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INVICTUS  
ENERGY LIMITED



2021 Annual Report

FOR THE YEAR ENDED 30 JUNE 2021

01 SHAREHOLDER ADDRESS

05 DIRECTORS' REPORT

17 AUDITORS INDEPENDENCE  
DECLARATION

18 CONSOLIDATED STATEMENT  
OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE  
INCOME

19 CONSOLIDATED STATEMENT  
OF FINANCIAL POSITION

20 CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY

21 CONSOLIDATED STATEMENT  
OF CASH FLOWS

22 NOTES TO THE  
CONSOLIDATED  
FINANCIAL STATEMENTS

1. SUMMARY OF ACCOUNTING POLICIES
2. NEW AND AMENDED STANDARDS NOT YET ADOPTED BY THE GROUP
3. FINANCIAL RISK MANAGEMENT
4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS
5. OPERATING SEGMENTS
6. OTHER REVENUE, CORPORATE COSTS AND PROFESSIONAL FEES
7. AUDITOR REMUNERATION
8. TAXATION
9. GAIN/(LOSS) PER SHARE
10. CASH AND CASH EQUIVALENTS
11. TRADE AND OTHER RECEIVABLES
12. EXPLORATION AND EVALUATION EXPENDITURE
13. TRADE AND OTHER PAYABLES
14. SHARE CAPITAL
15. RESERVES
16. INTERESTS IN OTHER ENTITIES
17. RECONCILIATION OF GAIN/(LOSS) AFTER INCOME TAX TO NET CASH OUTFLOW USED
18. PARENT ENTITY
19. RELATED PARTY TRANSACTIONS
20. SHARE-BASED PAYMENTS
21. EVENTS OCCURRING AFTER REPORTING DATE
22. CAPITAL AND OTHER COMMITMENTS
23. CONTINGENCIES

45 DIRECTORS' DECLARATION

46 INDEPENDENT AUDIT REPORT

50 OTHER ADDITIONAL ASX INFORMATION

## Invictus Energy Limited

ABN 21 150 956 773

# Corporate Directory

<b>DIRECTORS</b>	<i>Dr Stuart Lake</i>	Non-Executive Chairman
	<i>Mr Joseph Mutizwa</i>	Deputy Chairman & Non-Executive Director
	<i>Mr Scott Macmillan</i>	Managing Director
	<i>Mr Barnaby Egerton-Warburton</i>	Non-Executive Director
	<i>Mr Gabriel Chiappini</i>	Non-Executive Director
<b>COMPANY SECRETARY</b>	<i>Mr Gabriel Chiappini</i>	
<b>REGISTERED OFFICE</b>	Level 1, 10 Outram Street West Perth WA 6005 Tel: +618 6102 5055 Fax: +618 6323 3378	
<b>SHARE REGISTER</b>	<i>Link Market Services Limited</i> Level 12, QV1 Building 250 St Georges Terrace Perth WA 6000	
<b>STOCK EXCHANGE LISTING</b>	<i>Australian Securities Exchange</i> (ASX: IVZ)	
<b>AUDITOR</b>	<i>BDO Audit (WA) Pty Ltd</i> 38 Station Street Subiaco WA 6008	
<b>SOLICITORS</b>	<i>Steinepreis Paganin</i> Level 4, The Read Buildings 16 Milligan Street Perth WA 6001	
<b>WEBSITE</b>	<a href="http://www.invictusenergy.com">www.invictusenergy.com</a>	



# Dear Shareholders

**GLOBAL CONTEXT** / FY2021 has been a challenging year globally with the impact of the COVID-19 pandemic impacting all our lives and the communities where we operate. The resilience of humanity to adapt in the face of change is cause for hope, and with a vaccine rollout globally<sup>1</sup>, businesses are starting to return to pre-pandemic levels. Invictus has been able to navigate through an extremely turbulent period in the oil and gas sector and we have come through the pandemic in better shape than when we entered it. ***The Company is set up for an exciting period ahead.***

Our revised strategy highlighted in last year's report continues to evolve in the current climate as we boost our ESG (Environmental, Social, and Corporate Governance) credentials and enhance our asset base. We believe the Cabora Bassa asset is well placed to benefit from the transition to natural gas as an important less carbon intensive fuel source in the energy mix. In addition we are looking at options to be carbon neutral within a year in line with seeking to play a role with others in addressing climate change<sup>2</sup>.

(1) As of 15th September 2021, 5.79 Billion Vaccine doses given globally with over 30% of the world population fully vaccinated. Ref John Hopkins University & Medicine.

(2) The United National Intergovernmental Panel on Climate Change (IPCC) reported that climate change is real, with rise in manmade CO<sub>2</sub> being the largest contributor. Governments and Companies need to reduce and mitigate their emissions and carbon footprint if Climate Change impact is to be reduced. 6th Assessment Report August 2021.



Following the award of the Environmental Impact Assessment (EIA Certificate 8000092361) in August 2020, the Company commenced the next phase of our work program to mature the project through to the drilling phase. ”



### The Cabora Bassa Asset

Invictus has made further significant progress in the past year progressing the development of the Cabora Bassa Project in Zimbabwe that encompasses the Muzarabani Prospect, a multi-TCF conventional gas-condensate target which is potentially the largest, undrilled seismically defined structure onshore Africa. The prospect was defined by a robust dataset acquired by Mobil in the early 1990s that includes seismic, gravity, aeromagnetic and geochemical data, much of which was reprocessed in 2019/20.

Following the award of the Environmental Impact Assessment (EIA Certificate 8000092361) in August 2020, the Company commenced the next phase of our work program to mature the project through to the drilling phase. Invictus tendered out the planned seismic survey to three bidders and selected Polaris Natural Resources Inc. from Canada on the basis of cost, time and quality. Polaris have carried out over 1000 seismic projects globally since 1996 and over 15 projects in East Africa, including introducing the first low impact seismic survey into Africa in 2008. Polaris will acquire a minimum of 400-line kilometres 2D infill seismic of the former Mobil seismic programme to identify the best drill location.

In December 2020, Invictus received a non-binding farm-in agreement but after extensive engagement with the other parties, that agreement was terminated in June when Invictus was unable to satisfactorily complete the required transaction due diligence on the counterparty. The Company has made significant progress since the farm-in offer was received and been able to create additional value through sole funding the seismic survey. This places the Company in a stronger position as we continue to engage with additional interested parties ahead of a high impact basin opening drilling campaign scheduled for 1H 2022.

In March 2021, His Excellency President E.D. Mnangagwa signed the Petroleum Exploration Development and Production Agreement (PEDPA) for the Republic of Zimbabwe. The PEDPA provides the licence holder the right to enter into a 25-year production licence following the exploration periods and the PEDPA also provides for Special Economic Zone Status for the Cabora Bassa Project.

In June 2021, Invictus appointed Aztech as Drilling Project Manager. Aztech Well Construction is a well project management company headquartered in Perth with an extensive track record in both onshore and offshore drilling projects. The preliminary Basis of Well Design (BoWD) has been completed, which will enable the ordering of long lead drilling items (casing and wellheads) for fabrication shortly. The BoWD will be further refined and finalised once the seismic processing and interpretation has been completed. Aztech are concluding the technical evaluation of the rig contractor options ahead of shortlisting to participate in a formal process to select a rig for the campaign.

Also in June 2021, the SG 4571 tenure renewal was formally gazetted for a further 3 years and now expires in June 2024. The second period of the work program requires the acquisition of a minimum of 300 line kms of 2D seismic and the drilling of one exploration well.

Polaris started their operations in country in July 2021, the first seismic operation in country for 30 years having mobilized from Tanzania, with 5 vibroseis trucks and the STRYDE nodal system, the world's smallest and lightest autonomous wireless node recording system to minimize the environmental impact.

The recruitment of over 100 local employees involved in the seismic campaign have all been filled from the local community in line with the Company's strong commitment to local content and employment. The Company will continue to focus on supporting the local communities in which we work.

We also launched the next phase of our CSR program in the Muzarabani and Mbire Districts focusing on the provision of water to the community as part of our ESG commitments under our exploration program. This is especially important for women and children in the community who will be freed up from pumping water and provide them with more time for education and other positive activities.

Invictus Energy is the only oil and gas operator in country at present, thus is in a unique position to leverage its basin master position in the Cabora Bassa Basin.



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### Growth is our focus

Reported discoveries in similar aged basins in nearby Namibia and South Africa have again highlighted the possible potential in these Karoo aged plays.

Invictus Energy continues to actively screen the market for value accretive assets that offer a chance to broaden its risk profile and reduce the effect to external influences by introducing cash flow from production or low risk, near term development opportunities. In particular, Invictus Energy aims to leverage its sub Saharan knowledge of the wider East African Rift System and Karoo aged rifts in which we have built a significant knowledge base and competitive advantage. Despite many positive conversations restrictions from COVID-19 pandemic made full negotiations challenging. Looking ahead we see the global situation improving we see those negotiations continuing with face-to-face discussions.

