Invictus Energy Limited

ABN 21 150 956 773

Annual Report
30 June 2023

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Corporate Directory

Directors	John Bentley *Non- Executive Chairman* Joseph Mutizwa *Non-Executive Director & Deputy Chairman* Mr Scott Macmillan *Managing Director* Mr Gabriel Chiappini *Non-Executive Director* Mr Robin Sutherland *Non-Executive Director*
Company Secretary	Mr Gabriel Chiappini
Registered Office	Level 1, 10 Outram Street West Perth WA 6005 Tel: +618 6102 5055 Fax: +618 6323 3378
Share Register	**Link Market Services Limited** Ground Floor Level 4 Central Park 152 St Georges Terrace Perth WA 6000
Stock Exchange Listings	**Australian Securities Exchange (ASX: IVZ)**
Auditor	**BDO** Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	**Steinepreis Paganin** Level 4, The Read Buildings 16 Milligan Street Perth WA 6001
Website	**www.invictusenergy.com**

Directors' Report

Your Directors present their report together with the financial statements on Invictus Energy Limited (the 'Company') and the entities it controlled (the "consolidated entity") for the year ended 30 June 2023.

Review of Operations

During the year the Company undertook the following activities:

- Received an updated Independent Report from ERCE estimating substantial resource potential at its Cabora Bassa Project. ERCE estimated the gross mean recoverable conventional potential of the Mukuyu prospect at a combined 20 Tcf and 845 million barrels of conventional gas condensate, or approximately 4.3 billion barrels of oil equivalent (boe) on a gross mean unrisked basis. *(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 Resources assessments in this release were estimated using probabilistic methods in accordance with SPE-PRMS standards.*
- Completed interpretation of the CB21 2D Seismic Survey, which identified a substantial new shallow target in the Post Dande (Horizon 200) section of the Mukuyu prospect.
- Further quantitative analysis (QA) studies were undertaken which provided support for the presence of potential hydrocarbons in the Mukuyu structure. The results from a seismic inversion/QA study indicated the section immediately below the Horizon 200 target likely comprised multiple stacked hydrocarbon bearing zones, ranging in thickness from 40m to 80m.
- Exalo Rig 202 commenced mobilisation from Songo Songo Island in Tanzania to Cabora Bassa with the rig and associated equipment arriving at the Mukuyu-1 wellsite in August 2022.
- Executed a binding well services contract with Baker Hughes for its drilling campaign.
- Completed the gazettal of the Exclusive Prospecting Orders surrounding the current SG 4571 licence. The Company engaged with the Government of Zimbabwe and the Sovereign Wealth Fund of Zimbabwe (SWFZ) to provide transfer of title to Geo Associates of the expanded area.
- Completed the maiden oil and gas exploration drilling campaign at Cabora Bassa project in Zimbabwe with the drilling of the Mukuyu-1 well which reached a depth of 3,618 metres.
- Interpreted 13 potential hydrocarbon bearing zones in the Pebbly Arkose and Upper Angwa formations following completion of operations of the Mukuyu-1 ST1 well.
- Executed a contract extension with Exalo Drilling S.A to keep the Exalo Rig 202 in the Cabora Bassa Basin for up to 12 months.
- Received an updated Independent Technical Report from ERCE estimating substantial additional resource potential in the Basin Margin Area of Exclusive Prospecting Order 1849. ERCE estimated the gross mean recoverable conventional potential of the Basin Margin Area at a combined 1.17 billion barrels of conventional oil on a gross mean unrisked basis. *(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 Resources assessments in this release were estimated using probabilistic methods in accordance with SPE-PRMS standards.*
- Advanced the Ngamo-Gwaai-Sikumi REDD+ (NGS REDD+) project with the draft Project Development Document (PDD) completed and the commencement of the listing process for project certification through Verra's internationally recognised Verified Carbon Standard (VCS). A pilot program focused on forest fire prevention and management was initiated in the Ngamo forest area in collaboration with the Zambesia Conservation Alliance.
- Commenced preparations for the Mukuyu-2 appraisal well and Phase 2 exploration campaign at the Cabora Bassa including the tendering process for minor additional long leads and well services for the Mukuyu-2 well.

Directors' Report (Continued)

- Commenced preparations for a new 2D seismic campaign which focused on multiple leads along the proven play on trend and to the east of Mukuyu, as well as additional leads along the highly prospective Basin Margin play.
- Completed the appraisal campaign following the successful drilling of the Mukukuy-1 well, which confirmed a working hydrocarbon system in the Cabora Bassa basin. The Mukuyu-1 ST1 well identified 13 potential hydrocarbon bearing zones, as announced in the ASX release on 23 January 2023, with a combined 225 metres of gross potential hydrocarbon bearing zones identified in the primary target Upper Angwa.
- Appointed John Bentley as Non-Executive Chairman. John has more than 40 years' experience in international natural resource development, with a specific focus on Africa's upstream oil and gas industry for the past three decades.
- Appointed Robin Sutherland as a Non-Executive Director. Robin has worked in the African E&P sector for more than 35 years and played a key role in the development of Energy Africa, joining as a specialist geophysicist in 1997 and had a hand in several important hydrocarbon resource discoveries.
- Completed a placement to sophisticated and institutional investors to raise $10.0m (before costs) by way of private Placement. The Placement was strongly supported by new and existing institutional and sophisticated shareholders, and was strategically cornered by existing investor Mangwana Capital, local Zimbabwean partners and the Board of Directors.
- Awarded the well services contracts for the Mukuyu-2 appraisal well, as announced in the ASX release on 26 June 2023. SLB (previously known as Schlumberger) was awarded the open-hole wireline logging contract, Geolog International was awarded the mudlogging contract, while Baker Hughes in combination with NOV were awarded the directional drilling and logging while drilling contracts.
- Completed the maintenance program for Exalo's Rig 202.
- Commenced the Phase 2 exploration program at the Cabora Bassa Project, with the commencement of the CB23 2D seismic survey. The seismic acquisition contract was awarded to Polaris Natural Resource Development Ltd., which also carried out the successful CB21 2D seismic survey.
- Completed compositional analysis for five priority mudgas samples acquired during the drilling of the Mukuyu-1 / ST-1 well in selected Upper Angwa reservoir units with the results confirming the presence of light oil, gas-condensate and helium validating the Company's basin and geological models of the Cabora Bassa.
- Successfully raised a combined $35.4 million before costs via a private placement to sophisticated and institutional investors, which was cornered by existing shareholder Mangwana Capital, local Zimbabwean partners and the Board of Directors along with an oversubscribed Share Purchase Plan.

Directors' Report (Continued)

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 (Resigned 28 November 2022)*

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

- Current NED Vedra Hydrogen capturing carbon-negative hydrogen at scale from residual oil while storing 3rd party CO_2. The process delays decommissioning liabilities, changes the fields to hydrogen and extends the asset life.
- Current NED Capterio providing flare gas solutions for energy companies to capture flared gas, create value and reduce pollution. Our public toll www.flareintel.com shows that is flaring what and where.
- Current CEO for Durrant Petroleum working onshore conventional Exploration assets outside Africa and helping clients operate responsibility leveraging ESG credentials.
- Former CEO of AGM Petroleum, the operator of the offshore South Deep-water Tano Block in Ghana, he brought in Petrica Energy as the new main shareholder and acquired over 2000km² 3D seismic, leading to a recently reported new oil discovery from the Exploration drill campaign. Then as Senior Advisor to Aker Energy and TRG Energy, that acquired Hess Ghana assets, in which Dr Lake and his team at Hess Corporation had made 7 consecutive deep-water discoveries. Dr Lake stepped down in April 2020.
- He was also the former CEO of African Petroleum Corporation Ltd, where he successfully concluded a number of farm outs and commercial deals for their West African portfolio in a challenging market and successfully listed the company on the Oslo Bors in Norway, transferring the company from the NSX.
- Vice President of Exploration in the Hess Corporation, leading highly successful Exploration campaigns, including Ghana, Libya and 30 onshore discoveries in Russia over 4 years. Prior to that Dr Lake was a Director at Apache Corporation.
- Vice President Russia in Shell International and former Deputy VP Deep-water Shell. Dr Lake was in Shell for 19 years in five countries fulfilling a number of roles.

Mr Lake has no current directorships.

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

Mr John Bentley – *Non- Executive Chairman (Appointed 1 February 2023)*

Mr Bentley has more than 40 years' experience in international natural resource development, with a specific focus on Africa's upstream oil and gas industry since 1993, when he was appointed CEO exploration and production at South African oil company Engen Ltd. In 1996 he was instrumental in the formation of Energy Africa Ltd. and its listing on the Johannesburg and Luxembourg stock exchanges. Over the next five years as CEO, Mr Bentley led Energy Africa's growth, with a fourfold increase in production, operations in 12 African countries, and several important hydrocarbon resource discoveries. This laid the foundation for Tullow Oil to launch a successful US$500 million takeover of the Company in 2004. Mr Bentley has held executive and board roles in numerous E&P companies with the majority Africa

Directors' Report (Continued)

focused including Vanco Energy Company, FirstAfrica Oil plc, Rift Oil plc, Caracal Energy Inc, Faroe Petroleum plc, Wentworth Resources Ltd and most recently Africa Energy Corp, which made the significant Brulpadda and Luiperd play opening discoveries offshore South Africa. Mr Bentley holds a degree in Metallurgy from Brunel University.

Mr Bentley has no current directorships.

Former directorships held in the last 3 years: Phoenix Global Resources PLC, Wentworth Resources PLC and Africa Energy Ltd.

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

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

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

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

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

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

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

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

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

Former directorships held in the last 3 years: Blackrock Mining Ltd (ASX:BKT) and Gefen International AI (ASX:GFN)

Directors' Report (Continued)

Mr Robin Sutherland – *Non-executive Director (Appointed 1 February 2023)*

Mr Sutherland has extensive experience in the African E&P sector, having worked on the continent for more than 35 years. He has held a variety of technical and leadership roles, joining the highly respected Energy Africa team as a specialist geophysicist in 1997, playing a role in a number of important hydrocarbon resource discoveries across several African countries. Following the acquisition of Energy Africa by Tullow in 2004, he led Tullow's exploration team through the discovery and appraisal of the Jubilee and TEN fields in Ghana, and the Lokichar Basin in Kenya before becoming

Tullow's General Manager Exploration Africa in 2015. In 2020, Mr Sutherland launched a successful consultancy business, assisting companies with exploration, appraisal and development of Africa's extensive natural resources. Mr Sutherland holds a first class honours degree in Geophysics from Edinburgh University.

