

ASX ANNOUNCEMENT

28 April 2022

ChemX Materials Ltd– March 2022 Quarterly Activities Report

- **ChemX Materials Limited (ChemX or the Company) officially commenced trading on the Australian Securities Exchange (ASX) on 18 January 2022 following a successful initial public offering (IPO) that raised \$8m**
- **ChemX is a materials technology company focused on producing critical materials required for electrification and decarbonisation**
- **HiPurA™ high purity alumina (HPA) technology is an innovative, in-house developed process to produce HPA, which is a critical input for lithium-ion batteries, LED & semiconductor supply chains**
- **Primero appointed to conduct HiPurA™ HPA pilot plant pre-feasibility study (PFS)**
- **The Eyre Peninsula projects in South Australia are focused on manganese for cathode materials and kaolin/halloysite products for both established markets and for rapidly emerging decarbonisation technologies**
- **Maiden drilling campaign commenced 26 February 2022, assay results pending**

ChemX Materials (ASX:CMX) (ChemX or the Company), a materials technology company focused on providing critical materials required for electrification and decarbonisation, is pleased to present its first quarterly report as an ASX listed company.

HiPurA™ High Purity Alumina (HPA) Project

The 100%-ChemX owned HiPurA™ HPA technology is a unique process to produce HPA for the lithium battery and synthetic sapphire markets. The technology has been proven to produce a 99.99% pure Al_2O_3 product at a bench scale, with optimisation studies conducted providing the basis for the design of the flow sheet. The technology is expected to have lower capital and operating costs than incumbent HPA operators.

The process development testwork has been underway since September 2021, with the major hydrometallurgical unit operations characterised and the deportment of impurities determined for each of the stages identified. In parallel, a Syscad model of the HiPurA™ process has been developed by Kenwalt in conjunction with Primero. The model has given further insights into the overall process and allowed evaluation of alternative flowsheet options.

ChemX has adopted a two-stage approach to optimise the commercialisation of the HiPurA™ HPA technology. Construction of a microplant capable of producing up to 5kg per day, which is nearing

completion, leading to the development of a pilot plant with a capacity of 200tpa which is currently the subject of a pre-feasibility study.

The HiPurA™ microplant's key components were completed during the quarter and are now being installed in the HiPurA™ facility located in WA. The pre-feasibility study for the 200tpa HPA pilot plant is underway by Primero with completion expected late in the current quarter. Process design is nearing completion and requests for budget costing for the major components have been made to qualified vendors.

The plant layout is currently underway in collaboration with specialised consultants in safety and regulatory requirements in conjunction with Primero.

Marketing over the quarter focused on the European market. The appointment of marketing consultants focusing on Asia has been deferred due to Covid 19 restrictions currently in place, particularly in China.

Manganese Project Testwork

Two programmes of work have been undertaken using samples selected from historical drilling campaigns by previous tenement owners. Samples were composited to give nominally low and high grade ore to approximate the range of head grades expected. Beneficiation trials were successful in upgrading the ores to a higher grade using low-cost gravity methods.

The resultant concentrate was then hydrometallurgically processed using a typical flowsheet involving reductive leaching and crystallisation. The interim report on the testwork is expected in May 2022.