### Capital Discipline

We strongly apply capital discipline to all aspects of our business. Invictus has operated safely and managed costs and expenditure over the past year, particularly during the tumultuous first part of the year when the pandemic was at its peak. Throughout the recent challenges to the business environment, we have used our in-house team to maintain a firm hand on costs whilst expediting quality work and delivery. We responded rapidly to COVID-19 by reducing our cost base. 2020/21 has been a transformational year for Invictus. Product prices are now recovering in a post pandemic world both in oil and gas and our share value has increased over 486% in the past year, a testament to our achievements to date.

The Company completed a heavily oversubscribed capital raise of \$8 million by way of a private placement to sophisticated and institutional investors in March 2021 which was lead by PAC Partners. The capital raise was supported by a number of existing shareholders as well as new investors which has put the Company in a strong position to self-fund the work program this year which will create additional shareholder value.

### Relationships and Values

Invictus Energy has built a reputation for attracting quality industry partners such as Sable Chemicals and Tatanga Energy. Both MOU's represent fewer than 15% of the likely gas volumes in the Invictus Energy acreage but demonstrate that there is a clear market for companies like Invictus Energy with less carbon intensive sources like gas and supportive ESG credentials.

Mr Eric de Mori retired from the board aafter 3 years of service following the AGM in November 2020. Eric had made a significant contribution to Invictus including managing the acquisition in 2018 and the Company wishes Mr de Mori all the very best with his other business interests.

Eric was replaced by the appointment of respected Zimbabwean businessperson Mr Joe Mutizwa as a Non-Executive Director and Deputy Chairman of the Company. Joe as Chairman of Mangwana Capital, is 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 has been able to represent the company's interests in country and support on-going engagements with in-country stakeholders and we are delighted to have someone of Joe's calibre join the Board.

Lastly, we record our appreciation to all of our team and to our partner One-Gas Resources for their resilience during very challenging times and for their work and support which has enabled us to advance the project. We would also like to thank all our stakeholders and shareholders for their continued support as we strive towards delivering transformational value in what will be an exciting period ahead for the Company as we move towards a basin opening drilling campaign over the next year.



**Dr Stuart Lake**  
NON-EXEC CHAIRMAN



**Scott Macmillan**  
MANAGING DIRECTOR

**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 2021.**

## Review of Operations

During the year the Company undertook the following activities:

- The Environmental Impact Assessment was approved
- The Zimbabwe Investment Licence was renewed for a further 5 years
- Completed a placement to the Mangwana Opportunity Fund via the issue of 12,564,143 ordinary shares at a price of \$0.035 per share raising gross proceeds of approximately \$A0.44M
- Field operations and a Seismic programme commenced in Cabora Bassa Basin
- The Petroleum Exploration Development and Production Agreement review was completed
- Field Operations Commenced in Cabora Bassa Basin and Additional Seal Potential was identified
- The Petroleum Exploration Development and Production Agreement was signed with the Republic of Zimbabwe providing the licence holder with the right to enter into a 25 year production licence following exploration periods
- Completed a second placement to the Mangwana Opportunity Fund via the issue of 3,404,186 ordinary shares at a price of \$0.066 per share raising gross proceeds of approximately \$A0.22M
- Completed a placement to sophisticated and institutional investors via the issue of 72,727,273 ordinary shares at a price of \$0.11 per share raising gross proceeds of approximately \$A8M
- Commenced planning for an in-country seismic acquisition campaign including the ordering of long lead drilling items for Mzarabani-1 exploration well, awarding of the seismic contract to Polaris to conduct 2D survey in Cabora Bassa Basin and appointing Aztech Well Construction as the Drilling Project Manager
- Mr Joeseph Mutizwa was appointed as a Non-Executive Director and Deputy Chairman of Invictus
- The SG 4571 tenure renewal was formally Gazetted for a further 3 years to June 2024

## 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 35 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:

- President and CEO for Castle Petroleum working onshore conventional assets in the USA in Louisiana and Texas.
- Former CEO of AGM Petroleum, the operator of the offshore South Deepwater 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. As a Senior Advisor to Aker Energy, that recently acquired Hess Ghana assets, in which Dr Lake and his team at Hess Corporation had made 7 consecutive deepwater discoveries. He stepped down from the role in April 2020.
- He was also the former CEO of African Petroleum Corporation Ltd, where he successfully concluded a number of farmouts 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.
- Dr Lake also worked for Apache Corporation for 4 years and held a wide variety of roles in Shell for over 19 years including Exploration Manager Africa and Middle East and VP Exploration Russia.

Former directorships held in the last 3 years: Tamboran Resources Pty Ltd, AGM Petroleum, Castle Petroleum.

## 1. Directors and Company Secretary - CONTINUED

### Directors - CONTINUED

#### 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: SAZL), 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 Barnaby Egerton-Warburton

*Non-executive Director*  
(APPOINTED 29 JULY 2016)

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).

#### 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 Gefen International A.I. Ltd (ASX:GFN).

Former directorships held in the last 3 years: FBR Ltd (ASX:FBR), Global Geoscience Ltd (ASX:GSC) and Scotgold Resources Ltd (ASX:SGZ) and Eneabba Gas Ltd (ASX:ENB).

#### Mr Eric de Mori

*Non-Executive Director*  
(APPOINTED 11 DECEMBER 2017,  
RESIGNED 27 NOVEMBER 2020)

Mr de Mori has over 15 years' experience in ASX small capital investment and corporate finance, specialising in natural resources, biotechnology and technology. Eric has a broad skill set across ASX listed company corporate finance and has held several director and major shareholder positions with ASX listed technology and resource companies. Eric is the head of natural resources for institutional stockbroker Ashanti Capital.

Former directorships held in the last 3 years: Adriatic Metals plc (ASX:ADT)

### Company Secretary

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



## 1. Directors and Company Secretary - CONTINUED

### 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	6	6
Joe Mutizwa <sup>1</sup>	-	-
Scott Macmillan	6	6
Barnaby Egerton-Warburton	6	6
Gabriel Chiappini	6	6
Eric de Mori <sup>2</sup>	4	3

<sup>1</sup> Mr Mutizwa was appointed 19 May 2021

<sup>2</sup> Mr de Mori resigned 27 November 2020

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.

### 2.2 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).

## 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 2020 remuneration report received positive shareholder support at the Annual General Meeting with a vote, by way of a poll, of 94.9% 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 <sup>1</sup>	Non-Executive Director & Deputy Chairman
Scott Macmillan	Managing Director
Barnaby Egerton-Warburton	Non-Executive Director
Gabriel Chiappini	Non-Executive Director & Company Secretary
Eric de Mori <sup>2</sup>	Non-Executive Director

<sup>1</sup> Mr Mutizwa was appointed 19 May 2021

<sup>2</sup> Mr de Mori resigned 27 November 2020

### (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.

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.

## 2. REMUNERATION REPORT (Audited) - CONTINUED

### (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	2021	2020	2019	2018
EPS loss – continuing operations (cents)	(0.25)	(0.41)	(0.28)	(0.67)
Net loss – continuing operations ('000)	(\$1,255,646)	(\$1,773,456)	(\$1,022,049)	(\$917,593)
Share price	\$0.170	\$0.026	\$0.046	\$0.047

### (e) 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.

### (f) 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

#### 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

The agreement is not subject to any termination notice period

#### Mr Scott Macmillan – Managing Director

- Commencement date: 15 June 2018
- Base salary is \$250,000 per annum plus 9.5% 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
- It is noted that the following additional terms apply to Mr Scott Macmillan, which have been agreed as part of Mr Macmillan's remuneration package:
  - in the event all of the Milestones in respect of the Class A Performance Rights<sup>1</sup> are satisfied, Mr Macmillan will be entitled to receive a cash payment of \$75,000; and
  - in the event all of the Milestones in respect of the Class B Performance Rights<sup>1</sup> are satisfied, Mr Macmillan will be entitled to receive a cash payment of \$75,000.
  - In addition, Mr Macmillan will receive 10% of the total costs reimbursed to Invictus for sunk and historical costs, by a Reputable Partner, in connection with a Binding Farm-in Agreement or Non-Binding Farm-in Agreement (as those terms are defined below) up to a maximum of \$250,000.

