



ASX Announcement | 27 April 2022  
Hexagon Energy Materials Limited (ASX: HXG)

## Capital Raise – Placement of Shares

Hexagon Energy Materials Ltd (“Hexagon” or “the Company”) is pleased to announce that it has successfully accepted \$1.911 million of firm commitments in a placement of new fully paid ordinary shares to institutional and sophisticated investors.

Funds raised under the Placement will be expended by Hexagon on the following:

- Fully funded exploration program, including completion of drilling programs during the 2022 field season and associated exploration and drill sample analysis at Hexagon’s McIntosh Ni-Cu-PGE and Halls Creek Au-Base Metals-PGE Projects located in the East Kimberleys of Western Australia,
- Drill program result evaluation and further exploration program of work planning,
- Support of graphite exploration and project development at McIntosh and at the Ceylon Graphite Project, Alabama, USA being undertaken by third parties under Earn-in Agreements, and
- Minor working capital associated with these Projects.

The Placement was oversubscribed at an issue price of \$0.028 per share with 180 Markets acting as Lead Manager. Directors have committed a total of \$50,000.00 into the raise on the same terms, which will be subject to shareholder approval at the next general meeting of the Company. While the deal was initially offered and well covered at \$0.034, information pertaining to a change in shareholding that was received after the offer had closed led to a final repricing.

### Details of the Placement

66,496,668 ordinary shares will be issued under Tranche 1 of the Placement which will be undertaken within the Company’s existing capacity for new equity issuances under ASX Listing Rule 7.1 and, accordingly, no shareholder approval will be required for this issue of Hexagon shares. Settlement of the Placement shares is expected to occur on or around 28 April 2022. Tranche 2 of 1,785,714 of the placement shares for directors will be subject to shareholder approval as noted above.

It is expected that the shares will be issued early next week.

Ms. Merrill Gray has received a formal employment offer from another company, and Ms. Gray has advised the Hexagon Board that she is contemplating accepting the offer. Prior to the capital raise commencing the Company had already mandated an independent search for a new Non-Executive Director with specific mineral (Ni-Cu-PGE) experience, to bring this expertise into the Company. In addition, the long-standing geologist who has carried out the research work and delineation of the upcoming drill program continues to be committed to Hexagon. The Company has also been in

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conversations with a long-standing consultant advising on Hexagon's Hydrogen project to expand their remit by joining the board as a Non-Executive Director. Whilst Ms Gray has not resigned from the Company, to meet the criteria of the upcoming cleansing notice, the Board considers it important to make shareholders fully aware of potential Company developments that may occur in the future, including at the leadership level. In any case, Ms. Gray is committed to supporting the Company and positioning it for the creation of long-term shareholder growth, as she has to date, through any future hand over or transition period.

"The Company is delighted to welcome new shareholders to the Company and thank existing shareholders for their strong support in this raise. We have now secured the additional funding required to realise the underlying value held through its existing assets on behalf of all shareholders. The Company now has certainty over a full drill program for the McIntosh Project and a set timeline for completion this season. Given the data gathered and compiled around McIntosh's Ni-Cu-PGE potential, as recently announced, we are very excited to be able to progress the program. I would also like to thank 180 Markets for their help in this raise", commented Hexagon's Chairman, Charles Whitfield.

#### **Authorisation**

This announcement has been authorised by the Board of Directors.

#### **FOR FURTHER INFORMATION, please contact:**

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#### **ABOUT HEXAGON ENERGY MATERIALS LIMITED**

Hexagon Energy Materials Limited (ASX: HXG) is an Australian company focused on future energy project development and energy materials exploration and project development.

Hexagon 100% owns the McIntosh Nickel-Copper-PGE and Graphite project in Western Australia (WA) and the Halls Creek Gold and Base metals project in WA. On 14 February 2022 Hexagon announced a binding Graphite Mineral Rights Earn-in agreement (up to 80%) had been entered into with Critical Green Minerals Pty Ltd, with McIntosh graphite expected to become part of an ASX Initial Public Offering during 2022. In the USA, Hexagon has an 80 per cent controlling interest of the Ceylon Graphite project located in Alabama, over which South Star Battery Materials Corp. (TSXV: STS) on 7 December 2021 signed an Option to develop and earn-in up to 75% interest.

Hexagon also is developing a business to deliver decarbonised Hydrogen (blue Ammonia) into export and domestic markets at scale, with Hexagon's WA Hydrogen (WAH<sub>2</sub>) project now being pursued by Hexagon.

Hexagon's plan is to use renewable energy in clean Hydrogen production to the greatest extent possible in its projects, transitioning from blue to green Hydrogen production on a commercial basis, over time. Supporting this strategy in January 2022 Hexagon signed a Memorandum of Understanding with renewable

energy company FRV Services Australia Pty Ltd (FRV Australia) (51% owned by Fotowatio Renewable Ventures S.L. and 49% owned by OMERS Infrastructure part of OMERS Canadian defined benefit pension plan fund). FRV has almost 800MWdc of Australian PV assets built or under construction in Australia.

