11,254	-	11,254	-	11,254
Total distributions to owners of Company recognised directly in equity	10,442,708	-	11,254	11,254	-	10,453,962	-	10,453,962
<b>Balance at 30 June 2021</b>	<b>38,354,367</b>	<b>(181,637)</b>	<b>674,095</b>	<b>492,458</b>	<b>(21,926,187)</b>	<b>16,920,638</b>	<b>1,037,889</b>	<b>17,958,527</b>
Loss for the year	-	-	-	-	(3,643,865)	(3,643,865)	(142,316)	(3,786,181)
Foreign currency translation	-	561,076	-	561,076	-	561,076	140,221	701,297
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>561,076</b>	<b>-</b>	<b>561,076</b>	<b>(3,643,865)</b>	<b>(3,082,789)</b>	<b>(2,095)</b>	<b>(3,084,884)</b>
Issue of shares – capital raising	19,349,497	-	-	-	-	19,349,497	-	19,349,497
Capital raising costs (note 13 and 19)	(2,567,702)	-	1,549,182	(1,549,182)	-	(1,018,520)	-	(1,018,520)
Shares issued in lieu of services provided (note 19)	200,000	-	-	-	-	200,000	-	200,000
Shares issued - exercise of options	3,589,926	-	-	-	-	3,589,926	-	3,589,926
Share-based payments (note 19)	-	-	1,519,357	1,519,357	-	1,519,357	-	1,519,357
Options expired/lapsed (note 14)	-	-	(977,966)	(977,966)	977,966	-	-	-
Total distributions to owners of Company recognised directly in equity	20,571,721	-	2,090,573	2,090,573	977,966	23,640,260	-	23,640,260
<b>Balance at 30 June 2022</b>	<b>58,926,088</b>	<b>379,439</b>	<b>2,764,668</b>	<b>3,144,107</b>	<b>(24,592,086)</b>	<b>37,478,109</b>	<b>1,035,794</b>	<b>38,513,903</b>

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows**  
*for the year ended 30 June 2022*

	Notes	2022 A\$	2021 A\$
<i>Cash flows from operating activities</i>			
Interest received		1,413	927
Lease surrender income		-	325,000
ATO Cashflow boosts		-	111,891
Payments to suppliers and employees		(1,617,174)	(1,205,494)
<b>Net cash used in operating activities</b>	16	<b>(1,615,761)</b>	<b>(767,676)</b>
<i>Cash flows from investing activities</i>			
Exploration and evaluation payments	11	(13,790,676)	(1,344,905)
Payments for property, plant & equipment		(396,786)	-
Return of restricted cash		96,143	-
Increase in restricted cash		(120,771)	-
<b>Net cash used in investing activities</b>		<b>(14,212,090)</b>	<b>(1,344,905)</b>
<i>Cash flows from financing activities</i>			
Proceeds from issue of shares	13	19,349,497	8,224,676
Share issuance costs	13	(2,567,702)	(538,695)
Exercise of options	13	3,589,926	2,100,000
<b>Net cash from financing activities</b>		<b>20,371,721</b>	<b>9,785,980</b>
Total cash movement for the year		4,543,870	7,673,399
Cash at the beginning of the year		<b>9,135,271</b>	1,497,014
Effect of exchange rate changes on cash and cash equivalents		39,320	(35,142)
<b>Total cash at the end of the year</b>	10	<b>13,718,461</b>	<b>9,135,271</b>

*The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.*

## Notes to the Consolidated Financial Statements

### 1. SUMMARY OF ACCOUNTING POLICIES

#### A. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Invictus Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

##### (i) Compliance with IFRS

The consolidated financial statements of the Invictus Energy Limited (formerly Interpose Holdings Limited) Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

Where necessary, comparatives have been reclassified and repositioned for consistency with the current year disclosures.

The Group has not elected to early adopt any new Standards or Interpretations.

All new and amended accounting standards mandatory as at 1 July 2021 have not had an impact on the financials. Refer to note 2 for further details.

##### (ii) Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

##### (iii) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

#### B. Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of Invictus Energy Limited (formerly Interpose Holdings Limited) is Australian dollars ("A\$").

## 1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

The consolidated financial statements are presented in Australian dollars, which is the Company's presentation currency.

### (ii) Transactions and balances

Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to A\$ at foreign exchange rates ruling at the dates the fair value was determined.

### (iii) Financial statements of foreign operations

The revenues and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised directly in the foreign currency translation reserve ("FCTR"), as a separate component of equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss, as part of the gain or loss on sale where applicable.

## C. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

### Net financial income

Net financial income comprises interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested, dividend income and foreign exchange gains and losses.

Interest income is recognised in the profit and loss as it accrues, using the effective interest method.

Management fees are recognised in the profit and loss as the right to a fee accrues, in accordance with contractual rights.

## D. Impairment of assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. The reversal is recognised in the income statement.

## 1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### E. Financial instruments

#### (i) *Non-derivative financial instruments*

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

#### (ii) *Subsequent measurement*

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Details on how the fair value of financial instruments is determined are disclosed in note 3.

#### (iii) *Impairment*

The Group assesses at each reporting date whether there is objective evidence that a financial asset or Group of financial assets is impaired.

### F. Goods and Services Tax / Value Added Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST") or Value Added Tax ("VAT"), except where the amount of GST/VAT incurred is not recoverable from the taxation authority. In these circumstances, the GST/VAT 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/VAT included. The net amount of GST/VAT recoverable from, or payable to, the relevant tax authority 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/VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authority are classified as operating cash flows.

### G. Dividends

Dividends are recognised as a liability in the period in which they are declared.

### H. Employee benefits

#### (i) *Short-term employee benefits*

Wages, salaries, bonuses and other salary related expenses are recognised as expenses in the year in which the associated services are rendered by employees of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services rendered by employees, that increase their entitlement to future compensated absences, occur. Short-term accumulating compensated absences such as sick leave are recognised when absences occur.

#### (ii) *Defined contribution plans*

Employee benefits include statutory social insurance payments to the State Social Insurance Scheme. Contributions to this defined contribution plan are recognised as an expense as incurred.



## 1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### *(iii) Share-based payments*

The Company provides benefits to employees (including Directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ("equity-settled transactions").

The fair value of options is recognised as an expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the holder become unconditionally entitled to the options. Fair value is determined using an appropriate valuation method. In determining fair value, no account is taken of any performance conditions other than those related to the share price of Invictus Energy Limited ("market conditions"). The cumulative expense recognised between grant date and vesting date is adjusted to reflect the Directors best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the Company until the vesting date, or such that employees are required to meet internal performance targets.

