

ASX ANNOUNCEMENT

30 April 2024

March 2024 Quarterly Activities Report

- **HiPurA[®] Pilot Plant construction advanced, enabling early-stage commissioning to commence in-line with its original project timeline to deliver first 4N HPA material in quarter two of the 2024 calendar year (Q2 CY2024).**
- **ChemX's HiPurA[®] (HPA) process granted Australian patent.**
- **The patent protected HiPurA[®] process delivers HPA in a scalable, modular capability and can be deployed in economically competitive jurisdictions.**
- **\$1.1M Placement completed with a \$500,000 Share Purchase Plan (SPP) ongoing to fund construction of HiPurA[®] HPA Pilot Plant in Perth, Western Australia.**
- **South Australian High Purity Manganese (HPM) Project feasibility study advances.**

ChemX Materials (ASX:CMX) (ChemX or the Company), an Australian high purity critical materials company, is pleased to present its March 2024 quarterly report. The Company is developing its 100%-owned innovative, HiPurA[®] process to produce HPA in Perth, Western Australia along with its high purity manganese (HPM) Project on the Eyre Peninsula in South Australia.

Chief Executive Officer, Peter Lee commented:

"It has been a busy quarter for ChemX as we progressed construction of our 24 tpa HiPurA[®] pilot plant in Western Australia. I am extremely proud of how hard the team has been working towards our target for early-stage commissioning in coming months.

We were extremely pleased to be granted an Australian patent for our HiPurA[®] process. The Australian patent demonstrates the innovative characteristics of the HiPurA[®] process to produce high purity alumina. Importantly, the Australian patent provides intellectual property protection as we progress our global commercialisation strategy. Now that the Australian patent has been granted, we anticipate other jurisdictions will follow, providing ChemX further protection internationally.

I would like to thank existing and new investors for their support of our Placement this quarter. The take up demonstrates the confidence our investors have in ChemX and the HiPurA[®] technology. Following the success of the Placement, we have launched a Share Purchase Plan. I encourage all eligible shareholders to duly consider the offer before 10 May 2024. The next 12 months will be an exciting journey for ChemX, as we pursue our ambition to become a leading supplier of high purity alumina to the advanced tech and clean energy technology markets."

HiPurA® HPA Pilot Plant construction advanced

During the March 2024 quarter (**the quarter**), ChemX received delivery of its bespoke solvent extraction modules, along with other requisite tanks, critical reagents, and ancillary equipment. Achieving 80% of material vessels and reagents has now enabled civil and electrical works to commence in parallel.



Figure 1 - Process Engineer, Syed Zaidi inspects the delivery of the SX modules.

ChemX has awarded local Perth engineering firm Pivotal Engineering the Automation, Controls, Electrical (ACE) package to deliver the aligned scope for the HiPurA® Pilot Plant. This ACE design will ultimately translate directly to larger commercial scale plants along with all future Pilot Plant optimisation know-how.

Additional long-lead equipment including critical pumps are due to arrive in May 2024, this will enable further acceleration of the HiPurA® Pilot Plant build.

HiPurA® high purity alumina (HPA) Australian patent

In January 2024, ChemX was granted an Australian Patent (Patent no. 2022306695) for its innovative HiPurA® HPA process. The granting of this patent represents a significant milestone in the commercialisation of ChemX's HiPurA® HPA process. The granted patent protects ChemX's innovative HPA process that offers a novel, disruptive low-energy pathway to high purity alumina production.

The Australian patent provides ChemX with exclusive and legally enforceable commercial rights to the HiPurA® HPA process in Australia. The protection provided by the Australian patent system provides ChemX the right to stop others from manufacturing HPA using the innovative HiPurA® process.

ChemX is advancing patent protection in numerous other international jurisdictions and expects patents to be granted in due course.



Figure 2 - Process Engineer, Syed Zaidi and Operations Manager, Russell Vallis holding the Australian patent within the HiPurA® Pilot Plant facility in O'Connor, Western Australia.