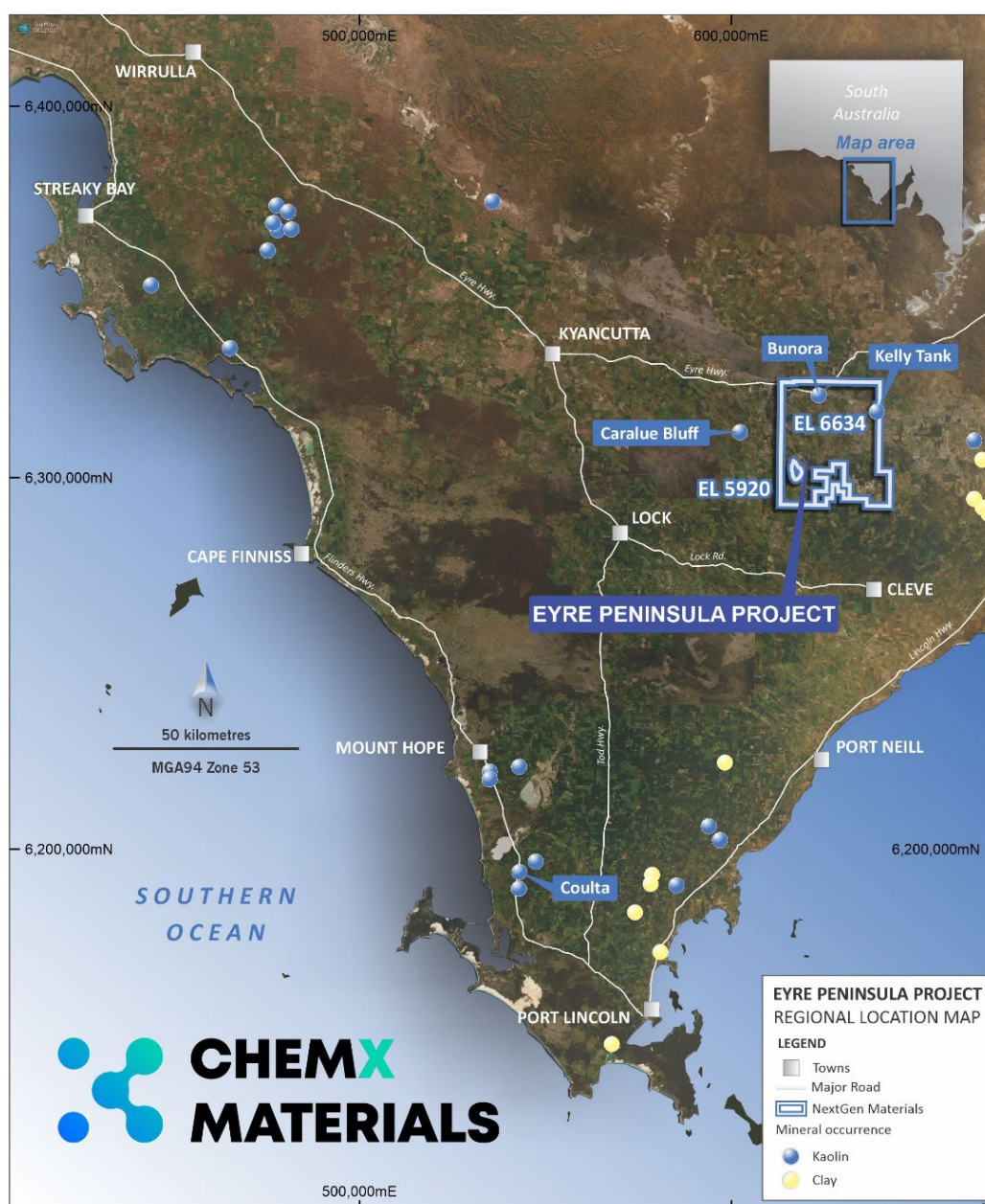
Figure 1. Photograph of manganese sulphate crystals made using beneficiated ore from the Eyre Peninsula Jamieson Manganese Project.

Kaolin/halloysite Project Testwork

Limited testwork on the beneficiation process has been undertaken on historical samples of kaolin and halloysite from the Eyre Peninsula tenements. Preliminary testwork indicates that the clays can be readily separated based on size, by utilising currently available particle sizing processing techniques. The proportion of halloysite at the various prospects has still to be investigated and the company has identified several potential methods for halloysite quantification. These will be trialled once the freshly drilled clays have been analysed and suitable samples selected for beneficiation.

