

ASX Announcement | 3 May 2021
Hexagon Energy Materials Limited (ASX: HXG)

Hexagon Completes \$6,200,000 Placement to Fund Pedirka

Investment Highlights

- Firm commitments from institutional and sophisticated investors for a Placement to raise \$6.2 million (before costs).
- Proceeds to fund completion of the Pedirka Blue Hydrogen PFS and other commitments.

Hexagon Energy Materials Limited (ASX: HXG) (**Hexagon** or the **Company**) is pleased to announce that it has successfully accepted \$6.2 million of firm commitments in a placement of new fully paid ordinary shares to institutional and sophisticated investors. The monies raised will primarily fund completion of the Pre-Feasibility Study and advancement of the Pedirka Blue Hydrogen project in Australia's Northern Territory as well as covering the Company's other project obligations and working capital.

The Placement was achieved at an issue price of \$0.11 per share which represents a 9.5% discount to the 30-day volume weighted average price (VWAP) and was strongly bid by both domestic and overseas institutional and sophisticated investors. 180 Markets acted as Lead Manager of the Placement.

The Company will now accelerate all aspects of the Pedirka project.

Details of the Placement

56,363,636 ordinary shares will be issued under the Placement. The Placement 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 the issue of Hexagon shares. Settlement of the Placement shares is expected to occur on or around 5 May 2021.

PFS Progress

Hexagon has already held several planning meetings with Genesis with respect to the scope and format of the PFS towards formalisation of project planning and PFS timing. These discussions have already highlighted substantial cost savings for the PFS program from initial budget estimates which significantly lowered the amount of funding required to complete the Study.

Technical Providers

Hexagon wishes to note that it has become aware of media reports in the past few days which have stated, incorrectly, that Hexagon and Air Products have entered into a contract with respect to Air Products' involvement in the Pedirka project and these reports may also imply a current partnership or financing arrangement between Hexagon and Air Products, which is not the case.

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The formal engagement of all technical providers with respect to Pedirka will only be developed as part of the PFS. In this regard, there are multiple options for technical providers for all aspects of Pedirka which will be considered as part of the PFS, to seek the optimum outcome for the project.

The Company looks forward to providing frequent updates to the market as the PFS progresses and milestones are achieved.

Reflecting on the capital raise Chairman Charles Whitfield commented, *“We were delighted at the very strong level of interest shown by both existing and new investors in this capital raise opportunity, and I would like to thank 180 Markets for their efficient management of the bookbuild process. With this capital in place the work on Pedirka can be accelerated and the team is exceptionally excited about the months ahead.”*

This announcement has been authorised by Board of Directors of Hexagon Energy Materials.

About Hexagon Energy Materials Limited

Hexagon Energy Materials Limited (ASX: HXG) is an Australian company focused on resources, energy materials, and clean energy. Hexagon is primarily focused on developing its flagship Pedirka blue hydrogen project in Australia’s Northern Territory. At Pedirka, Hexagon aims to produce the blue hydrogen required to support the conversion to clean energy economies over the coming decades.

In Western Australia, Hexagon also owns the McIntosh graphite, nickel and PGE’s project and the Halls Creek gold and base materials project. In the US, Hexagon has an 80 per cent controlling interest in a graphite exploration project in Alabama.

Hexagon actively seeks ways to progress value-added enterprises consistent with its strategy, skill set, and focus on clean energy.

To learn more, please visit www.hxgenergymaterials.com.au

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