<sup>1</sup> Refer to section (i) Share-based compensation for details of the Class A and B performance rights

#### Mr Barnaby Egerton Warburton - Non-Executive Director

- Commencement date: 28 July 2017
- Director fee: \$54,795 per annum plus 9.5% superannuation guarantee contribution
- No fixed term
- The agreement is not subject to any termination notice period

## 2. REMUNERATION REPORT (Audited) - CONTINUED

### (f) Service agreements - CONTINUED

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

Mr Eric de Mori - *Non-Executive Director*

- Commencement date: 11 December 2017
- Director fee: \$54,795 per annum plus 9.5% superannuation guarantee contribution
- The agreement is not subject to any termination notice period

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

### (g) Details of remuneration

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

2021	SHORT TERM		POST EMPLOYMENT	SHARE-BASED PAYMENTS			TOTAL	PROPORTION OF REMUNERATION	
	CASH SALARY AND FEES <sup>2</sup>	OTHER <sup>1</sup>	SUPER- ANNUATION	SHARES <sup>5</sup>	PERFORMANCE SHARES	OPTIONS		FIXED	PERFORMANCE LINKED
	\$		\$	\$	\$	\$		%	%
Stuart Lake	67,712	-	-	18,514	-	11,254	97,480	100%	-
Joe Mutizwa <sup>3</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>4</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: As a means of conserving cash, Stuart Lake, Scott Macmillan, Barnaby Egerton-Warburton, Eric de Mori and Gabriel Chiappini agreed to waive their right to cash for a portion of their Director fees, which has accrued between April 2020 and September 2020, in substitution for ordinary shares. Resolutions were approved by shareholders at the Annual General Meeting of the Company held on 27th November 2020 to issue shares in lieu of services to the director's for this period. The director's collectively waived \$94,506 in net director fees to receive 2,808,212 ordinary shares in the Company. These shares were later issued on 31 December 2020, at which point the fair value of the shares issued totalled \$151,643 (closing share price was \$0.054). The settlement of this liability by the issue of shares has resulted in a net loss for accounting purposes, due to the difference between the carrying value of the liability and the fair value at the date of issue, resulting in a net loss of \$57,137 being recognised in the P&L at 30 June 2021.

Note 3: Mr Mutizwa was appointed 19 May 2021

Note 4: Mr de Mori resigned 27 November 2020

Note 5: At the Annual General Meeting ("AGM") of the Company held on 27th November 2020, resolutions were passed by shareholders approving the settlement of a portion of the director's fees for the period October 2020 to September 2021 to be settled in shares. The number of shares to be issued to each director was calculated using a 10% discount on the VWAP. On the 29th June 2021, a total of 714,272 ordinary shares were issued to Stuart Lake, Barnaby Egerton-Warburton and Gabriel Chiappini, fair valued at the share price on grant date (AGM) being \$0.059.

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

## 2. REMUNERATION REPORT (Audited) - CONTINUED

### (g) Details of remuneration - CONTINUED

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

2020	SHORT TERM		POST EMPLOYMENT	SHARE-BASED PAYMENTS			TOTAL	PROPORTION OF REMUNERATION	
	CASH SALARY AND FEES	OTHER	SUPER-ANNUATION	SHARES	PERFORMANCE SHARES	OPTIONS		FIXED	PERFORMANCE LINKED
	\$		\$	\$	\$	\$		%	%
Stuart Lake	86,887	81,668 <sup>1</sup>	-	19,000	-	121,247	308,802	100%	-
Scott Macmillan	250,000	23,764 <sup>2</sup>	23,750	-	-	-	297,514	100%	-
Barnaby Egerton-Warburton	54,795		5,205	-	-	-	60,000	100%	-
Eric de Mori	54,795		5,205	-	-	-	60,000	100%	-
Gabriel Chiappini	60,000		-	-	-	-	60,000	100%	-
<b>Total</b>	<b>506,477</b>	<b>105,432</b>	<b>34,160</b>	<b>19,000</b>	<b>-</b>	<b>121,247</b>	<b>786,316</b>	<b>100%</b>	<b>-</b>

Note 1: Out of scope consultancy fees

Note 2: Annual leave expense

No short-term cash bonuses included as paid or accrued for during the year ended 30 June 2020.

### (h) Amounts owing to KMP

In light of the global market and oil industry environment, the Board and Management agreed to defer their annual fees and remuneration by 25-50 percent effective 1 April 2020 up to an including 31 March 2021. All outstanding amounts were settled either via cash of shares prior to 30 June 2021.

	30 JUNE 2021 \$	30 JUNE 2020 \$
Stuart Lake	-	37,201
Joe Mutizwa <sup>1</sup>	-	-
Scott Macmillan	-	17,110
Barnaby Egerton-Warburton	-	6,250
Eric de Mori <sup>2</sup>	-	6,250
Gabriel Chiappini	-	7,500
<b>Total</b>	<b>-</b>	<b>74,311</b>

<sup>1</sup> Mr Mutizwa was appointed 19 May 2021

<sup>2</sup> Mr de Mori resigned 27 November 2020

There are no loans to Key Management Personnel (2020: nil).

## 2. REMUNERATION REPORT (Audited) - CONTINUED

### (i) Share-based compensation

#### Options

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

During the 2020 year 9,000,000 options were issued to Dr Stuart Lake, on the following terms and conditions:

- 3,000,000 Options, \$0.06 exercise, expire 31 July 2022
- 3,000,000 Options, \$0.09 exercise, expire 31 July 2022
- 3,000,000 Options, \$0.12 exercise, expire 31 July 2022
- All options will vest after 12 months subject to continuation as Chairman

#### Performance rights

During the June 2021 financial year, the following performance rights were issued (2020: \$nil):

	CLASS A	CLASS B	TOTAL
Scott Macmillan	3,400,000	3,400,000	<b>6,800,000</b>
Stuart Lake	2,500,000	2,500,000	<b>5,000,000</b>

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 financial year.

#### Performance shares

No performance shares for employee share-based payments were issued during the current year (2020: \$nil).

#### Ordinary shares

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

During the 2020 year 500,000 ordinary shares were issued at a price of \$0.038 per share to Dr Stuart Lake. The shares have an escrow period of 12 months and were subject to Dr Lake purchasing the same number of ordinary shares in the Company on market within the 1st month of his appointment.

## 2. REMUNERATION REPORT (Audited) - CONTINUED

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

#### (i) Option holdings

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

2021	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
Stuart Lake	9,000,000	-	-	-	9,000,000	9,000,000	9,000,000	-
Joe Mutizwa <sup>1</sup>	-	-	-	-	-	-	-	-
Scott Macmillan	-	-	-	-	-	-	-	-
Barnaby Egerton-Warburton	8,000,000	-	(8,000,000)	-	-	-	-	-
Eric de Mori	8,000,000	-	-	(8,000,000) <sup>2</sup>	-	-	-	-
Gabriel Chiappini	4,000,000	-	(4,000,000)	-	-	-	-	-

<sup>1</sup> Mr Mutizwa was appointed 19 May 2021

<sup>2</sup> These were the options Mr de Mori held at the date of his resignation being 27 November 2020

#### (ii) Performance rights holdings

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

2021	BALANCE AT START OF THE YEAR	GRANTED	EXERCISED/ LAPSED <sup>1</sup>	BALANCE AT THE END OF THE YEAR
Stuart Lake	-	5,000,000	(5,000,000)	-
Scott Macmillan	-	6,800,000	(6,800,000)	-

<sup>1</sup> 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 financial year.

No other director holds performance rights.

#### (iii) Performance share holdings

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

2021	BALANCE AT START OF THE YEAR	GRANTED	EXERCISED/ LAPSED	BALANCE AT THE END OF THE YEAR
Scott Macmillan	38,970,317	-	-	38,970,317

No other director holds performance shares.

#### (iv) Share holdings

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

2021	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>Directors</b>						
Stuart Lake	1,000,000	-	-	1,259,732	-	2,259,732
Joe Mutizwa <sup>1</sup>	-	-	-	-	-	-
Scott Macmillan	72,575,133	-	-	696,414	-	73,271,547
Barnaby Egerton-Warburton	9,271,454	8,000,000	-	470,996	(2,958,121)	14,784,329
Eric de Mori	8,510,000	-	-	-	(8,510,000) <sup>2</sup>	-
Gabriel Chiappini	4,047,154	4,000,000	-	815,508	-	8,862,662

<sup>1</sup> Mr Mutizwa was appointed 19 May 2021

<sup>2</sup> These were the shares Mr de Mori held at the date of his resignation being 27 November 2020

## 2. REMUNERATION REPORT (Audited) - CONTINUED

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

During the year the Company paid in cash and shares \$57,350 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 (2020: \$60,000).

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 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 is for no fixed term and can be cancelled by either party by providing one months notice.

During the 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 is for no fixed term and can be cancelled by either party by providing one months notice.

During the 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 is 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.

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 2021 was \$1,255,646 (2020: \$1,773,456 loss).

No dividends have been paid or declared by the Company during the year ended 30 June 2021 (2020: nil).

## 5. Loss per Share

The basic loss per share for the consolidated entity for the year was 0.25 cents per share (2020: 0.41 cents 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.