Eyre Peninsula Projects

During the quarter the Company's focus in South Australia was directed towards reviewing the history and known mineralisation within the Company's tenements, and the planning and execution of the Company's maiden drilling program. ChemX owns two granted Exploration Licenses, EL6634 and EL5920, located approximately 115km west of Whyalla on freehold farmland. Infrastructure for project development and operation is excellent, with wind and solar farms allowing access to green electricity, excellent road networks, and a full range of mining services available at Whyalla.



Kimba Kaolin Project

The Kimba Kaolin Project is located on EL6634. It is known to contain high grade kaolin clays that have previously been investigated by several companies for a variety of applications including paper filling and coating, general filler and industrial extender applications, the manufacture of ceramics and as a source of the kaolin polymorph, halloysite. More recently, on a regional scale, the Eyre Peninsular clays have attracted interest as potential hosts for ion-adsorption type rare earth elements (REE) deposits.

ChemX's maiden kaolin drilling program was planned to focus on four areas Kelly Tank, Bunora East, Bunora and Bunora South -as shown below in figure 3. Air core drilling programs were successfully completed in all areas except Bunora where flooding limited access.

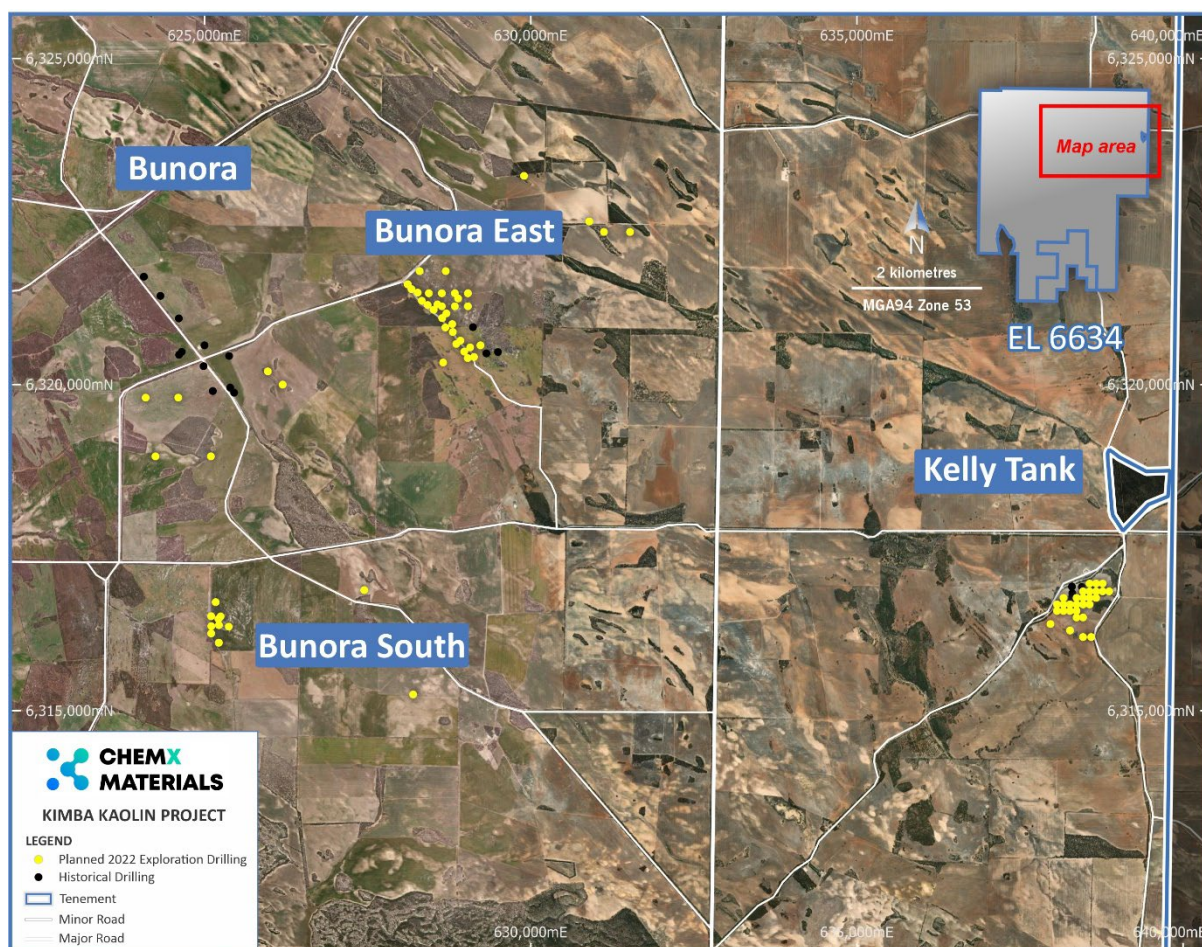


Figure 3. Location of Kaolin drill holes

Kelly Tank