During 2023, ChemX made significant progress towards the development of its 100%-owned HiPurA® HPA process. This work involved scaling up the HiPurA® process from initial concept and laboratory results to a bench scale operation through the development and operation of its HiPurA® Micro Plant. This initial work was important to reduce the risks commonly associated with scale up of metallurgical processes. Importantly, the HiPurA® Micro Plant successfully demonstrated the process can produce above 4N (99.99%) pure HPA.

Following this achievement, ChemX has commenced and is accelerating the construction of a 24 tpa HiPurA® Pilot Plant at its headquarters in O'Connor, Western Australia. ChemX is targeting early-stage commissioning of the HiPurA® Pilot Plant in Q2 CY2024. Production from the HiPurA® Pilot Plant will provide samples for qualification purposes with strategic customers.

The HiPurA[®] Micro Plant demonstrated that the HiPurA[®] process offers several advantages when compared to alternate methods for producing HPA. These advantages include:

- Lower costs – both capital and operating.
- Independent feedstock – process is not tied to mine production and uses a readily available aluminous industrial chemical.
- Easily scalable – production output can increase based on demand.
- Modular – can be built near end users’ manufacturing operations.
- Optionality – patented technology can be licenced to end users.
- Lower carbon footprint – low energy intensity technology.

ChemX is actively pursuing commercial opportunities globally. Commercialisation options include build, own, operate a commercial scale plant/s to sell high purity alumina to end users and/or licence the HiPurA[®] technology for deployment at end users’ manufacturing locations.

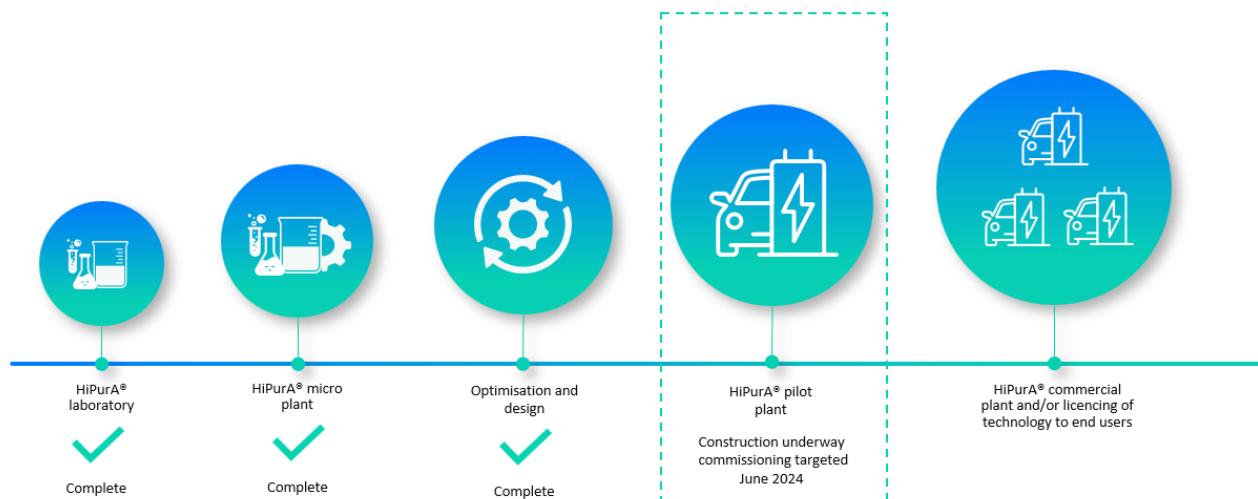


Figure 3 - HiPurA[®] commercialisation pathway.

As a chemical-based process, which is both modular and scalable, ChemX envisions being able to strategically locate future production versions of the HiPurA[®] process close to end users in key markets, thereby greatly reducing supply chain risks and allowing for tailoring of the finished products to unique customer requirements. The ability to strategically locate production versions of the HiPurA[®] HPA Plant will also enable ChemX to seek the most suitable locations and optimise cost of production and CAPEX in favourable jurisdictions to deliver a strong competitive advantage.