### *(iv) Leases*

Leases are recognised as a right-of-use and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Financial Performance over the lease period as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities from a lease are initially measured on a present value basis. The lease liability includes the present value of the fixed payments (with a 3.25% set increase each year), and variable payments for outgoings (reconciled and adjusted for actual cost each year). The lease payments are discounted using the Group's incremental borrowing rate of 10.0%.

The right-of-use asset is measured at cost comprising of the initial measurement of the lease liability.

## 2. NEW AND AMENDED STANDARDS NOT YET ADOPTED BY THE GROUP

The Directors have also reviewed all Standards and Interpretations on issue not yet adopted for the year ended 30 June 2022. As a result of this review, the directors have determined that there is no material impact of the Standards and Interpretation on issue not yet adopted on the Group and, therefore, no change is necessary to the Group's accounting policies.

### 3. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by the management under policies approved by the board of Directors. Group management identifies, evaluates and hedges financial risks by holding cash in interest earning deposits.

The Group holds the following financial instruments:

	2022 A\$	2021 A\$
<b>Financial assets</b>		
Cash and cash equivalents	13,718,461	9,135,271
Trade and other receivables	245,195	48,224
<b>Total financial assets</b>	<b>13,963,656</b>	<b>9,183,495</b>
<b>Financial liabilities</b>		
Trade and other payables	(4,051,782)	(291,556)
Lease liability – current	(127,034)	(95,189)
Lease liability – non current	(365,062)	-
<b>Total financial liabilities</b>	<b>(4,543,878)</b>	<b>(386,745)</b>
<b>Net financial instruments</b>	<b>9,419,778</b>	<b>8,796,750</b>

#### (a) Market risk

##### *Foreign currency risk*

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The consolidated entity has the Australian dollar (A\$) as its functional currency, which is also the currency for the Group's transactions. Some exposure to foreign exchange risk exists in respect to its Cabora Bassa project which has transactions denominated in US Dollars and Zim Dollars. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's exposure to foreign currency risk at the reporting date, expressed in Australian Dollars, was:

	2022 A\$	2021 A\$
Cash and cash equivalents	9,060,363	430,642
Trade and other payables	(3,654,587)	(702)
<b>Total exposure to foreign currency risk</b>	<b>(5,405,776)</b>	<b>429,940</b>

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

Group sensitivity to movements in foreign exchange rates is shown in the summarised sensitivity analysis table below:

	Carrying amount A\$	Foreign exchange risk			
		-10%	Equity	10%	Equity
		Profit A\$	A\$	Profit A\$	A\$
<b>30-Jun-22</b>					
<b>Financial assets</b>					
Cash and cash equivalents	9,060,363	(906,036)	906,036	906,036	(906,036)
Trade and other payables	(3,654,587)	365,459	(365,459)	(365,459)	365,459
<b>Net exposure to foreign currency risk</b>	<b>(5,405,776)</b>	<b>(540,577)</b>	<b>540,577</b>	<b>540,577</b>	<b>(540,577)</b>

	Carrying amount A\$	Foreign exchange risk			
		-10%	Equity	10%	Equity
		Profit A\$	A\$	Profit A\$	A\$
<b>30-Jun-21</b>					
<b>Financial assets</b>					
Cash and cash equivalents	430,642	(43,064)	43,064	43,064	(43,064)
Trade and other payables	(702)	70	(70)	(70)	70
<b>Net exposure to foreign currency risk</b>	<b>429,940</b>	<b>(42,994)</b>	<b>42,994</b>	<b>42,994</b>	<b>(42,994)</b>

Foreign exchange volatility was chosen to reflect expected short-term fluctuations in the US Dollar.

#### (b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, the ability to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the management aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are only invested in instruments that are tradeable in highly liquid markets.

The tables below analyse the Group's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 6 months	Total contractual cash flows	Carrying amount of liabilities
<b>30-Jun-22</b>			
Trade and other payables	4,051,782	4,051,782	4,051,782
<b>Total exposure to liquidity risk</b>	<b>4,051,782</b>	<b>4,051,782</b>	<b>4,051,782</b>

	Less than 6 months	Total contractual cash flows	Carrying amount of liabilities
<b>30-Jun-21</b>			
Trade and other payables	291,556	291,556	291,556
<b>Total exposure to liquidity risk</b>	<b>291,556</b>	<b>291,556</b>	<b>291,556</b>

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Interest rate risk

The Group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

	Weighted average interest rate	30-Jun-22	Weighted average interest rate	30-Jun-21
<b>Floating interest rate:</b>				
Cash available at call	0.00%	10,892,007	0.00%	2,321,316
<b>Fixed interest rate:</b>				
Deposits at call	0.05%	2,826,453	0.05%	6,813,955
<b>Total exposure to interest rate risk</b>		<b>13,718,461</b>		<b>9,135,271</b>

The Group's sensitivity to movement in interest rates is not significant to the group.

#### (c) Credit risk

The carrying amount of cash and cash equivalents and trade and other receivables (excluding prepayments) represent the Group's maximum exposure to credit risk in relation to financial assets.

Cash and short-term liquid investments are placed with reputable banks, so no significant credit risk is expected. None of the financial assets are either past due or impaired.

#### (d) Fair value measurements

The carrying values 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 Group for similar financial instruments.

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of deferred exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The Board and Management have assessed the carrying value of the Exploration and Evaluation Expenditure to be impaired. Refer to the accounting policy stated in note 11 for movements in the exploration and evaluation expenditure balance.

(b) Share based payment transactions

The group measures the cost of equity-settled transactions with Directors, employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using appropriate valuation techniques.

(c) Tax in foreign jurisdictions

The consolidated entity operates in overseas jurisdictions and accordingly is required to comply with the taxation requirements of those relevant countries. This results in the consolidated entity making estimates in relation to taxes including but not limited to income tax, goods and services tax, withholding tax and employee income tax. The consolidated entity estimates its tax liabilities based on the consolidated entity's understanding of the tax law. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact profit or loss in the period in which they are settled.

## 5. SEGMENT INFORMATION

AASB 8 Operating Segments requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

(a) Description of segments

The Company's Board of Directors, who are collectively the "Chief Operating Decision Maker", receives financial information for one reportable segment being "Exploration".

