



ASX Announcement | 29 November 2024
Hexagon Energy Materials Limited (ASX: HXG)

2024 AGM CHAIRMAN'S ADDRESS AND CORPORATE PRESENTATION

PERTH, AUSTRALIA; 29 November 2024: Hexagon Energy Materials Limited ("HXG" or "the Company") (ASX: HXG) is pleased to provide the following Chairman's Address and Corporate Presentation to be made at the Company's Annual General Meeting later today.

Chairman's Address

Dear Fellow Shareholders - Welcome to Hexagon's 2024 Annual General Meeting.

You have seen in the resolutions presented this morning, that the Company will, subject to the result of the shareholder vote, be renamed as NH3 Clean Energy. This transition covers not only our name but also our, ASX ticker (NH3), web address and most importantly our corporate branding and positioning.

I want to underline that this is not window dressing but a critical initiative in recognition of the company's transformation in establishing itself as a recognized player in the clean ammonia industry and a foundation on which to build the future of the Company.

I can't overstate the progress that has taken place since last year's AGM in terms of the standing of the Company in the clean fuel industry. The recent announcement pertaining to gas supply from Chevron Australia is just one example of the growing engagement with key project partners which have occurred over the last 12 months.

If you've heard us say that the WAH2 project is the preeminent clean Ammonia project in Australia, the reason why we have the confidence to do so is because that is how many of our industry peers see us. In addition to recognition of WAH2 within the industry - we are also seeing a massive increase in recognition of the importance of the clean ammonia industry and especially its importance to the energy future of Australia.

Steve and I were in Canberra earlier this week meeting with Australian and overseas government representatives discussing on the roll Australia will continue to play in being a preferred source of energy for Asia and how WA can become the primary hub for refuelling bulk shipping. We are also starting to see material government support an example of which was the grant to pipeline provider AGIG for the development of CO2 pipelines which will serve the Pilbara.

Although we are happy the share price is up about 3x on where we were last year, that was from a very low base and the current market capitalisation hasn't even started to reflect the value that has been created to date and certainly does not reflect the potential of the Company. I am very confident that this is only just the start of the re-rating and re-valuation of the Company.

HEXAGON ENERGY MATERIALS LIMITED

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Of course, none of this would be possible without the incredible knowledge, experience, relationships and dedication that the project team bring to the table. In the course of my work, I interact with a lot of management teams and I can honestly say that the NH3 team are the cream of the crop. I'm exceptionally proud of them and the accomplishments that they have made since the last AGM and want to acknowledge and thank them for their huge contribution.

All in all, the last year has been one of the most momentous in the Company's history and I hope, next year I will be able to stand here and make exactly the same claim.

In the meantime, I thank you all for your continued support.

Charles Whitfield

Non-Executive Chairman
NH3 Clean Energy

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 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.hxgenergymaterials.com.au

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Hexagon AGM

Operations Update

29 November 2024

Important Notices

DISCLAIMER

The purpose of this presentation is to provide background information to assist in obtaining a general understanding of the Company's proposals and objectives. This presentation may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein. This presentation is not to be considered as a recommendation by the Company or any of its subsidiaries, directors, officers, affiliates, associates or representatives that any person invest in its securities. It does not take into account the investment objectives, financial situation and particular needs of each potential investor. Investors should make and rely upon their own enquires and assessments before deciding to acquire or deal in the Company's securities. If you are unclear in relation to any matter or you have any questions, you should seek advice from an accountant or financial adviser.

All references to dollars (\$) in this presentation are to Australian dollars, unless annotated otherwise e.g. US\$ for USD.

Forward Looking Statements

Forward looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions within the meaning of securities laws of applicable jurisdictions.

There are forward looking statements in this document relating to the outcomes of the Pre-Feasibility Studies and ongoing work on the WAH₂ Project. Actual results and developments of projects and the market development may differ materially from those expressed or implied by these forward-looking statements. These, and all other forward-looking statements contained in this document are subject to uncertainties, risks and contingencies and other factors, including risk factors associated with the hydrogen business. It is believed that the expectations represented in the forward looking statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Any forward-looking statement is included as a general guide only and speak only as of the date of this document. No reliance can be placed for any purpose whatsoever on the information contained in this document or its completeness. No representation or warranty, express or implied, is made as to the accuracy, likelihood or achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this document. Hexagon Energy Materials Limited does not undertake to update or revised forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this document, except where required by applicable law and securities exchange listing requirements. To the maximum extent permitted by law, Hexagon Energy Materials Limited and its associates disclaim all responsibility and liability for the forward-looking statements, including, without limitation, any liability arising from negligence. Recipients of this document must make their own investigations and inquiries regarding all assumptions, risks, uncertainties, and contingencies which may affect the future operations of Hexagon Energy Materials Limited or its securities.