The Australian patent is important to supporting ChemX’s commercialisation strategy as it provides intellectual property protection as the Company progresses commercial discussions with interested parties.

Market and business development

HPA is high in purity and therefore high in value. It is known for its inert chemical stability and hardness, and good thermal conductivity, yet possesses high electrical insulative properties.

These characteristics make it a highly sought after product for use in lithium-ion batteries, LED lighting and advanced electronics such as iPhones, smartwatches, screens and semiconductors, and to this end numerous positive discussions were held at the recent Interbattery Conference 2024, Seoul (Figure 4) followed by the Tribeca Resources Connect Asia conference held in Singapore (Figure 5).

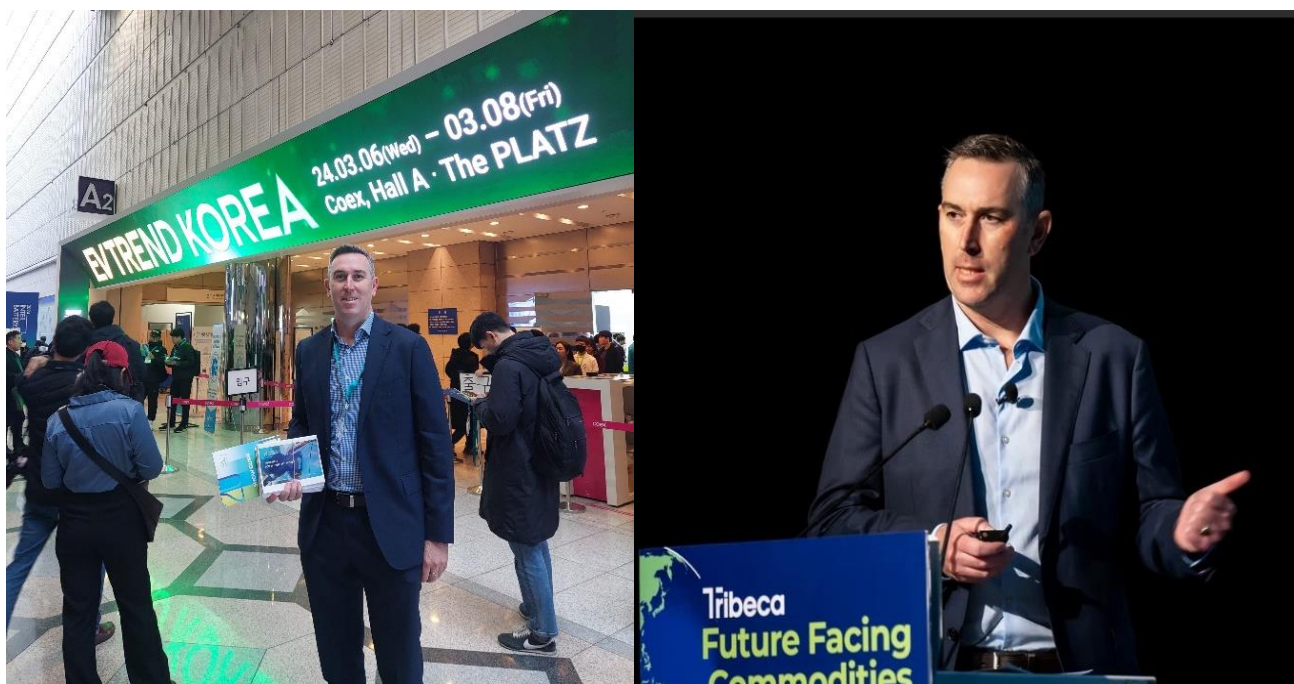


Figure 4 (left) - CEO, Peter Lee attending the Interbattery Conference 2024 (Seoul, Korea).