The inaugural Kelly Tank Air Core (AC) drilling program encountered white and off-white kaolin extending over an area of 16 hectares, drilled on a 100 by 100 metre grid. Sections of kaolin clay were observed ranging from 10 and 51 metres in thickness, with an overall average of 23 metres. Samples have been submitted to the laboratory for determination of -45 micron yields and XRF silicate assay of the under size fraction. As the samples are the first recovered by the Company, assaying will also be undertaken for rare earth elements (REE) plus yttrium and scandium.

Overall, the Kelly Tank project area presents a large potential opportunity of which only a small area has been drill tested and submitted for analysis. Further programs will be planned within areas previously tested only to shallow depths.

Bunora East

The Bunora East prospect is located 9 kms ENE of Kelly Tank. Two adjacent properties were identified for reconnaissance drilling during this program that resulted in the identification of a deeply weathered, highly leached granitic gneiss that presented extended intervals of visually white, bright, clay extending beneath a ridge over a length of 1,600 metres.

Bunora

Located some 3-4 kms west of Bunora East, kaolin clays have been identified from previous drilling. For the Q1 2022 program an adjacent paddock was identified for drilling, together with an area with an

extensive area of surficial silcrete. Access to the area was limited by recent flooding. The Company is planning follow-up work when possible.

Bunora South

The Bunora South area is three kilometres south of Bunora. The program concentrated on planned holes at higher elevation in an area with extensive surficial silcrete that had not previously been tested. Nine holes drilled in the area identified what appears to be good quality clay beneath a thin silcrete cap, opening up a promising new prospect.

