

Hexagon Energy Materials Limited

(ACN 099 098 192)

Notice of Annual General Meeting and Explanatory Statement

TIME: 9.00 am AWST

DATE: 30 November 2022

PLACE: BDO, Level 9
Mia Yellagonga Tower 2
5 Spring Street, Perth, WA 6000

Based on the information available at the date of the Notice of Meeting, the Board considers that it will be in a position to hold a physical meeting with appropriate measures in place to comply with Federal and State COVID-19 restrictions regarding gatherings. However, the Company strongly encourages Shareholders to submit completed Proxy Forms prior to the Meeting in accordance with the instructions set out in the Proxy Form and the Notice of Meeting.

In accordance with section 110D of the *Corporations Act 2001* (Cth) (as inserted by the *Corporations Amendment (Meeting and Documents) Act 2022* (Cth)), the Company will not be sending hard copies of the Notice of Meeting to Shareholders. Instead, Shareholders can access a copy of the Notice at the following link:

<https://hxgenergymaterials.com.au/investor-centre/asx-announcements/>

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor, stockbroker or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 6244 0349.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of the Shareholders of Hexagon Energy Materials Limited (**Hexagon** or the **Company**) will be held at BDO, Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, WA 6000 on 30 November 2022 commencing at 9.00 am AWST to consider and, if thought fit, to pass the Resolutions set out below.

Terms used in this Notice of Annual General Meeting and accompanying Explanatory Statement are defined in the glossary to the Explanatory Statement.

The Explanatory Statement which accompanies, and forms part of this Notice of Annual General Meeting describes the matters to be considered at the Annual General Meeting.

SPECIAL BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS - YEAR ENDED 30 JUNE 2022

To receive and consider the annual financial statements, the directors' report and the audit report of Hexagon for the year ended 30 June 2022.

Note: there is no requirement for Shareholders to approve these reports.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the annual remuneration report as set out in the directors' report for the financial year ended 30 June 2022.”

Voting exclusion: The Company will disregard any votes cast on Resolution 1 by any member of the Key Management Personnel of the Company whose remuneration is included in the Remuneration Report, or a Closely Related Party of such member. However, the Company will not disregard any votes cast on Resolution 1 by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a Closely Related Party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

3. RESOLUTION 2 – ELECTION OF ANDREW KIRK AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Andrew Kirk, a Director who was appointed 17 May 2022, retires, and being eligible, is elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF CHARLES WHITFIELD AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Charles Whitfield, being a Director of the Company, who retires by rotation and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

5. RESOLUTION 4 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, for the purpose and on the terms and conditions in the Explanatory Statement accompanying this Notice of Meeting.”

Important note: The proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 405,406 Shares in the Company, for the purpose and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any person who participated in the issue or an Associate of those persons. However, this does not apply to a vote cast in favour of Resolution 5 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 6 - RATIFICATION OF PRIOR ISSUE OF THE TRANCHE 1 PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 66,496,668 Shares in the Company under the Placement, for the purpose and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any person who participated in the issue or an Associate of those persons. However, this does not apply to a vote cast in favour of Resolution 6 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. RESOLUTION 7 - APPROVAL OF REPLACEMENT CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purpose of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the meeting for identification purposes.”

DATED: 27 OCTOBER 2022

BY ORDER OF THE BOARD OF DIRECTORS


Ian Gregory
Company Secretary

ENQUIRIES

Shareholders are invited to contact the Company Secretary at info@hxgenenergymaterials.com.au or +61 8 6244 0349 if they have any queries in respect of the matters set out in this document.

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor, stockbroker or other professional adviser prior to voting.

NOTES

VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the place set out above.

VOTING BY A CORPORATION

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it should be signed unless previously given to the Company's Share Registry.

VOTING BY PROXY

Please note:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

To vote by proxy, please complete and sign the enclosed Proxy Form and return:

- By post to: Automic Registry Services
 GPO Box 5193
 Sydney NSW 2001
- In person at: Automic Registry Services
 Level 5, 126 Phillip Street
 Sydney NSW 2000

Note that the Proxy Form must be received by the Company not later than 9.00 am AWST on 28 November 2022.

Proxy Forms received later than this time will be invalid.