(b) Segment information

	Exploration	Unallocated	Consolidated
<i>For the year ended 30 June 2022</i>	A\$	A\$	A\$
Total segment revenue	310	201,037	201,347
Profit (loss) before income tax	(712,305)	(3,073,876)	(3,786,181)
<i>Segment Assets</i>			
Cash and cash equivalents	151,860	13,566,601	13,718,461
Trade and other receivables	-	245,195	245,195
Other current assets	-	75,850	75,850
Exploration and evaluation expenditure	28,228,960	-	28,228,960
Other financial assets	-	120,771	120,771
Property, plant and equipment	27,072	257,272	284,344
Right of use - asset	-	457,724	457,724
<b>Total Segment Assets</b>	<b>28,407,892</b>	<b>14,723,413</b>	<b>43,131,305</b>
<i>Segment Liabilities</i>			
Trade and other payables	3,654,587	397,195	4,051,782
Provisions	-	73,524	73,524
Right of use – current liability	-	127,034	127,034
Right of use – non-current liability	-	365,062	365,062
<b>Total Segment Liabilities</b>	<b>3,654,587</b>	<b>962,815</b>	<b>4,617,402</b>
<i>For the year ended 30 June 2021</i>	Exploration	Unallocated	Consolidated
	A\$	A\$	A\$
Total segment revenue	354	537,237	537,591
Profit (loss) before income tax	(187,063)	(1,068,583)	(1,255,646)
<i>Segment Assets</i>			
Cash and cash equivalents	34,185	9,101,086	9,135,271
Trade and other receivables	-	48,224	48,224
Other current assets	-	52,014	52,014
Exploration and evaluation expenditure	8,821,190	-	8,821,190
Other financial assets	-	96,143	96,143
Property, plant and equipment	42,317	126,497	168,814
Right of use - asset	-	64,489	64,489
<b>Total Segment Assets</b>	<b>8,897,692</b>	<b>9,488,453</b>	<b>18,386,145</b>
<i>Segment Liabilities</i>			
Trade and other payables	-	291,556	291,556
Provisions	-	40,873	40,873
Right of use – current liability	-	95,189	95,189
Right of use – non-current liability	-	-	-
<b>Total Segment Liabilities</b>	<b>-</b>	<b>427,618</b>	<b>427,618</b>

## 6. OTHER REVENUE, CORPORATE COSTS AND PROFESSIONAL FEES

	2022 A\$	2021 A\$
<b>Other revenue</b>		
Rental income	199,934	111,700
Lease surrender fee <sup>1</sup>	-	325,000
ATO cash flow boost	-	100,000

<sup>1</sup> Relates to a cash payment to Invictus Energy for the early surrender of their Head Office lease at 24 Outram Street, West Perth.

<b>Corporate costs</b>		
D&O Insurance	64,631	40,359
Rent	27,655	125,826
ASX Fees	127,710	82,432
ASIC Fees	8,509	6,016
Share registry fees	37,582	31,688
Other	98,286	38,181
<b>Total corporate costs</b>	<b>364,373</b>	<b>324,502</b>

<b>Professional fees</b>		
Audit fees	47,904	44,544
Company Secretarial	27,500	18,750
Accounting fees	105,725	65,000
Legal fees	104,183	11,562
Corporate advisory	-	10,000
Staff recruitment costs	-	15,193
Investor relations	123,638	80,365
Corporate tax advice	6,000	5,610
Share-based payments expense – Consultants - shares issued in lieu of services	200,000	218,259
<b>Total professional fees</b>	<b>614,950</b>	<b>469,283</b>

<b>Other</b>		
Corporate costs for the foreign subsidiaries	780,272	182,482
Other	219,763	24,738
<b>Total other expenses</b>	<b>1,000,075</b>	<b>207,220</b>

## 7. AUDITOR REMUNERATION

	2022 A\$	2021 A\$
<i>Services provided by the Auditor – BDO Audit (WA) Pty Ltd</i>		
Audit and review of financial statements	47,904	44,544
Tax compliance services	-	-
<b>Total services provided by the Auditor</b>	<b>47,904</b>	<b>44,544</b>

## 8. TAXATION

The income tax expense for the period presented comprises current and deferred tax. Income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the 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.

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 utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised, or to the extent that the Group has deferred tax liabilities with the same taxation authority.

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the provision for income taxes across the Group. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.



## 8. TAXATION (CONTINUED)

	2022 A\$	2021 A\$
<b>INCOME TAX EXPENSE</b>		
<b>The components of tax expense comprise:</b>		
Current income tax charge (benefit)	-	-
Adjustments in respect of previous current income tax	-	-
<b>Total income tax expense from continuing operation</b>	-	-
<b>A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the years ended 30 June 2022 and 30 June 2021 is as follows:</b>		
Accounting profit (loss) before income tax	(3,786,181)	(1,255,646)
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2021: 30%) adjusted for:	(1,135,854)	(376,694)
Non-deductible expenses	243,147	67,901
NANE related expenditure	8,070	4,262
NANE related income	-	(30,000)
Temporary differences and losses not recognised	368,830	202,300
Share based payments expense	515,807	132,231
<b>Income tax expense/(benefit)</b>	-	-
The applicable weighted average effective tax rates are as follows:	0%	0%
<b>Unrecognised deferred tax assets/(liabilities)</b>	<b>2022</b>	<b>2021</b>
Deferred tax assets/(liabilities) have not been recognised in respect of the following items:	<b>A\$</b>	<b>A\$</b>
Prepayments	(665)	(1,858)
Right of use asset	(137,317)	(19,347)
Trade and other payables	30,307	20,362
Right of use liability	147,629	28,557
Australian tax losses	3,254,395	2,766,961
Capital loss	57,956	57,956
Capital raising costs	341,410	5,088
	<b>3,693,715</b>	<b>2,857,719</b>
Offset against deferred tax liabilities recognised	-	-
<b>Deferred tax assets not brought to account</b>	<b>3,693,715</b>	<b>2,857,719</b>

The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits. The tax benefits of the above deferred tax assets will only be obtained if:

- The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- The consolidated entity continues to comply with the conditions for deductibility imposed by law; and
- No changes in income tax legislation adversely affect the consolidated entity from utilising the benefits.

## 9. GAIN/(LOSS) PER SHARE

### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

The calculation of basic gain per share at the reporting date was based on the loss attributable to ordinary shareholders of \$3,643,865 (2021: loss of \$1,218,646) and a weighted average number of ordinary shares outstanding during the current financial year of 629,692,632 (2021: 491,861,703) shares calculated as follows:

	2022 A\$	2021 A\$
Loss for the year	(3,643,865)	(1,218,646)
<b>Weighted average number of ordinary shares (basic and diluted)</b>	<b>629,692,632</b>	<b>491,861,703</b>
Basic and diluted loss per share (cents)	(0.58)	(0.25)

### Diluted gain/(loss) per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Potential ordinary shares are not considered dilutive, thus diluted gain/(loss) per share is the same as basic gain/(loss) per share.

