



**ASX Announcement 1 March 2024
Hexagon Energy Materials Limited (ASX: HXG)**

WAH₂ Key Terms Agreement

***Flagship WAH₂ Project momentum continues
towards planned mid-2024 FEED entry***

Hexagon Energy Materials Limited ('Hexagon' or 'the Company') is delighted to announce that it has executed a Key Terms Agreement (KTA) with the Water Corporation of Western Australia.

The parties will work together with the intention of confirming a water supply solution for Hexagon's WAH₂ low-emissions ammonia project and negotiating a definitive agreement for the supply of water to the WAH₂ Project.

The KTA will expire on the earlier of execution of a definitive water supply agreement or one year after execution of the KTA.

Hexagon's Chief Executive Officer Stephen Hall commented:

"This Key Terms Agreement with the Water Corporation is a significant step for Hexagon's WAH₂ low-emissions ammonia project and is the first of an anticipated series of announcements as Hexagon progresses confidential negotiations with key input providers, potential off-takers and strategic partners.

The Base Case project described in our Preliminary Feasibility Study¹ assumed that the project would build its own, dedicated desalination plant together with seawater and brine-return pipelines.

Execution of the Key Terms Agreement supports removal of the capital costs associated with a dedicated desalination plant and associated pipelines from the Base Case (partially offset by the capital and operating costs of water supply), a reduction of the project's power and fuel gas requirements, and the scope of environmental and regulatory approvals to be significantly reduced and de-risked."

Hexagon's target remains WAH₂ FEED entry in mid-2024. This will require the completion of planned technical work and finalisation and execution of conditional commercial agreements for key aspects of the project.

WAH₂ Project Recap

The energy transition is driving an increasing global demand for low-emissions energy.

Through its WAH₂ Project, Hexagon intends to supply low-emissions ammonia to Asia Pacific markets, leveraging ammonia's advantages as a hydrogen carrier and its direct use in clean power generation. The project aims to be an early mover, using proven technology and leveraging existing infrastructure to accelerate schedule and reduce both project risk and costs.

In April 2023, Hexagon was allocated land for the WAH₂ Project in the Maitland Strategic Industrial Area by the Western Australian Government.

¹ HXG ASX updated announcement 2nd August 2023.



In August 2023, Hexagon announced the completion of the WAH₂ Pre-Feasibility Study and based on the encouraging results commenced Pre-FEED studies.

The Pre-FEED studies and ongoing commercial discussions with potential gas suppliers, CCS service providers, infrastructure owners, utility providers and ammonia customers are intended to support FEED entry in mid-2024.

Authorisation

This announcement has been authorised by the Board of Directors.

About Hexagon Energy Materials Limited

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

Hexagon is developing a business to deliver decarbonised hydrogen (low-emissions ammonia) into export and domestic markets at scale, via its WAH₂ Project. The Company plans to use renewable energy to the greatest extent practicable.

Hexagon 100% owns the McIntosh Nickel-Copper-PGE project and the Halls Creek Gold and Base Metals project in Western Australia. The company has two joint ventures on its Graphite properties.

To learn more please visit: www.hxgenenergymaterials.com.au

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