ENTITLEMENT TO ATTEND AND VOTE

The Company may specify a time prior to the Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Company's Directors have determined that all Shares of the Company that are registered at 4.00pm AWST on 28 November 2022 will, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting to be held at 9.00 am AWST on 30 November 2022 at BDO, Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, WA 6000.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting preceding this Explanatory Statement. Capitalised terms in this Explanatory Statement are defined in the glossary to this document.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Annual General Meeting, please contact the Company Secretary, your accountant, solicitor, stockbroker or other professional advisor before voting.

1. FINANCIAL STATEMENTS AND REPORTS – YEAR ENDED 30 JUNE 2022

The Corporations Act requires the annual financial report, directors' report and the auditor's report (**Annual Financial Statements**) be received and considered at the Annual General Meeting. The Annual Financial Statements for the financial year ended 30 June 2022 are included in the Company's annual financial report, a copy of which can be accessed at www.hxgenergymaterials.com.au. Alternatively, a hard copy will be made available on request.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company.

The Company's auditor, BDO Audit (WA) Pty Ltd, will be present at the Annual General Meeting and Shareholders will have the opportunity ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the meeting date to the Company Secretary at info@hxgenergymaterials.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

2.1 Background

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the financial year ended 30 June 2022 (the **Remuneration Report**). The Remuneration Report is a distinct section of the annual directors' report (the **Directors' Report**) which deals with the remuneration of Directors, executives and senior managers of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the

Company's 2022 Annual Report. The Annual Report is available on the Company's website at www.hxgenenergymaterials.com.au.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 30 June 2022.

The remuneration levels for Directors, executives and senior managers are competitively set to attract and retain appropriate Directors and key management personnel.

The Chair of the Annual General Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

2.2 Regulatory Requirements

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the Directors or the Company. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, sections 250U and 250V of the Corporations Act sets out a "two strikes" re-election process, pursuant to which:

- (a) if, at a subsequent annual general meeting (**Later Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted are against the adoption of that remuneration report;
- (b) at the immediately preceding annual general meeting (**Earlier Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted were against the adoption of that remuneration report; and
- (c) a resolution was not put to the vote at the Earlier Annual General Meeting under an earlier application of section 250V of the Corporations Act,

then the Company must put to vote at the Later Annual General Meeting a resolution, requiring Shareholders to vote on whether the Company must hold another general meeting (**Spill Meeting**) to consider the appointment of all of the Directors at the time the Directors' Report was approved by the Board who must stand for re-appointment (other than the Managing Director) (**Spill Resolution**). The Spill Resolution may be passed as an ordinary resolution.

If the Spill Resolution is passed, the Spill Meeting must be held within 90 days after the Spill Resolution is passed. All of the Company's Directors who were Directors at the time when the resolution to make the Directors' Report was passed (excluding the Managing Director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office) cease to hold office immediately before the end the Spill Meeting and may stand for re-election at the Spill Meeting.

At the Company's 2021 annual general meeting, less than 25% of the eligible votes cast in respect of the 2021 Remuneration Report were cast against the adoption of 2021 Remuneration Report. Accordingly, a Spill Resolution will not be put to the Meeting even if 25% or more of the votes cast in respect of the 2022 Remuneration Report are against the adoption of the 2022 Remuneration Report.

2.3 Board Recommendation

Each of the Directors has an interest in the outcome of Resolution 1 and accordingly does not make a voting recommendation to Shareholders.

3. RESOLUTION 2 – ELECTION OF ANDREW KIRK AS A DIRECTOR

3.1 Background

Clause 14.4 of the Company's Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Andrew Kirk, having been appointed by the other Directors on 17 May 2022 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seek election from Shareholders.

Mr Kirk worked for Woodside for 17 years and developed their current corporate LNG strategies. He has been working in the hydrogen industry for the past three years, establishing Green Hydrogen Asia in Malaysia to transition the heavy vehicle market from diesel to renewable Hydrogen. Mr Kirk has been providing commercial and strategic advice to Hexagon since August 2021 on the Company's hydrogen strategy and projects and is a valuable addition to the board of directors.

Further details about Andrew Kirk are set out in the Company's 2022 Annual Report which is available at www.hxenergymaterials.com.au.