## 7. Events Subsequent to Reporting Date

On 5 July 2021 the Company announced the lapse of conditional rights to 11,800,000 performance shares because the conditions had not been met.

On 2 August 2021 the Company announced that it had changed its registered office to Level 1, 10 Outram Street, West Perth, Western Australia, 6005.

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 a farm-in partner, the Company anticipates the joint venture partners to commit to an exploration well on its lead prospect.

## 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.

## 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 SHARES	OPTIONS
Stuart Lake	2,259,732	-	9,000,000
Joe Mutizwa	-	-	-
Scott Macmillan	73,271,547	38,970,317	-
Barnaby Egerton-Warburton	14,784,329	-	-
Gabriel Chiappini	8,862,662	-	-
<b>Total</b>	<b>99,178,270</b>	<b>38,970,317</b>	<b>9,000,000</b>

## 11. Equity Instruments on Issue

### Ordinary shares

As at the date of this report, there were 585,077,387 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
31 July 2022	\$0.06	3,000,000
31 July 2022	\$0.09	3,000,000
31 July 2022	\$0.12	3,000,000
30-Mar-2024	\$0.17	36,363,636

### Performance shares

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

NUMBER	ISSUE DATE	EXPIRY DATE	VESTING CONDITION
44,179,281	22-Jun-2018	20-Dec-21	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).

## 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-21 A\$	30-JUN-20 A\$
<b>Services provided by the Auditor – BDO Audit (WA) Pty Ltd</b>		
Audit and review of financial statements	<b>44,544</b>	41,616
Tax compliance services	-	-
<b>Total services provided by the Auditor</b>	<b>44,544</b>	41,616

## 15. Auditor's Independence Declaration

The lead auditor's Independence Declaration is set out on page 17 and forms part of the Directors' report for the financial year ended 30 June 2021.

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



**Scott Macmillan**  
MANAGING DIRECTOR

30 September 2021



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Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

**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 2021, 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.

A handwritten signature in black ink, appearing to read 'J Prue', is written in a cursive style.

**Jarrad Prue**  
Director

**BDO Audit (WA) Pty Ltd**  
Perth, 30 September 2021

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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

	NOTES	2021 A\$	2020 A\$
<b>Continuing operations</b>			
Interest revenue		927	16,037
Other revenue	6	425,000	-
Corporate costs	6	(212,802)	(77,703)
Professional fees	6	(469,283)	(346,987)
Directors' and executives' fees		(544,851)	(695,408)
Finance costs		(14,492)	(11,029)
Other		(207,220)	(364,811)
Depreciation		(136,140)	(128,946)
Loss on settlement of shares		(74,608)	-
Foreign currency loss		(22,177)	(164,609)
<b>Loss from continuing operations before income tax</b>		<b>(1,255,646)</b>	(1,773,456)
Income tax expense	8	-	-
<b>Loss from continuing operations after income tax</b>		<b>(1,255,646)</b>	(1,773,456)
<b>Gain/(loss) for the period attributable to:</b>			
Members of the parent entity		(1,218,646)	(1,729,212)
Non-controlling interest		(37,000)	(44,244)
<b>Gain/(loss) for the year</b>		<b>(1,255,646)</b>	(1,773,456)
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation – members of parent entity		(462,785)	77,065
Foreign currency translation – non-controlling interest		(114,910)	19,374
<b>Total other comprehensive gain/(loss) for the year</b>		<b>(577,695)</b>	96,439
<b>Total comprehensive gain/(loss) for the year attributable to:</b>			
Members of the parent entity		(1,681,431)	(1,652,147)
Non-controlling interest	16	(151,910)	(24,870)
		<b>(1,833,341)</b>	(1,677,017)
Basic and diluted loss per share (cents)	9	(0.25)	(0.41)

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

	NOTES	2021 A\$	2020 A\$
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	10	<b>9,135,271</b>	1,497,014
Trade and other receivables	11	<b>48,224</b>	31,786
Other current assets		<b>52,014</b>	17,484
<b>Total current assets</b>		<b>9,235,509</b>	1,546,284
<i>Non-current assets</i>			
Exploration and evaluation expenditure	12	<b>8,821,190</b>	8,021,198
Property, plant and equipment		<b>168,814</b>	82,390
Right of use asset		<b>64,489</b>	175,041
Other financial assets		<b>96,143</b>	96,143
<b>Total non-current assets</b>		<b>9,150,636</b>	8,374,772
<b>Total assets</b>		<b>18,386,145</b>	9,921,056
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade and other payables	13	<b>291,556</b>	339,833
Provisions		<b>40,873</b>	46,576
Lease liability		<b>95,189</b>	123,040
<b>Total current liabilities</b>		<b>427,618</b>	509,449
<i>Non-current liabilities</i>			
Lease liability		-	73,701
<b>Total non-current liabilities</b>		-	73,701
<b>Total liabilities</b>		<b>427,618</b>	583,150
<b>Net assets</b>		<b>17,958,527</b>	9,337,906
<b>Equity</b>			
Share capital	14	<b>38,354,367</b>	27,911,659
Reserves	15	<b>492,458</b>	943,989
Accumulated loss		<b>(21,926,187)</b>	(20,707,541)
<b>Total equity attributable to owners of Invictus Energy Limited</b>		<b>16,920,638</b>	8,148,107
Non-controlling interest	16	<b>1,037,889</b>	1,189,799
<b>Total equity</b>		<b>17,958,527</b>	9,337,906

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

## Consolidated Statement of Changes in Equity

	SHARE CAPITAL	FOREIGN CURRENCY TRANSLATION RESERVE	SHARE-BASED PAYMENT RESERVE	TOTAL RESERVES	ACCUMULATED LOSS	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 2019</b>	26,064,996	204,083	541,594	745,677	(18,978,329)	7,832,344	1,214,669	<b>9,047,013</b>
Loss for the year	-	-	-	-	(1,729,212)	(1,729,212)	(44,244)	<b>(1,773,456)</b>
Foreign currency translation	-	77,065	-	77,065	-	77,065	19,374	<b>96,439</b>
<b>Total comprehensive loss for the year</b>	-	77,065	-	77,065	(1,729,212)	(1,652,147)	(24,870)	<b>(1,677,017)</b>
Issue of shares – capital raising	1,500,000	-	-	-	-	1,500,000	-	<b>1,500,000</b>
Capital raising costs	(114,920)	-	-	-	-	(114,920)	-	<b>(114,920)</b>
Shares to be issued	442,583	-	-	-	-	442,583	-	<b>442,583</b>
Share-based payments (note 20)	19,000	-	121,247	121,247	-	140,247	-	<b>140,247</b>
Total distributions to owners of Company recognised directly in equity	1,846,663	-	121,247	121,247	-	1,967,910	-	<b>1,967,910</b>
<b>Balance at 30 June 2020</b>	27,911,659	281,148	662,841	943,989	(20,707,541)	8,148,107	1,189,799	<b>9,337,906</b>
Loss for the year	-	-	-	-	(1,218,646)	(1,218,646)	(37,000)	<b>(1,255,646)</b>
Foreign currency translation	-	(462,785)	-	(462,785)	-	(462,785)	(114,910)	<b>(577,695)</b>
<b>Total comprehensive loss for the year</b>	-	(462,785)	-	(462,785)	(1,218,646)	(1,681,431)	(151,910)	<b>(1,833,341)</b>
Issue of shares – capital raising	8,224,676	-	-	-	-	8,224,676	-	<b>8,224,676</b>
Capital raising costs	(538,696)	-	-	-	-	(538,696)	-	<b>(538,696)</b>
Shares issued in lieu of services provided	582,120	-	-	-	-	582,120	-	<b>582,120</b>
Shares issued - exercise of options	2,100,000	-	-	-	-	2,100,000	-	<b>2,100,000</b>
Loss on settlement	74,608	-	-	-	-	74,608	-	<b>74,608</b>
Share-based payments (note 20)	-	-	11,254	11,254	-	11,254	-	<b>11,254</b>
Total distributions to owners of Company recognised directly in equity	10,442,708	-	11,254	11,254	-	10,453,962	-	<b>10,453,962</b>
<b>Balance at 30 June 2021</b>	38,354,367	(181,637)	674,095	492,458	(21,926,187)	16,920,638	1,037,889	<b>17,958,527</b>

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

## Consolidated Statement of Cash Flows

	NOTES	2021 A\$	2020 A\$
<i>Cash flows from operating activities</i>			
Interest received		927	16,037
Lease surrender income		325,000	-
ATO Cashflow boosts		111,891	-
Payments to suppliers and employees		(1,205,494)	(1,624,861)
<b>Net cash used in operating activities</b>	17	<b>(767,676)</b>	(1,608,824)
<i>Cash flows from investing activities</i>			
Exploration and evaluation payments	12	(1,344,905)	(745,451)
Payments for property, plant & equipment		-	(61,453)
<b>Net cash (used in)/from investing activities</b>		<b>(1,344,905)</b>	(806,904)
<i>Cash flows from financing activities</i>			
Proceeds from issue of shares	14	8,224,676	1,500,000
Lease payment		-	(112,392)
Share issuance costs	14	(538,696)	(114,920)
Exercise of options	14	2,100,000	-
Proceeds from shares to be issued	14	-	442,583
<b>Net cash from financing activities</b>		<b>9,785,980</b>	1,715,271
Total cash movement for the year		<b>7,673,399</b>	(700,457)
Cash at the beginning of the year		<b>1,497,014</b>	2,214,264
Effect of exchange rate changes on cash and cash equivalents		<b>(35,142)</b>	(16,793)
<b>Total cash at the end of the year</b>	10	<b>9,135,271</b>	1,497,014

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 (formerly Interpose Holdings 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

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has incurred net losses of \$1,255,646 (30 June 2020: \$1,773,456) and experienced net cash outflows from operating activities of \$767,676 (30 June 2020: \$1,608,824) and net cash outflows from investing activities of \$1,344,905 (30 June 2020: \$806,904) for the year ended 30 June 2021.

