

ASX ANNOUNCEMENT

25 March 2024

\$1.118m Placement and Launch of Share Purchase Plan to fund completion of HPA Pilot Plant

Highlights

- **\$1,118,000 raised pursuant to placement to professional, sophisticated investors ("Placement")**
- **Launch of Share Purchase Plan ("SPP") to raise up to a further \$500,000.**
- **Funds raised from Placement and SPP to fund completion of HPA Pilot Plant in O'Connor in Perth, Western Australia.**
- **Participants of the Placement and SPP to receive one free attaching option for every two shares subscribed for and issued with an exercise price of \$0.09 on or before three years from the date of issue ("Attaching Options") subject to shareholder approval.**
- **High Purity Alumina ("HPA") Pilot Plant reaches 80% construction milestone, enabling early-stage commissioning to commence in-line with its original project timeline to deliver first 4N HPA material in Q2 CY2024.**

ChemX Materials Limited (ASX:CMX) (**ChemX** or the **Company**), an Australian based high purity critical materials developer, is pleased to advise it has received firm commitments under the Placement from new and existing professional, sophisticated investors to subscribe for 21,937,508 fully paid ordinary shares (**Shares**) at an issue price of \$0.048 per Share to raise approximately \$1,053,000.

In addition, Directors have committed to subscribe for 1,354,166 Shares, subject to shareholder approval, under the Placement to raise an additional \$65,000 at the same issue price. One free Attaching Option will be issued for every two Shares subscribed for under the Placement which will raise a total of approximately \$1,118,000 before costs.

Funds raised under the Placement will be applied towards completion of the HPA Pilot Plant, working capital and costs of the offer.

ChemX has achieved a number of important milestones within its HPA Pilot Plant construction enabling early-stage commissioning activities to commence in the O'Connor facility in Perth, Western Australia.

Over 80% of the critical equipment for the Pilot Plant has been received and the ChemX team is undertaking individual stage early-commissioning activities in line with its original project timeline to deliver first 4N HPA material in Q2 CY2024.

ChemX is well positioned to take advantage of expected increased demand for HPA across electric vehicle battery separators and LED, Synthetic sapphire and semiconductor markets.

The Shares issued under the Placement (other than those to be issued to Directors) will be issued pursuant to the Company's available placement capacity under ASX Listing Rule 7.1A (9,534,317 Shares) and 7.1 (12,403,191 Shares).

SHARE PURCHASE PLAN

In addition to the Placement, the Company will be offering eligible shareholders the opportunity to participate in the Company's capital raising activities via the SPP for up to a further \$500,000 (before costs and with the ability to take oversubscriptions) from the issue of 10,416,667 Shares.

Under the SPP, eligible Shareholders will be able to subscribe for Shares up to the value of \$30,000 at an issue price of \$0.048 per Share. In addition, the Company will separately offer one free Attaching Option for every two new Shares issued, exercisable at \$0.09 per Share and expiring 3 years from the date of issue.

Documentation relating to the SPP and a Prospectus for the issue of the Attaching Options will be sent to eligible shareholders shortly.

The Attaching Options offered under both the Placement and SPP are subject to Shareholder approval and will be offered under a prospectus to be lodged shortly by the Company. The Attaching Option terms and conditions are included in Annexure A.

The issue of Shares under the Placement is not subject to shareholder approval as it falls within ChemX's available placement capacity under Listing Rules 7.1 and 7.1A. A Notice of Meeting to approve the issue of Attaching Options under the Placement and SPP, Director participation in the Placement and other matters as necessary will be circulated in due course.

At the conclusion of the Placement, the Company will have 118,634,847 Shares on issue. Following the SPP offer to raise \$500,000 (with the ability to take oversubscriptions), the Company will have a total of 129,051,514 Shares on issue.

Lead Manager

Sanlam Private Wealth (**Sanlam**) acted as Lead Manager to the Placement and will be paid a fee of 6% on the amount raised plus a management fee of \$7,000 + GST. Sanlam will also be

issued 900,000 unlisted broker Options with a \$0.09 strike price and three-year expiry from the date of issue on the same terms as the Attaching Options set out in Annexure A. The Broker Options are subject to Shareholder approval and will also be issued under the prospectus to be lodged by the Company.