3.2 Board Recommendation

The Directors (other than Andrew Kirk) unanimously recommend that Shareholders vote in favour of Resolution 2.

The Chair intends to vote undirected proxies in favour of the Resolution.

4. RESOLUTION 3 – RE-ELECTION OF CHARLES WHITFIELD AS A DIRECTOR

4.1 Background

ASX Listing Rule 14.4 prevents a Director from holding office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

For this reason, Charles Whitfield retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Whitfield is an experienced executive with over 20 years' experience in finance and commercial development of early-stage technology and specialist resource companies.

Mr Whitfield was an executive Director for Galaxy Resources Limited where he had responsibility for strategy and finance during the significant turnaround of Galaxy Resources Limited from a distressed company to one of the preeminent lithium companies.

Mr Whitfield is a Director of Drumrock Capital which invests in, and provides advice to, turnaround and early-stage technology and specialist resource companies. He was formerly a Managing Director with Citigroup where he held the position of Head of the Corporate Equity Solutions Group (Asia Pacific) and prior to this, he worked for the Deutsche Bank where he was Head of the Strategic Equity Group (Asia Pacific).

Mr Whitfield has a Masters in Business Administration (majoring in Finance and Strategy) from Columbia Business School (New York) and a Bachelor of Economics from the University of Exeter (UK).

Further details about Charles Whitfield are set out in the Company's 2022 Annual Report which is available at www.hxenergymaterials.com.au.

4.2 Board Recommendation

The Directors (other than Charles Whitfield) unanimously recommend that Shareholders vote in favour of Resolution 3.

The Chair intends to vote undirected proxies in favour of the Resolution.

5. RESOLUTION 4 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

5.1 Background

ASX Listing Rule 7.1A enables an eligible entity to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the time of the entity's annual general meeting.

The Company is an eligible entity as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

Resolution 4 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility. The effect of Resolution 4 will be to allow the Directors to issue Equity Securities under ASX Listing Rule 7.1A during the period set out below.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to a combined 25% limit in ASX Listing Rules 7.1 and 7.1A without further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the Additional 10% Placement Facility to issue quoted Equity Securities without Shareholder approval available under ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing (or agreeing to issue) Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 5.2(d) of this Notice of Annual General Meeting below).

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

5.2 Regulatory Requirements

In compliance with the information requirements of ASX Listing Rule 7.3A, Shareholders are advised of the following information:

(a) **Issue Period**

If Shareholders approve Resolution 4, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under ASX Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Annual General Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **Additional 10% Placement Period**).

The Company will only issue Equity Securities during the Additional 10% Placement Period.

(b) **Minimum Issue Price**

Equity Securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities, being Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days on which trades in that class were conducted immediately before:

- (i) the date on which the Equity Securities are issued; or
- (ii) the date on which the price of Equity Securities is agreed, provided that the issue is thereafter completed within 10 trading days.

(c) **Purpose of Issues**

The Company may seek to issue the Equity Securities to raise funds in connection with ongoing studies for the Company's hydrogen project, further exploration at the McIntosh and Halls Creek Gold Projects, the acquisition of new assets or investments (including expenses associated with such an acquisition), and for general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.3.

(d) **Dilution**

As at the date of this Notice of Annual General Meeting, the Company has 512,915,901 Shares on issue. Accordingly, if Shareholders approve Resolution 4, the Company will have the capacity to issue approximately 51,291,590 Equity Securities under the Additional 10% Placement Facility in accordance with ASX Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

(A x D) – E

A = the number of fully paid shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (ii) plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (a) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (b) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,

- (iii) plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (a) the agreement was entered into before the commencement of the relevant period; or
 - (b) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4
- (iv) plus the number of any other fully paid ordinary securities issued in the relevant period within approval under Listing Rule 7.1 or Listing Rule 7.4
- (v) plus the number of partly paid ordinary securities that became fully paid in the relevant period; and
- (vi) less the number of fully paid ordinary securities cancelled in the relevant period.