During the financial year the Group deployed its working capital into advancing its Cabora Bassa project located in Zimbabwe. The Group has also commenced a Seismic programme in country. At the date of this report the Group has a commitment of US\$20,000 that must be paid to maintain tenure over the project area. It is anticipated that any further exploration activities, including drilling programmes, are to be funded via a joint venture partner investment which would result in the group divesting its ownership interest in the Cabora Bassa Project. The Directors have prepared a cash flow forecast reflecting the Group's key objectives, which indicates the Group does not need to raise additional capital to fund the Company's stated strategic objectives for at least a period of 12 months from the date of this report.

The cash flow forecast for the period ending 30 September 2022 indicates that the Group is not required to raise additional capital in order to continue its exploration and evaluation activities in Zimbabwe and to fund working capital. This assumes no slowing down or deferment of costs.

The Directors believe that the going concern basis of preparation is therefore appropriate.

#### (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\$").

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.



## 1. Summary of Accounting Policies - CONTINUED

### B. Foreign currency translation - CONTINUED

#### (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.

### 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.

## Notes to the Consolidated Financial Statements

### 1. Summary of Accounting Policies - CONTINUED

#### 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.

##### (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.

#### I. 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 2021. 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:

	<b>2021</b> A\$	<b>2020</b> A\$
<b>Financial assets</b>		
Cash and cash equivalents	<b>9,135,271</b>	1,497,014
Trade and other receivables	<b>48,224</b>	31,786
<b>Total financial assets</b>	<b>9,183,495</b>	1,528,800
<b>Financial liabilities</b>		
Trade and other payables	<b>(291,556)</b>	(339,833)
Lease liability	<b>(95,189)</b>	(196,741)
<b>Total financial liabilities</b>	<b>(386,745)</b>	(536,597)
<b>Net financial instruments</b>	<b>8,796,750</b>	992,203

#### (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:

	<b>2021</b> A\$	<b>2020</b> A\$
Cash and cash equivalents	<b>430,642</b>	138,564
Trade and other payables	<b>(702)</b>	(23,354)
<b>Total exposure to foreign currency risk</b>	<b>429,940</b>	115,210

Notes to the  
Consolidated Financial Statements**3. Financial Risk Management - CONTINUED****(a) Market risk - CONTINUED****Foreign currency risk - CONTINUED**

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

30-JUN-21	CARRYING AMOUNT  A\$	FOREIGN EXCHANGE RISK			
		-10%		10%	
		PROFIT A\$	EQUITY A\$	PROFIT A\$	EQUITY A\$
<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>

  

30-JUN-20	CARRYING AMOUNT  A\$	FOREIGN EXCHANGE RISK			
		-10%		10%	
		PROFIT A\$	EQUITY A\$	PROFIT A\$	EQUITY A\$
<b>Financial assets</b>					
Cash and cash equivalents	138,564	(13,856)	13,856	13,856	(13,856)
Trade and other payables	(23,354)	2,335	(2,335)	(2,335)	2,335
<b>Net exposure to foreign currency risk</b>	<b>115,210</b>	<b>(11,521)</b>	<b>11,521</b>	<b>11,521</b>	<b>(11,521)</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.

30-JUN-21	LESS THEN 6 MONTHS	TOTAL CONTRACTUAL CASH FLOWS	CARRYING AMOUNT OF LIABILITIES
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>

  

30-JUN-20	LESS THEN 6 MONTHS	TOTAL CONTRACTUAL CASH FLOWS	CARRYING AMOUNT OF LIABILITIES
Trade and other payables	339,833	339,833	339,833
<b>Total exposure to liquidity risk</b>	<b>339,833</b>	<b>339,833</b>	<b>339,833</b>

### 3. Financial Risk Management - CONTINUED

#### (b) Liquidity risk - 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-21	WEIGHTED AVERAGE INTEREST RATE	30-JUN-20
<b>Floating interest rate:</b>				
Cash available at call	0.00%	2,321,316	0.48%	191,391
<b>Fixed interest rate:</b>				
Deposits at call	0.01%	6,813,955	2.14%	1,305,623
<b>Total exposure to interest rate risk</b>		<b>9,135,271</b>		1,497,014

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 12 for movements in the exploration and evaluation expenditure balance.

#### (b) Share based payment transactions

The group measures the cost of equity-settled transactions with 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.

## Notes to the Consolidated Financial Statements

### 5. Operating segments

#### Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

### 6. Other Revenue, Corporate Costs and Professional Fees

	2021 A\$	2020 A\$
<b>Other revenue</b>		
Lease surrender fee <sup>1</sup>	<b>325,000</b>	-
ATO cash flow boost	<b>100,000</b>	-
<b>Total other revenue</b>	<b>425,000</b>	-
<b>Corporate costs</b>		
D&O Insurance	<b>40,359</b>	9,281
Rent	<b>14,126</b>	-
ASX Fees	<b>82,432</b>	34,359
ASIC Fees	<b>6,016</b>	6,679
Share registry Fees	<b>31,688</b>	9,484
Other	<b>38,181</b>	17,900
<b>Total corporate costs</b>	<b>212,802</b>	77,703
<b>Professional fees</b>		
Audit fees	<b>44,544</b>	41,616
Company Secretarial	<b>18,750</b>	31,250
Accounting fees	<b>65,000</b>	73,399
Legal fees	<b>11,562</b>	7,034
Corporate advisory	<b>10,000</b>	100,000
Staff recruitment costs	<b>15,193</b>	26,882
Investor relations	<b>80,365</b>	60,992
Corporate tax advice	<b>5,610</b>	5,814
Consultants – share based payments	<b>218,259</b>	-
<b>Total professional fees</b>	<b>469,283</b>	346,987

<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.

## 7. Auditor Remuneration

	2021 A\$	2020 A\$
<b>Services provided by the Auditor – BDO Audit (WA) Pty Ltd</b>		
Audit and review of financial statements	<b>44,544</b>	41,616
Tax compliance services	-	-
<b>Total services provided by the Auditor</b>	<b>44,544</b>	41,616

## 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.

Notes to the  
Consolidated Financial Statements**8. Taxation - CONTINUED****INCOME TAX EXPENSE**

	<b>2021</b> A\$	<b>2020</b> A\$
<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>-</b>	<b>-</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 2021 and 30 June 2020 is as follows:</b>		
Accounting profit (loss) before income tax	<b>(1,255,646)</b>	(1,773,898)
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2020: 30%) adjusted for:	<b>(376,694)</b>	(532,170)
Non-deductible expenses	<b>67,901</b>	82,118
NANE related expenditure	<b>4,262</b>	47,412
NANE related income	<b>(30,000)</b>	-
Temporary differences and losses not recognised	<b>202,300</b>	360,566
Share based payments expense	<b>132,231</b>	42,074
<b>Income tax expense/(benefit)</b>	<b>-</b>	<b>-</b>
The applicable weighted average effective tax rates are as follows:	<b>0%</b>	0%
<b>Unrecognised deferred tax assets/(liabilities)</b>		
Deferred tax assets/(liabilities) have not been recognised in respect of the following items:		
Prepayments	<b>(1,858)</b>	(1,001)
Right of use asset	<b>(19,347)</b>	(52,512)
Trade and other payables	<b>20,362</b>	21,724
Right of use liability	<b>28,557</b>	59,022
Australian tax losses	<b>2,766,961</b>	2,559,740
Capital loss	<b>57,956</b>	57,956
Capital raising costs	<b>5,088</b>	10,490
	<b>2,857,719</b>	2,655,419
Offset against deferred tax liabilities recognised	-	-
<b>Deferred tax assets not brought to account</b>	<b>2,857,719</b>	2,655,419

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 \$1,218,646 (2020: loss of \$1,729,212) and a weighted average number of ordinary shares outstanding during the current financial year of 491,861,703 (2020: 426,639,936) shares calculated as follows:

	2021 A\$	2020 A\$
Loss for the year	(1,218,646)	(1,729,212)
<b>Weighted average number of ordinary shares (basic and diluted)</b>	<b>491,861,703</b>	426,639,936
Basic and diluted loss per share (cents)	<b>(0.25)</b>	(0.41)

### 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.

	2021 A\$	2020 A\$
Cash and cash equivalents consist of:		
Cash on hand	9,135,271	1,497,014
<b>Total cash and cash equivalents</b>	<b>9,135,271</b>	1,497,014

## 11. Trade and Other Receivables

	2021 A\$	2020 A\$
Trade debtors	30,800	17,939
GST and VAT receivables	17,424	13,847
Other receivables	-	-
<b>Total trade and other receivables</b>	<b>48,224</b>	31,786

### Risk exposure

Information about the Group's exposure to credit, foreign exchange and interest rate risk is provided in note 3.