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

Company Secretary

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

1.1 *Directors' Meetings*

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

Director	Board of Directors meetings	
	Eligible to attend	Attended
Stuart Lake[1]	5	5
John Bentley[2]	5	5
Joe Mutizwa	11	11
Scott Macmillan	11	11
Gabriel Chiappini	11	11
Robin Sutherland[2]	5	5

[1] Resigned 28 November 2022

[2] Appointed 1 February 2023

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

1.2 *Corporate Governance*

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

Directors' Report (Continued)

2. REMUNERATION REPORT (Audited)

This Remuneration Report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the Directors and key management personnel of the Company. The 2022 remuneration report received positive shareholder support at the Annual General Meeting with a vote, by way of a poll, of 86.69% 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[1]	Non-Executive Chairman
John Bentley[2]	Non-Executive Chairman
Joe Mutizwa	Non-Executive Director and Deputy Chairman
Scott Macmillan	Managing Director
Gabriel Chiappini	Non-Executive Director & Company Secretary
Robin Sutherland[2]	Non-Executive Director

[1] Resigned 28 November 2022

[2] Appointed 1 February 2023

(b) Non-executive Director remuneration policy

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

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

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

(c) Executive remuneration policy and framework

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

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

The executive remuneration framework has two components:

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

Base pay and benefits

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

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

Directors' Report (Continued)

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

Superannuation

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

Long-term incentives

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

Share trading policy

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

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

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

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

Item	2023	2022	2021	2020	2019
EPS loss – continuing operations (cents)	($0.53)	($0.58)	($0.25)	($0.41)	($0.28)
Net loss – continuing operations ('000)	($4,951,928)	($3,786,181)	($1,255,646)	($1,773,456)	($1,022,049)
Share price	$0.115	$0.175	$0.170	$0.026	$0.046

Use of remuneration consultants

During the financial year the Company did not use the services of remuneration consultants for designing the remuneration policies for Directors or key management personnel. Post 30 June 2023, the Company engaged a remuneration consultant to assist with remuneration structure and benchmarking for the Company's executive and Board.

(e) Service agreements

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

Directors' Report (Continued)

Dr Stuart Lake – *Non-Executive Chairman (resigned 28 November 2022)*
- Commencement date: 1 August 2019
- Director fee: GBP 50,000 per annum
- The agreement is not subject to any termination notice period

Mr John Bentley – *Non-Executive Chairman (appointed 1 February 2023)*
- Commencement date: 1 February 2023
- 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: $Nil
- The agreement is not subject to any termination notice period

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

Mr Gabriel Chiappini – *Non-executive Director & Company Secretary*
- Commencement date: 6 August 2015
- Director fee: $60,000 per annum
- Company secretary fee: $60,000 per annum
- The agreement is not subject to any termination notice period

Mr Robin Sutherland – *Non-executive Director (appointed 1 February 2023)*
- Commencement date: 1 February 2023
- Director fee: $60,000 per annum
- The agreement is not subject to any termination notice period

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

Directors' Report (Continued)

(f) Details of remuneration

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

	Short term		Post employment	Equity settled			Proportion of remuneration		
	Cash salary and fees	Other[3]	Superannuation	Shares	Performance shares	Options	Total	Fixed	Performance linked
2023	$	$	$	$	$	$	$	%	%
Stuart Lake[1]	29,489	19,954	-	-	201,810	-	251,252	20%	80%
John Bentley[2]	39,084	4,605	-	-	80,920	79,727	204,336	21%	79%
Joe Mutizwa	-	-	-	-	201,810	-	201,810	0%	100%
Scott Macmillan	350,000	-	34,125	-	288,300	-	672,425	57%	43%
Gabriel Chiappini	42,500	54,552	-	-	201,810	-	298,862	32%	68%
Robin Sutherland[2]	30,000	18,312	-	-	80,920	79,727	208,960	23%	77%
Total	**491,073**	**97,423**	**34,125**	**-**	**1,055,570**	**159,454**	**1,837,645**	**34%**	**66%**

[1] Resigned 28 November 2022

[2] Appointed 1 February 2023

[3] Represents reimbursements and out of scope work

No short-term cash bonuses included as paid or accrued for during the year ended 30 June 2023.

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

	Short term		Post employment	Equity settled				Proportion of remuneration	
	Cash salary and fees	Other[2]	Superannuation	Shares	Performance shares	Options	Total	Fixed	Performance linked
2022	$	$	$	$	$	$	$	%	%
Stuart Lake	91,172	93,584	-	-	-	303,872	488,628	100%	-
Joe Mutizwa	-	-	-	-	-	303,872	303,872	100%	-
Scott Macmillan	325,000	-	30,875	-	-	303,871	659,746	100%	-
Barnaby Egerton-Warburton[1]	17,381	-	1,651	-	-	303,871	322,903	100%	-
Gabriel Chiappini	60,000	15,000	-	-	-	303,871	378,871	100%	-
Total	**493,553**	**108,584**	**32,526**	**-**	**-**	**1,519,357**	**2,154,020**	**100%**	**-**

[1] Resigned 25 October 2021

[2] Represents reimbursements and out of scope work

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

Directors' Report (Continued)

(g) Amounts owing to KMP

	30 June 2023	30 June 2022
	$	$
Stuart Lake[1]	-	54,145
John Bentley[2]	-	-
Joe Mutizwa	-	-
Scott Macmillan	-	-
Gabriel Chiappini	-	-
Robin Sutherland[2]	-	
Barnaby Egerton-Warburton[3]	-	-
Total	**-**	**54,145**

[1] Resigned 28 November 2022
[2] Appointed 1 February 2023
[3] Resigned 25 October 2021

There are no loans to Key Management Personnel (2022: nil).

(h) Share-based compensation

Options
June 2023

During the June 2023 financial year, no options were issued to Key Management Personnel as part of their remuneration.

On 1 February 2023, 6,000,000 unlisted options, valued at $390,611, were granted to certain Directors of the Company prior to their appointment as an incentive to join the Invictus Board. The options have an exercise price of $0.2355 and an expiry date of 23 July 2024. The options were awarded to Mr Bentley and Mr Sutherland (3,000,000 options each). The options will vest after 12 months of service. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

- Grant date: 1 February 2023
- Expiry date: 23 July 2024
- Risk free rate: 0.96%
- Stock volatility: 111.23%
- Share price at grant date: $0.16
- Exercise price: $0.2355

<u>June 2022</u>

On 26 July 2021, 15,000,000 unlisted options were issued to the Directors, with an exercise price of $0.2355 and an expiry date of 23 July 2024. The options were awarded as part of the remuneration for the services provided by the Directors to the Company and were approved by shareholders at a general meeting on 8 July 2021. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

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

Directors' Report (Continued)

Performance rights
June 2023

The following performance rights were issued to Key Management Personnel of the Company during the current year;

Class	Number	Issue date	Expiry date	Vesting condition
A	15,500,000	9-Aug-22	31-Dec-24	a) The drilling of an exploration or appraisal well in the Cabora Bassa Project that results in the maiden booking of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) on or before 31 December 2024; and b) The Company achieving a 20-day volume weighted average price of at least $0.50 on or before 31 December 2024.
B	15,500,000	9-Aug-22	31-Dec-26	a) An independent estimate of Contingent Resources or Reserves (as those defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) of greater than or equal to two hundred million barrels or oil equivalent (200 mmboe) on a 100% gross project basis; and b) The Company achieving a 20-day volume weighted average price of at least $0.75 on or before 31 December 2026.
A	7,000,000	27-Jun-23	31-Dec-24	c) The drilling of an exploration or appraisal well in the Cabora Bassa Project that results in the maiden booking of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) on or before 31 December 2024; and c) The Company achieving a 20-day volume weighted average price of at least $0.50 on or before 31 December 2024.
B	7,000,000	27-Jun-23	31-Dec-26	d) An independent estimate of Contingent Resources or Reserves (as those defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) of greater than or equal to two hundred million barrels or oil equivalent (200 mmboe) on a 100% gross project basis; and e) The Company achieving a 20-day volume weighted average price of at least $0.75 on or before 31 December 2026.

Directors' Report (Continued)

The Hybrid up-and-in trinomial option pricing model with a Parisian barrier adjustment was used to value the performance rights. Set out below are the assumptions used in assessing the indicative fair value of the Performance Rights:

	Performance Rights	
Assumptions	Class A	Class B
Number of performance rights	15,500,000	15,500,000
Valuation Date	22-Jul-22	22-Jul-22
Spot Price ($)	$0.205	$0.205
Exercise Price ($)	Nil	Nil
Issue Date	22-Jul-22	22-Jul-22
Expiry Date	31-Dec-24	31-Dec-26
Expected future volatility (%)	90%	90%
Risk free rate (%)	2.84%	3.245%
Dividend yield (%)	0%	0%
Vesting Date	31-Dec-24	31-Dec-26
Performance Hurdle	20 Day VWAP of $0.50 or higher	20 Day VWAP of $0.75 or higher
Probability of success (%)	20%	20%
Valuation	$419,120	$474,610

	Performance Rights	
Assumptions	Class A	Class B
Number of performance rights	7,000,000	7,000,000
Valuation Date	7-Jun-23	7-Jun-23
Spot Price ($)	$0.12	$0.12
Exercise Price ($)	Nil	Nil
Issue Date	7-Jun-23	7-Jun-23
Expiry Date	31-Dec-24	31-Dec-26
Expected future volatility (%)	100%	100%
Risk free rate (%)	3.85%	3.69%
Dividend yield (%)	0%	0%
Vesting Date	31-Dec-24	31-Dec-26
Provision for Employee Exit (%)	-	-
Performance Hurdle	20 Day VWAP of $0.50 or higher	20 Day VWAP of $0.75 or higher
Probability of success (%)	20%	20%
Valuation	$60,200	$101,640

Directors' Report (Continued)

June 2022

During the June 2022 financial year, no performance rights were issued to Key Management Personnel as part of their remuneration.