Note that A is has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D = 10%

E = is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.008 50% decrease in Issue Price	\$0.015 Issue Price	\$0.030 100% increase in Issue Price
Current Variable A 512,915,901 Shares	Shares issued (10% Voting Dilution)	51,291,590 New Shares	51,291,590 New Shares	51,291,590 New Shares
	Funds raised	\$384,686.93	\$769,373.85	\$1,538,747.70
50% increase in current Variable A 769,373,852 Shares	Shares issued (10% Voting Dilution)	76,937,385 New Shares	76,937,385 New Shares	76,937,385 New Shares
	Funds raised	\$577,030.39	\$1,154,060.78	\$2,308,121.55
100% increase in current Variable A 1,025,831,802 Shares	Shares issued (10% Voting Dilution)	102,583,180 New Shares	102,583,180 New Shares	102,583,180 New Shares
	Funds raised	\$769,373.85	\$1,538,747.70	\$3,077,495.40

The table has been prepared on the following assumptions:

1. Variable A is 512,915,901 being the number of ordinary securities on issue at the date of this Notice of Meeting.
2. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
3. No Options (including any Listed Options issued under the Additional 10% Placement Facility) or Performance Rights are exercised into Shares before the date of issue of the Equity Securities.
4. The Company has not issued any other Equity Securities using its placement capacity under ASX Listing Rule 7.1 or 7.1A in the 12 months preceding this Notice of Meeting.
5. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
6. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
8. The issue of Equity Securities under the Additional 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised

into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

9. The issue price is \$0.015, being the closing price of the Shares on ASX on 21 October 2022, being the last trading day before the date of this Notice of Annual General Meeting.

(e) **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the persons to which the Company will issue the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The persons to whom the Company will issue Equity Securities under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and / or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the persons to whom the Company will issue Equity Securities under the 10% Placement Facility will be the vendors of the new resources, assets or investments.

(f) **Previous issues of Equity Securities under ASX Listing Rule 7.1A**

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its 2021 Annual General Meeting held on 20 January 2022.

ASX Listing Rule 7.3A.6 requires the Notice of Meeting to include details of the total number of Equity Securities issued under ASX Listing Rule 7.1A.2 by the Company in the 12 months preceding the date of the Meeting and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period. During that 12 month period, no Equity Securities were issued or agreed to be issued under ASX Listing Rule 7.1A.2 by the Company.

(g) **Voting exclusion statement**

No voting exclusion statement applies to Resolution 4.

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

5.3 **Board Recommendation**

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends that Shareholders approve Resolution 4.

The Chair intends to vote undirected proxies in favour of the Resolution.

6. RESOLUTION 5 - RATIFICATION OF PRIOR ISSUE OF SHARES

6.1 Background

As announced to ASX on 9 September 2019, the Company entered into the Purchase Agreement with the Vendors to acquire a 75% interest in ELA80/5126 contiguous with the Halls Creek Gold Project. As part of that Purchase Agreement the Company held a Call Option to acquire a further 25% interest in ELA80/5126.

As announced to ASX on 7 February 2022, the Company has exercised the Call Option.

As per the Call Option, Hexagon issued Shares using the Company's 15% placement capacity under ASX Listing Rule 7.1 to a total value equivalent of \$30,000 to the Vendors (\$15,000 each) at a deemed price of \$0.074 per share, being 405,406 Shares (**Issue**).

The purpose of Resolution 5 is for Shareholders to ratify the Issue.

The Shares the subject of Resolution 5 were issued without shareholder approval using the entity's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 5 seeks the approval of Shareholders pursuant to ASX Listing Rule 7.4 to ratify the issues of the Shares.

6.2 Regulatory Requirements

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the company's members subsequently approve it.

Resolution 5 seeks Shareholder approval under ASX Listing Rule 7.4 to ratify the Issue under ASX Listing Rule 7.1. The Company confirms that the Issue did not breach ASX Listing Rule 7.1. None of the recipients of the Shares were or are a related party of the Company within the meaning of the Corporations Act and the ASX Listing Rules.

The effect of the approval under ASX Listing Rule 7.4 of the Issue will be that these Shares will not be counted as reducing the number of securities which the Company can issue in the future without shareholder approval under the 15% placement limit imposed by ASX Listing Rule 7.1 (i.e. the 15% limit is "renewed" to the extent of the approval).

The Company wishes to maintain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain shareholder approval under ASX Listing Rule 7.1.