Gas Supply

Hexagon has not secured a long-term gas supply agreement. There is no guarantee that current discussions will convert into firm commitments to supply gas over the long term. It should be noted that the WAH₂ Project is contingent on securing long term gas supply in line with the assumed volumes, timing and price. If this cannot be achieved, there is a risk that the WAH₂ Project may be downgraded, deferred or may not go ahead.

Financing

Hexagon has not secured funding for the WAH₂ Project and accordingly to achieve the range of outcomes required for Phase 1, Hexagon will need to secure between A\$405M and A\$567M in funding for the project (assuming farmout of 65% - 75% project, leaving Hexagon with a 25% - 35% project share). There is no certainty Hexagon will be able farm out the WAH₂ Project or to raise the amount of funding when required. It should also be noted that any raise may only be available on terms that may be dilutive to shareholders or otherwise affect the value of Hexagon's shares. If the proposed farm-out or funding cannot be achieved, there is a risk that the WAH₂ Project may be downgraded, deferred or may not go ahead.

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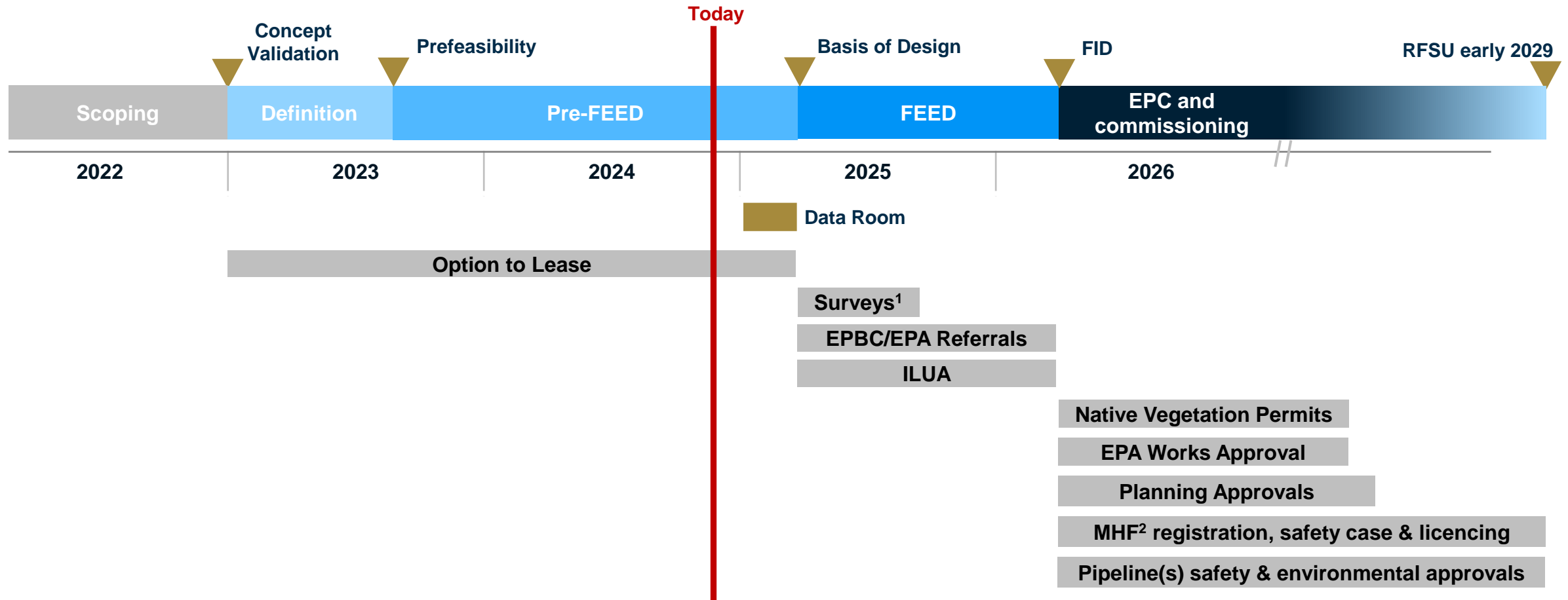
Overview of past twelve months and projections of next twelve months