Hexagon’s overarching goal for 2022 is to secure and leverage technical and commercial alliances by commodity across its project portfolio whilst maintaining a core focus on Northern Australian Future Energy Materials and Future Energy project developments, in-house. Figure 1 below summarises Hexagon’s Strategy and Figure 2 shows the locations of Hexagon’s projects.

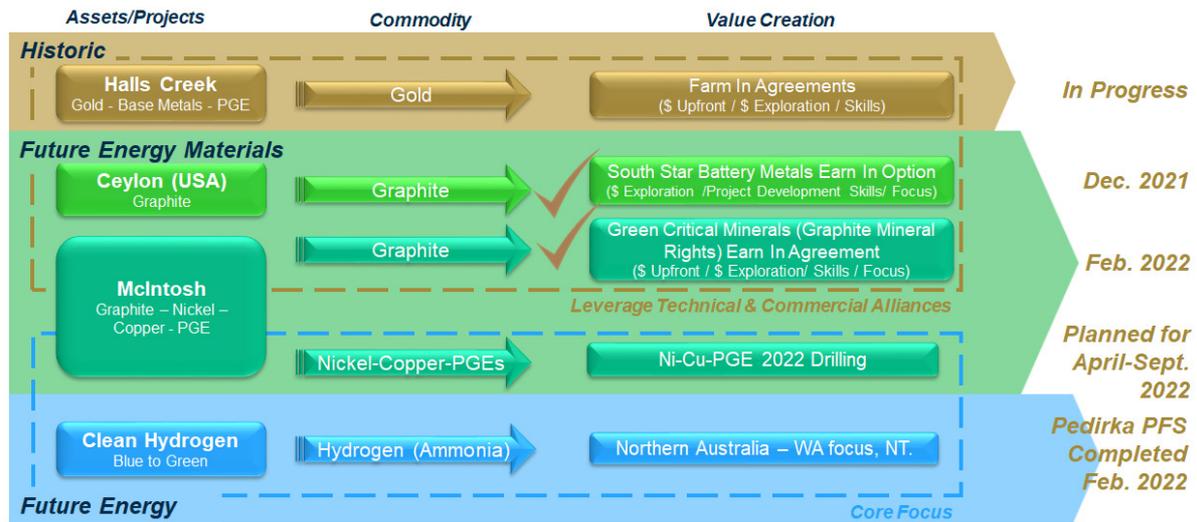


Figure 1 - Hexagon's Strategy

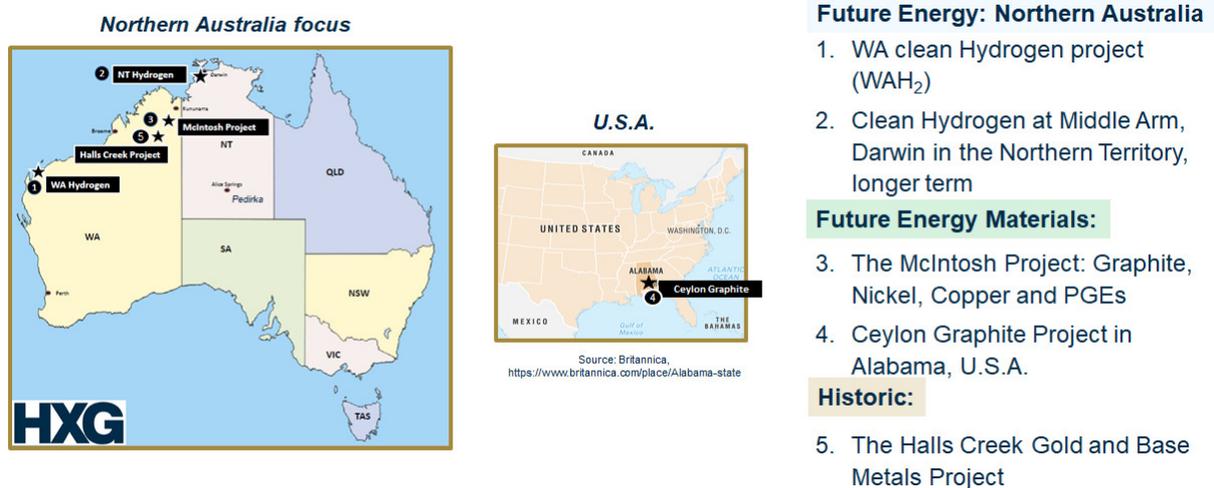


Figure 2 - Hexagon’s overall asset base/portfolio of projects