Accordingly, under Resolution 5, the Company seeks from Shareholders approval for, and ratification of the Issue under ASX Listing Rule 7.1 and for the purposes of ASX Listing Rule ASX 7.4.

If Resolution 5 is passed, the issue of the Shares will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the Placement.

If Resolution 5 is not passed, the issue of the Shares will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the Placement.

The Shares issued, for which approval and ratification is sought under Resolution 5 comprise 0.08% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice of Meeting).

6.3 Information Required by ASX Listing Rule 7.5

ASX Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.4 and the following information is included in this Explanatory Statement for this purpose:

(a) **The names of the persons to whom the entity issued the Shares**

The Shares were issued to the two Vendors, being Norvale Pty Ltd and Pathfinder Exploration Pty Ltd.

Neither of the Vendors are related parties of the Company or Material Investors.

(b) **Number of securities and class of securities issued**

Under Resolution 5 the Company seeks Shareholder approval for, and ratification of, the issue of 405,406 Shares.

(c) **Terms of the securities**

The Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with existing Shares.

The Company has applied to ASX for official quotation of all these Shares.

(d) **Date of issue**

The Shares were issued on 4 February 2022.

(e) **Issue price or other consideration**

As per the Call Option, Hexagon issued Shares to a total value equivalent of \$30,000 at a deemed price of \$0.074 per Share.

(f) **Purpose of the issue, including the intended use of the funds raised**

The Company exercised a Call Option to acquire the remaining 25% interest in an Exploration Licence for its Halls Creek Gold Project.

As per the Call Option, Hexagon issued Shares to a total value equivalent of \$30,000 to the two Vendors (\$15,000 each) at a deemed price of \$0.074 per Share.

(g) **Relevant agreement**

The Shares were issued pursuant to the Purchase Agreement.

A summary of the Purchase Agreement is included in Schedule 1.

(h) **Voting exclusion statement**

A voting exclusion statement for Resolution 5 is included in this Notice preceding this Explanatory Statement.

6.4 Board Recommendation

The Board believes that the ratification of these issues is beneficial for the Company as it allows the Company to ratify the above issues of securities and retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without the requirement to obtain prior Shareholder approval.

Accordingly, the Board unanimously recommend that Shareholders approve Resolution 5.

The Chair intends to vote undirected proxies in favour of Resolution 5.

7. BACKGROUND TO THE PLACEMENT

As announced to the ASX on 27 April 2022, the Company accepted \$1.911 million worth of firm commitments in a placement of fully paid ordinary shares to institutional and sophisticated investors (**Placement**).

The Shares under the Placement will be issued in two tranches:

- (i) the issue of 66,496,668 Shares to institutional and sophisticated investors under ASX Listing Rule 7.1 (**Tranche 1 Placement Shares**); and
- (ii) the issue of 1,785,714 Shares to Mr Charles Whitfield (or his nominee), subject to Shareholder approval under ASX Listing Rule 10.11 (**Tranche 2 Placement Shares**).

The purpose of Resolution 6 is for Shareholders to ratify the issue of the Tranche 1 Placement Shares. The Tranche 1 Placement Shares were issued on 6 May 2022.

The Shares the subject of Resolution 6 were issued without shareholder approval using the entity's 15% placement capacity under ASX Listing Rule 7.1.

As announced to the ASX on 6 May 2022, the Company will issue the Tranche 2 Placement Shares following shareholder approval at a general meeting to be held later this year.

8. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES

Resolution 6 seeks the approval of Shareholders to ratify the issue of the Tranche 1 Placement Shares that were issued in accordance with ASX Listing Rule 7.1.

8.1 Regulatory Requirements

ASX Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the company's members subsequently approve it.

Resolution 6 seeks Shareholder approval under ASX Listing Rule 7.4 to ratify the issue of the Tranche 1 Placement Shares under ASX Listing Rule 7.1. The Company confirms that the issue of the Tranche 1 Placement Shares did not breach ASX Listing Rule 7.1. None of the recipients of the Shares were a related party of the Company within the meaning of the Corporations Act and the ASX Listing Rules.

The effect of the approval under ASX Listing Rule 7.4 of the issue of the Tranche 1 Placement Shares will be that these Shares will not be counted as reducing the number of securities which the Company can issue in the future without shareholder approval under the 15% placement limit imposed by ASX Listing Rule 7.1 (i.e. the 15% limit is "renewed" to the extent of the approval).