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WAH₂ Project timeline

Substantial progress in the last 12 months, FEED entry early 2026

Hexagon WAH₂ Project
Indicative Timeline



Notes: (1) Environmental (flora & fauna) & heritage surveys; (2) Major hazard facility

Industry developments

The last 12 months have validated Hexagon's strategy

Market confidence continues to grow

- Successful demonstration of commercial-scale co-firing of ammonia in Japan's Hekinan power plant completed, construction underway to enable commercial operations¹
- World's first ship-to-ship transfer of ammonia at anchorage successfully completed in the Pilbara²

Increasing pragmatism

- Gas-based reforming with CCS increasingly seen as the most credible near-to-mid-term source of clean ammonia
- Increasing costs of electrolysis-based alternatives for clean ammonia³

Investors taking action

- Woodside's acquisition of OCI and its 1.1 MTPA gas-based clean ammonia project in the US⁴
- Fortescue Future Industry and Origin pulling out of electrolysis-based projects^{4,5}

The world's first ship-to-ship ammonia transfer at anchorage (Photo Yara²)



Navigator Global and the Green Pioneer at dusk at the outer anchorage of Port Dampier-2

Notes: (1) JERA Press Release 26 June 2024 'Conclusion of Fuel Ammonia Substitution Demonstration Testing at Hekinan Thermal Power Station'; (2) Yara Corporate release 16 September 2024 'World's first ship-to-ship transfer of ammonia at anchorage, a major milestone to decarbonize shipping fuel'; (3) Hydrogen Insights December 2023, Hydrogen Council and McKinsey & Company; (4) Woodside announcement 30 September 2024 'Woodside Completes OCI Clean Ammonia Acquisition'; (5) AFR 'Fortescue's pivot shakes faith in Labour's Hydrogen Headstart strategy' 17 July 2024; (6) ABC news 'Energy giant Origin retreats from flagship green hydrogen project as hopes for fuel fade' 3 October 2024;

Industry developments

The next 12 months a further increase in market confidence expected

Ammonia co-firing moving from concept to reality

- Increased collaboration along the supply chain
- First award of Japanese CfD¹ incentives expected
- Refinement of South Korean procurement process expected

Fiscal uncertainty growing in other supply locations

- Impact of change of administration on ability to access US Inflation Reduction Act incentives

Momentum building for clean ammonia bunkering in the Pilbara

- Increasing collaboration between industry and the Pilbara Ports Authority
- Ammonia emerging as the preferred clean bunker fuel for the Pilbara
- Increasing orders for ammonia-fuelled bulk carriers



Ammonia ship loading at Dampier
(Photo Pilbara Ports Authority)

Government

The last 12 months increased clarity and incentives supporting progress

Australia

- Future Gas Strategy published¹ – recognising the continued importance of gas, and carbon capture and storage, to Australia’s energy transition
- Hydrogen Production Tax Incentive proposed and consultation paper issued²

Western Australia

- A\$ 15 M grant awarded to AGIG to support development of an onshore CO₂ transmission pipeline³ - the Pilbara Carbon Capture and Storage Project

Japan

- Legislation passed to allow allocation of Japanese Government clean ammonia incentives - Hydrogen Society Promotion Act⁴



Parliament House, Canberra

Notes: (1) Australian Government Department of industry Science and Resources ‘ Future Gas Strategy’, updated 25 June 2024;
 (2) Australian Government Treasury ‘Hydrogen Production Tax Incentive Consultation paper’, June 2024.
 (3) AGIG media release ‘Welcome boost for new Pilbara Carbon Capture and Storage project, 21 November 2024
 (4) White & Case alert ‘Japan’s Hydrogen Society Promotion Act comes into effect’ 30 October 2024

Government

The next 12 months increasing engagement and important decisions

Australia

- Clarity on parameters of proposed Hydrogen Production Tax Incentive and necessary legislation (hopefully) implemented



Australian Government

Western Australia

- Anticipated inclusion of WAH₂ Project in Lead Agency Framework
- Decisions on multi-user infrastructure in Maitland-to-Dampier infrastructure corridor



Japan

- First award of Japanese CfD¹ incentives expected



Increasing engagement expected

- Government departments – DISR², DCCEE³, DFAT⁴
- Government-backed financing agencies - Northern Australia Infrastructure Facility, Export Finance Australia, overseas agencies