Jamieson Tank Manganese Project

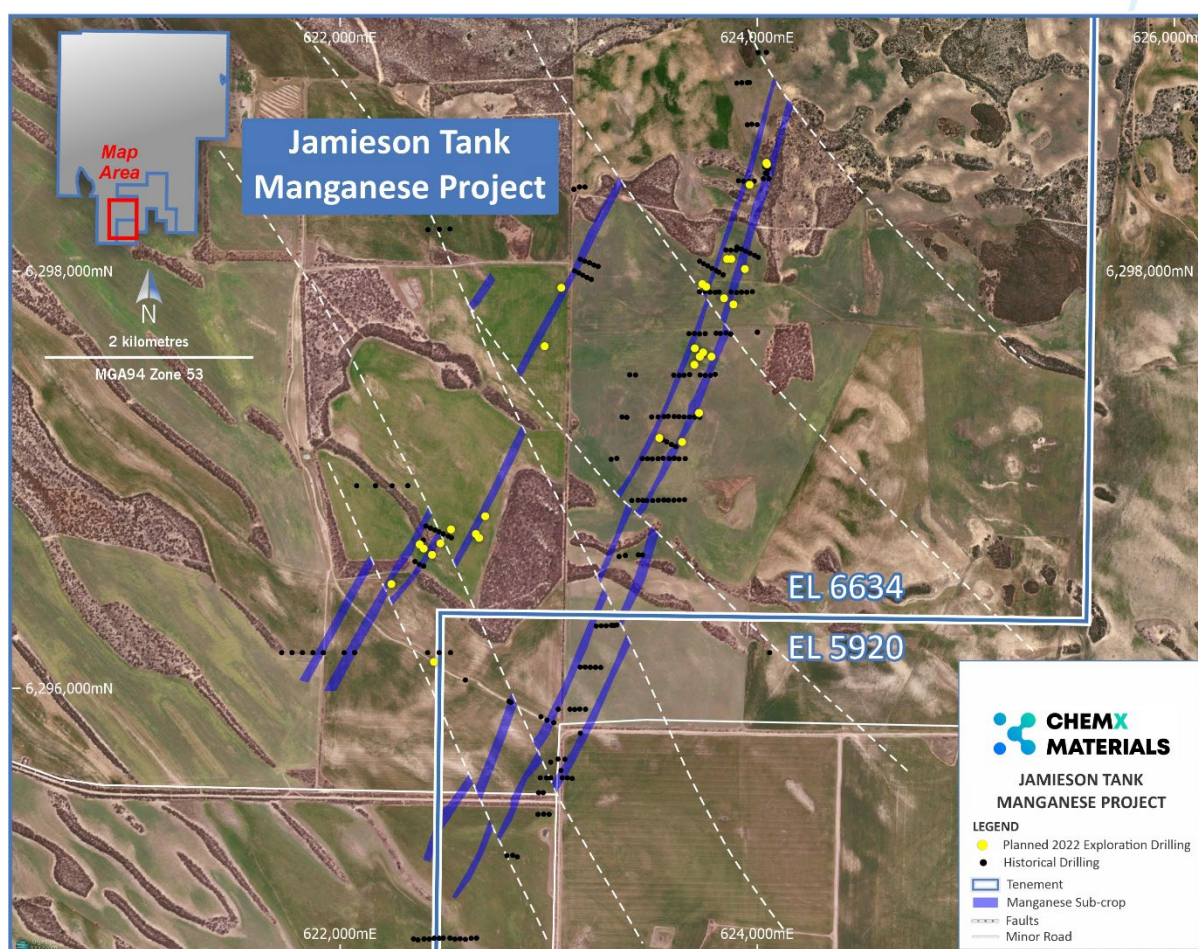


Figure 4. Location of Manganese drill holes

The Jamieson Tank area was extensively prospected for manganese over a strike length of approximately six kilometres during the 1990's and around 2008 to 2012. ChemX is focusing on producing a battery cathode grade material and has commenced a study program to identify the appropriate processing path. Previous work has successfully produced a battery grade electrolytic manganese dioxide from the cryptomelane manganese associated with the banded iron formation in the area.

The drilling program resulted in intervals of what appear to be substantial sections of manganese rich material in belts of ferruginous schists. Samples at the laboratory are being tested for manganese, cobalt and REE's, all known to have been identified by previous workers in the area.

Samples are currently with a laboratory in Adelaide for assaying. Initial results are expected in May with completion of all results dependent on laboratory schedules.

Table 1. Summary Statistics. Inaugural 2022 Drilling program within EL6634 and EL 5920

Prospect	Drill Holes	Metres drilled	Samples submitted to Laboratory	Composited metres.
Kelly Tank Kaolin	29	855	125	624
Bunora East Kaolin	37	1,033	193	832
Bunora	6	71		
Bunora South Kaolin	11	245	42	206
Jamieson Tank Manganese	34	1,157	280	1171
Total	118	3,361	640	2,833

Deferred Consideration Shares

In relation to the acquisition of HiPurA Pty Ltd which was completed on 31 December 2021:

1. The number of Deferred Consideration Shares pending issue (on issue) remains at 4,500,000.
2. The terms and conditions for the issue of Deferred Consideration Shares are summarised below:
 - i. Completion of Flow Sheet Design - 2,000,000 shares.
 - ii. Commissioning of the Pilot Plant - 2,500,000 shares
3. During the reporting period and up to the date of this report:
 - i. There were no Deferred Consideration Shares issued or cancelled.
 - ii. No milestones were met.