Ordinary shares
June 2023

During the June 2023 financial year, no ordinary shares were issued to Key Management Personnel as part of their remuneration.

June 2022
During the June 2022 financial year, no ordinary shares were issued to Key Management Personnel as part of their remuneration.

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

(i) Option holdings

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

	Balance at start of the year	Granted	Exercised/Lapsed	Other	Balance at the end of the year	Vested during the year	Vested and exercisable	Unvested
2023								
Stuart Lake[1]	12,000,000	-	(3,600,000)	(5,400,000)[3]	3,000,000	-	3,000,000	-
John Bentley[2]	-	3,000,000[4]	-	208,333	3,208,333	208,333	208,333	3,000,000
Joe Mutizwa	-	-	-	714,285	714,285	714,285	714,285	-
Scott Macmillan	3,000,000	-	-	-	3,000,000	-	3,000,000	-
Gabriel Chiappini	3,000,000	-	-	104,166	3,104,166	104,166	3,104,166	-
Robin Sutherland[2]	-	3,000,000[4]	-	-	3,000,000	-	-	3,000,000
TOTAL	**18,000,000**	**6,000,000**	**(3,600,000)**	**(4,373,216)**	**16,026,784**	**1,026,784**	**10,026,784**	**6,000,000**

[1] Resigned 28 November 2022

[2] Appointed 1 February 2023

[3] 3,000,000 options exercisable at $0.06 were transferred via an off-market trade at $0.09 per option and 2,400,000 options exercisable at $0.12 via an off-market trade at $0.03 per option

[4] On 1 February 2023, 6,000,000 unlisted options were granted to Mr Bentley and Mr Sutherland (3,000,000 options each) prior to their appointment as an incentive to join the Invictus Board. These options are yet to be issued.

Directors' Report (Continued)

(ii) Performance Rights holdings

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

	Balance at start of the year	Granted	Exercised/Lapsed	Other	Balance at the end of the year	Vested during the year	Vested and exercisable	Unvested
2023								
Stuart Lake[1]	-	7,000,000	-	-	7,000,000	-	-	7,000,000
John Bentley[2]	-	7,000,000	-	-	7,000,000	-	-	7,000,000
Joe Mutizwa	-	-	-	-	-	-	-	-
Scott Macmillan	-	10,000,000	-	-	10,000,000	-	-	10,000,000
Gabriel Chiappini	-	7,000,000	-	-	7,000,000	-	-	7,000,000
Robin Sutherland[2]	-	7,000,000	-	-	7,000,000	-	-	7,000,000
TOTAL	**-**	**38,000,000**	**-**	**-**	**38,000,000**	**-**	**-**	**38,000,000**

[1] Resigned 28 November 2022

[2] Appointed 1 February 2023

(ii) Share holdings

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

	Balance at start of the year	Received on exercise of options during the year	Received on vesting of performance shares during the year	Issued in lieu of cash payments during the year	Other changes	Balance at the end of the year
2023						
Directors						
Stuart Lake[1]	2,259,732	3,600,000	-	-	-	5,859,732
John Bentley[2]	-	-	-	-	416,667	416,667
Joe Mutizwa	-	-	-	-	1,428,570	1,428,570
Scott Macmillan	73,271,547	-	-	-	-	73,271,547
Gabriel Chiappini	8,862,662	-	-	-	208,333	9,070,995
Robin Sutherland[2]	-	-	-	-	416,667	416,667
TOTAL	**84,393,941**	**3,600,000**	**-**	**-**	**2,470,237**	**90,464,178**

[1] Resigned 28 November 2022

[2] Appointed 1 February 2023

(j) Other transactions with key management personnel

During the year the Company paid $54,432 to Laurus Corporate Services Pty Ltd, an entity related to Mr Gabriel Chiappini, for the provision of company secretarial services, on normal commercial terms and conditions and at market rates (2022: $42,500).

Directors' Report (Continued)

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

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. BUSINESS RISKS

The Group's activities have inherent risks and the Board is unable to provide certainty of the expected results of activities, or that any or all of the likely activities will be achieved. The material business risks faced by the Group that could influence the Group's future prospects, and the Group manages these risks, are detailed below:

Exploration

Potential investors should understand that oil and gas exploration and development are high-risk undertakings. There can be no assurance that exploration of Invictus's projects, or any other permits that may be acquired in the future, will result in the discovery of an economic oil and gas resource or reserve. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its permits and obtaining all required approvals for its activities.

In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of its permits, a reduction in the case reserves of the Company and possible relinquishment of the permits. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies or assets that are complementary to its business, projects, blocks or prospects in Zimbabwe, or elsewhere in Africa or other parts of the world. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

Directors' Report (Continued)

Permit applications and license renewal

The Company expects that the applications for permit renewals or for any new permits will be granted following approval by the relevant Government of Zimbabwe regulatory authorities. However, the Company cannot guarantee that the current SG4571 permit that expires in June 2024 or that any future permit applications will be granted.

Liquidity risks

There is no guarantee that there will be an ongoing liquid market for Securities. Accordingly, there is a risk that, should the market for Securities become illiquid, Shareholders will be unable to realise their investment in the Company.

Litigation

The Company may in the ordinary course of business become involved in litigation and disputes, for example with agents, contractors or third parties in respect of land access to its Tenements. Any such litigation or dispute could involve significant economic costs and damage to relationships with agents, contractors and other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance. As at the date of this Prospectus, the Company is not currently involved in any litigation or aware of any pending litigation.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees ceases their employment with the Company.

Contractual disputes

The Company's business model is dependent in part on contractual agreements with third parties that have an interaction with the Company's target market. The Company is aware that there are associated risks when dealing with third parties including but not limited to insolvency, fraud and management failure. Should a third party contract fail, there is the potential for negative financial and brand damage for the Company.

Environmental

The Company will be subject to environmental laws and regulations with operations it may pursue in the oil and gas industry. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals may prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws and regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Insurance

The Company seeks to maintain appropriate policies of insurance consistent with those customarily carried by organisations in their industry sector. Any increase in the cost of the insurance policies of the Company or the industry in which they operate could adversely affect the Company's business, financial condition and operational results. The Company's insurance coverage may also be inadequate to cover losses it sustains. Uninsured loss or a loss in excess of the Company's insured limits could adversely affect the Company's business, financial condition and operational results.

Directors' Report (Continued)

Sovereign risk

The Company's projects are located in the Zimbabwe. Possible sovereign risks include, without limitation, changes in relevant legislation or government policy, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Further, no assurance can be given regarding the future stability in any country in which the Company has, or may have, an interest. Any of these factors may, in the future, adversely affect the financial performance of the Company.

Hydrocarbon Reserve Estimates

Hydrocarbon reserve estimates are expressions of judgment based on knowledge, experience, interpretation and industry practice. Estimates that were valid when made may change significantly when new information becomes available. In addition, reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Should the Company encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, then reserve estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect the Company's operations. Where possible, the Company will seek to have any such estimates verified or produced by an independent party with sufficient expertise in their chosen field.

Oil and natural gas exploration, production and related operations are subject to extensive rules and regulations promulgated by federal, state and local agencies. Failure to comply with such rules and regulations can result in substantial penalties. The regulatory burden on the oil and gas industry increases the cost of doing business and affects profitability. Because such rules and regulations are frequently amended or reinterpreted, the Company is unable to predict the future cost or impact of complying with such laws. Permits are required in some of the areas in which the Company will operate following completion of the Proposed Transaction for drilling operations, drilling bonds and the filing of reports concerning operations and other requirements are imposed relating to the exploration and production of oil and gas. The Company will be required to comply with various federal and state regulations regarding plugging and abandonment of oil and natural gas wells, which will impose a substantial rehabilitation obligation on the Company, which may have a material adverse effect on the Company's financial performance.

Drilling

Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's drilling operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the availability or delivery of rigs and/or other equipment and compliance with governmental requirements. Hazards incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures or other factors are inherent in drilling and operating wells and may be encountered by the Company. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs.

Farm in Partners and contractors

Oil and gas ventures are typically operated under a farm in and/or joint venture arrangements, such as the proposed farm-in partner option agreement announced on 9 December 2021 by the Company with Cluff Energy Africa Ltd. These arrangements include provisions that often require certain decisions relating to the projects to be passed with unanimous or majority approval of all participants. Where a venture partner does not act in the best commercial interest of the project, it could have a material adverse effect on the interests of the Company.

Directors' Report (Continued)

The Company is unable to predict the risk of:

a) financial failure, non-compliance with obligations or default by a participant in any venture to which the Company is, or may become, a party; or

b) insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or

c) insolvency or other managerial failure by any of the other service providers used by the Company for any activity,

d) all of which could have a material adverse effect on the operations and financial performance of the Company.

As announced by the Company in its June 2022 Quarterly activities report dated 25 July 2022, during the quarter ending 30 June 2022, the Company received three farm-in offers for the Cabora Bassa Project. The Company is undertaking ongoing due diligence and internal approvals by additional parties which may result in further bids received. However, as at the date of this Prospectus, the Company confirms no binding farm-in or farm-out agreements have been entered into.

Further, as announced by the Company on 17 August 2022, through its 80% owned subsidiary Geo Associates (Pvt) Ltd, it has entered into an assignment agreement with Sovereign Wealth fund of Zimbabwe (SWFZ) in respect to exploration rights to Exclusive Prospecting Orders 1848 and 1849, which are contiguous to the Company's current SG 4571 licence. The assignment from SWFZ expands the Company's area in the Cabora Bassa Basin. The assignment confers all exploration rights and obligations for the two Prospecting Orders and a conversion to a Special Grant upon application following ga commercial discovery. The Company makes no guarantee of a discovery or that any discovery will be commercially feasible.

Coronavirus (COVID19)

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

Economic & Political

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Adverse changes in the general economic and political climate in Zimbabwe and on a global basis that could impact on economic growth, oil and gas prices, interest rates, the rate of inflation, taxation and tariff laws and domestic security, which may affect the viability of any oil and gas activity that may be conducted by the Company upon the Cabora Bassa Project.

Directors' Report (Continued)

Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

a) general economic outlook;

b) introduction of tax reform or other new legislation;

c) interest rates and inflation rates;

d) changes in investor sentiment toward particular market sectors;

e) the demand for, and supply of, capital; and

f) terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Oil and gas price fluctuations

The demand for, and price of, oil and natural gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in oil and gas prices and, in particular, a material decline in the price of oil or gas may have a material adverse effect on the Company's business, financial condition and results of operations.

Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Placement. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Additional funding may be sourced from one or a combination of equity, debt, industry farm-in, or other financing methods as determined on a case by case basis when those funds are needed. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its strategy, plans or operations.

Directors' Report (Continued)

5. 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 2023 was $4,951,928 (2022: $3,786,181 loss).

No dividends have been paid or declared by the Company during the year ended 30 June 2023 (2022: nil).

6. LOSS PER SHARE

The basic loss per share for the consolidated entity for the year was $0.53 per share (2022: $0.58 loss per share).

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year the Company entered a 30-year contract (the "Contract") with the Forestry Commission of Zimbabwe (FCZ) for the development of the Ngamo-Gwayi-Sikumi (NGS) REDD+ project, which is renewable for a further 30 years, as part of the Company's sustainable plan to manage emissions. The NGS REDD+ project will enable the Company to fully offset all Scope 1 & 2 emissions generated across the entire lifecycle of the Cabora Bassa Project.

Other than the above, 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.

8. EVENTS SUBSEQUENT TO REPORTING DATE

On 13 July 2023 the Company announced that following completion of the refined seismic interpretation, incorporating results from the Mukuyu-1/ST-1 well, the Mukuyu-2 subsurface targets and appraisal well location had been selected.

On 17 July 2023 the Company announced that work had commenced on the CB23 2D seismic acquisition program being carried out by Polaris Natural Resource Development Ltd.

On 24 July 2023 the Company announced that it had issued 2,389,706 ordinary shares for services in lieu of fees.

On 7 August 2023 the Company announced that it had completed the acquisition of its CB23 2D seismic survey in EPO 1848 & EPO 1849 in the Cabora Bassa basin.

On 10 August 2023 the Company announced that it had issued 19,521 ordinary shares upon the exercise of options.

On 11 August 2023 the Company announced that the The Mukuyu-2 wellpad construction has been completed following the finalisation of civil works including pad levelling and compaction, water supply and reservoirs.

On 24 August 2023 the Company announced that it had issued 9,490,987 ordinary shares and 2,916,667 unlisted options.

On 31 August 2023 the Company announced results from the analysis of 22 mudgas samples acquired from the Mukuyu-1 / ST-1 had been completed, with the results reaffirming the presence of light oil, gas-condensate and helium.

On 1 September 2023 the Company announced the mobilisation and rig up of the Exalo Rig 202 at Mukuyu-2 was completed.

On 8 September 2023 the Company announced the inadvertent breach of its maximum placement capacity in relation to its placement, announced on 6 June 2023.

Directors' Report (Continued)

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.

9. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company intends to develop its Cabora Bassa Basin Gas Condensate project in Zimbabwe which could be funded by debt, equity, a senior farm-in partner or a combination of each.

In addition, the Company intends to advance the Ngamo-Gwaai-Sikumi REDD+ (NGS REDD+) with a view to generating potential carbon offset credits that may be tradeable in the future on carbon offset credits trading exchange.

10. 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.

11. EQUITY INSTRUMENTS ON ISSUE

Ordinary shares
As at the date of this report, there were 1,180,506,552 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
1-Feb-2026	$0.46	13,586,956
31-Jan-2025	$0.14	26,311,482
30-Sept-2027	$0.40	108,695,645
30-Mar-2024	$0.17	22,286,030
23-Jul-2024	$0.2355	12,000,000

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

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

Directors' Report (Continued)

A	7,000,000	27-Jun-23	31-Dec-24	a) The drilling of an exploration or appraisal well in the Cabora Bassa Project that results in the maiden booking of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) on or before 31 December 2024; and b) The Company achieving a 20-day volume weighted average price of at least $0.50 on or before 31 December 2024.
B	7,000,000	27-Jun-23	31-Dec-26	a) An independent estimate of Contingent Resources or Reserves (as those defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) of greater than or equal to two hundred million barrels or oil equivalent (200 mmboe) on a 100% gross project basis; and b) The Company achieving a 20-day volume weighted average price of at least $0.75 on or before 31 December 2026.

12. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

An indemnity agreement has been entered into with each of the Directors 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 services provided by the auditor of the parent entity, its related practices:

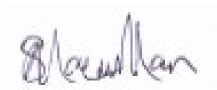
	30-Jun-23 A$	30-Jun-22 A$
Services provided by the Auditor – BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	51,250	47,904
Total services provided by the Auditor	**51,250**	**47,904**

Directors' Report (Continued)

15. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's Independence Declaration is set out on page 66 and forms part of the Directors' report for the financial year ended 30 June 2023.

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



15 September 2023
Scott Macmillan
Managing Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2023

	Notes	2023 A$	2022 A$
Continuing operations			
Interest revenue		101,894	1,413
Other revenue		-	199,934
Corporate costs		(412,642)	(364,373)
Professional fees	6	(675,114)	(614,950)
Directors' and executives' fees		(2,101,851)	(2,221,448)
Finance costs		(64,641)	(54,163)
Other	6	(1,629,725)	(1,000,075)
Depreciation		(250,383)	(264,004)
Foreign currency gain		80,534	531,485
Loss from continuing operations before income tax		**(4,951,928)**	**(3,786,181)**
Income tax expense	8	-	-
Loss from continuing operations after income tax		**(4,951,928)**	**(3,786,181)**
Profit/(loss) for the year attributable to:			
Members of the parent entity		(4,659,468)	(3,643,865)
Non-controlling interest	15	(292,460)	(142,316)
Profit/(loss) for the year		**(4,951,928)**	**(3,786,181)**
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation – members of parent entity		(42,365)	561,076
Foreign currency translation – non-controlling interest	15	(10,515)	140,221
Total other comprehensive income/(loss) for the year		**(52,880)**	**701,297**
Total comprehensive income/(loss) for year attributable to:			
Members of the parent entity		(4,701,833)	(3,082,789)
Non-controlling interest		(302,975)	(2,095)
		(5,004,808)	**(3,084,884)**
Basic and diluted loss per share (cents)	9	(0.53)	(0.58)

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

Consolidated Statement of Financial Position
as at 30 June 2023

	Notes	2023 A$	2022 A$
Assets			
Current assets			
Cash and cash equivalents	10	22,931,927	13,718,461
Trade and other receivables		344,486	245,195
Other current assets		82,747	75,850
Total current assets		**23,359,160**	**14,039,506**
Non-current assets			
Exploration and evaluation expenditure	11	74,256,799	28,228,960
Leasehold acquisition costs for Carbon Credits		732,588	--
Property, plant and equipment		174,828	284,344
Right of use asset		309,273	457,724
Other financial assets		120,771	120,771
Total non-current assets		**75,594,259**	**29,091,799**
Total assets		**98,953,419**	**43,131,305**
Liabilities			
Current liabilities			
Trade and other payables	12	2,445,746	4,051,782
Provisions		92,774	73,524
Lease liability		145,906	127,034
Total current liabilities		**2,684,426**	**4,252,340**
Non-current liabilities			
Lease liability		219,157	365,062
Total non-current liabilities		**219,157**	**365,062**
Total liabilities		**2,903,583**	**4,617,402**
Net assets		**96,049,836**	**38,513,903**
Equity			
Share capital	13	117,371,778	58,926,088
Reserves	13	7,175,304	3,144,107
Accumulated loss		(29,230,065)	(24,592,086)
Total equity attributable to owners of Invictus Energy Limited		**95,317,017**	**37,478,109**
Non-controlling interest	15	732,819	1,035,794
Total equity		**96,049,836**	**38,513,903**

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	Total attributable to equity holders of the Group/ Company	Non-controlling interest	Total equity
	A$	A$	A$	A$	A$	A$	A$	A$
Balance at 1 July 2021	**38,354,367**	**(181,637)**	**674,095**	**492,458**	**(21,926,187)**	**16,920,638**	**1,037,889**	**17,958,527**
Loss for the year	-	-	-	-	(3,643,865)	(3,643,865)	(142,316)	(3,786,181)
Foreign currency translation	-	561,076	-	561,076	-	561,076	140,221	701,297
Total comprehensive loss for the year	**-**	**561,076**	**-**	**561,076**	**(3,643,865)**	**(3,082,789)**	**(2,095)**	**(3,084,884)**
Issue of shares – capital raising	19,349,497	-	-	-	-	19,349,497	-	19,349,497
Capital raising costs (note 13 and 19)	(2,567,702)	-	1,549,182	1,549,182	-	(1,018,520)	-	(1,018,520)
Shares issued in lieu of services provided (note 19)	200,000	-	-	-	-	200,000	-	200,000
Shares issued - exercise of options	3,589,926	-	-	-	-	3,589,926	-	3,589,926
Share-based payments (note 19)	-	-	1,519,357	1,519,357	-	1,519,357	-	1,519,357
Options expired/lapsed (note 13)	-	-	(977,966)	(977,966)	977,966	-	-	-
Total distributions to owners of Company recognised directly in equity	20,571,721	-	2,090,573	2,090,573	977,966	23,640,260	-	23,640,260
Balance at 30 June 2022	**58,926,088**	**379,439**	**2,764,668**	**3,144,107**	**(24,592,086)**	**37,478,109**	**1,035,794**	**38,513,903**
Loss for the year	-	-	-	-	(4,659,468)	(4,659,468)	(292,460)	(4,951,928)
Foreign currency translation	-	(42,365)	-	(42,365)	-	(42,365)	(10,515)	(52,880)
Total comprehensive loss for the year	**-**	**(42,365)**	**-**	**(42,365)**	**(4,659,468)**	**(4,701,833)**	**(302,975)**	**(5,004,808)**
Issue of shares – capital raising	60,451,628	-	-	-	-	60,451,628	-	60,451,628
Capital raising costs (note 13 and 19)	(6,251,121)	-	2,880,026	2,880,026	-	(3,371,095)	-	(3,371,095)
Shares issued - exercise of options	3,842,183	-	(21,489)	(21,489)	21,489	3,842,183	-	3,842,183
Share-based payments (note 19)	403,000	-	1,215,025	1,215,025	-	1,618,025	-	1,618,025
Total distributions to owners of Company recognised directly in equity	58,445,690	-	4,073,562	4,073,562	21,489	62,540,741	-	62,540,741
Balance at 30 June 2023	**117,371,778**	**337,074**	**6,838,230**	**7,175,304**	**(29,230,065)**	**95,317,017**	**732,819**	**96,049,836**