Engineering

The last 12 months getting ready for FEED

Reducing technical uncertainty

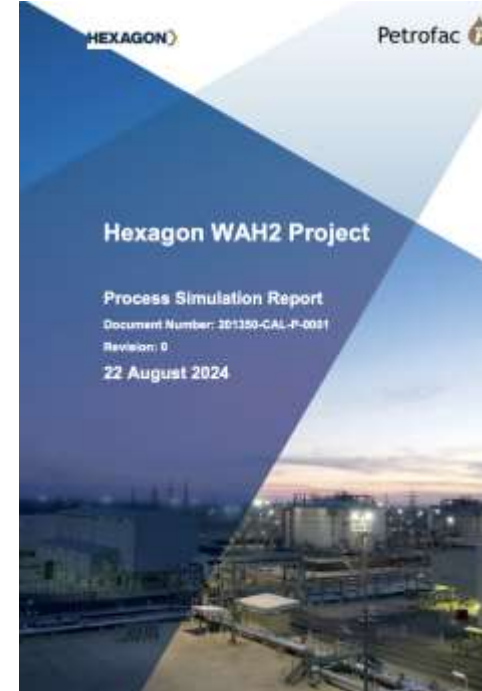
- Design basis set and core process design completed
- Simplified scope – removal of desalination plant, associated pipelines, CO₂ pipeline

Increasing confidence in design and costing

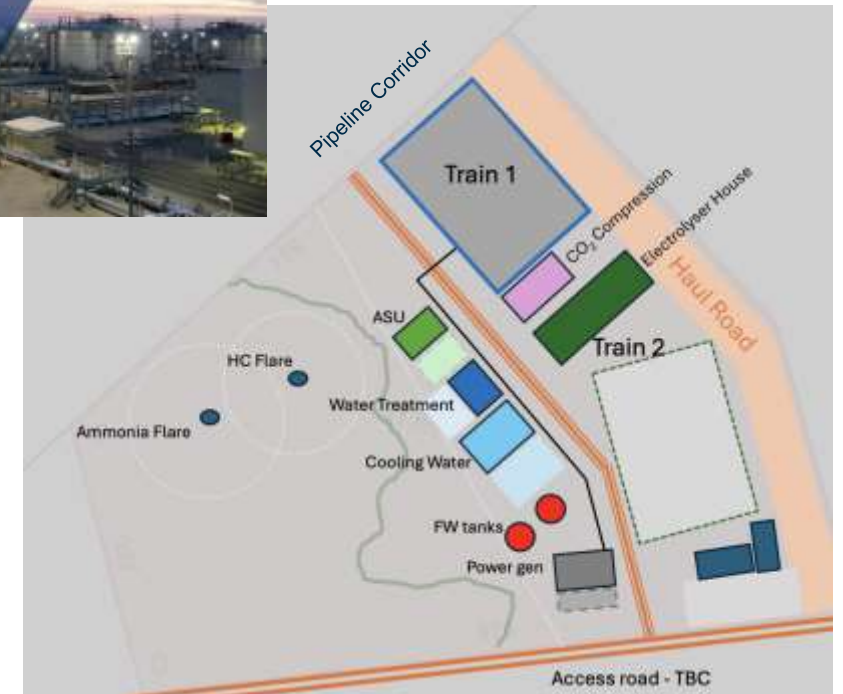
- Process model built
- Mass balance confirmed
- Vendor engagement ongoing

Optimised for emissions

- Trade-offs evaluated and understood
- Process efficiency vs energy efficiency vs emissions intensity



Preliminary Site Layout



The next 12 months getting ready for FID

Complete Pre-FEED

- Finalise report and cost estimate

Data room early 2025

- Support strategic partners

Execute FEED

- Fixed FEED scope
- Preserve flexibility with respect to emissions intensity
- Responsive to customer needs and requirements for government incentives

FEED Duration 12 months



- Execution plan update
- Philosophies
- Materials specifications
- Functional specifications
- Layout drawings and PDMS model set-up
- Project risk register
- Project Basis of Design
- HAZID / ENVID
- Site surveys

- Flow assurance
- DBNGP interface SOW
- Updated PFD and H&MB
- RAM analysis
- Std mechanical drawings & pipe specs
- Site survey and Geotech report

- Plot plans
- Line, valve & PSV sizing
- Equipment sizing
- Flare, blowdown & vent sizing
- P&IDs
- Cause & Effect Diagrams
- Control, SIS and Telecoms architecture
- PDMS model
- Line list
- Blast and Gas dispersion analysis
- F&G system design & layout drawings
- Safety Critical Element assessment
- Civil design

- MTOs
- Inst index and RFQs
- Cable schedules
- Telecoms RFQs
- Piping SP items
- Piping isometrics
- HAZOP
- SIL assessment
- LOPA analysis
- Estimate update