Figure 5 (right) - CEO, Peter Lee addresses the Tribeca Resources Connect Asia Conference 2024 (Singapore)

HPA market growth is driven by consumer demand for advanced electronics and clean energy technologies. This has seen year-on-year growth in the HPA market worldwide. This growth is expected to continue in line with global trends for technology that is more energy efficient, less carbon intensive, portable and better connected.

Placement completed and Share Purchase Plan (SPP) to fund construction of HPA Pilot Plant

During the quarter, ChemX undertook a Placement which received firm commitments from new and existing professional, sophisticated investors to subscribe for 21,937,508 fully paid ordinary shares (**Shares**) at an issue price of \$0.048 per share to raise approximately \$1,053,000.

Directors have committed to subscribe for 1,354,166 shares, subject to shareholder approval, under the Placement to raise an additional \$65,000 at the same issue price. One free Attaching Option will be issued for every two shares subscribed for under the Placement. In total the Placement will raise approximately \$1,118,000 before costs.

Funds raised under the Placement will be applied towards completion of the HiPurA® HPA Pilot Plant, working capital and costs of the offer.

In addition, ChemX is offering a Share Purchase Plan (**SPP**) to eligible shareholders to participate in the Company's capital raising activities to raise up to a further \$500,000 (before costs) from the issue of 10,416,667 Shares. ChemX maintains the ability to take oversubscriptions from the SPP.

Under the SPP, eligible shareholders will be able to subscribe for shares up to the value of \$30,000 at an issue price of \$0.048 per share. In addition, ChemX will separately offer one free Attaching Option for every two new shares issued, exercisable at \$0.09 per share and expiring three years from the date of issue.

The Attaching Options offered under both the Placement, Broker Options and SPP are subject to shareholder approval at General Meeting to be held in Perth on 27 May 2024 and will be offered under a prospectus to be lodged shortly by the Company.

ChemX recently announced an extension to the timetable for the SPP which will now close on the 10 May 2024 for eligible participants.

High purity manganese (HPM) project internal scoping study

Following the September 2023 announcement of a maiden Mineral Resource for ChemX's 100% owned manganese asset in South Australia, global engineering firm Wood was awarded go-ahead on an internal scoping study for the integrated high purity manganese program.

ChemX aims to develop a South Australian sourced manganese towards a world-class HPM product for use within global battery supply chains, particularly electric vehicle (EV) markets. With intention for a central Eyre Peninsula based beneficiation plant and hydrometallurgical facility. This location will enable the Jamieson Tank project to take full advantage of world-class regional infrastructure including sealed roads, rail networks, port operations, grid-power and an emerging renewable energy hub in Whyalla.

With recent global demand for manganese strengthening, the Jamieson Tank project boasts considerable upside with two-thirds of the known strike yet to be resource classified, a short haul of 160 km for concentrate to the proposed hydrometallurgical facility in Whyalla, with strong potential for bulk material handling via the established Port of Whyalla.

Additionally, ChemX's 100%-owned tenements contain no less than six (6) historically identified manganese prospects (amongst other value commodities), opening the potential for a central Eyre Peninsula located manganese processing hub.