## 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances, short-term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

	2022 A\$	2021 A\$
Cash and cash equivalents consist of:		
Cash on hand	11,354,587	9,135,271
Term deposits	2,363,874	-
<b>Total cash and cash equivalents</b>	<b>13,718,461</b>	<b>9,135,271</b>

## 11. EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs are allocated separately to specific areas of interest. Each area of interest is limited to a size related to a known and probable Mineral Resource capable of supporting a mining operation. Such costs comprise net direct costs and an appropriate portion of related overhead expenditure directly related to activities in the area of interest.

Exploration and evaluation costs incurred in the normal course of operations are capitalised.

Exploration and evaluation costs are capitalised where they are the result of an acquisition from a third party. These capitalised costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When a decision to proceed to development is made the exploration and evaluation costs capitalised to that area are transferred to mine development within property, plant and equipment. All costs subsequently incurred to develop a mine prior to the start of mining operations within the area of interest are capitalised. These costs include expenditure to develop new ore bodies within the area of interest, to define further mineralisation in existing areas of interest, to expand the capacity of a mine and to maintain production.

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes, cost of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

As at 30 June 2022, the carrying value of the capitalised exploration and evaluation properties of the consolidated entity was \$28,228,960 (2021: \$8,821,190); the carrying amounts of individual projects are as per the reconciliation of movement in exploration and evaluation property below.

<i>Reconciliation of movement in exploration and evaluation expenditure</i>	<b>2022</b>	<b>2021</b>
<i><b>Cabora Bassa Project</b></i>	<b>A\$</b>	<b>A\$</b>
<b>Project carrying value at 1 July</b>	8,821,190	8,021,198
Cost incurred during the year	18,855,709	1,344,904
Effect of translation to presentation currency	552,061	(544,912)
<b>Project carrying value at 30 June</b>	<b>28,228,960</b>	<b>8,821,190</b>

The total recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

## 12. TRADE AND OTHER PAYABLES

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days.

	<b>2022</b>	<b>2021</b>
	<b>A\$</b>	<b>A\$</b>
Trade creditors	2,259,037	192,556
Accrued expenses	1,792,738	99,000
<b>Total trade and other payables</b>	<b>4,051,775</b>	<b>291,556</b>

*Note 1: As at 30 June 2022 the Directors of the Company are owed \$60,000 in deferred salaries and fees (June 2021: \$nil)*

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days. Information about the Group's exposure to foreign currency risk is provided in note 3.

### 13. SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

The Group's capital is comprised of ordinary shares and options over ordinary shares of the Company.

	2022 A\$	2021 A\$
Shares on issue	64,884,371	41,744,948
Issuance cost	(5,958,283)	(3,390,581)
<b>Total share capital</b>	<b>58,926,088</b>	<b>38,354,367</b>

  

	Number of shares	A\$
<b><i>Reconciliation of movement in issued capital</i></b>		
<b>Balance as at 1 July 2020</b>	<b>449,194,206</b>	<b>27,911,659</b>
Issue of shares – placement	15,968,329	224,676
Issue of shares – placement	72,727,273	8,000,000
Issue of shares – consultants	7,538,182	400,000
Issue of shares – directors and employees	4,649,397	182,120
Issue of shares – exercise of options	35,000,000	2,100,000
Loss on settlement	-	74,608
Share issuance costs	-	(538,696)
<b>Balance as at 30 June 2021</b>	<b>585,077,387</b>	<b>38,354,367</b>
Issue of shares – placement	136,747,370	19,349,497
Issue of shares – consultants	2,000,000	200,000
Issue of shares – exercise of options	22,908,191	3,589,926
Share issuance costs	-	(2,567,702)
<b>Balance as at 30 June 2022</b>	<b>746,732,948</b>	<b>58,926,088</b>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in the proportion to the number and amount paid on the shares held.

At 30 June 2022, the Company had 96,333,444 unlisted options over ordinary shares on issue (2021: 46,272,727).

### 13. SHARE CAPITAL (CONTINUED)

**Reconciliation of movement in unlisted options over ordinary shares**

	Number	Issue date	Expiry date	Exercise price (cents)
<b>Total unlisted options as at 30 June 2020</b>	<b>44,000,000</b>			
Placement options	36,363,636	29-Mar-21	30-Mar-24	17
Broker options	909,091	29-Mar-21	30-Mar-24	17
Exercise of options	(35,000,000)	various	various	6
<b>Total unlisted options as at 30 June 2021</b>	<b>46,272,727</b>			
Director options	15,000,000	26-Jul-21	23-Jul-2024	23.55
Broker options	9,090,909	8-Jul-21	30-Mar-24	17
Placement options <sup>1</sup>	17,499,994	13-Jan-22	31-Jan-25	14
Cancellation of Director options	(3,000,000)	26-Jul-21	23-Jul-24	23.55
Placement options <sup>1</sup>	19,999,734	24-Jan-22	31-Jan-25	14
Broker options	4,375,000	25-Jan-22	31-Jan-25	14
Placement options <sup>1</sup>	2,500,000	1-Mar-22	31-Jan-25	14
Broker options	7,503,271	23-May-22	11-Jul-23	35
Exercise of options	(10,150,269)	various	31-Jan-25	14
Exercise of options	(12,757,922)	various	30-Mar-24	17
<b>Total unlisted options as at 30 June 2022</b>	<b>96,333,444</b>			

<sup>1</sup> During the current year, there were a total of 39,999,728 unlisted options ('free attaching placement options') issued to participants in capital raises during the year, on 1:2 basis (1 option for every 2 shares). The options have an exercise price of \$0.14 and an expiry date of 31 January 2025. No amounts is recognised in respect of these free attaching placement options for the current year.

Options over ordinary shares carry no voting or dividend rights.

**Performance shares over ordinary shares**

The fair value of a performance shares is measured using the share price at the date the vesting condition is met.

On 20 December 2021, 44,179,281 Class C performance shares expired. The vesting condition for the performance shares was dependant on the drilling of an exploration well upon the Cabora Bassa Project that results in the maiden booking of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition)).

At 30 June 2022, the Company had no performance shares over ordinary shares on issue (2021: 44,179,281).