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

Consolidated Statement of Cash Flows
for the year ended 30 June 2023

	Notes	2023 A$	2022 A$
Cash flows from operating activities			
Interest received		101,894	1,413
Payments to suppliers and employees		(2,672,326)	(1,617,173)
Net cash used in operating activities	16	**(2,570,432)**	**(1,615,760)**
Cash flows from investing activities			
Exploration and evaluation payments	11	(48,666,035)	(13,790,676)
Leasehold acquisition costs for Cardon Credits		(732,588)	-
Payments for property, plant & equipment		-	(396,786)
Return of restricted cash		-	96,143
Increase in restricted cash		(57,545)	(120,771)
Net cash used in investing activities		**(49,456,168)**	**(14,212,090)**
Cash flows from financing activities			
Proceeds from issue of shares	13	60,451,628	19,349,497
Share issuance costs	13	(3,371,095)	(2,567,702)
Exercise of options	13	3,842,183	3,589,926
Net cash from financing activities		**60,922,716**	**20,371,721**
Total cash movement for the year		8,896,116	4,543,870
Cash at the beginning of the year		**13,718,461**	**9,135,271**
Effect of exchange rate changes on cash and cash equivalents		317,350	39,320
Total cash at the end of the year	10	**22,931,927**	**13,718,461**

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

Notes to the Consolidated Financial Statements

1. SUMMARY OF ACCOUNTING POLICIES

A. Basis of preparation

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

(i) Compliance with IFRS

The consolidated financial statements of the Invictus Energy Limited 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 2022 have not had an impact on the financials. Refer to note 2 for further details.

(ii) Going concern

The going concern concept relates to the assessment of the Company's ability to continue its operations (and pay its debts when they fall due) for the next 12 months from the date when the directors sign the financial report without the need to raise money from issuing shares or other sources of funding. The financial report has been prepared on a going concern basis.

For the full year ended 30 June 2023 the Group incurred a loss after tax of $4,951,928 (2022: $3,786,181) and had total net cash outflows from operating and investing activities of $52,026,600 (2022: $15,827,850).

The Directors have prepared an estimated cash flow forecast for the period to 31 October 2024 to determine if the Company may require additional funding during this period. The Group intends to continue with its operating activities at the Cabora Bassa Project and will incur related cash expenditure. This results in a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have made an assessment on whether it is reasonable to assume that the Company will be able to continue its normal operations based on the following factors and judgements:

- The Directors are of the opinion that the Group's exploration and development assets will attract further capital investment when required; and
- The Directors expect the Group to be successful in securing additional funding through debt or equity issues, when and if required.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The interim financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(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 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.

(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.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

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.

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.

(iv) Leases

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

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

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.

(v) Carbon Credits

Initial set up costs associated with the Carbon Credit trading business are capitalised to the balance sheet as Leasehold acquisition costs for Carbon Credits.

At the date of this report, the Company has not commenced Carbon Credit trading and as such is yet to develop and adopt a Carbon Credit trading accounting policy.

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 2023. 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:

	2023 A$	2022 A$
Financial assets		
Cash and cash equivalents	22,931,927	13,718,461
Trade and other receivables	344,486	245,195
Total financial assets	**23,276,413**	**13,963,656**
Financial liabilities		
Trade payables	(1,379,801)	(2,259,037)
Lease liability – current	(145,906)	(127,034)
Lease liability – non current	(219,157)	(365,062)
Total financial liabilities	**(1,744,864)**	**(2,751,133)**
Net financial instruments	**21,531,549**	**11,212.523**

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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:

	2023 A$	2022 A$
Cash and cash equivalents	5,476,602	9,060,363
Trade and other payables	(1,388,377)	(3,654,587)
Total exposure to foreign currency risk	**4,088,225**	**5,405,776**

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

		Foreign exchange risk			
		-10%		10%	
30-Jun-23	**Carrying amount A$**	**Profit A$**	**Equity A$**	**Profit A$**	**Equity A$**
Financial assets					
Cash and cash equivalents	5,476,602	(547,660)	547,660	547,660	(547,660)
Trade and other payables	(1,388,377)	138,838	(138,838)	(138,838)	138,838
Net exposure to foreign currency risk	**4,088,225**	**(408,822)**	**408,822**	**408,822**	**(408,822)**

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

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.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

30-Jun-23	Less then 6 months	Total contractual cash flows	Carrying amount of liabilities
Trade and other payables	2,445,746	2,445,746	2,445,746
Total exposure to liquidity risk	**2,445,746**	**2,445,746**	**2,445,746**

30-Jun-22	Less then 6 months	Total contractual cash flows	Carrying amount of liabilities
Trade and other payables	4,051,782	4,051,782	4,051,782
Total exposure to liquidity risk	**4,051,782**	**4,051,782**	**4,051,782**

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-23	Weighted average interest rate	30-Jun-22
Floating interest rate:				
Cash available at call	0.00%	17,691,053	0.00%	10,892,007
Fixed interest rate:				
Deposits at call	0.01%	5,240,874	0.05%	2,826,453
Total exposure to interest rate risk		**22,931,927**		**13,718,461**

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

(c) Credit risk

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

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

(d) Fair value measurements

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Impairment of deferred exploration and evaluation expenditure

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

(b) Share-based payment transactions

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

(c) Tax in foreign jurisdictions

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

5. SEGMENT INFORMATION

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

(a) Description of segments

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

(b) Segment information

For the year ended 30 June 2023	Exploration A$	Unallocated A$	Consolidated A$
Total segment revenue	-	101,894	101,894
Profit (loss) before income tax	(1,462,301)	(3,489,627)	(4,951,928)
Segment Assets			
Cash and cash equivalents	21,976	22,909,951	22,931,927
Trade and other receivables	-	344,486	344,486
Other current assets	-	82,747	82,747
Exploration and evaluation expenditure	74,256,799	-	74,256,799
Other financial assets	-	120,771	120,771
Property, plant and equipment	28,130	146,698	174,828
Right of use - asset	-	309,273	309,273
Leasehold acquisition costs for Carbon Credits	-	732,588	732,588
Total Segment Assets	**74,306,905**	**24,646,514**	**98,953,419**
Segment Liabilities			
Trade and other payables	1,005,916	1,439,830	2,445,746
Provisions	-	92,774	92,774
Right of use – current liability	-	145,906	145,906
Right of use – non-current liability	-	219,157	219,157
Total Segment Liabilities	**1,005,916**	**1,897,667**	**2,903,583**

For the year ended 30 June 2022	**Exploration A$**	**Unallocated A$**	**Consolidated A$**
Total segment revenue	310	201,037	201,347
Profit (loss) before income tax	(712,305)	(3,073,876)	(3,786,181)
Segment Assets			
Cash and cash equivalents	151,860	13,566,601	13,718,461
Trade and other receivables	-	245,195	245,195
Other current assets	-	75,850	75,850
Exploration and evaluation expenditure	28,228,960	-	28,228,960
Other financial assets	-	120,771	120,771
Property, plant and equipment	27,072	257,272	284,344
Right of use - asset	-	457,724	457,724
Total Segment Assets	**28,407,892**	**14,723,413**	**43,131,305**
Segment Liabilities			
Trade and other payables	3,654,587	397,195	4,051,782
Provisions	-	73,524	73,524
Right of use – current liability	-	127,034	127,034
Right of use – non-current liability	-	365,062	365,062
Total Segment Liabilities	**3,654,587**	**962,815**	**4,617,402**

6. EXPENSES

	2023 A$	**2022 A$**
Professional fees		
Audit fees	51,250	47,904
Company Secretarial	35,682	27,500
Accounting fees	141,699	105,725
Legal fees	56,014	104,183
Corporate advisory	6,714	-
Staff recruitment costs[1]	205,693	-
Investor relations	157,968	123,638
Corporate tax advice	20,094	6,000
Share-based payments expense – Consultants - shares issued in lieu of services	-	200,000
Total professional fees	**675,114**	**614,950**
Other		
Corporate costs for the foreign subsidiaries	1,420,348	780,272
Other	209,377	219,763
Total other expenses	**1,629,725**	**1,000,075**

[1] Included within staff recruitment costs for the current year is $159,455 which relates to 6,000,000 unlisted options, which were granted to Directors of the Company. The options were awarded to Mr Bentley and Mr Sutherland (3,000,000 options each) as consideration for their appointment to the Board of Directors. The options will vest after 12 months of service. The options have an exercise price of $0.2355 and an expiry date of 23 July 2024. Refer to Note 19 for further details.

7. AUDITOR REMUNERATION

	2022 A$	2021 A$
Services provided by the Auditor – BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	51,250	47,904
Tax compliance services	-	-
Total services provided by the Auditor	**51,250**	**47,904**

8. TAXATION

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

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

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

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised, or to the extent that the Group has deferred tax liabilities with the same taxation authority.

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

8. TAXATION (CONTINUED)

	2023 A$	2022 A$
INCOME TAX EXPENSE		
The components of tax expense comprise:		
Current income tax charge (benefit)	-	-
Adjustments in respect of previous current income tax	-	-
Total income tax expense from continuing operation	-	-
A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the years ended 30 June 2022 and 30 June 2021 is as follows:		
Accounting profit (loss) before income tax	**(4,951,928)**	**(3,786,181)**
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2022: 30%) adjusted for:	(1,485,578)	(1,135,854)
Non-deductible expenses	403,944	243,147
NANE related expenditure	15,980	8,070
Temporary differences and losses not recognised	628,084	368,830
Share-based payments expense	437,571	515,807
Income tax expense/(benefit)	-	-
The applicable weighted average effective tax rates are as follows:	0%	0%

	2023 A$	2022 A$
Unrecognised deferred tax assets/(liabilities)		
Deferred tax assets/(liabilities) have not been recognised in respect of the following items:		
Prepayments	(485)	(665)
Right of use asset	(92,782)	(137,317)
Trade and other payables	37,220	30,307
Right of use liability	109,519	147,629
Australian tax losses	4,199,004	3,254,395
Capital loss	57,956	57,956
Capital raising costs	1,194,419	341,410
	5,504,851	**3,693,715**
Offset against deferred tax liabilities recognised	-	-
Deferred tax assets not brought to account	**5,504,851**	**3,693,715**

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:

a. The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
b. The consolidated entity continues to comply with the conditions for deductibility imposed by law; and
c. 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 $4,004,813 (2022: loss of $3,643,865) and a weighted average number of ordinary shares outstanding during the current financial year of 886,755,485 (2022: 629,692,632) shares calculated as follows:

	2023 A$	2022 A$
Loss for the year	**(4,659,468)**	**(3,643,865)**
Weighted average number of ordinary shares (basic and diluted)	**886,755,485**	**629,692,632**
Basic and diluted loss per share (cents)	(0.53)	(0.58)

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.