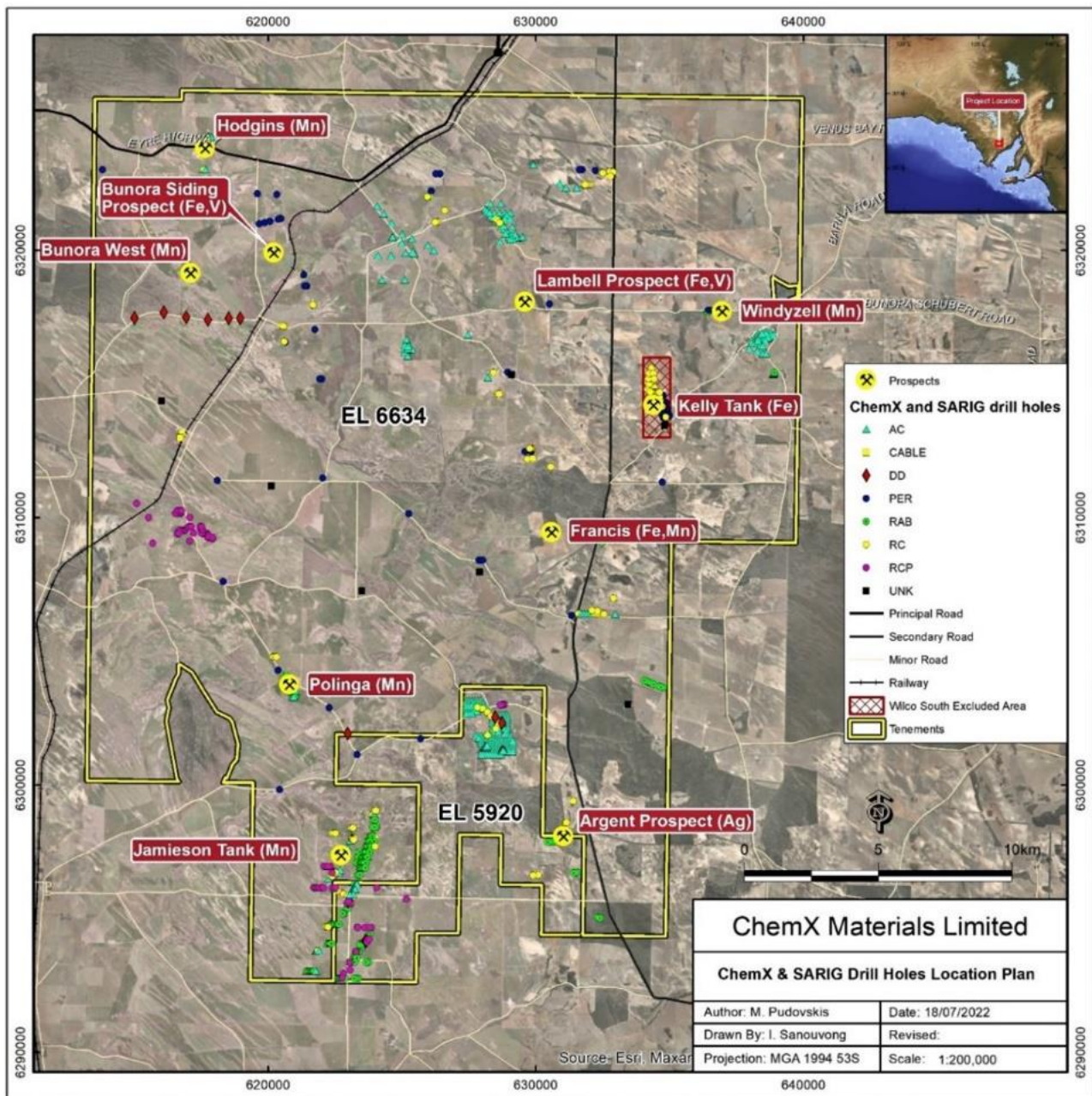


Figure 6 - Historically identified value mineral prospects within ChemX's 100%-owned tenements, July 2022.

Progressive project optionality underpinning the internal scoping study includes the forecasted ability to sell manganese concentrate as an interim direct revenue stream whilst the proposed hydrometallurgical facility undergoes detailed engineering, construction and commissioning. Furthermore, the Spencer Gulf is well endowed with complementary chemical producers and nascent industrial common user infrastructure networks.

The scoping study will be used to inform management and the Board of the Jamieson Tank project's nominal capital and operating expenditure requirements (to a scoping accuracy level) in consideration of key value creation synergies within the region.

ASX Compliance

In accordance with ASX Listing Rule 5.3.1, the Company did not conduct any on-ground exploration during the quarter. Exploration expenditure \$243,085 (Table B) relates to costs predominantly associated with environmental surveys, and an internal scoping study. Details of the Company's activities for the quarter, including any material developments or material changes in those activities and a summary of the expenditure incurred on those activities is detailed in the preceding sections and in Table B.