**Reconciliation of movement**

**in performance shares over ordinary shares**

	Number	Issue date	Expiry date
<b>Total as at 1 July 2020</b>	<b>44,179,281</b>	22-Jun-18	20-Dec-21
<b>Total as at 30 June 2021</b>	<b>44,179,281</b>	22-Jun-18	20-Dec-21
Expiry of performance shares	(44,179,281)	22-Jun-18	20-Dec-21
<b>Total as at 30 June 2022</b>	<b>-</b>	-	-

**Performance rights over ordinary shares**

The fair value of a performance rights is measured using the share price at the date the vesting condition is met.

As at 30 June 2022, the Company has no performance rights over ordinary shares on issue (2021: nil).

### 13. SHARE CAPITAL (CONTINUED)

#### *Capital risk management*

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

### 14. RESERVES

#### *Share-based payments reserve*

The share-based payments reserve represents the value of options issued under the compensation arrangement that the consolidated entity is required to include in the consolidated financial statements. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the consolidated entity's own equity instruments.

#### *Translation reserve*

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

	2022 A\$	2021 A\$
Share-based payments reserve	2,764,668	674,095
Foreign currency translation reserve	379,439	(181,637)
<b>Total reserves</b>	<b>3,144,107</b>	<b>492,458</b>
<i>Reconciliation of movement in reserves</i>		
<b>Share-based payments reserve</b>		
<b>Balance as at 1 July</b>	<b>674,095</b>	<b>662,841</b>
Options issued – Director remuneration (note 19)	1,519,357	11,254
Options issued – Broker fees (note 19)	1,549,182	-
Options expired/lapsed	(977,966)	-
<b>Balance as at 30 June</b>	<b>2,764,668</b>	<b>674,095</b>
<b>Foreign currency translation reserve</b>		
<b>Balance as at 1 July</b>	<b>(181,637)</b>	<b>281,148</b>
Effect of translation of foreign currency operation to Group presentation currency	561,076	(462,785)
<b>Balance as at 30 June</b>	<b>379,439</b>	<b>(181,637)</b>
<b>Total reserves balance as at 30 June</b>	<b>3,144,107</b>	<b>492,458</b>

## 15. INTERESTS IN OTHER ENTITIES

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Invictus Energy Limited ("the Company" or "the parent entity") as at 30 June 2022 and the results of all subsidiaries for the year then ended. Invictus Energy Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition method of accounting is used to account for business combinations by the Group. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognized directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of financial position and statement of changes in equity.

### (a) Subsidiaries

The consolidated entity's principal subsidiaries at 30 June 2022 and 30 June 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the consolidated entity, and the proportion of ownership interests held equals the voting rights held by the consolidated entity. The country of incorporation or registration is also their principal place of business. Principal activity of all subsidiaries is gas exploration and development.

	Place of business/ country of incorporation	Ownership interest held by the consolidated entity				non-controlling interests	
		2022	2021	2022	2021	2022	2021
HIS Texas LLC	USA	100%	100%	100%	-	-	-
Invictus Energy Resources Pty Limited	Australia	100%	100%	100%	-	-	-
Invictus Energy Mauritius Limited	Mauritius	100%	100%	100%	-	-	-
Invictus Energy Resources Zimbabwe (Pvt) Ltd	Zimbabwe	100%	100%	100%	-	-	-
Geo Associates (Pvt) Ltd	Zimbabwe	80%	80%	20%	20%	-	-

## 15. INTERESTS IN OTHER ENTITIES (CONTINUED)

### (b) Non-controlling interests

The following table sets out the summarised financial information for each subsidiary that has non-controlling interests. Amounts disclosed are before intercompany eliminations.

	Geo Associates (Pvt) Ltd	
	2022	2021
	A\$	A\$
<b>Summarised statement of financial position</b>		
Current assets	151,824	34,151
Current liabilities	-	-
<b>Current net liabilities/assets</b>	<b>151,824</b>	<b>34,151</b>
Non-current assets <sup>1</sup>	7,005,774	6,088,649
Non-current liabilities	(7,795,831)	(6,750,560)
<b>Non-current net assets</b>	<b>(790,057)</b>	<b>(661,911)</b>
<b>Net liabilities/ assets</b>	<b>(638,233)</b>	<b>(627,760)</b>
Accumulated NCI	1,035,794	1,037,889

<sup>1</sup> Represents capitalised exploration costs. Refer to note 11 for further details.

### Statement of Profit or Loss and Other Comprehensive Income

Revenue	310	329
<b>Loss for the period</b>	<b>711,578</b>	<b>185,000</b>
Other comprehensive loss	-	-
<b>Total comprehensive loss</b>	<b>711,578</b>	<b>221,222</b>
Loss allocated to NCI	(142,316)	(37,000)
FCTR allocated to NCI	140,221	(114,910)

### Summarised cash flows

Cash flows from/ (used in) operating activities	-	-
Cash flows from/ (used in) investing activities	-	-
Cash flows from/ (used in) financing activities	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>

### (c) Transactions with non-controlling interests

There were no transactions with the non-controlling interests during the current year.



## 16. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW USED

	Notes	2022 A\$	2021 A\$
Loss after tax		(3,786,181)	(1,255,646)
<b>Add/(less) non-cash items:</b>			
Share-based payments expense – Director options	19	1,519,357	593,374
Depreciation		264,004	136,140
Loss on settlement of fees		-	74,608
Share-based payments expense – Consultants - shares issued in lieu of services	19	200,000	-
<b>Changes in working capital:</b>			
Decrease/(increase) in trade and other receivables		(196,971)	(16,438)
Decrease/(increase) in other assets		(23,836)	(34,531)
Increase/(decrease) in trade and other payables		375,214	(259,480)
Increase in provisions		32,651	(5,703)
<b>Net cash outflow from operating activities</b>		<b>(1,615,760)</b>	<b>(767,676)</b>
<b>Non- cash investing and financing activities:</b>			
Share-based payments expense – Brokers options		1,549,182	-
		<b>1,549,182</b>	<b>-</b>

## 17. PARENT ENTITY

	2022 A\$	2021 A\$
Current assets	13,635,619	9,049,130
Non-current assets	765,169	287,128
<b>Total assets</b>	<b>14,400,788</b>	<b>9,336,258</b>
Current liabilities	580,875	335,483
Non-current liabilities	365,062	-
<b>Total liabilities</b>	<b>945,937</b>	<b>335,483</b>
<b>Net assets</b>	<b>13,454,851</b>	<b>9,000,775</b>
Contributed equity	58,926,088	38,354,367
Share-based payment reserve	2,764,668	974,995
Foreign currency translation reserve	-	-
Accumulated losses	(48,235,905)	(30,328,587)
<b>Total equity</b>	<b>13,454,851</b>	<b>9,000,775</b>
Loss for the year	17,907,318	2,737,232
<b>Total comprehensive loss for the year</b>	<b>17,907,318</b>	<b>2,737,232</b>

### Commitments

Refer to note 21: Capital and Other Commitments.

