



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 (WAH₂) 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.

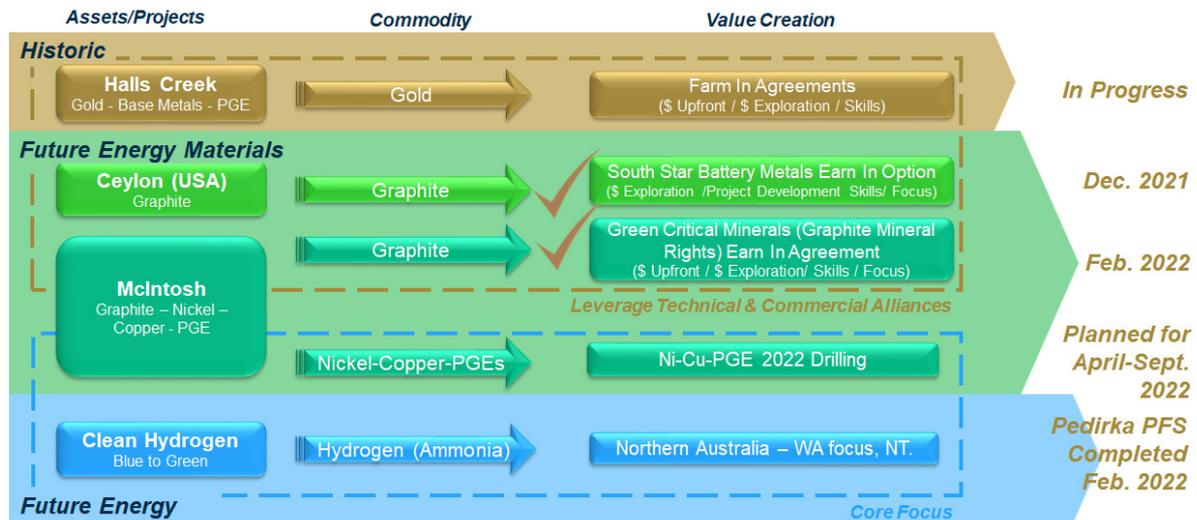


Figure 1 - Hexagon's Strategy

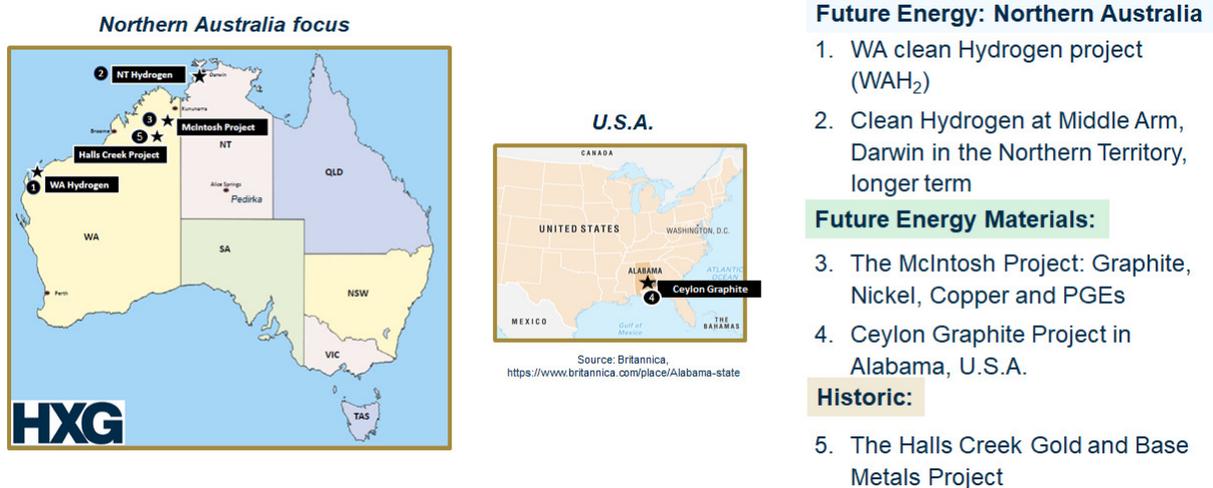


Figure 2 - Hexagon’s overall asset base/portfolio of projects



Announcement Summary

Entity name

HEXAGON ENERGY MATERIALS LIMITED

Announcement Type

New announcement

Date of this announcement

27/4/2022

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
HXG	ORDINARY FULLY PAID	66,496,668

Proposed +issue date

2/5/2022

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

HEXAGON ENERGY MATERIALS LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ACN

Registration Number

099098192

1.3 ASX issuer code

HXG

1.4 The announcement is

New announcement

1.5 Date of this announcement

27/4/2022

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?

No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +security code and description

HXG : ORDINARY FULLY PAID

Number of +securities proposed to be issued

66,496,668

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.02800

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes



Part 7C - Timetable

7C.1 Proposed +issue date

2/5/2022

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?
 No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?
 Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

66496668

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?
 No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?
 No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?
 No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?
 No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?
 Yes

7E.1a Who is the lead manager/broker?

180 Markets Pty Ltd

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

6% cash fee on amount raised

7E.2 Is the proposed issue to be underwritten?
 No



7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

To raise funds for exploration work, including drilling programs, at Hexagon's McIntosh & Halls Creek Projects in the East Kimberleys of WA, support of Graphite exploration and project development at McIntosh and in the USA, and working capital.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)



Announcement Summary

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HEXAGON ENERGY MATERIALS LIMITED

Announcement Type

New announcement

Date of this announcement

27/4/2022

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ASX +security code	+Security description	Maximum Number of +securities to be issued
HXG	ORDINARY FULLY PAID	1,785,714

Proposed +issue date

2/12/2022

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

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If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ACN

Registration Number

099098192

1.3 ASX issuer code

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1.4 The announcement is

New announcement

1.5 Date of this announcement

27/4/2022

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?

Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	29/11/2022	<input checked="" type="checkbox"/> Estimated	

Comments

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +security code and description

HXG : ORDINARY FULLY PAID

Number of +securities proposed to be issued

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Offer price details

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Yes



In what currency is the cash consideration being paid?

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What is the issue price per +security?

AUD 0.02800

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Part 7C - Timetable

7C.1 Proposed +issue date

2/12/2022

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

29/11/2022

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

Yes

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

Yes

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180 Markets Pty Ltd



7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

Nil

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

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No

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7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)