

ASX Announcement | 11 November 2020
Hexagon Energy Materials Limited (ASX: HXG)

Hexagon Granted Exploration Incentive Funding for 2021 Drill Program & Corporate Update

Investment Highlights

- Hexagon's application for co-funding from the WA State Government to drill targets at the Bent Ridge prospect was successful.
- The Bent Ridge program is planned to be part of a larger Halls Creek Project drilling campaign scheduled for the 2021 field season and is planned to comprise approximately 1,500 metres with the co-funding accounting for approximately half of the \$200,000 drilling budget allocated to Bent Ridge.
- Business development – due diligence of Ebony Energy's Pedirka Hydrogen Project and transaction discussions are progressing positively, and the Company hopes to be able to provide a more detailed update shortly.

Perth, 11 November 2020: **Australian energy materials company Hexagon Energy Materials Limited (ASX: HXG)** ('Hexagon' or 'the Company') is pleased to announce that it has received funding support to drill its Bent Ridge gold prospect, part of the Halls Creek Project. Hexagon was successful in its application for co-funding through the Western Australian State Government's Exploration Incentive Scheme which is assessed on a project by project basis for drill testing greenfield prospects such as Bent Ridge,

Hexagon recently¹ reported new gold in soil anomalies at Bent Ridge and Golden Crown South, as shown in Figure 1 – the culmination of the previous 12 months targeting work.

Gold target identification at Bent Ridge site

Hexagon is planning a 1,500 metre drill program to test the newly defined gold in soil anomalies. Two target zones of 0.8 km and 2.4 km in strike-length were delineated within an overall 3.5km trend of gold anomalies, with anomalous pathfinder elements such as arsenic and base metal results confirming the significance of the results (Refer Figure 3).

The prospectivity for gold mineralisation is further enhanced by a historical geophysical survey over only 25% of the newly defined soil anomalies which comprised a strong conductive and chargeable 'Induced Polarisation' response associated with a mapped siliceous gossanous ridge. The mapped rocks and the geophysical response are interpreted to be indicative of the presence of sulphide minerals, commonly associated with gold mineralisation.

Exploration next steps

The Company is planning a larger drilling campaign over the Halls Creek Project which will include the Golden Crown South Prospect and various high-grade gold targets along the

¹ 25 September 2020, "Hexagon defines significant gold anomalies in new highly prospective areas at Halls Creek Project"

Townsite-Lady Helen trend. This work is planned to commence at the start of the 2021 field season.

Business Development

As mentioned in its Strategic Update (7 October 2020) the Company has signed a Confidentiality Agreement with Ebony Energy Limited to enable Hexagon to conduct due diligence on Ebony Energy's Pedirka Hydrogen project in the Northern Territory. The Pedirka Project is planned to be a zero-emission 'blue' hydrogen project, utilising resources from Ebony's exploration licences in the Northern Territory, targeting the domestic and international hydrogen markets.

Hexagon has engaged an independent technical consultant which is well advanced on its due diligence. A key focus is on the requirement for Ebony to complete a prefeasibility study – which will include a significant exploration drilling program seeking to establish a Mineral Resource estimated in accordance with the JORC code.

In tandem with its due diligence, Hexagon has an outline framework with Ebony Energy on the form, structure and terms of a potential transaction. The result of this is of course, still undetermined but there is strong interest and enthusiasm from both sides to progress to a positive conclusion. Nevertheless, there remains the caveat at this time, that there is no certainty a transaction will occur and, if so, on what terms.

Hexagon will provide further updates and detail to the market in due course

Competent persons' attributions

The information within this report that relates to exploration results, Exploration Target estimates and geological data at the Halls Creek Projects is based on information compiled by Mr Mike Rosenstreich, a full-time employee of the Company. Mr Rosenstreich is a Fellow of the Australian Institute of Mining and Metallurgy. He has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activities currently being undertaken to qualify as a Competent Person(s) as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion of this information in the form and context in which it appears in this report.