### Contingencies

There were no contingent assets or liabilities of the parent as at 30 June 2022 related to exploration and evaluation expenditure (30 June 2021: \$ nil).

### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

There are no deeds of cross guarantee in place by the parent entity.

## 18. RELATED PARTY TRANSACTIONS

### (a) Parent entities

The ultimate parent entity within the Group is Invictus Energy Limited incorporated in Australia.

### (b) Subsidiaries

Interests in subsidiaries are set out in note 15(a).

### (c) Other related party transactions

During the year the Company paid \$70,000 to Laurus Corporate Services Pty Ltd, an entity related to Mr Gabriel Chiappini, for the provision of non-executive director and company secretarial services, on normal commercial terms and conditions and at market rates (2021: \$57,000).

On 15 February 2019 the Company entered into an arrangement with Laurus Corporate Services Pty Ltd, an entity related to which Mr Gabriel Chiappini, whereby Laurus Corporate Services Pty Ltd rents one office and one car bay at a cost of \$1,950 plus GST from the Company per calendar month. The arrangement is for no fixed term and can be cancelled by either party by providing one months notice. On 1 October 2021, the amount was reduced to \$1,225 plus GST.

On 1 May 2022 the Company entered into an agreement with Black Dragon Gold Ltd, an entity related to Mr Gabriel Chiappini, whereby Black Dragon Gold Ltd rents one office and one car bay at a cost of \$1,225 plus GST from the Company per calendar month. The arrangement is for no fixed term and can be cancelled by either party by providing one months notice.

On 15 February 2019 the Company entered into an arrangement with Eneabba Gas Ltd, an entity related to Mr Gabriel Chiappini (resigned 28 April 2021) and Mr Barnaby Egerton-Warburton, for the provision of one office and one car bay at a cost of \$1,950 plus GST per calendar month. The arrangement was for no fixed term and can be cancelled by either party by providing one months notice. This arrangement ceased on 3 December 2021.

During the prior financial year the Company entered into an arrangement with Pantera Minerals Ltd, an entity related to Mr Barnaby Egerton-Warburton, for the provision of 3 offices and one car bay at a cost of \$7,150 plus GST per calendar month. The arrangement was for no fixed term and can be cancelled by either party by providing one months notice. This ceased to be a related party transaction when Mr Barnaby Egerton-Warburton resigned as a Non-Executive Director of the Company on 25 October 2021.

During the prior financial year the Company entered into an arrangement with BXW Pty Ltd, an entity related to Mr Barnaby Egerton-Warburton, for the provision of one car bay at a cost of \$450 plus GST per calendar month. The arrangement was for no fixed term and can be cancelled by either party by providing one months notice. There were no other transactions with related parties during the current year. This ceased to be a related party transaction when Mr Barnaby Egerton-Warburton resigned as a Non-Executive Director of the Company on 25 October 2021.

All transactions were made on normal commercial terms and conditions and at market rates

There were no other transactions with related parties during the current year.

## 18. RELATED PARTY TRANSACTIONS (CONTINUED)

### (d) Key management personnel

The following persons were Directors and key management personnel of Invictus Energy Limited during the financial year:

(i) <i>Non-Executive Chairman</i>	Dr Stuart Lake
(ii) <i>Managing Director</i>	Mr Scott Macmillan
(iii) <i>Non-executive Directors</i>	Mr Barnaby Egerton-Warburton (resigned on 25 October 2021) Mr G Chiappini Mr Eric de Mori
(iii) <i>Non-executive Director and Company Secretary</i>	Mr G Chiappini

There were no other persons, other than the Directors as detailed above, that were identified as key management personnel of the Company during the current year.

### (e) Key management personnel compensation

The key management personnel compensation was as follows:

	2022 A\$	2021 A\$
Short-term employee benefits	602,137	438,783
Post-employment benefits	32,526	32,655
Share-based payment	1,519,357	53,396
<b>Total key management personnel compensation</b>	<b>2,154,020</b>	<b>524,834</b>

## 19. SHARE BASED PAYMENTS

### (a) Employee options over ordinary shares

Decisions to grant options are made by the Board and are based on aligning the long-term interests of key management personnel, employees, consultants and strategic external parties with those of the Company's shareholders.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Securities Exchange (ASX) on or about the date of grant.

Each option is convertible into one ordinary share.

The fair value of an option is measured using an appropriate valuation method. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

#### *Share options granted*

##### 2022

On 26 July 2021, 15,000,000 unlisted options, valued at \$1,519,357, were issued to the Directors. The options have an exercise price of \$0.2355 and an expiry date of 23 July 2024. The options were awarded

## 19. SHARE BASED PAYMENTS (CONTINUED)

as part of the remuneration for the services provided by the Directors to the Company and were approved by shareholders at a general meeting on 8 July 2021. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

- Grant date: 8 July 2021
- Expiry date: 23 July 2024
- Risk free rate: 0.16%
- Stock volatility: 103.61%
- Share price at grant date: \$0.1750
- Exercise price: \$0.2355

\$1,519,357 has been recognised as Director Fees, within the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current period.

The following options were issued to the Company's broker in relation to capital raisings completed during the year;

- 9,090,909 share options, with an exercise price of \$0.17 and an expiry date of 30 March 2024
- 4,375,000 share options, with an exercise price of \$0.14 and an expiry date of 31 January 2025
- 7,503,271 share options, with an exercise price of \$0.35 and an expiry date of 11 July 2023.

The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

No. of options	9,090,909	4,375,000	7,503,271
Grant date	8 July 2021	10 December 2021	22 July 2022
Expiry date	30 March 2024	31 January 2025	11 July 2023
Risk free rate	0.16%	0.98%	3.13%
Stock volatility	103.61%	93.89%	83.45%
Share price on grant date	\$0.175	\$0.125	\$0.205
Exercise price	\$0.17	\$0.14	\$0.35
Total fair value	\$976,767	\$316,146	\$256,269

\$1,549,182 has been recognised within Capital raising costs within the Consolidated Statement of Financial Position for the current year.

### 2021

No share options were granted to employees or consultants for services rendered during the financial year.