## Notes to the Consolidated Financial Statements

### 12. 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 2021, the carrying value of the capitalised exploration and evaluation properties of the consolidated entity was \$8,821,190 (2020: \$8,021,198); the carrying amounts of individual projects are as per the reconciliation of movement in exploration and evaluation property below.

#### Reconciliation of movement in exploration and evaluation expenditure

CABORA BASSA PROJECT	2021 A\$	2020 A\$
<b>Project carrying value at 1 July</b>	<b>8,021,198</b>	7,154,189
Cost incurred during the year	<b>1,344,904</b>	745,451
Effect of translation to presentation currency	<b>(544,912)</b>	121,558
<b>Project carrying value at 30 June</b>	<b>8,821,190</b>	8,021,198

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.

### 13. Trade and Other Payables

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

	2021 A\$	2020 A\$
Trade creditors	<b>192,556</b>	238,547
Accrued expenses	<b>99,000</b>	101,309 <sup>1</sup>
<b>Total trade and other payables</b>	<b>291,556</b>	339,883

Note 1: As at 30 June 2021 the Directors of the Company are owed nil in deferred salaries and fees (June 2020: \$74,311)

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.

## 14. 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.

	<b>2021</b> A\$	<b>2020</b> A\$
Shares on issue	<b>41,744,948</b>	30,763,544
Issuance cost	<b>(3,390,581)</b>	(2,851,885)
Total share capital	<b>38,354,367</b>	27,911,659

### Reconciliation of movement in issued capital

	NUMBER OF SHARES	A\$
<b>Balance as at 30 June 2019</b>	391,001,892	26,064,996
Issue of shares – capital raising	57,692,314	1,500,000
Shares to be issued <sup>1</sup>	-	442,583
Share based payments (note 20)	500,000	19,000
Share issuance costs	-	(114,920)
<b>Balance as at 30 June 2020</b>	449,194,206	27,911,659
Issue of shares – placement	<b>15,968,329</b>	<b>224,676</b>
Issue of shares – placement	<b>72,727,273</b>	<b>8,000,000</b>
Issue of shares – consultants	<b>7,538,182</b>	<b>400,000</b>
Issue of shares – directors and employees	<b>4,649,397</b>	<b>182,120</b>
Issue of shares – exercise of options	<b>35,000,000</b>	<b>2,100,000</b>
Loss on settlement	-	<b>74,608</b>
Share issuance costs	-	<b>(538,696)</b>
<b>Balance as at 30 June 2021</b>	<b>585,077,387</b>	<b>38,354,367</b>

<sup>1</sup> Shares to be issued

The Company entered into a binding share subscription agreement with the Mangwana Opportunities Fund. The share subscription agreement raised net proceeds of AU\$ 442,583 through the placement of 12,564,143 shares at a share price of ~\$0.035. The condition precedent to the completion of the placement was approval by the Reserve Bank of Zimbabwe Exchange Control which was granted subsequent to year end.

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 2021, the Company had 46,272,727 unlisted options over ordinary shares on issue (2020: 44,000,000).

Notes to the  
Consolidated Financial Statements**14. 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 2019</b>	35,000,000			
Director options	3,000,000	31-Jul-19	31-Jul-22	6
Director options	3,000,000	31-Jul-19	31-Jul-22	9
Director options	3,000,000	31-Jul-19	31-Jul-22	12
<b>Total unlisted options as at 30 June 2020</b>	44,000,000			
Placement options	<b>36,363,636</b>	<b>29-Mar-21</b>	<b>30-Mar-24</b>	<b>17</b>
Broker options	<b>909,091</b>	<b>29-Mar-21</b>	<b>30-Mar-24</b>	<b>17</b>
Exercise of options	<b>(35,000,000)</b>	<b>various</b>	<b>various</b>	<b>6</b>
<b>Total unlisted options as at 30 June 2021</b>	<b>46,272,727</b>			

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.

At 30 June 2021, the Company had 44,179,281 performance shares over ordinary shares on issue (2020: 44,179,281). Term and conditions of the performance shares are detailed below:

TRANCHE	NUMBER	ISSUE DATE	EXPIRY DATE	VESTING CONDITION
Class C	44,179,281	22-Jun-18	20-Dec-21	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)).

*Reconciliation of movement in performance shares over ordinary shares*

	NUMBER	ISSUE DATE	EXPIRY DATE
<b>Total as at 30 June 2019</b>	75,767,103		
<i>Expired</i> <sup>2</sup>	31,587,822	22-Jun-18	20-Jun-20
<b>Total as at 30 June 2020</b>	44,179,281		
<b>Total as at 30 June 2021</b>	<b>44,179,281</b>		

Note 2: 31,587,822 Class B performance shares expired during the prior year as the vesting condition of A farmout which includes a commitment to drill a well to a minimum planned depth of 3,000 metres with respect to the Cabora Bassa Project was not achieved by the expiry date of 20 June 2020.

## 14. Share Capital - CONTINUED

### 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.

During the financial year the milestones were not met and therefore the performance rights lapsed. At 30 June 2021, the Company had nil performance rights over ordinary shares on issue (2020: nil). Term and conditions of the performance rights which lapsed during the financial year are detailed below:

PERFORMANCE RIGHTS	PROJECT MILESTONE	SHARE PRICE MILESTONE
<b>Class A</b> 5,900,000	(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.
<b>Class B</b> 5,900,000	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

### 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.

## 15. 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.

	2021 A\$	2020 A\$
Share-based payments reserve	674,095	662,841
Foreign currency translation reserve	(181,637)	281,148
<b>Total reserves</b>	<b>492,458</b>	943,989
<b>Reconciliation of movement in reserves</b>		
<b>Share-based payments reserve</b>		
<b>Balance as at 1 July</b>	<b>662,841</b>	541,594
Options issued – Director remuneration (note 20)	11,254	121,247
<b>Balance as at 30 June</b>	<b>674,095</b>	662,841
<b>Foreign currency translation reserve</b>		
<b>Balance as at 1 July</b>	<b>281,148</b>	204,083
Effect of translation of foreign currency operation to Group presentation currency	(462,785)	77,065
<b>Balance as at 30 June</b>	<b>(181,637)</b>	281,148
<b>Total reserves balance as at 30 June</b>	<b>492,458</b>	943,989

## Notes to the Consolidated Financial Statements

### 16. 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 2021 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 2021 and 30 June 2020 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	
		2021	2020	2021	2020
HIS Texas LLC	USA	100%	100%	-	-
Invictus Energy Resources Pty Limited	Australia	100%	100%	-	-
Invictus Energy Mauritius Limited	Mauritius	100%	100%	-	-
Invictus Energy Resources Zimbabwe (Pvt) Ltd	Zimbabwe	100%	100%	-	-
Geo Associates (Pvt) Ltd	Zimbabwe	80%	80%	20%	20%

## 16. Interests in Other Entities

### (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	
	2021 A\$	2020 A\$
<b>Summarised statement of financial position</b>		
Current assets	34,151	137,110
Current liabilities	-	(7,808)
<b>Current net liabilities/assets</b>	<b>34,151</b>	129,302
Non-current assets	6,088,649	8,021,198
Non-current liabilities	(6,750,560)	(8,021,198)
<b>Non-current net assets</b>	<b>(661,911)</b>	-
<b>Net liabilities/ assets</b>	<b>(627,760)</b>	(129,302)
Accumulated NCI	1,037,889	1,189,799
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Revenue	329	59
<b>Loss for the period</b>	<b>185,000</b>	221,222
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>185,000</b>	221,222
Loss allocated to NCI	(37,000)	(44,244)
FCTR allocated to NCI	(114,910)	19,374
<b>Summarised cash flows</b>		
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>	-