With respect to Listing Rule 5.3.2, the Company confirms that there was no mine production or mine development activities for the quarter.

In accordance with Listing Rule 5.3.3, ChemX provides the following information in relation to its mining tenements in Table A. No mining tenements were acquired or disposed of during the quarter. The Company is a party to a mineral rights agreement with Pirie Resources Pty Ltd to explore for, and if warranted, develop mining operations exclusively for graphite.

Tenement	Registered Holder	Beneficial Interest	Location	Status
EL 6634	ChemX Materials Ltd	100%	South Australia	Live
EL 5920	ChemX Materials Ltd	100%	South Australia	Live

Table A - Tenement status

For the purposes of Listing rule 5.3.4, the Company provides a comparison in Table B of actual expenditure during the quarter against the use of funds following the issue of securities pursuant to the Prospectus, together with an explanation of any material variances.

Use of Funds	Estimate for the first 2 years after ASX admission	Actual use March Quarter 2024	Actual use Jan 22 to March 2024	Balance Remaining
Exploration at Eyre Peninsula Project	1,043,000	243,085	2,411,787	(1,368,787)
HPA Test Work	650,000	193,513	2,242,626	(1,592,626)
HPA Pilot Plant	2,500,000	142,804	495,956	2,004,044
Product Development	1,000,000	54,027	416,835	583,165
Expenses of the Offer	875,715	0	703,654	172,061
Administration & Working Capital	2,431,285	294,924	4,547,081	(2,115,796)
Total	8,500,000	928,352	10,817,939	(2,317,939)

Table B - Comparison of actual expenditure versus estimated expenditure.

Differences between estimated expenditure and actual expenditure primarily relate to increased expenditure on manganese exploration designed to estimate a maiden Mineral Resource based on previous exploration results, investment in the HiPurA[®] HPA project, higher admin costs to support operational and corporate activity, research and development grants received and a strategic funding facility. The HiPurA[®] Pilot Plant has been resized to 24 tpa achieving a significant reduction in cost. The HiPurA[®] Pilot Plant construction is progressing with early-stage commissioning targeted for Q2 CY2024.

In accordance with Listing Rule 5.3.5, ChemX confirms payments totalling \$75,000 were made to directors for employment costs as well as to associates and related parties of the Company, for services rendered up to 31 March 2024.

Deferred Consideration Shares

In relation to the acquisition of HiPurA[®] Pty Ltd which was completed on 31 December 2021:

1. The number of Deferred Consideration Shares pending issue (on issue) is 2,500,000.
2. The terms of and conditions for the issue of Deferred Consideration Shares;
 - a. Commissioning of HPA Pilot Plant
3. During the quarter no Deferred Consideration shares were issued or cancelled.
4. There were no further milestones met during the quarter.

This Announcement has been authorised for release by the Board.

For enquiries:**Peter Lee**

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The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant market announcements, and that the form and context in which the Competent Persons findings presented have not been materially modified from the original announcements.

About ChemX Materials (ASX: CMX)

ChemX Materials (ASX:CMX) is an ASX-listed critical materials company developing innovative processing technology to produce high purity alumina for advanced technology and clean energy applications. ChemX Materials' 100% owned, Australian patented HiPurA[®] process technology offers a low cost and energy intensity production method to produce high purity alumina (HPA). The Company's vision is to support the clean energy transition through the delivery of high purity materials and technology that provide real solutions to lowering carbon emissions. The Company is currently constructing a 24 tpa HiPurA[®] Pilot Plant in Perth, Western Australia along with a high purity manganese (HPM) Project on the Eyre Peninsula in South Australia.

