



**ASX Announcement 13 June 2024**  
**Hexagon Energy Materials Limited (ASX:HXG)**

**MCINTOSH GRAPHITE PROJECT – GREEN CRITICAL MINERALS LEGAL PROCEEDINGS**

Hexagon Energy Materials Limited (ASX: HXG) ('Hexagon' or 'the Company') advises that the Company's McIntosh graphite rights earn-in partner GCM Graphite Pty Ltd ('GCM Graphite') has filed a writ of summons in the Supreme Court of Western Australia against the Company and its wholly owned non-core subsidiary McIntosh Resources Pty Ltd ('McIntosh') with respect to information disclosure warranties in the parties' earn-in agreement.

Hexagon strongly refutes GCM Graphite's claims, considers them to be without merit, and will vigorously defend them.

**Background**

GCM Graphite is currently earning into the graphite rights at Hexagon's McIntosh graphite project in Western Australia pursuant to a Term Sheet signed in February 2022 ('Term Sheet')<sup>1</sup>.

Hexagon's original premise for the deal with GCM Graphite was to engage with an experienced graphite industry earn-in partner to progress and realise value from opportunities at the McIntosh graphite project.

As part of the earn-in, and GCM Graphite's due diligence process in 2022, GCM Graphite was provided with extensive information and data (including metallurgical test work results) and due diligence access by Hexagon including access to Hexagon staff, consultants and former project partners.

**Claims**

GCM Graphite claims a breach of a contractual warranty in the Term Sheet, in that certain historical project information and data provided to it was incomplete or not accurate or misleading in a material way. Hexagon rejects GCM Graphite's allegations, considers the claims to be without merit and intends to fully and vigorously defend them. GCM Graphite has not yet quantified its claims.

**GCM announcement**

GCM Graphite's parent company, Green Critical Minerals Ltd ('GCM') made an announcement with respect to this matter on Wednesday 12 June 2024<sup>2</sup>. Hexagon considers it necessary to make the following comments regarding certain statements which GCM chose to make.

Engagement

Hexagon rejects any assertion that GCM Graphite had no choice but to sue Hexagon and McIntosh.

Hexagon has offered, throughout the earn-in and, as recently as Monday, 10 June 2024, to assist GCM Graphite in devising and implementing a plan to progress and commercialise the McIntosh graphite project opportunity.

Regrettably, GCM Graphite has decided not to engage with these offers of assistance. GCM Graphite's plans for the graphite project remain unclear.

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<sup>1</sup> Hexagon Energy Materials Limited ASX Announcement 'Graphite Mineral Rights Earn-in Agreement unlocks value for Hexagon's McIntosh Project', 14 February 2022.

<sup>2</sup> Green Critical Minerals Ltd ASX Announcement, 'Green Critical Minerals Commences Legal Proceedings Against Hexagon Energy Materials', 12 June 2024.

### Graphite rights interest

GCM announced on 6 December 2023 that it holds a 51% interest in the McIntosh graphite rights via the Term Sheet.

Hexagon's position is that, in accordance with clear terms in the Term Sheet, GCM Graphite currently holds only a 30% interest.

As such, if GCM Graphite wishes to earn an 80% interest, it would need to expend a further \$2,000,000 to comply with the Term Sheet including \$1,000,000 by 17 November 2024 to earn 51%.

Hexagon notes that GCM's 12 June 2024 announcement appears, for the first time, to claim that the 51% interest is held as a result of separate terms agreed with Hexagon as part of formal joint venture agreement discussions. Hexagon rejects this. The draft formal joint venture agreement discussions remain outstanding with no agreement reached and were unilaterally discontinued by GCM Graphite.

### Proceedings

It is disappointing that GCM Graphite has chosen a litigious pathway rather than to engage with offers of assistance from Hexagon to devise and implement a plan to commercialise the McIntosh graphite opportunity in the interests of both parties and their shareholders.

Hexagon denies that it has any liability to GCM Graphite. Hexagon has reviewed its obligations and information with respect to the relevant warranties and the Term Sheet and maintains that no such breach has taken place.

Hexagon has instructed lawyers to advise and act on its behalf and intends to fully and vigorously defend the claims and its rights, including as to costs incurred in the process.

Hexagon considers that there is no proper basis to the claims, nor any entitlements of GCM Graphite to any relief.

### **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 into export and domestic markets at scale, via its WAH<sub>2</sub> Project. The Company plans to use renewable energy to the greatest extent practicable.

To learn more please visit: [www.hxgenergymaterials.com.au](http://www.hxgenergymaterials.com.au)

### **FOR FURTHER INFORMATION,**

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