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

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

Notes to the  
Consolidated Financial Statements**17. Reconciliation of Gain/(Loss) After Income Tax to Net Cash Outflow Used**

	NOTES	2021 A\$	2020 A\$
Loss after tax		(1,255,646)	(1,773,456)
<b>Add/(less) non-cash items:</b>			
Share-based payments expense	20	593,374	140,247
Depreciation		136,140	128,946
Loss on settlement of fees		74,608	-
<b>Changes in working capital:</b>			
Decrease/(increase) in trade and other receivables		(16,438)	1,091
Decrease/(increase) in other assets		(34,531)	-
Increase/(decrease) in trade and other payables		(259,480)	(128,464)
Increase in provisions		(5,703)	22,812
<b>Net cash outflow from operating activities</b>		<b>(767,676)</b>	(1,608,824)
<b>Non-cash investing and financing activities:</b>			
Issue of ordinary shares – Director sign on incentive	20	-	19,000
		-	19,000

**18. Parent Entity**

	2021 A\$	2020 A\$
Current assets	9,049,130	1,389,565
Non-current assets	287,128	297,746
<b>Total assets</b>	<b>9,336,258</b>	1,687,311
Current liabilities	335,483	329,524
Non-current liabilities	-	73,701
<b>Total liabilities</b>	<b>335,483</b>	403,225
<b>Net assets</b>	<b>9,000,775</b>	1,284,086
Contributed equity	38,354,367	27,911,659
Share-based payment reserve	974,995	662,841
Foreign currency translation reserve	-	-
Accumulated losses	(30,328,587)	(27,290,414)
<b>Total equity</b>	<b>9,000,775</b>	1,284,086
Loss for the year	2,737,232	2,701,300
<b>Total comprehensive loss for the year</b>	<b>2,737,232</b>	2,701,300

**Commitments**

Refer to note 22: Capital and Other Commitments.

**Contingencies**

There were no contingent assets or liabilities of the parent as at 30 June 2021 (30 June 2020: \$ 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.



## 19. 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 16(a).

### (c) Other related party transactions

During the year the Company paid in cash and shares \$57,350 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 (2020: \$60,000).

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 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 is for no fixed term and can be cancelled by either party by providing one months notice.

During the 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 is for no fixed term and can be cancelled by either party by providing one months notice.

During the 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 is 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.

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.

### (d) Key management personnel

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

(i) Managing Director	Mr Scott Macmillan
(iii) Non-executive Directors	Dr Stuart Lake Mr Joe Mutizwa Mr Barnaby Egerton-Warburton Mr G Chiappini
(iii) Non-executive Director and Company Secretary	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:

	2021 A\$	2020 A\$
Short-term employee benefits	438,783	611,909
Post-employment benefits	32,655	34,160
Share-based payment	53,396	140,247
<b>Total key management personnel compensation</b>	<b>524,834</b>	786,316

## Notes to the Consolidated Financial Statements

### 20. 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

##### 30 June 2021

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

##### 30 June 2020

On 31 July 2019 the company announced the appointment of Dr Stuart Lake as Non-Executive Chairman of the Company, effective 1 August 2019. Dr Lake was issued with 9,000,000 unlisted options with the following terms, as part of a sign on incentive:

CLASS	NUMBER ISSUED	GRANT DATE	EXPIRY DATE	VESTING CONDITIONS	EXERCISE PRICE	FAIR VALUE AT GRANT DATE
Director options	3,000,000	31 July 2019	31 July 2022	12 months from date of issue	6 cents	1.8 cents <sup>1</sup>
Director options	3,000,000	31 July 2019	31 July 2022	12 months from date of issue	9 cents	1.4 cents <sup>1</sup>
Director options	3,000,000	31 July 2019	31 July 2022	12 months from date of issue	12 cents	1.2 cents <sup>1</sup>

Note 1: The black-scholes pricing model was used to value these options. Inputs into the valuation model were as stated in the table above, and as follows:

- Spot price: The spot price of the Company's shares was \$0.04 per share at the close of trade on 25 July 2019, the closing price immediately prior to Valuation Date.
- Expected future volatility: The share price volatility of the Company at 85% for the securities, was calculated and based on assessing historical volatility over recent trading periods.
- Risk free rate: Determined based on volatility yields of Commonwealth bonds using a three-year bond, the period which most closely corresponds to the maximum life of the Options. The interest rates were measured as the closing rate on the day prior to the Valuation Date. A three-year bond yielded 0.83% on 25 July 2019 as disclosed by the Reserve Bank of Australia.

The fair value of the 9,000,000 Director options granted during the June 2020 financial year was \$132,501, with \$121,247 recognised in Consolidated Statement of Financial Performance for the year ended 30 June 2020.

#### Reconciliation of movement in share options

	2021		2020	
	AVERAGE EXERCISE PRICE PER OPTION	NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE PER OPTION	NUMBER OF OPTIONS
<b>As at 1 July</b>	<b>\$0.07</b>	<b>44,000,000</b>	\$0.06	35,000,000
Granted during the year	-	-	\$0.09	9,000,000
Exercised during the year	<b>\$0.06</b>	<b>(35,000,000)</b>	-	-
Lapsed during the year	-	-	-	-
<b>As at 30 June</b>	<b>\$0.06</b>	<b>9,000,000</b>	\$0.07	44,000,000
Vested and exercisable at 30 June	<b>\$0.06</b>	<b>9,000,000</b>	\$0.07	44,000,000

## 20. Share-Based Payments - CONTINUED

### (a) Employee options over ordinary shares - CONTINUED

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

GRANT DATE	EXPIRY DATE	EXERCISE PRICE (CENTS)	NUMBER OF OPTIONS	
			2021	2020
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
			<b>9,000,000</b>	44,000,000

Weighted average remaining contractual life of options outstanding at 30 June 2021 is 1.08 years (30 June 2020: 1.21).

### (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.

#### Performance shares granted

##### 30 June 2021

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

##### 30 June 2020

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

#### Reconciliation of movement in performance shares

CLASS B	2021 NUMBER	2020 NUMBER
<b>As at 1 July</b>	-	31,587,822
Granted during the year	-	-
Exercised during the year	-	-
Expired during the year <sup>2</sup>	-	(31,587,822)
<b>As at 30 June</b>	-	-

Note 2: 31,587,822 Class B Performance Shares expired on 20 June 2020.

CLASS C	2021 NUMBER	2020 NUMBER
<b>As at 1 July</b>	<b>44,179,281</b>	44,179,281
Granted during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
<b>As at 30 June</b>	<b>44,179,281</b>	44,179,281

#### Performance shares outstanding at the end of the year

NUMBER	ISSUE DATE	EXPIRY DATE	VESTING CONDITION
44,179,281	22-Jun-2018	20-Dec-21	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)).

## Notes to the Consolidated Financial Statements

### 20. Share-Based Payments - CONTINUED

#### (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

##### 30 June 2021

The following performance rights were granted during the financial year:

ISSUE DATE	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

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 financial year.

##### 30 June 2020

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

#### Reconciliation of movement in performance rights

CLASS A	2021 NUMBER	2020 NUMBER
<b>As at 1 July</b>	-	-
Granted during the year	<b>5,900,000</b>	-
Exercised during the year	-	-
Expired during the year	<b>(5,900,000)</b>	-
<b>As at 30 June</b>	-	-
<b>CLASS B</b>	<b>2021 NUMBER</b>	<b>2020 NUMBER</b>
<b>As at 1 July</b>	-	-
Granted during the year	<b>5,900,000</b>	-
Exercised during the year	-	-
Expired during the year	<b>(5,900,000)</b>	-
<b>As at 30 June</b>	-	-

There were no performance rights on issue at year end 2021.

## 20. Share-Based Payments - CONTINUED

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

#### June 2021

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

#### June 2020

The following shares were issued during the financial year:

On 31 July 2019 the company announced the appointment of Dr Stuart Lake as Non-Executive Chairman of the Company, effective 1 August 2019. Dr Lake was issued with 500,000 shares as part of a sign on incentive. The value of the shares was \$19,000 representing the share price at the date of grant and was recognised within Directors' and executives' fees within the Consolidated Statement of Financial Performance in the 2020 year.

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

	2021 A\$	2020 A\$
Director options expense	11,254	121,247
Directors and employees shares issued	182,120	19,000
Consultants shares issued	400,000	-
<b>Total share-based payments expense recognised in income statement within Directors' and executives' fees</b>	<b>593,374</b>	140,247
Capital issuance costs recognised in equity	-	-
<b>Total share-based payments</b>	<b>593,374</b>	140,247

## 21. Events Occurring After Reporting Date

On 5 July 2021 the Company announced the lapse of conditional rights to 11,800,000 performance shares because the conditions had not been met.