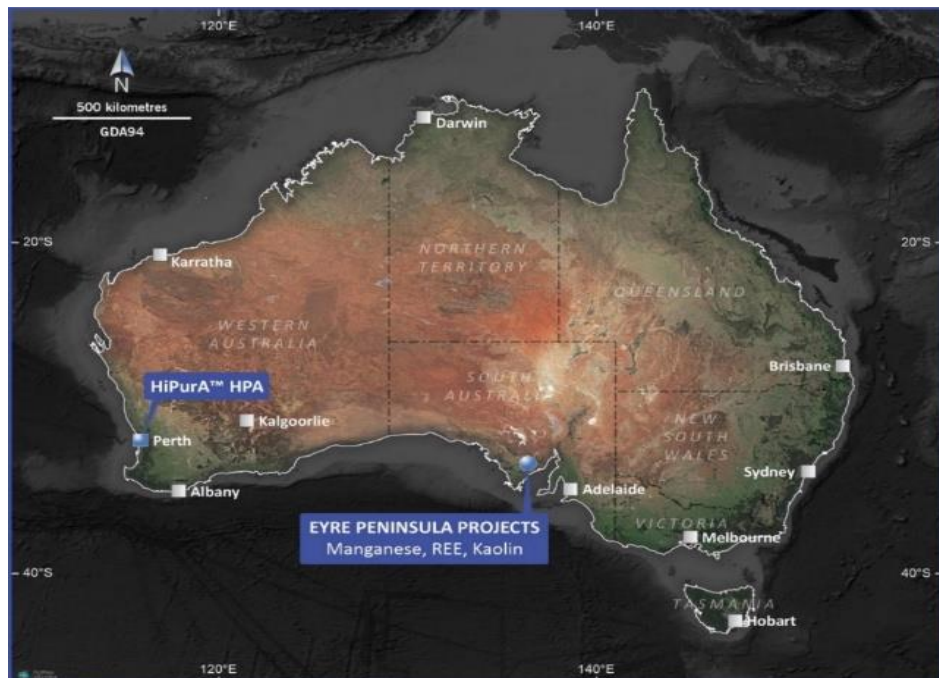


Figure 7 - ChemX Materials' project locations.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ChemX Materials Limited

ABN

88 644 982 123

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows (Unaudited)	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(263)	(782)
(c) production	-	-
(d) staff costs	(252)	(1,112)
(e) administration and corporate costs	(146)	(849)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(11)	(32)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	920
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(672)	(1,854)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(1)
(d) exploration & evaluation	(229)	(496)
(e) investments	-	-
(f) other non-current assets	-	(30)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows (Unaudited)		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(229)	(527)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	2,200
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	(230)
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liabilities)	(28)	(86)
3.10	Net cash from / (used in) financing activities	(28)	1,884

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,230	798
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(672)	(1,854)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(229)	(527)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(28)	1,884

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows (Unaudited)		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	301	301

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	301	1,230
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	301	1,230

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	75
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Convertible Notes)	2,200	2,200
7.4 Total financing facilities	2,200	2,200
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<p>Convertible note funding facility of up to A\$6m received from existing institutional shareholder Mercer Street Global Opportunity Fund LLC. (refer ASX release dated 4 August 2023). \$A0.5m was drawn down on 14 August 2023 and, following shareholder approval, on 26 September 2023 a further \$A1.7m was drawn down in the December Quarter. A further \$3.8m is available subject to further agreement between the parties.</p> <p>The unsecured convertible notes issued have a maturity date 15 months from the date of issue. Material terms of the facility are contained in Schedule 1 of the ASX release dated 4 August 2023. The notes have a face value of \$600,000 (Expire 14/11/24) & \$2,040,000 (Expire 9 Jan 25)</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(672)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(229)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(901)
8.4 Cash and cash equivalents at quarter end (item 4.6)	301
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	301
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.33
<i>Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: On 8 April 2024 the Company complete a placement to raise \$1,053,000 before transaction costs, which settled after close of the quarter. Subject to shareholder approval, an additional \$65,000 will be raised from directors at the same issue price.

On 3 April 2024 the Company announced a Share Purchase Plan offer to raise a maximum of \$500,000.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, due to Placement and Share Purchase Plan offer disclosed in question 8.8.2.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024.....

Authorised by: ...The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.