Cash and cash equivalents consist of:	2023 A$	2022 A$
Cash on hand	22,931,927	11,354,587
Term deposits	-	2,363,874
Total cash and cash equivalents	**22,931,927**	**13,718,461**

11. EXPLORATION AND EVALUATION EXPENDITURE

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

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

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

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

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

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

As at 30 June 2023, the carrying value of the capitalised exploration and evaluation properties of the consolidated entity was $74,189,799 (2022: $28,228,960); 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	**2023**	**2022**
Cabora Bassa Project	**A$**	**A$**
Project carrying value at 1 July	28,228,960	8,821,190
Cost incurred during the year	47,656,386	18,855,709
Effect of translation to presentation currency	(1,628,547)	552,061
Project carrying value at 30 June	**74,256,799**	**28,228,960**

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

12. TRADE AND OTHER PAYABLES

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

	2023	2022
	A$	A$
Trade creditors	1,379,801	2,259,037
Accrued expenses[1]	1,065,945	1,792,745
Total trade and other payables	**2,445,746**	**4,051,782**

[1] *As at 30 June 2023 the Directors of the Company are owed $nil in deferred salaries and fees (2022: $54,145)*

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

13. SHARE CAPITAL

Ordinary shares are classified as equity.

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

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

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

	2023 A$	2022 A$
Shares on issue	129,581,181	64,884,371
Issuance cost	(12,209,403)	(5,958,283)
Total share capital	**117,371,778**	**58,926,088**

Reconciliation of movement in issued capital	**Number of shares**	**A$**
Balance as at 1 July 2021	**585,077,387**	**38,354,367**
Issue of shares – placement	136,747,370	19,349,497
Issue of shares – consultants	2,000,000	200,000
Issue of shares – exercise of options	22,908,191	3,589,926
Share issuance costs	-	(2,567,702)
Balance as at 30 June 2022	**746,732,948**	**58,926,088**
Issue of shares – placement	401,851,237	60,451,628
Issue of shares – management	1,300,000	403,000
Issue of shares – exercise of options	28,232,661	3,842,183
Share issuance costs	-	(3,371,095)
Share issuance costs – options issued to Brokers	-	(2,880,026)
Balance as at 30 June 2023	**1,178,116,846**	**117,371,778**

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 2023, the Company had 381,164,688 options over ordinary shares on issue (2022: 96,333,444).

Reconciliation of movement in options over ordinary shares	**Number**	**Issue date**	**Expiry date**	**Exercise price (cents)**
Total options as at 30 June 2021	**46,272,727**			
Director options	15,000,000	26-Jul-21	23-Jul-2024	23.55
Broker options	9,090,909	8-Jul-21	30-Mar-24	17
Placement options[1]	17,499,994	13-Jan-22	31-Jan-25	14
Cancellation of Director options	(3,000,000)	26-Jul-21	23-Jul-24	23.55
Placement options[1]	19,999,734	24-Jan-22	31-Jan-25	14
Broker options	4,375,000	25-Jan-22	31-Jan-25	14
Placement options[1]	2,500,000	1-Mar-22	31-Jan-25	14
Broker options	7,503,271	23-May-22	11-Jul-23	35
Exercise of options	(10,150,269)	various	31-Jan-25	14
Exercise of options	(12,757,922)	various	30-Mar-24	17
Total options as at 30 June 2022	**96,333,444**			
Director options	6,000,000	1-Feb-23	23-Jul-24	23.55
Broker options	13,586,956	24-Nov-22	1-Feb-26	46
Broker options	10,416,667	7-Jun-23	7-Jun-26	20
Placement options [2]	30,013,070	27-Jul-22	26-Jul-26	35
Placement options [2]	42,956,515	12-Sep-22	30-Sep-27	40
Placement options [2]	65,217,391	31-Dec-22	30-Sep-27	40
Placement options [2]	144,938,378	27-Jun-23	7-Jun-26	20
Exercise of options	(3,000,000)	31-Jul-19	31-Jul-22	6
Exercise of options	(3,000,000)	31-Jul-19	31-Jul-22	9
Exercise of options	(3,000,000)	31-Jul-19	31-Jul-22	12
Exercise of options	(8,046,231)	various	31-Jan-25	14
Exercise of options	(11,251,502)	various	30-Mar-24	17
Total options as at 30 June 2023	**381,164,688**			

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

[2] During the current year, there were a total of 283,647,093 options ('free attaching placement options') issued to participants in capital raises during the year, on a 1:2 basis (1 option for every 2 shares). The options have an exercise price of $0.20, $0.35 or $0.40 and an expiry date of 7 June 2026, 26 July 2026 and 30 September 2027 respectively. No amounts is recognised in respect of these free attaching placement options.

Options over ordinary shares carry no voting or dividend rights.

Performance shares over ordinary shares

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

During the current year there were 22,500,000 Class A performance shares issued to Directors of the Company. The Performance Rights will convert to ordinary shares upon the following milestones being achieved:

- the drilling of an exploration or appraisal well in the Cabora Bassa Project that results in the maiden booking of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) on or before 31 December 2024.
- the Company achieving a 20 day volume weighted average price of at least $0.50 on or before 31 December 2024.

There were also 22,500,000 Class B Performance Rights issued to Directors during the current year. The Performance Rights will convert to ordinary shares upon the following milestones being achieved:

- an independent estimate of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) of greater than or equal to two hundred million barrels of oil equivalent (200 mmboe) on a 100% gross project basis; and
- the Company achieving a 20 day volume weighted average price of at least $0.75 on or before 31 December 2026.

As at 30 June 2023, the Company has 45,000,000 performance rights over ordinary shares on issue (2022: nil).

Reconciliation of movement in performance rights over ordinary shares	**Number**	**Issue date**	**Expiry date**
Total as at 1 July 2021	**44,179,281**	22-Jun-18	20-Dec-21
Expiry of performance rights	(44,179,281)	22-Jun-18	20-Dec-21
Total as at 30 June 2022	**-**	**-**	-
Performance rights granted	15,500,000	22-Jul-22	31-Dec-24
Performance rights granted	15,500,000	22-Jul-22	31-Dec-26
Performance rights granted	7,000,000	7-Jun-23	31-Dec-24
Performance rights granted	7,000,000	7-Jun-23	31-Dec-26
Total as at 30 June 2023	**45,000,000**	**-**	-

Capital risk management

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

14. RESERVES

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

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

	2023 A$	2022 A$
Share-based payments reserve	6,838,230	2,764,668
Foreign currency translation reserve	337,074	379,439
Total reserves	**7,175,304**	**3,144,107**

Reconciliation of movement in reserves		
Share-based payments reserve		
Balance as at 1 July	**2,764,668**	**674,095**
Performance rights – Director remuneration (note 19)	1,055,570	-
Options issued – recruitment costs (note 19)	159,455	1,519,357
Options issued – Broker fees (note 19)	2,880,026	1,549,182
Options exercised/expired/lapsed	(21,489)	(977,966)
Balance as at 30 June	**6,838,230**	**2,764,668**
Foreign currency translation reserve		
Balance as at 1 July	**379,439**	**(181,637)**
Effect of translation of foreign currency operation to Group presentation currency	(42,365)	561,076
Balance as at 30 June	**337,074**	**379,439**
Total reserves balance as at 30 June	**6,680,104**	**3,144,107**

15. INTERESTS IN OTHER ENTITIES

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Invictus Energy Limited (“the Company” or “the parent entity”) as at 30 June 2023 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 2023 and 30 June 2022 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**	
		2023	**2022**	**2023**	**2022**
HIS Texas LLC	USA	100%	100%	100%	100%
Invictus Energy Resources Pty Limited	Australia	100%	100%	100%	100%
Invictus Energy Mauritius Limited	Mauritius	100%	100%	100%	100%
Invictus Energy Resources Zimbabwe (Pvt) Ltd	Zimbabwe	100%	100%	100%	100%
Geo Associates (Pvt) Ltd	Zimbabwe	80%	80%	20%	20%
Miombo Forest Carbon Investments Pty Ltd	Australia	100%	-	100%	100%
Miombo Forest Carbon Investments Mauritius Ltd	Mauritius	100%	-	100%	100%
Miombo Forest Carbon Investments Zimbabwe (Pvt) Ltd	Zimbabwe	100%	-	100%	100%
Ngamo-Gwayi-Sikumi Carbon Investments (Pvt) Ltd	Zimbabwe	100%	-	100%	100%

15. INTERESTS IN OTHER ENTITIES (CONTINUED)

(b) Non-controlling interests

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

	Geo Associates (Pvt) Ltd	
	2023	**2022**
Summarised statement of financial position	**A$**	**A$**
Current assets	21,938	151,824
Current liabilities	-	-
Current net assets / liabilities	**21,938**	**151,824**
Non-current assets [1]	8,075,074	7,005,774
Non-current liabilities	(10,250,119)	(7,795,831)
Non-current net assets / liabilities	**(2,175,045)**	**(790,057)**
Net liabilities	**(2,153,107)**	**(638,233)**
Accumulated NCI	732,819	1,035,794

[1] Represents capitalised exploration costs. Refer to note 11 for further details.

Statement of Profit or Loss and Other Comprehensive Income		
Revenue	-	310
Loss for the year	**1,462,301**	**711,578**
Other comprehensive loss	-	-
Total comprehensive loss	**1,462,301**	**711,578**
Loss allocated to NCI	(292,460)	(142,316)
FCTR allocated to NCI	(10,515)	140,221
Summarised cash flows		
Cash flows from/ (used in) operating activities	-	-
Cash flows from/ (used in) investing activities	-	-
Cash flows from/ (used in) financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	**-**	**-**

(c) Transactions with non-controlling interests

There were no transactions with the non-controlling interests during the current year (2022: nil).