- EPC scope of work
- Telecoms specifications
- Remote power spec
- CCTV & IT design
- Noise analysis
- Emissions register
- Escape & Evac analysis
- HAZOP close-out
- ALARP report
- Cost Estimate (+/- 20%)
- Commissioning philosophy
- Start-up philosophy
- Operating philosophy

- Close-out report

The last 12 months bringing the parts together and building alignment

Land - Option to Lease agreed in-principle with DevelopmentWA

Water - Key Terms Agreement¹ executed with Water Corp for 100% of supply

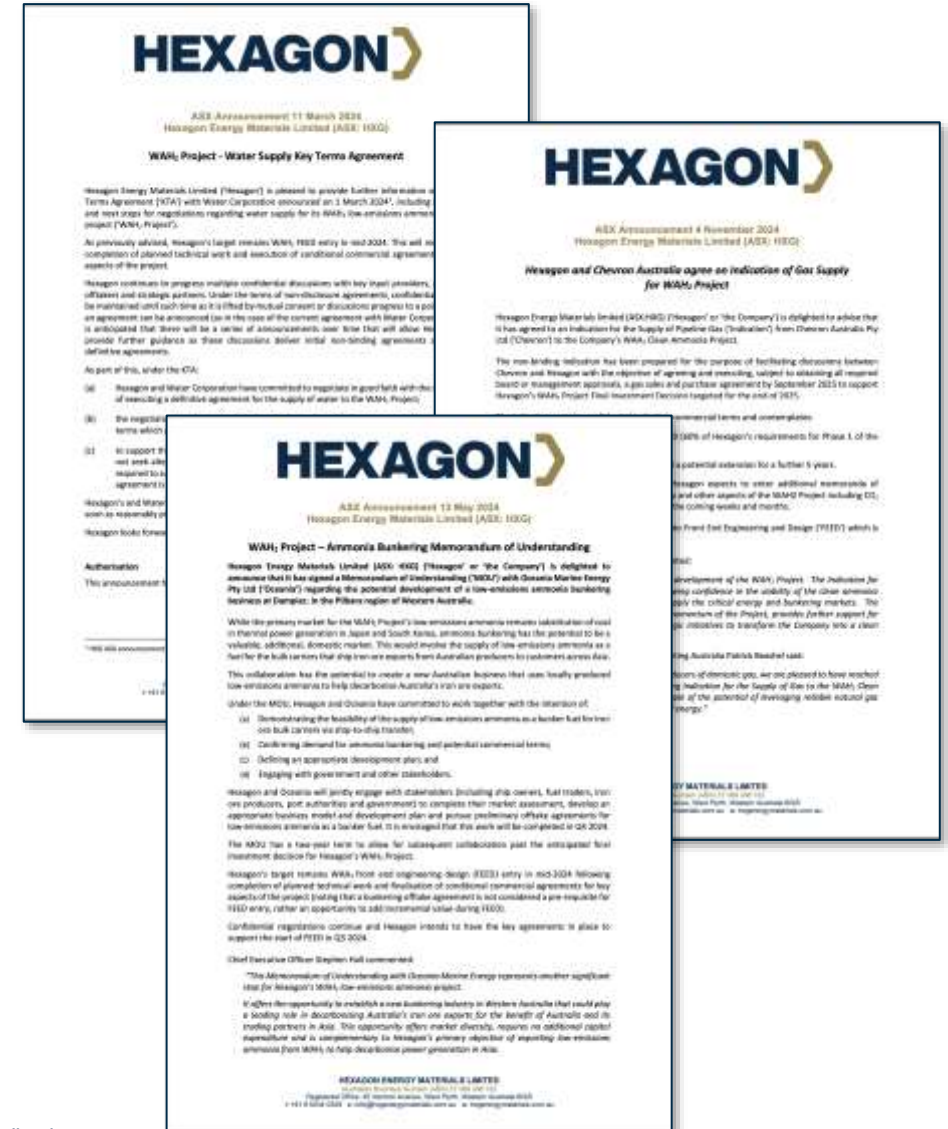
Gas - Indication of Supply² agreed with Chevron for 60% of gas

Port - Capacity available, confirmed by Pilbara Port Authority

CO₂ pipeline - Confidential discussions with 3rd party provider, indicative pricing provided

CCS - Confidential discussions with nearby sequestration projects, indicative pricing provided