The Company wishes to maintain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain shareholder approval under ASX Listing Rule 7.1.

Accordingly, under Resolution 6, the Company seeks Shareholder approval for, and ratification of the issue of the Tranche 1 Placement Shares under ASX Listing Rule 7.1 and for the purposes of ASX Listing Rule 7.4.

If Resolution 6 is passed, the issue of the Tranche 1 Placement Shares will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the Placement.

If Resolution 6 is not passed, the issue of the Tranche 1 Placement Shares will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the Placement.

The Shares issued, for which approval and ratification is sought under Resolution 6 comprise 12.86% of the Company's fully diluted issued capital (based on the number of Shares on issue as at the date of this Notice of Meeting).

8.2 Technical information required by Listing Rule 7.5

ASX Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.4 and the following information is included in this Explanatory Statement for this purpose:

(a) **The names of the persons to whom the entity issued the Shares**

The Tranche 1 Placement Shares were issued to institutional and sophisticated investors.

The subscribers were introduced to the Company by 180 Markets Pty Ltd as Lead Manager from the Lead Manager's client base.

None of the subscribers in the Placement are related parties of the Company or Material Investors.

(b) **Number of securities and class of securities issued**

Under Resolution 6 the Company seeks Shareholder approval for, and ratification of, the issue of 66,496,668 Shares.

(c) **Terms of the securities**

The Tranche 1 Placement Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with existing Shares.

The Company has applied to ASX for official quotation of all the Tranche 1 Placement Shares.

(d) **Date of issue**

The Tranche 1 Placement Shares were issued on 6 May 2022.

(e) **Issue price or other consideration**

The issue price for the Tranche 1 Placement Shares was \$0.028 per Share.

(f) **Purpose of the issue, including the intended use of the funds raised**

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

- an exploration program, including completion of drilling programs during the 2022 field season and all associated exploration works and drill sample analysis both at the McIntosh and Halls Creek Projects which are located in the East Kimberley 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.

(g) **Relevant agreement**

The Tranche 1 Placement Shares were not issued pursuant to any agreement.

(h) **Voting exclusion statement**

A voting exclusion statement for Resolution 6 is included in this Notice preceding this Explanatory Statement.

8.3 Board recommendation

The Board recommends Shareholders vote in favour of Resolution 6.

The Chair intends to vote undirected proxies in favour of the Resolution.

9. RESOLUTION 7 - APPROVAL OF REPLACEMENT CONSTITUTION

9.1 Background

A company may modify or repeal its Constitution or a provision of its Constitution by special resolution of Shareholders.

Resolution 7 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new Constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by Shares updated to ensure it reflects the current provisions of the Corporations Act and the ASX Listing Rules.

The Directors believe that it is more efficient in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

9.2 Proposed changes

The proposed changes are aimed at addressing certain changes to the Corporations Act, which permit companies to hold physical, virtual or hybrid general meetings. Recent changes to the Corporations Act require companies that seek to hold virtual general meetings to expressly provide for this in their constitutions. The Company seeks to update the Constitution to incorporate this change to the Corporations Act to permit it to hold virtual general meetings if necessary, in the future.

The proposed changes address other changes to the Corporations Act with respect to the electronic provision of documents to members and voting requirements of listed companies. The Corporations Act now permits companies to send meeting-related documents to members by sending the member sufficient information in electronic form to allow the member to access the document electronically. Separately, other changes to the Corporations Act require certain resolutions put to a vote at general meeting to be decided on a poll. The Company seeks to update the Constitution to incorporate these changes to the Corporations Act.

The proposed changes also address proposed changes to the ASX CHESS System which is due to be replaced (**CHESS Replacement**). As part of the CHESS Replacement, the new system will permit companies to register up to four joint holders per share, whereas currently the system only permits up to three joint holders. Despite this systematic change, ASX has not proposed any change to the ASX Settlement Operating Rules (**ASXSOR**) in this regard. Pursuant to the ASXSOR, a participant must not establish a joint holding with more than three holders unless permitted by an issuer's constitution. The Company seeks to update the Constitution to permit up to four joint holders per share to avoid the practical challenge of monitoring compliance with the Constitution once the CHESS Replacement has occurred.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website (www.hxenergymaterials.com.au) and at the office of the Company.