## 19. SHARE BASED PAYMENTS (CONTINUED)

### Reconciliation of movement in share options

	2022		2021	
	Average exercise price per option	Number of options	Average exercise price per option	Number of options
<b>As at 1 July</b>	\$0.15	46,272,727	\$0.07	44,000,000
Granted during the year	\$0.17	75,968,908 <sup>1</sup>	\$0.17	37,272,727
Exercised during the year	\$0.16	(22,908,191)	\$0.06	(35,000,000)
Lapsed during the year	\$0.2355	(3,000,000)	-	-
<b>As at 30 June</b>	<b>\$0.17</b>	<b>96,333,444</b>	<b>\$0.15</b>	<b>46,272,727</b>
Vested and exercisable at 30 June	\$0.17	96,333,444	\$0.15	46,272,727

<sup>1</sup> During the current year, there were a total of 39,999,728 unlisted options ('free attaching placement options') issued to participants in capital raises during the year, on 1:2 basis (1 option for every 2 shares). The options have an exercise price of \$0.14 and an expiry date of 31 January 2025. No amounts is recognised in respect of these free attaching placement options for the current year.

### Share options outstanding at the end of the year

Grant date	Expiry date	Exercise price (cents)	Number of options	
			2022	2021
31.7.2019	31.7.2022	6	3,000,000	3,000,000
31.7.2019	31.7.2022	9	3,000,000	3,000,000
31.7.2019	31.7.2022	12	3,000,000	3,000,000
8.7.2021	23.07.2024	23.55	12,000,000	-
various	30.3.2024	17	33,605,714	36,363,636
various	31.1.2025	14	34,224,459	-
22.7.2022	11.7.2023	35	7,503,271	-
			<b>96,333,444</b>	<b>45,363,636</b>

Weighted average remaining contractual life of options outstanding at 30 June 2022 is 1.88 years (30 June 2021: 2.42).

### (b) Performance shares over ordinary shares

Decisions to grant performance shares are made by the Board and are based on aligning the long-term interests of key management personnel, employees, consultants and strategic external parties with those of the Company's shareholders.

Each performance shares converts into one ordinary share for a nil exercise price upon the completion of certain vesting conditions.

The fair value of a performance share is measured using the share price at the date the vesting condition is met.

## 19. SHAREBASED PAYMENTS (CONTINUED)

### Performance shares granted

#### 2022

No performance shares were granted to employees or consultants for services rendered during the financial year.

#### 2021

No performance shares were granted to employees or consultants for services rendered during the financial year.

### Reconciliation of movement in performance shares

Class C	2022 Number	2021 Number
As at 1 July	44,179,281	44,179,281
Granted during the year	-	-
Exercised during the year	-	-
Expired during the year	(44,179,281)	-
As at 30 June	-	44,179,281

### (c) Performance rights over ordinary shares

Decisions to grant performance rights are made by the Board and are based on aligning the long-term interests of key management personnel, employees, consultants and strategic external parties with those of the Company's shareholders.

Each performance right converts into one ordinary share for a nil exercise price upon certain milestones being met.

The fair value of a performance right is measured using the share price at the date the vesting condition is met.

### Performance rights granted

#### 2022

There were no performance rights were granted during the financial year.

#### 2021

The following performance rights were granted and expired during the prior financial year:

No.	Class	Expiry date	Project Milestone	Share Price Milestone
5,900,000	A	31-Dec 2020	(a) The Company announcing the execution of the Non-Binding Farm-in Agreement on or before 31 December 2020; and  (b) the Binding Farm-in Agreement, having been executed, becomes unconditional on or before 30 June 2021.	The Company achieving a VWAP of at least \$0.045 over any twenty consecutive trading day period before 31 December 2020.
5,900,000	B	31-Dec 2020	The Company achieving the grant of the Extension Application on or before 31 December 2020.	The Company achieving a VWAP of at least \$0.045 over any twenty consecutive trading day period before 31 December 2020

## 19. SHAREBASED PAYMENTS (CONTINUED)

As the milestones for class A and B were not achieved within the specified time frame, the underlying performance rights lapsed and were cancelled. As such, no performance right expense was recognised in the statement of financial performance during the prior financial year.

### *Reconciliation of movement in performance rights*

	2022 Number	2021 Number
<b>Class A</b>		
<b>As at 1 July</b>	-	-
Granted during the year	-	5,900,000
Exercised during the year	-	-
Expired during the year	-	(5,900,000)
<b>As at 30 June</b>	-	-
<b>Class B</b>		
<b>As at 1 July</b>	-	-
Granted during the year	-	5,900,000
Exercised during the year	-	-
Expired during the year	-	(5,900,000)
<b>As at 30 June</b>	-	-

### *Performance rights outstanding at the end of the year*

There were no performance rights outstanding as at 30 June 2022 (2021: nil).

### **(d) Shares issued during the current year**

#### 2022

No shares were granted to employees for services rendered during the June 2022 financial year.

2,000,000 shares were issued to investor relation consultants of the Company for services performed. The fair value of the shares recognised is by direct reference to the fair value of services received. This was determined by the corresponding invoice which totalled \$200,000 (excl GST). This amount has been included recognised within Capital raising costs within the Consolidated Statement of Financial Position for the current year.

#### 2021

No shares were granted to employees or consultants for services rendered during the June 2021 financial year.

### **(e) Expenses arising from share-based payment transactions**

	2022 A\$	2021 A\$
Director options	1,519,357	11,254
Share based payments expense – Director and employee shares issued	-	182,120
Share based payments expense – Consultants - shares issued	200,000	400,000
<b>Total share based payments expense recognised in income statement within Directors' and executives' fees</b>	<b>1,719,357</b>	<b>593,374</b>
<i>Capital issuance costs:</i>		
Broker options	1,549,182	-
<b>Total share based payments</b>	<b>3,268,539</b>	<b>593,374</b>

## 20. EVENTS OCCURRING AFTER REPORTING DATE

At the Company's general shareholder meeting on 22 July 2022, shareholders approved the issue of the following unlisted performance rights to Directors of the Company;

Class	Number	Issue date	Expiry date	Vesting condition
A	15,500,000	9-Aug-22	31-Dec-24	a) The drilling of an exploration or appraisal well in the Cabora Bassa Project that results in the maiden booking of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) on or before 31 December 2024; and b) The Company achieving a 20-day volume weighted average price of at least \$0.50 on or before 31 December 2024.
B	15,500,000	9-Aug-22	31-Dec-26	a) An independent estimate of Contingent Resources or Reserves (as those defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) of greater than or equal to two hundred million barrels or oil equivalent (200 mmbore) on a 100% gross project basis; and b) The Company achieving a 20-day volume weighted average price of at least \$0.75 on or before 31 December 2026.

On 31 August 2022, the Company announced a private placement to raise \$25m at \$0.23 per share following the Company's decision to sole fund the initial drilling campaign in Zimbabwe's Cabora Bassa Basin.