Offtake - MoU executed with Oceania³ to provide ammonia fuel for bulk carriers



Note (1) WAH2 Project – Water Supply Key Terms Agreement Announcement (ASX: 11 March 2024); (2) Hexagon and Chevron Australia agree on Indication of Gas Supply for WAH₂ Project (ASX 4 November 2024); (3) WAH₂ Project Ammonia Bunkering Memorandum of Understanding (ASX 13 May 2024)

Commercial

The next 12 months completing the jigsaw

Complete remaining provisional agreements

- Balance of gas supply, CO₂ transmission, CO₂ sequestration, offtake

Entry of strategic partners

- Facilitated by Q1 2025 data room

Progress additional infrastructure synergies

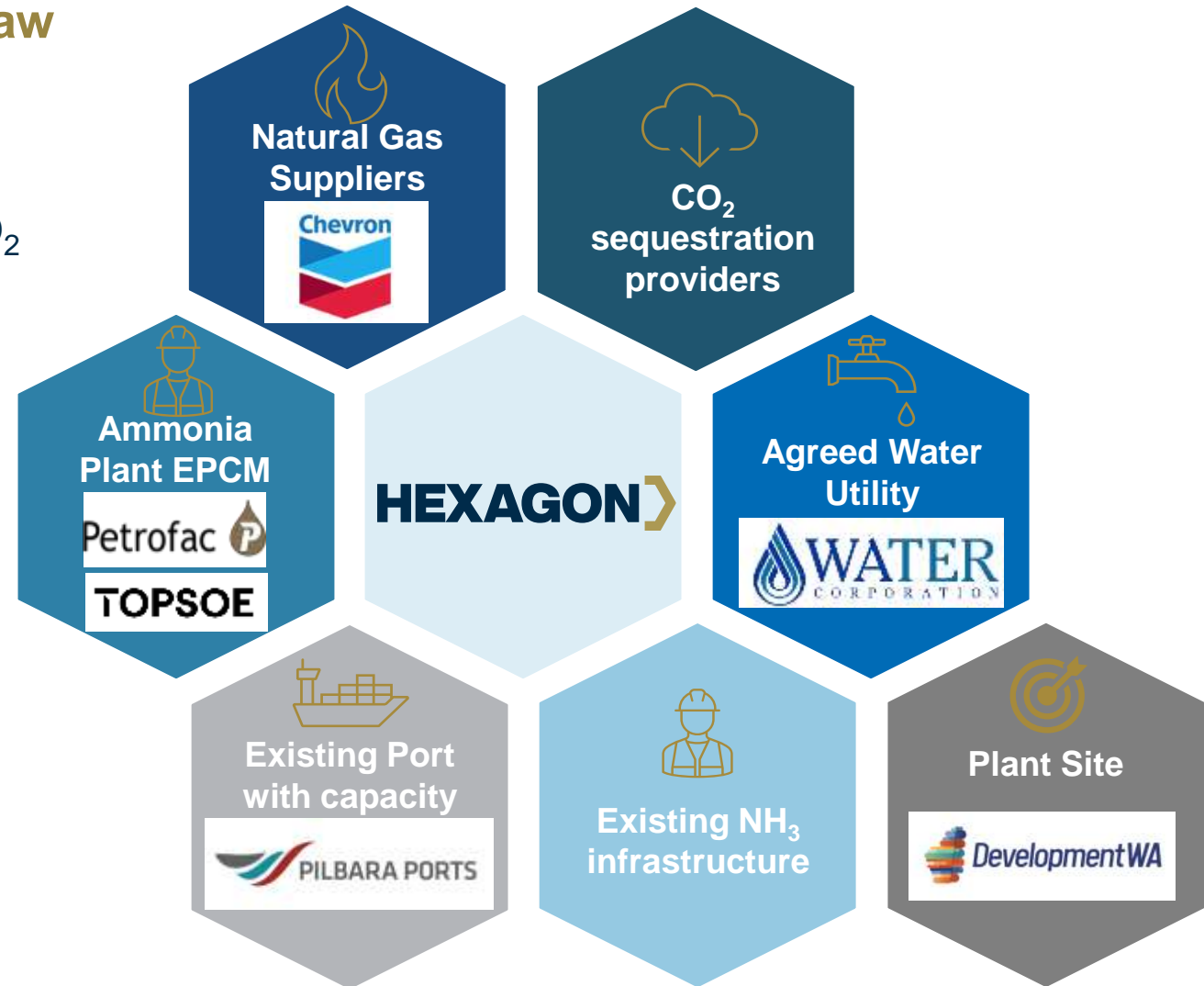
- Multi-user infrastructure, existing infrastructure