ASX Compliance

In accordance with ASX Listing Rule 5.3.1, details of the Company's exploration activities for the quarter, including any material developments or material changes in those activities and a summary of the expenditure incurred on those activities is detailed in the preceding sections and in Table 2 below.

With respect to Listing Rule 5.3.2, the Company confirms that there were no mine production and development activities for the quarter.

In accordance with Listing Rule 5.3.3 the Company Provides the following information in relation to its mining tenements. No mining tenements were acquired or disposed of during the quarter. The Company is a party to a mineral rights agreement with Pirie Resources Pty Ltd to explore for and if warranted develop mining operations exclusively for graphite.

Table 2 – Tenements

Tenement	Registered Holder	Beneficial Interest	Location	Status
EL 6634	ChemX Materials Ltd	100%	South Australia	Live
EL 5920	ChemX Materials Ltd	100%	South Australia	Live

For the purposes of Listing rule 5.3.4, the Company provides that following comparison in Table 3 of actual expenditure during the quarter against the use of funds following the issue of securities pursuant to the Prospectus, together with an explanation of any material variances.

Table 3 – Comparison of actual expenditure versus estimated expenditure.

Use of Funds	Estimate for the first 2 years after ASX admission	Actual use March 2022 Quarter	Balance Remaining
Exploration at Eyre Peninsula Project	1,043,000	117,820	925,180
HPA Test Work	650,000	19,399	630,601
HPA Pilot Plant	2,500,000	43,217	2,456,783
Product Development	1,000,000	56,500	943,500
Expenses of the Offer	875,715	703,654	Nil*
Administration & Working Capital	2,431,285	549,898	1,881,387
Total	\$8,500,000	1,490,488	6,837,451*

*Difference to Cash Balance remaining relates to timing of payments made prior to the March Quarter and after the release of the Prospectus.

In accordance with Listing Rule 5.3.5, the Company confirms payments totalling \$147,000 were made to directors for employment costs as well as to associates and related parties of the Company, for services rendered up to 31 March 2022.

This Announcement has been authorised for release by the Board.

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About ChemX Materials (ASX: CMX)

ChemX Materials is a materials technology company focused on providing critical materials required for electrification and decarbonisation. The company's vision is to support the energy transition with materials and technology that provide real solutions to lowering carbon emissions.

Developed in-house, ChemX's HiPurA™ process is a unique technology capable of producing high purity alumina (HPA) and high purity aluminium cathode precursor salts for lithium-ion batteries. Initial testwork indicates that the process is low cost and low in energy consumption, compared to alternative technologies. A key competitive advantage is that the HiPurA™ process is not tied to mine production, with the feedstock being a widely available chemical.

The Company has projects in South Australia and Western Australia.

The South Australian Eyre Peninsula projects include the Kimba Kaolin-Halloysite Project and the Jamieson Tank Manganese Project. The ChemX HiPurA™ Project is located in Western Australia.

Directors

Kristie Young	Non-Executive Chair
David Leavy	Managing Director
Stephen Strubel	Executive Director
Warrick Hazeldine	Non-Executive Director

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COMPETENT PERSON STATEMENT. The information which relates to exploration results is based on and fairly represents information and supporting documentation compiled by Michael Ware, a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Ware has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Ware is an independent Consultant and Director of Geological & Ceramic Services Pty Ltd and is Project Manager of the Eyre Peninsular Projects on behalf of ChemX Materials Ltd. Mr Ware consents to the inclusion of the information in this report in the form and context in which it appears.