A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

9.3 Proportional takeover provisions

Under the Corporations Act, a company is empowered to include in its constitution a provision to enable the company to refuse to register shares acquired under a proportional takeover bid unless a resolution is passed by shareholders in general meeting approving the offer.

The Company's current Constitution contains a clause (clause 36) that enables the Company to refuse to register Shares acquired under a proportional takeover bid unless approved by a resolution of Shareholders.

Clause 36 would operate for 3 years, and would then cease to apply unless renewed or reinserted by a further special resolution of Shareholders.

Under the Proposed Constitution clause 9 contains a similar clause regarding proportional takeovers. The Company wishes to renew the operation of the proportional takeover provisions at the same time as adopting the Proposed Constitution.

The Corporations Act requires certain information to be included in the notice of meeting where the approval of Shareholders is sought to adopt proportional takeover provisions.

That information is set out below.

(a) **Proportional takeover bid**

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's Shares.

(b) **Effect of the proposed takeover provisions**

If a proportional takeover bid is made, the Directors must ensure a resolution of Shareholders to approve the takeover bid is voted on more than 14 days before the last day of the bid period.

The vote is decided on a simple majority and each person (other than the bidder and their associates) who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote. If the resolution is not passed, transfers giving effect to takeover contracts for the bid will not be registered and the offer will be taken to have been withdrawn. If the resolution is not voted on, the bid will be taken to have been approved.

If the bid is approved (or taken to have been approved), the transfers must be registered (provided they comply with other provisions of the Corporations Act and the Constitution).

The proportional takeover approval provisions do not apply to full takeover bids.

(c) **Reasons for proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all of their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium.

These provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

To assess the merits of these provisions, Shareholders should make a judgement as to what events are likely to occur to the Company during the 3 year life of clause 9.

(d) **Potential advantages and disadvantages**

The Directors consider the proposed proportional takeover provisions have no potential advantages or disadvantages for them and they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages for Shareholders of the proposed proportional takeover provisions include the following:

- (i) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) they may assist Shareholders from being locked in as a minority;
- (iii) they increase the bargaining power of Shareholders and may assist in ensuring any proportional takeover bid is adequately priced; and

- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages for Shareholders include the following:

- (i) proportional takeover bids for Shares in the Company may be discouraged;
- (ii) Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proposed proportional takeover provisions.

(e) **Previous operation of clause 36**

While clause 36 of the current constitution was in effect, there were no takeover bids for the Company, either proportional or full. Therefore, the Directors cannot point to any more specific advantages or disadvantages evident from the operation of the clause during that period.

(f) **Knowledge of any acquisition proposals**

As at the date on which this Notice of Meeting was prepared, no Director of the Company is aware of any proposal by any person to acquire or to increase the extent of a substantial interest in the Company.

Shareholders are invited to contact the Company if they have any queries or concerns.

9.4 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.

The Directors consider the renewal of clause 9 in the Constitution is in the best interests of Shareholders and unanimously recommend Shareholders vote in favour of Resolution 7.

The Chair intends to vote undirected proxies in favour of Resolution 7.

If this Resolution is approved, the Proposed Constitution will be adopted with effect from the close of the Meeting.

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

\$	an Australian dollar
Additional 10% Placement Facility	has the meaning given to that term in section 5.1 of the Explanatory Statement
Annual Financial Statements	has the meaning given to that term in section 1 of the Explanatory Statement
Annual General Meeting or Meeting	the Annual general meeting convened by this Notice of Meeting
Annual Report	means the Company's 2022 Annual Report for the financial year ended 30 June 2022
Associate	has the meaning given to that term in the Corporations Act
ASX	ASX Limited (ACN 008 624 691) or the securities market operated by ASX Limited, as the context requires
ASX Listing Rules	the official ASX Listing Rules of the ASX
ASXSOR	the Settlement Operating Rules of the ASX
AWST	Australian Western Standard Time
Board	Board of Directors of Hexagon
Call Option	means the call option under the Purchase Agreement as set out in paragraph (iii) of Schedule 1
Chair	Chair of the Annual General Meeting
CHESS Replacement	has the meaning given to that term in section 9.2 of the Explanatory Statement
Closely Related Party	of a member of the Key Management Personnel means: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of the member's spouse;(c) a dependent of the member or the member's spouse;(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;(e) a company the member controls; or(f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act
Constitution	means the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth)