Increase definition of existing agreements

- Integrated to progress of technical FEED

Definitive contracts to support FID

- In-place Q4 2025 with appropriate conditions precedent



Financing and Capital Markets

The last 12 months growing shareholder value



Valuation

- Hexagon's share price has increased over 200% during the last 12 months - however we feel the market doesn't yet understand the project value
- Some of this value increase is due to the impact of strategic goals that the company has achieved but also the Company has significantly increased shareholder and investor engagement
- A major milestone achieved with a highly respected institutional broking house, Curran & Co, initiating coverage of the Company with a Desk Note

Financing

- Management has continued to carefully manage cash and stage work to get value recognition for major milestones before fundraising

Financing and Capital Markets

Growing shareholder value – Future activity

CURRAN&CO November 22, 2024
Materials & Energy Equity Research
Desk Note: Hexagon Energy Materials (ASX:HXG)
The Compelling Case for a Leading Clean Ammonia Project

Hexagon Energy Materials Limited (ASX:HXG) is an Australian company developing a business to deliver decarbonised hydrogen (as clean ammonia) into export and domestic markets at scale, via its WAH Project, located near Exmouth in the Pilbara Region of Western Australia.

Need to Know - What is Clean Ammonia?
Ammonia (NH₃), which does not emit CO₂ when burned, is forecast to become a next-generation fuel as it provides a proven pathway for the hydrogen economy. Clean ammonia can be produced by reforming natural gas using existing proven technology and separating the carbon in long-term geological storage. Ammonia does not require cooling to extreme temperatures, and has a higher energy density than liquid hydrogen, making it more efficient, safer to transport and store, plus has extensive global supply chains and infrastructure already in place for the fertiliser ammonia markets.

Power Generation to Drive Demand for Clean Ammonia
Clean ammonia is expected to play a key role in decarbonising two hard-to-abate sectors being Coal-Fired Power Generation and Bulk Shipping, both very large markets expected to drive strong demand for clean ammonia. Japan has recently conducted successful trials of co-firing ammonia in coal-fired power stations as part of its efforts to meet ambitious emissions reduction targets. The Japanese Government has allocated US\$909 of funds earmarked to support international low-emissions hydrogen and ammonia supply chains.

Clean Ammonia Leading to De-carbonise Bulk Shipping
Clean ammonia is forecast to be a dominant alternative fuel for the maritime industry, due to its expected cost advantage per unit and ability to eliminate emissions of CO₂. The first ammonia dual-fuelled bulk carriers are currently under construction for Eastern Pacific Shipping and are expected to be on the water in 2026. The iron ore trade between WA and Asia is the largest seaborne trade route globally and a priority target for decarbonisation. The number of ammonia dual-fuelled iron ore bulk carriers on this route is expected to ramp-up from 2026, aligning closely to the WAH Project timing.

WAH Project - the Right Time, Location, People & Partners
Hexagon's WAH Project is considered the most advanced clean ammonia export project in Australia. Target FID is end of CY2025 and first production end CY2026. Hexagon has secured a site for the project in the Hightland Strategic Industrial Area, located only 30km South of Dampier Pier, with the location the WAH Project is the only clean ammonia project in Australia proximal to a deepwater port and has mature CO₂ projects. Finally, in our view it is the world-class team behind Hexagon that provides confidence that this opportunity is significant and real. The team has a proven track record of building and leading major energy businesses. With an extensive network of contacts into APEC, Europe, China and the US, we have been pleased to read the demand signals for clean ammonia and under significant value for HXG shareholders with the Company Market Cap currently only A\$1.0M.

Preliminary Feasibility Study & Economics
Hexagon released the results of a PFS for the WAH project in August 2023. This study documented a Phase 1 Base Case producing 600,000 Tce of clean ammonia with a COPIC requirement of A\$1.5M and revenue from 2026 of around 4¢ with net cash flow after tax of A\$0.06M per MWh. LCOE estimates are likely to be lower as water and infrastructure agreements support removal of a desalination plant and pipelines from project scope.

News Flow, Potential Catalysts & Our View
Hexagon recently announced a gas supply reduction agreement with O&G major Chevron Australia. We expect a strong flow of more material news in the next six months relating to CO₂ capture agreements, sales offtake and strategic partners, updated project economics, and starting FEED. In our view, the current HXG valuation appears close to zero value for the WAH Project which we think is an opportunity as the exceptional team continues to de-risk the project and define a clear pathway to funding and building the WAH project.