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

	Notes	2023 A$	2022 A$
Loss after tax		(4,951,928)	(3,786,181)
Add/(less) non-cash items:			
Share- based payments expense – Director and Executive Management	19	1,458,570	1,519,357
Recruitment costs – Director options	19	159,455	-
Depreciation		250,383	264,004
Share-based payments expense – Consultants - shares issued in lieu of services	19	-	200,000
Changes in working capital:			
Decrease/(increase) in trade and other receivables		(99,291)	(196,971)
Decrease/(increase) in other assets		(6,897)	(23,836)
Increase/(decrease) in trade and other payables		600,026	375,214
Increase in provisions		19,250	32,651
Net cash outflow from operating activities		**(2,570,432)**	**(1,615,760)**
Non- cash investing and financing activities:			
Share-based payments expense – Brokers options		2,880,026	1,549,182
		2,880,026	**1,549,182**

17. PARENT ENTITY

	2023 A$	2022 A$
Current assets	19,391,859	13,635,619
Non-current assets	517,070	765,169
Total assets	**19,908,929**	**14,400,788**
Current liabilities	876,509	580,875
Non-current liabilities	219,157	365,062
Total liabilities	**1,095,666**	**945,937**
Net assets	**18,813,263**	**13,454,851**
Contributed equity	117,371,778	58,926,088
Share-based payment reserve	6,838,230	2,764,668
Foreign currency translation reserve	-	-
Accumulated losses	(105,396,745)	(48,235,905)
Total equity	**18,813,263**	**13,454,851**
Loss for the year	57,160,840	17,907,318
Total comprehensive loss for the year	**57,160,840**	**17,907,318**

Commitments
Refer to note 21: Capital and Other Commitments.

Contingencies
There were no contingent assets or liabilities of the parent as at 30 June 2023 related to exploration and evaluation expenditure (30 June 2022: $ nil).

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
There are no deeds of cross guarantee in place by the parent entity.

18. RELATED PARTY TRANSACTIONS

(a) Parent entities

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

(b) Subsidiaries

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

(c) Other related party transactions

During the year the Company paid $96,932 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 (2022: $70,000).

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

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

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:

Non-Executive Chairman	Mr J Bentley (appointed 1 February 2023) Dr S Lake (resigned 28 November 2022)
Non-Executive Deputy Chairman	Mr J Mutizwa
Managing Director	Mr S Macmillan
Non-executive Directors	Mr R Sutherland (appointed 1 February 2023)
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:

	2023 A$	2022 A$
Short-term employee benefits	588,496	602,137
Post-employment benefits	34,125	32,526
Share-based payment	1,055,570	1,519,357
Total key management personnel compensation	**1,678,191**	**2,154,020**

19. SHARE-BASED PAYMENTS

(a) Employee options over ordinary shares

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

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

Each option is convertible into one ordinary share.

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

Share options granted

2023
On 24 November 2022, 13,586,956 unlisted options, valued at $2,196,044, were granted to the Company's Lead Manager. The options have an exercise price of $0.46 and an expiry date of 1 February 2026. The options were awarded as part consideration of services provided by the Lead Manger to the Company and were approved by shareholders at a general meeting on 24 November 2022. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

- Grant date: 24 November 2022
- Expiry date: 1 February 2026
- Risk free rate: 3.21%
- Stock volatility: 121.38%
- Share price at grant date: $0.25
- Exercise price: $0.46

$2,196,044 has been recognised as share issuance costs, within share capital in the Consolidated Statement of Financial Position.

On 1 February 2023, 6,000,000 unlisted options, valued at $390,611, were granted to Directors of the Company. The options have an exercise price of $0.2355 and an expiry date of 23 July 2024. The options were awarded to Mr Bentley and Mr Sutherland (3,000,000 options each) as consideration for their appointment to the Board of Directors. The options will vest after 12 months of service. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

- Grant date: 1 February 2023
- Expiry date: 23 July 2024
- Risk free rate: 0.96%
- Stock volatility: 111.23%
- Share price at grant date: $0.16
- Exercise price: $0.2355

$159,455 has been recognised as professional fees, within the Consolidated Statement of Financial Position.

On 7 June 2023, 10,416,667 unlisted options, valued at $683,892, were granted to the Company's Lead Manager. The options have an exercise price of $0.20 and an expiry date of 7 June 2026. The options were awarded as part consideration of services provided by the Lead Manger to the Company and were approved by shareholders at a general meeting on 7 June 2023. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

- Grant date: 7 June 2023
- Expiry date: 7 June 2026
- Risk free rate: 3.65%
- Stock volatility: 102.41%
- Share price at grant date: $0.12
- Exercise price: $0.20

$683,892 has been recognised as share issuance costs, within share capital in the Consolidated Statement of Financial Position.

<u>2022</u>
On 26 July 2021, 15,000,000 unlisted options, valued at $1,519,357, were issued to the Directors. The options have an exercise price of $0.2355 and an expiry date of 23 July 2024. The options were awarded as part of the remuneration for the services provided by the Directors to the Company and were approved by shareholders at a general meeting on 8 July 2021. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

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

$1,519,357 has been recognised as Director Fees, within the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the 2022 financial year.

The following options were issued to the Company's broker in relation to capital raisings completed during the year ended 31 June 2022;

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

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

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

$1,549,182 has been recognised within Capital raising costs within the Consolidated Statement of Financial Position for the 2022 year.

Reconciliation of movement in share options

	2023		2022	
	Average exercise price per option	Number of options	Average exercise price per option	Number of options
As at 1 July	$0.17	96,333,444	$0.15	46,272,727
Granted during the year	$0.30	313,128,977[2]	$0.17	75,968,908[1]
Exercised during the year	$0.14	(28,297,733)	$0.16	(22,908,191)
Lapsed during the year	-	-	$0.2355	(3,000,000)
As at 30 June	**$0.28**	**381,164,688**	**$0.17**	**96,333,444**
Vested and exercisable at 30 June	$0.28	**375,164,688**	$0.17	96,333,444

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

[2] During the current year, there were a total of 283,647,093 unlisted options ('free attaching placement options') issued to participants in capital raises during the year, on a 1:2 basis (1 option for every 2 shares). The options have an exercise price of $0.20, $0.35 or $0.40 and an expiry date of 7 June 2026, 26 July 2026 and 30 September 2027 respectively. No amount is recognised in respect of these free attaching placement options.

Share options outstanding at the end of the year

Grant date	Expiry date	Exercise price (cents)	Number of options 2023	Number of options 2022
31.7.2019	31.7.2022	6	-	3,000,000
31.7.2019	31.7.2022	9	-	3,000,000
31.7.2019	31.7.2022	12	-	3,000,000
8.7.2021	23.07.2024	23.55	12,000,000	12,000,000
various	30.3.2024	17	22,286,030	33,605,714
various	31.1.2025	14	26,311,482	34,224,459
22.7.2022	11.7.2023	35	37,516,341	7,503,271
various	30.9.2027	40	108,695,645	-
various	7.6.2026	20	155,355,045	-
24.11.2022	1.2.2026	46	13,586,956	-
1.2.2023	23.7.2024	23.55	6,000,000	
			381,751,499	**96,333,444**

Weighted average remaining contractual life of options outstanding at 30 June 2023 is 2.71 years (30 June 2022: 1.88 years).

(b) 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 the completion of certain vesting conditions.

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

Performance rights granted

2023

On 9 August 2022, 15,500,000 Class A Performance Rights were issued to Directors. The Performance Rights will convert to ordinary shares upon the following milestones being achieved:

- the drilling of an exploration or appraisal well in the Cabora Bassa Project that results in the maiden booking of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) on or before 31 December 2024.
- the Company achieving a 20 day volume weighted average price of at least $0.50 on or before 31 December 2024.

Also, on 9 August 2022, 15,500,000 Class B Performance Rights were issued to Directors. The Performance Rights will convert to ordinary shares upon the following milestones being achieved:

- an independent estimate of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) of greater than or equal to two hundred million barrels of oil equivalent (200 mmboe) on a 100% gross project basis; and
- the Company achieving a 20 day volume weighted average price of at least $0.75 on or before 31 December 2026.

The Hybrid up-and-in trinomial option pricing model with a Parisian barrier adjustment was used to value the performance rights. Set out below are the assumptions used in assessing the indicative fair value of the Performance Rights:

	Performance Rights	
Assumptions	Class A	Class B
Valuation Date	22-Jul-22	22-Jul-22
Spot Price ($)	$0.205	$0.205
Exercise Price ($)	Nil	Nil
Issue Date	22-Jul-22	22-Jul-22
Expiry Date	31-Dec-24	31-Dec-26
Expected future volatility (%)	90%	90%
Risk free rate (%)	2.84%	3.245%
Dividend yield (%)	0%	0%
Vesting Date	31-Dec-24	31-Dec-26
Performance Hurdle	20 Day VWAP of $0.50 or higher	20 Day VWAP of $0.75 or higher
Probability of success (%)	20%	20%
Valuation	$419,120	$474,610

$893,730 has been recognised as Share based payments expense, within the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023.

On 7 June 2023, 7,000,000 Class A Performance Rights were issued to Directors. The Performance Rights will convert to ordinary shares upon the following milestones being achieved:

- the drilling of an exploration or appraisal well in the Cabora Bassa Project that results in the maiden booking of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) on or before 31 December 2024.

- the Company achieving a 20 day volume weighted average price of at least $0.50 on or before 31 December 2024.

Also, on 7 June 2023, 7,000,000 Class B Performance Rights were issued to Directors. The Performance Rights will convert to ordinary shares upon the following milestones being achieved:

- an independent estimate of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition) of greater than or equal to two hundred million barrels of oil equivalent (200 mmboe) on a 100% gross project basis; and
- the Company achieving a 20 day volume weighted average price of at least $0.75 on or before 31 December 2026.