On 2 August 2021 the Company announced that it had changed its registered office to Level 1, 10 Outram Street, West Perth, Western Australia, 6005.

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.

## Notes to the Consolidated Financial Statements

### 22. Capital and Other Commitments

#### Operating lease commitments

The operating lease schedule below relates to the head office lease. The lease commenced on 1 February 2019 with an initial 3 year term.

	30-JUN-21 A\$	30-JUN-20 A\$
Not later than 1 year	-	-
Later than 1 year but not later than 2 years	-	-
Later than 2 years but not later than 5 years	-	-
	-	-

#### 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.

### 23. Contingencies

No contingent liabilities exist at the end of the financial year.

## Director's Declaration

In the Directors' opinion:

- a) the accompanying financial statements set out on pages 22 to 44 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 2021 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 2021.

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



**Scott Macmillan**  
MANAGING DIRECTOR

30 September 2021



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## 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 2021, 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 2021 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.

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### 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.

### Capitalised exploration and evaluation expenditure

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The carrying value of exploration and evaluation expenditure represents a significant asset of the Group and judgement is applied in considering whether facts and circumstances indicate that the exploration expenditure should be tested for impairment. As a result, the asset was required to be assessed for impairment indicators in accordance with AASB 6: Exploration for and Evaluation of Mineral Resources. In particular whether facts and circumstances indicate that the capitalised exploration and evaluation expenditure should be tested for impairment.</p> <p>Refer to note 12 of the financial report for a description of the accounting policy, the significant estimates and judgements and disclosures applied to exploration and evaluation assets.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"><li>• Obtaining a schedule of areas of interest held by the Group and assessing whether the Group had rights to tenure over those areas of interest by comparing the schedule to supporting documentation including tenement licenses;</li><li>• Holding discussions with management with respect to the status of ongoing exploration programmes in the respective areas of interest and assessing the Group's cash flow budget for the level of budgeted spend on exploration projects;</li><li>• Considering whether any areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;</li><li>• Considering whether any other facts or circumstance existed to indicate impairment testing was required; and</li><li>• Assessing the adequacy of the related disclosures in note 12 to the financial report.</li></ul>



#### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

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

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

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

#### Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the 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 8 to 14 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Invictus Energy Limited, for the year ended 30 June 2021, 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  


**Jarrad Prue**

**Director**

Perth, 30 September 2021

## Other Additional ASX Information

### Range of shares at 24 September 2021

RANGE	TOTAL HOLDERS	SHARES	% OF SHARE CAPITAL
100,001 and Over	678	493,441,857	84.34
10,001 to 100,000	2,220	82,452,090	14.09
5,001 to 10,000	878	6,949,924	1.19
1,001 to 5,000	596	2,222,086	0.38
1 to 1,000	59	11,430	0.00
<b>Total</b>	<b>4,431</b>	<b>585,077,387</b>	<b>100.00</b>

### Unmarketable Parcels

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum \$ 500.00 parcel at \$ 0.155 per unit	3,225	260	201,377

### Top 20 Shareholders at 24 September 2021

RANK	ENTITY	# SHARES	%IC
1	BAYETHE INVESTMENTS PTY LTD	71,375,133	12.20
2	CITICORP NOMINEES PTY LIMITED	14,521,365	2.48
3	BNP PARIBAS NOMINEES PTY LTD	13,783,214	2.36
4	MANGWANA OPPORTUNITIES (PRIVATE) LIMITED	10,823,045	1.85
5	ALEXANDER HOLDINGS (WA) PTY LTD	10,000,000	1.71
6	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	8,694,293	1.49
7	BXW VENTURES PTY LTD	8,000,000	1.37
8	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	7,035,959	1.20
9	CLIVE WATERSON SUPERFUND PTY LTD	6,200,000	1.06
10	MR ANDREW GRAHAM PALLESON & MRS HUI PALLESON	6,100,000	1.04
11	WHISTLER STREET PTY LTD	5,480,000	0.94
12	DR SEOW FOONG LOH	5,245,780	0.90
13	MR GABRIEL CHIAPPINI & MRS ROSA CHIAPPINI	4,815,508	0.82
14	MR MAXWELL KENNETH HUDGHTON	4,558,888	0.78
15	HENDRIE SUPER FUND PTY LTD	4,500,000	0.77
16	GLAMOUR DIVISION PTY LTD	4,000,000	0.68
16	MR JAVIER VILCHES	4,000,000	0.68
17	S3 CONSORTIUM PTY LTD	3,900,000	0.67
18	MR GABRIEL CHIAPPINI & MRS ROSA CHIAPPINI	3,866,666	0.66
19	MR DONATO IACOVANTUONO	3,571,286	0.61
20	MR THOMAS JAMES LOH	3,500,000	0.60
20	JEMMA MICHELE MACMILLAN	3,500,000	0.60
20	MR KYLE BRYCE MACMILLAN	3,500,000	0.60

### Substantial Shareholders at 24 September 2021

	SHARES	% OF SHARES
Scott Macmillan	71,375,133	12.20%

## Tenement Schedule

TENEMENT REFERENCE AND LOCATION	NATURE OF INTEREST	INTEREST AT BEGINNING OF PERIOD	INTEREST AT END OF PERIOD
Gallatin Gas Project , Cherokee County, Texas USA	Working Interest	-	7.5%
Cabora Bassa Gas Condensate Project, Zimbabwe	via 80% equity ownership interest in Geo Associates (Pvt) Ltd	-	80%

## Gross Unrisked Estimated Prospective Resources

SG 4571		Gross Unrisked Estimated Prospective Resources#							
		SOURCE: GETECH GROUP PLC AS AT 26 JUNE 2019							
CABORA BASSA PROJECT		GAS (BCF) – 100% GROSS				CONDENSATE (MMBBL) – 100% GROSS			
PROSPECT	STRATIGRAPHIC LEVEL	LOW	BEST	HIGH	MEAN	LOW	BEST	HIGH	MEAN
<b>Mzarabani</b>	Dande	51	230	950	411	-	-	-	-
	Forest	301	1,215	3,359	1,584	-	-	-	-
	Pebbly Arkose	271	1,037	2,973	1,404	7	38	136	60
	Upper Angwa	721	2,902	9,657	4,414	18	107	434	187
	Lower Angwa	95	317	775	391	0	2	6	3
	<b>Total*</b>		<b>1,439</b>	<b>5,701</b>	<b>17,714</b>	<b>8,204</b>	<b>26</b>	<b>147</b>	<b>576</b>
<b>Msasa</b>	Pebbly Arkose	49	93	156	99	1	4	8	4
	Upper Angwa	107	198	327	210	2	8	17	9
	Lower Angwa	71	351	1,738	743	2	13	74	31
	<b>Total*</b>		<b>228</b>	<b>642</b>	<b>2,221</b>	<b>1,052</b>	<b>5</b>	<b>24</b>	<b>99</b>
<b>SG 4571 Licence</b>	<b>Total* Gross (100%)</b>	<b>1,666</b>	<b>6,343</b>	<b>19,935</b>	<b>9,256</b>	<b>31</b>	<b>171</b>	<b>676</b>	<b>294</b>
<b>SG 4571 Licence</b>	<b>Total* Net IVZ (80%)</b>	<b>1,333</b>	<b>5,074</b>	<b>15,948</b>	<b>7,405</b>	<b>25</b>	<b>137</b>	<b>541</b>	<b>235</b>

**Cautionary Statement:** The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons. Prospective Resource assessments in this release were estimated using probabilistic methods in accordance with SPE-PRMS standards.

**Hydrocarbon Resource Estimates** – The Prospective Resource estimates for Invictus' SG 4571 permit presented in this report are prepared as at 26 June 2019. The estimates have been prepared by the Company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2018, approved by the Society of Petroleum Engineers and have been prepared using probabilistic methods. The Prospective Resource estimates are unrisked and have not been adjusted for both an associated chance of discovery and a chance of development.

**No New Information or Change in Assumptions** – Since the date of completion of this hydrocarbon resource study (26 June 2019), the Company is not aware of any new information and that all material assumptions and technical parameters underpinning prospective resource estimate continue to apply and have not materially changed

**Competent Person Statement Information** – In this report information relating to hydrocarbon resource estimates has been compiled by Getech Group plc. under the supervision of Mr Scott Macmillan, the Invictus Energy Ltd Managing Director. Mr Macmillan has over 13 years' experience in the oil and gas industry in exploration, field development planning, reserves and resources assessment, reservoir simulation, commercial valuations and business development and is a member of the Society of Petroleum Engineers. Mr Macmillan consents to the inclusion of the information in this report relating to hydrocarbon Prospective Resources in the form and context in which it appears.



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