If you would like to discuss the key desk note, please contact the analyst directly using the details above.
Please see the second page of this report for important disclosures.

Company	12-month target price (ASX)	Market Status
Hexagon Energy Materials (ASX:HXG)	0.003	Not Listed

Trading data & key metrics

12-month target price (ASX)	Market Status
0.003	Not Listed

Board & Key Management

Position	Name	Role
Chairman	John G. ...	Chairman
CEO	...	CEO
...

Substantial Shareholder

Company	Shareholding (%)
...	...

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Curran & Co have not built our own financial model for the WAH Project at this stage and as this issue not published financial coverage or released a price target for HXG.

Equity Engagement

- The Company aims to increase institutional investors' share of the register - focusing on professional investors covering clean energy, resources and small caps
- We expect increased frequency of announcements, investor presentations, media and industry updates and as the project's profile grows

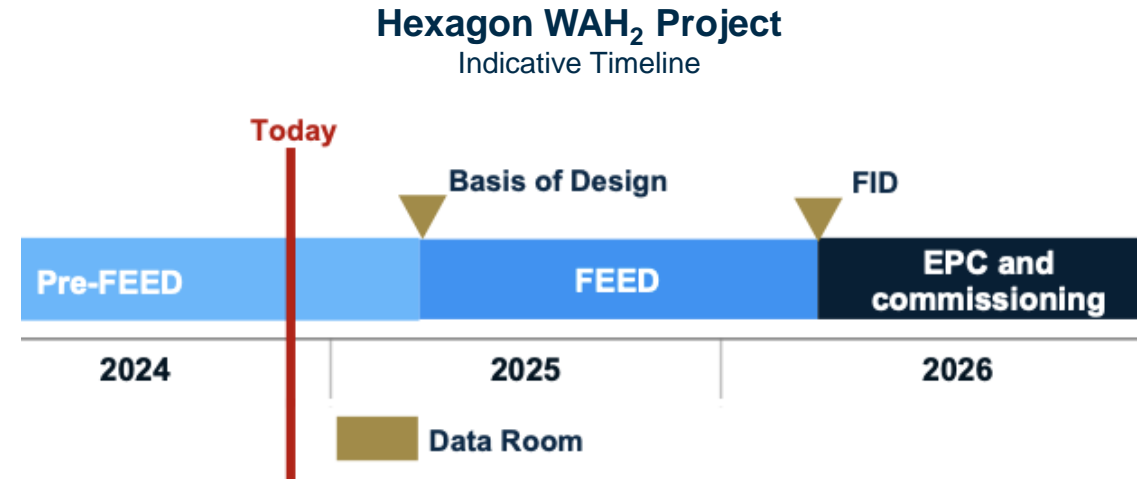
Strategic Financing

- 2025 will see increasing engagement with our potential strategic funding partners as the planned Data Room and FEED process provide access to the information they require
- The Company will continue its engagement with Governments and related bodies to access grant and funding opportunities as available

Future timeline

The next 12 months momentum building through planned FEED

- Ammonia co-firing moving from concept to reality, momentum building for clean ammonia bunkering in the Pilbara
- Increasing engagement with governments and associated entities, important government decisions to be made
- Complete Pre-FEED, open data room, execute FEED
- Complete remaining provisional agreements, entry of strategic partners, definitive contracts to support FID
- Increase investor engagement, progression of strategic financing



Rebranding - new positioning and design

New name – New look – New future

As the Company enters a new chapter of its development, it is proposing to adopt a name, web address, ASX ticker and branding which is in harmony with its status as a leading clean fuel company.

This page illustrates the new logos, graphics and formatting that you will see rolled out in future Company communications and website.



NH3 Clean Energy (ASX: NH3) is an Australian company focused on delivering low-emission ammonia solutions to support the global transition to clean energy.

Our flagship WAH2 Project in Maitland, WA, is strategically positioned to meet the growing demand for sustainable energy in the Asia-Pacific region.

Using proven technologies and leveraging existing infrastructure, NH3 Clean Energy is committed to providing reliable, scalable, and cost-effective ammonia production. The project aligns with global decarbonisation efforts and increasing interest in clean energy alternatives.

With strong partnerships and a focus on innovation, NH3 Clean Energy is at the forefront of Australia's clean ammonia sector, advancing solutions for a sustainable future.

[Find out more](#)

HEXAGON

Fuelling the Future

Low Emissions Ammonia
From Australia to APAC

This announcement has been authorised for release to the ASX
by the Board of Hexagon Energy Materials Ltd.

FOR FURTHER INFORMATION, please contact:

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