Director	a director of the Company and of each Subsidiary
Director's Report	has the meaning given to that term in section 2.1 of the Explanatory Statement
Earlier Annual General Meeting	has the meaning given to that term in section 2.2 of the Explanatory Statement
Equity Securities	has the same meaning as in the ASX Listing Rules
Explanatory Statement	the explanatory statement that accompanies this Notice of Meeting
Halls Creek Gold Project	means the prospective gold and base metal exploration project, located in the historic gold and base metals mining province of the East Kimberley region of Western Australia
Hexagon or the Company	Hexagon Energy Materials Limited (ACN 099 098 192)
Issue	has the meaning given to that term in section 6.1 of the Explanatory Statement
Key Management Personnel	has the meaning given to that term in section 9 of the Corporations Act.
Later Annual General Meeting	has the meaning given to that term in section 2.2 of the Explanatory Statement
Lead Manager	means 180 Markets Pty Ltd
Material Investors	Includes the following: <ul style="list-style-type: none"> (i). a related party of the entity; (ii). a member of the entity's key management personnel; (iii). a substantial holder in the entity; (iv). an adviser to the entity; or (v). an associate of any of the above, (vi). where such person or entity is being issued more than 1% of the entity's current issued capital.
McIntosh Project	means the McIntosh Project which comprises 16 tenements spanning ~550km ² in the East Kimberley region of Western Australia
Notice of Meeting or Notice of Annual General Meeting	this Notice of the Meeting
Option	means an option to acquire a Share
Placement	has the meaning given to that term in section 7 of the Explanatory Statement
Projects	mean the Halls Creek Project and the McIntosh Project
Proposed Constitution	has the meaning given to that term in section 9.1 of the Explanatory Statement

Proxy Form	means the proxy form enclosed with this Notice of Meeting
Purchase Agreement	means the Purchase Agreement between the Company and the Vendors, dated 9 September 2019.
Remuneration Report	has the meaning given to that term in section 2.1 of the Explanatory Statement
Resolutions	the resolutions contained in this Notice of Meeting and Resolution means one of the resolutions as required
Share	fully paid ordinary share in the capital of the Company
Shareholder	holder of a Share in the Company
Share Registry	means Automatic Registry Services
Spill Meeting	has the meaning given to that term in section 2.2 of the Explanatory Statement
Spill Resolution	has the meaning given to that term in section 2.2 of the Explanatory Statement
Tranche 1 Placement Shares	has the meaning given to that term in section 7 of the Explanatory Statement, and are the Shares the subject of Resolution 6
Tranche 2 Placement Shares	has the meaning given to that term in section 7 of the Explanatory Statement
Vendors	means Norvale Pty Ltd and Pathfinder Exploration Pty Ltd

SCHEDULE 1 - SUMMARY OF THE CALL OPTION AGREEMENT

The key terms of the Purchase Agreement are as set out below:

- (i) **(Structure)** The Company purchased a 75% interest in ELA80/5126 **(Interest)** for the Consideration;
- (ii) **(Consideration)** The company agreed to pay for the Interest through:
 - (a) a \$5,000 deposit on signing of the Purchase Agreement;
 - (b) a \$15,000 purchase payment on grant of the ELA and Ministerial consent for transfer; and
 - (c) a 1.5% net smelter return royalty payable to the Vendors;
- (i) **(Call Option)** the Company holds a Call Option to acquire the outstanding 25% for either, at the Company's election:
 - (a) \$25,000 cash; or
 - (b) Shares to a value equivalent of \$30,000,
within 2 years of the formation of the tenement being granted and the joint venture being formed.
- (ii) **(Free carry)** subject to the expiry of the Call Option, the Vendors will be free carried on their equity up to a Decision to Mine stage; and
- (iii) **(Expenditure)** the Company is responsible for meeting the expenditure commitments on the tenement and the heritage obligations.

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **9:00am (AWST) on Monday, 28 November 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



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