The Hybrid up-and-in trinomial option pricing model with a Parisian barrier adjustment was used to value the performance rights. Set out below are the assumptions used in assessing the indicative fair value of the Performance Rights:

	Performance Rights	
Assumptions	Class A	Class B
Valuation Date	7-Jun-23	7-Jun-23
Spot Price ($)	$0.12	$0.12
Exercise Price ($)	Nil	Nil
Issue Date	7-Jun-23	7-Jun-23
Expiry Date	31-Dec-24	31-Dec-26
Expected future volatility (%)	100%	100%
Risk free rate (%)	3.85%	3.69%
Dividend yield (%)	0%	0%
Vesting Date	31-Dec-24	31-Dec-26
Provision for Employee Exit (%)	-	-
Performance Hurdle	20 Day VWAP of $0.50 or higher	20 Day VWAP of $0.75 or higher
Probability of success (%)	20%	20%
Valuation	$60,200	$101,640

$161,840 has been recognised as Share based payments expense, within the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023.

2022

No performance rights were granted to employees or consultants for services rendered during the 2022 financial year.

Reconciliation of movement in performance rights

	2023 Number	**2022 Number**
As at 1 July	-	44,179,281
Granted during the year	45,000,000	-
Exercised during the year	-	-
Expired during the year	-	(44,179,281)
As at 30 June	**45,000,000**	**-**

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.

(c) Shares issued

2023

On 24 August 2022, 1,300,000 ordinary shares were granted to employees for recognition of the service to the Company. $403,000 has been recognised as Share based payments, within the Consolidated Statement of Profit or Loss and Other Comprehensive Income for year ended 30 June 2023.

2022

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

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

(d) Expenses arising from share-based payment transactions

	2023 A$	**2022** A$
Professional fees - Director options	159,455	1,519,357
Share-based payments expense - Director performance rights	1,055,570	-
Share-based payments expense – Director and employee shares issued	403,000	-
Share-based payments expense – Consultants - shares issued	-	200,000
Total share-based payments expense recognised in income statement	**1,618,025**	**1,719,357**
Capital issuance costs:		
Broker options	2,880,026	1,549,182
Total share based payments	**4,498,051**	**3,268,539**

20. EVENTS OCCURRING AFTER REPORTING DATE

On 13 July 2023 the Company announced that following completion of the refined seismic interpretation, incorporating results from the Mukuyu-1/ST-1 well, the Mukuyu-2 subsurface targets and appraisal well location had been selected.

On 17 July 2023 the Company announced that work had commenced on the CB23 2D seismic acquisition program being carried out by Polaris Natural Resource Development Ltd.

On 24 July 2023 the Company announced that it had issued 2,389,706 ordinary shares for services in lieu of fees.

On 7 August 2023 the Company announced that it had completed the acquisition of its CB23 2D seismic survey in EPO 1848 & EPO 1849 in the Cabora Bassa basin.

On 10 August 2023 the Company announced that it had issued 19,521 ordinary shares upon the exercise of options.

On 11 August 2023 the Company announced that the The Mukuyu-2 wellpad construction has been completed following the finalisation of civil works including pad levelling and compaction, water supply and reservoirs.

On 24 August 2023 the Company announced that it had issued 9,490,987 ordinary shares and 2,916,667 unlisted options.

On 31 August 2023 the Company announced results from the analysis of 22 mudgas samples acquired from the Mukuyu-1 / ST-1 had been completed, with the results reaffirming the presence of light oil, gas-condensate and helium.

On 1 September 2023 the Company announced the mobilisation and rig up of the Exalo Rig 202 at Mukuyu-2 was completed.

On 8 September 2023 the Company announced the inadvertent breach of its maximum placement capacity in relation to its placement, announced on 6 June 2023.

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

21. CAPITAL AND OTHER COMMITMENTS

Renewal application
Geo Associates (Pvt) Ltd is the holder of Special Grant 4571 (SG4571) and is required to pay a renewal fee of US$31,800 during the 30 June 2023 financial year.

Exploration and evaluation commitments
Exploration and evaluation expenditure contractually committed to as at 30 June 2023 is as follows:

	30-Jun-23 A$	30-Jun-22 A$
Not later than 1 year	9,027,476	7,179,122
Later than 1 year but not later than 2 years	-	-
Later than 2 years but not later than 5 years	-	-
	9,027,476	**7,179,122**

22. CONTIGENCIES

There were no contingent liabilities as at 30 June 2023 (30 June 2022: nil).

Director's Declaration

In the Directors' opinion:

a) the accompanying financial statements set out on pages 27 to 60 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 2023 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

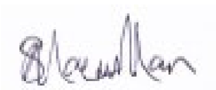
ii. complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements;

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 2023.

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



Scott Macmillan

Managing Director

15 September 2023

Independent Audit Report

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

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 2023, 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 2023 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.

Material uncertainty related to going concern

We draw attention to Note 1A in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Independent Audit Report

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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	*How the matter was addressed in our audit*
At 30 June 2023 the carrying value of exploration and evaluation asset was disclosed in Note 11 of the financial report. As the carrying value of the exploration and evaluation asset represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources*. In particular: • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and expenditure asset should be tested for impairment.	Our procedures included, but were not limited to the following: • Obtaining a schedule of tenements held by the Group and assessing whether the rights to tenure remained current at balance date; • Considering the status of the ongoing exploration programmes by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether exploration assets had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether there are any other facts or circumstances existing to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 11 of the financial report.

Independent Audit Report

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 2023, 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 at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Independent Audit Report

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 18 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Invictus Energy Limited, for the year ended 30 June 2023, 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

J Prue

Jarrad Prue

Director

Perth, 15 September 2023

Auditors Independence Declaration

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
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 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth

15 September 2023

Other Additional ASX Information

Top 20 Ordinary Shareholders as at 7 September 2023

Rank	Name	# of shares	%
1	BAYETHE INVESTMENTS PTY LTD	71,375,133	6.21%
2	CITICORP NOMINEES PTY LIMITED	51,554,137	4.48%
3	BNP PARIBAS NOMS PTY LTD	29,160,933	2.54%
4	BNP PARIBAS NOMINEES PTY LTD	27,140,335	2.36%
5	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	21,669,287	1.88%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,586,259	1.18%
7	MANGWANA OPPORTUNITIES (PRIVATE) LIMITED	13,221,524	1.15%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,727,124	0.93%
9	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,054,360	0.79%
10	JAERICA PTY LTD	7,759,215	0.67%
11	SUPERHERO SECURITIES LIMITED	5,413,635	0.47%
12	MR GABRIEL CHIAPPINI & MRS ROSA CHIAPPINI	5,023,841	0.44%
13	MR ROBERT HASTINGS SMYTHE	5,000,000	0.43%
14	MR BRIAN GREGORY KING	5,000,000	0.43%
15	LLAMA CAPITAL PTY LTD	4,956,027	0.43%
16	JAERICA PTY LTD	4,791,667	0.42%
17	HAWKSBURN CAPITAL PTE LTD	4,738,316	0.41%
18	MR NIGEL STRONG	4,732,766	0.41%
19	MR NIGEL STRONG	4,360,316	0.38%
20	MR LINCOLN ARTHUR HERTWECK	4,348,000	0.38%
		303,612,875	**26.39%**

Substantial Shareholders at 7 September 2023

BAYETHE INVESTMENTS PTY LTD	71,375,133	6.21%

Range of shares at 7 September 2023

Range	Securities	%	No. of holders
100,001 and Over	988,358,787	85.94%	1,566
10,001 to 100,000	146,452,955	12.74%	3,754
5,001 to 10,000	10,498,182	0.91%	1,339
1,001 to 5,000	4,683,502	0.41%	1,408
1 to 1,000	17,715	0.00%	103
Total	1,150,011,141	100%	8,170

Other additional ASX information (continued)

Top 20 Listed Option holders as at 7 September 2023

Rank	Name	# of options	%
1	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	5,500,000	3.45%
2	CITICORP NOMINEES PTY LIMITED	5,383,329	3.38%
3	MATTHEW BURFORD SUPER FUND PTY LTD	3,115,560	1.96%
4	MANGWANA OPPORTUNITIES (PRIVATE) LIMITED	2,916,667	1.83%
5	JAERICA PTY LTD	2,395,833	1.50%
6	MRS MARIE-MICHELE KYRIAKOPOULOS & MR JOHN KYRIAKOPOULOS	2,153,000	1.35%
7	HAWKSBURN CAPITAL PTE LTD	2,110,000	1.32%
8	MR SHAE DYLAN OWEN	2,000,000	1.26%
9	MR NIGEL STRONG	1,850,622	1.16%
10	STARSTREAK PTY LTD	1,800,000	1.13%
11	PAUL CHIMBODZA	1,791,666	1.12%
12	MR BRIAN GREGORY KING	1,700,000	1.07%
13	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY	1,666,667	1.05%
14	BNP PARIBAS NOMINEES PTY LTD	1,650,803	1.04%
15	MR TENG LIP KOAY & MRS GNET KOOI KOAY	1,600,888	1.00%
16	MR SHANE JUSTIN BUTSCH	1,475,000	0.93%
17	MR JAMES ALAN EMONSON	1,437,500	0.90%
18	FOXTAIL PTY LTD	1,370,100	0.86%
19	MR MICHAEL STUART HYNE	1,299,999	0.82%
20	MR TREVOR JAMES KEWISH	1,216,000	0.76%
		44,433,634	**27.89%**

Substantial Option holders at 7 September 2023

None

Range of listed Options at 7 September 2023

Range	Securities	%	No. of holders
100,001 and Over	133,043,160	83.51%	360
10,001 to 100,000	24,755,455	15.54%	561
5,001 to 10,000	1,480,007	0.93%	177
1,001 to 5,000	33,927	0.02%	11
1 to 1,000	830	0.00%	12
Total	159,313,379	100.00%	1,121
Unmarketable Parcels	40,590	0.03%	24

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%	7.5%
SG 4571 – Cabora Bassa Gas Condensate Project, Zimbabwe	via 80% equity ownership interest in Geo Associates (Pvt) Ltd	80%	80%
EPO 1848 – Cabora Bassa Gas Condensate Project, Zimbabwe	via 80% equity ownership interest in Geo Associates (Pvt) Ltd	80%	80%
EPO 1849 – Cabora Bassa Gas Condensate Project, Zimbabwe	via 80% equity ownership interest in Geo Associates (Pvt) Ltd	80%	80%