On 19 September 2022, the Company was notified of the publishing of General Notice 2010 of 2022 in the official Zimbabwe Government Gazette of the assignment of the exploration rights of the Sovereign Wealth Fund of Zimbabwe ('SWFZ') for Exclusive Prospecting Orders (EPOs) 1848 and 1849 for a period of three years to 15 September 2025. The rights are assigned to the Company's 80% owned subsidiary Geo Associates (Private) limited under section 92(2) of the Mines and Minerals Act [Chapter 21:05] following the recommendation of the Mining Affairs Board.

On 24 September 2022, drilling at the Mukuyu-1 exploration well in SG 4571 commenced from the installed conductor at 67 metres to a planned depth of ~650 metres in the 17 ½ inch intermediate hole section. Please refer to the Company's ASX announcement on 26 September 2022 for further details.

Other than the above, no matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the Group in future financial years.

## 21. CAPITAL AND OTHER COMMITMENTS

### Renewal application

Geo Associates (Pvt) Ltd is the holder of Special Grant 4571 (SG4571) and is required to pay a renewal fee of US\$20,000 during the 30 June 2022 financial year.

### Exploration and evaluation commitments

Exploration and evaluation expenditure contractually committed to as at 30 June 2022 is as follows:

	30-Jun-22 A\$	30-Jun-21 A\$
Not later than 1 year	7,179,122	-
Later than 1 year but not later than 2 years	-	-
Later than 2 years but not later than 5 years	-	-
	<b>7,179,122</b>	<b>-</b>



## **22. CONTIGENCIES**

There were no contingent liabilities as at 30 June 2022 (30 June 201: nil).

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## Director's Declaration

In the Directors' opinion:

- a) the accompanying financial statements set out on pages 18 to 49 and the Remuneration Report in the Directors' Report are in accordance with the Corporations Act 2001, including:
  - i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the year ended on that date; and
  - ii. complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements;
- 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.
- c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2022.

This declaration is made in accordance with a resolution of the Board of Directors.



Scott Macmillan

Managing Director

30 September 2022

## INDEPENDENT AUDITOR'S REPORT

To the members of Invictus Energy Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Invictus Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) 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 *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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Carrying value of exploration and evaluation expenditure

Key audit matter	How the matter was addressed in our audit
<p>At 30 June 2022 the carrying value of exploration and evaluation assets was disclosed in Note 11 of the financial report.</p> <p>As the carrying value of these exploration and evaluation assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. In particular:</p> <ul style="list-style-type: none"><li>• Whether the conditions for capitalisation are satisfied;</li><li>• Which elements of exploration and evaluation expenditures qualify for recognition; and</li><li>• Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.</li></ul>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"><li>• Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date;</li><li>• Holding discussions with management as to the status of ongoing exploration programmes in the respective areas of interest;</li><li>• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;</li><li>• Considering whether any facts or circumstances existed to suggest impairment testing was required; and</li><li>• Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6.</li></ul> <p>We also assessed the adequacy of the related disclosures in Note 11 to the financial statements.</p>

## Other information

The directors are responsible for the other information. The other information comprises the information in the Director's report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to us after that date.

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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

## 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 ability of the group 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 Group or to cease operations, or has 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 (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/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 7 to 14 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Invictus Energy Limited, for the year ended 30 June 2022, 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.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'J Prue', is written over a faint, larger 'BDO' watermark.

Jarrad Prue

Director

Perth

30 September 2022

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF INVICTUS ENERGY LIMITED

As lead auditor of Invictus Energy Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Invictus Energy Limited and the entities it controlled during the period.



Jarrad Prue  
Director

BDO Audit (WA) Pty Ltd  
Perth  
30 September 2022

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**INVICTUS ENERGY LIMITED (FORMERLY INTERPOSE HOLDINGS LIMITED)**  
**ACN:150 956 773**

**Other Additional ASX Information**

Top 20 Shareholders as at 21 September 2022

<b>Rank</b>	<b>Entity</b>	<b># Shares</b>	<b>%IC</b>
1	BAYETHE INVESTMENTS PTY LTD	71,375,133	8.21
2	CITICORP NOMINEES PTY LIMITED	40,004,629	4.60
3	BNP PARIBAS NOMINEES PTY LTD	26,686,679	3.07
4	BNP PARIBAS NOMS PTY LTD	20,917,590	2.41
5	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	16,890,032	1.94
6	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	12,595,665	1.45
7	JAERICA PTY LTD	12,412,818	1.43
8	MANGWANA OPPORTUNITIES (PRIVATE) LIMITED	10,823,045	1.25
9	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	9,688,141	1.11
10	MS CHUNYAN NIU	7,869,565	0.91
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,759,860	0.89
12	MANGWANA OPPORTUNITIES (PRIVATE) LIMITED	6,850,000	0.79
13	MR DONATO IACOVANTUONO	6,224,941	0.72
14	MR ANDREW GRAHAM PALLESON & MRS HUI PALLESON	5,776,000	0.66
15	DR SEOW FOONG LOH	5,245,780	0.60
16	WHISTLER STREET PTY LTD	5,000,000	0.58
17	MR GABRIEL CHIAPPINI & MRS ROSA CHIAPPINI	4,815,508	0.55
18	HENDRIE SUPER FUND PTY LTD	4,700,000	0.54
19	MR MAXWELL KENNETH HUDGHTON	4,653,888	0.54
20	MR BIN LIU	4,564,158	0.53
	<b>Top 20 Total</b>	<b>284,853,432</b>	<b>32.78</b>

Substantial Shareholders at 23 September 2022

**No substantial holders as at 23 September 2022.**

Range of shares at 23 September 2022

<b>Range</b>	<b>Total holders</b>	<b>Shares</b>	<b>% of Share Capital</b>
100,001 and Over	1,050	741,100,259	85.28
10,001 to 100,000	2,995	116,130,827	13.36
5,001 to 10,000	1,027	8,132,563	0.94
1,001 to 5,000	1,017	3,613,629	0.42
1 to 1,000	73	14,012	0.00
<b>Total</b>	<b>6,162</b>	<b>868,991,290</b>	<b>100.00</b>

**Other additional ASX information (continued)**

Tenement Schedule

<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of period</b>	<b>Interest at end of period</b>
Gallatin Gas Project Cherokee County, Texas USA	Working Interest	7.5%	7.5%
Cabora Bassa Gas Condensate Project, Zimbabwe	via 80% equity ownership interest in Geo Associates (Pvt) Ltd	80%	80%