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To learn more about Hexagon please visit: <https://hxgenergymaterials.com.au>

This announcement has been authorised by Mike Rosenstreich, Managing Director.

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Figure 1: Halls Creek Gold Project – Schematic Geology and Prospect Location Plan

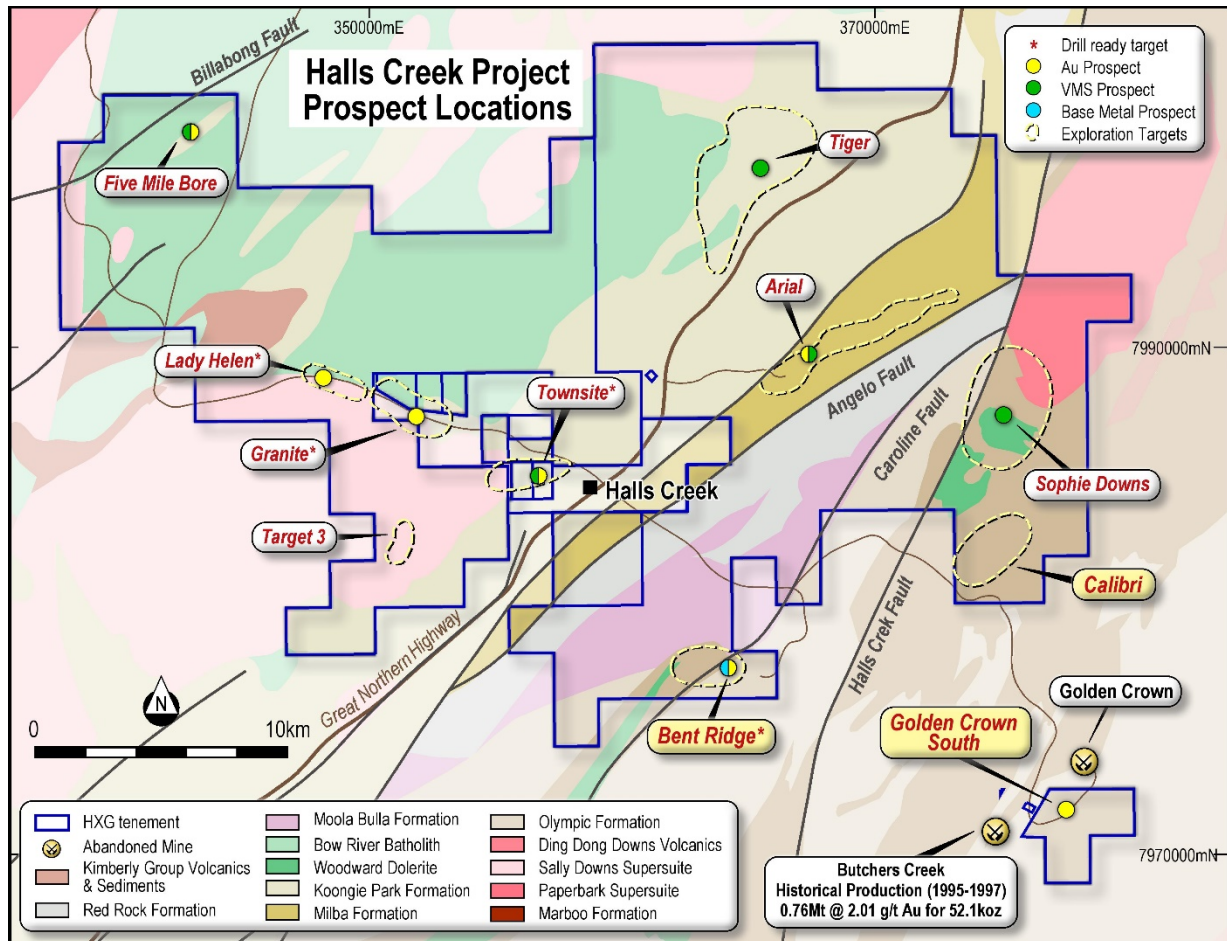


Figure 2: Bent Ridge Location Plan with Gold Target and Schematic Geology

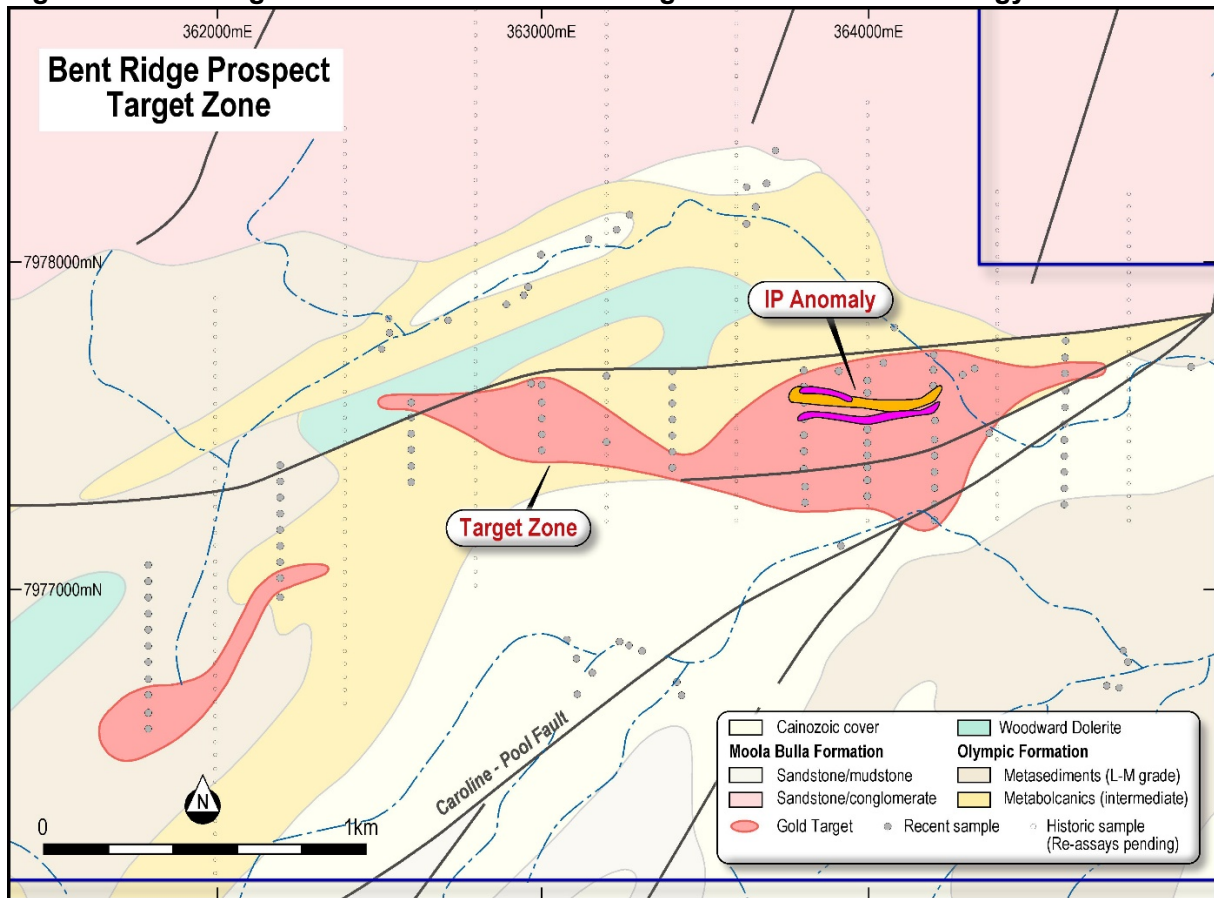


Figure 3: Bent Ridge – gold in soil results.