Timetable

An indicative timetable for the SPP and Placement is set out below (subject to change)

Event	Date
Record Date for SPP	22 March 2024
Announcement of Placement and SPP	25 March 2024
Lodgement of SPP cleansing notice and despatch of SPP Offer Booklet	27 March 2024
Opening Date of SPP	27 March 2024
Issue of Shares under Placement and lodgement of Appendix 2A and cleansing notice	28 March 2024
Lodgement and despatch of Options Prospectus	1 April 2024
Despatch of Notice of Meeting	5 April 2024
Closing Date of SPP	17 April 2024
Announcement of Results of SPP	19 April 2024
Issue of Shares under SPP	22 April 2024
EGM	8 May 2024
Issue of Options under Placement and SPP	10 May 2024

The timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules.

This Announcement has been authorised for release by the Board.

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About the HiPurA® 100%-owned process

CMX's HiPurA® process is a disruptive flowsheet which converts aluminous chemical feedstocks through selective refining to HPA. Ultimately, CMX has achieved the delivery of 4N (99.99%) high grade and is working towards 5N (99.999%) HPA products for the electric vehicle battery separator and synthetic sapphire markets, LEDs, semi-conductor and optical lenses.

The HiPurA® process is modular, scalable and independent of direct mine production, which enables ChemX to locate key future production facilities around the world close to customers in a just-in-time customised approach.

About ChemX

ChemX is an advanced materials company focused on providing high purity critical materials for the battery industry. The Company's vision is to become a leading supplier of sustainable and ethically sourced critical materials to support the global energy transition.

Developed in-house, ChemX's HiPurA® process is capable of producing high purity alumina (HPA) and high purity aluminium cathode precursor salts for lithium-ion batteries. Initial testwork has indicated that the process is low costs and low in energy consumptions, compared to alternative methods. A key competitive advantage is that the HiPurA® process is modular, scalable and is not tied to mine production, with the feedstock being a widely available chemical.

ChemX is applying its high purity expertise to advance its Manganese project located on the Eyre Peninsula in South Australia. Metallurgical testwork has indicated the manganese ore is amenable to upgrade through beneficiation and being processed into a high purity manganese sulphate to supply the Lithium-ion battery industry.

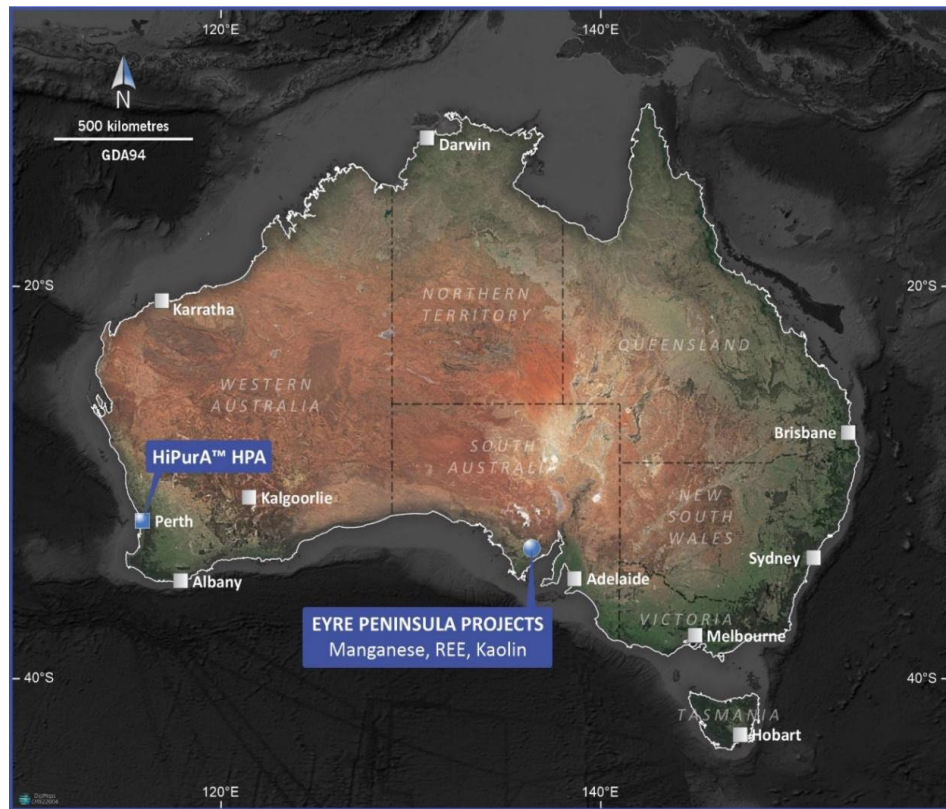


Figure 1: ChemX Project Locations

www.chemxmaterials.com.au

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INSERT ANNEXURE A – Attaching Option Terms and Conditions

(a) Entitlement

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.09 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date which is three (3) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 5 Business Days after the Exercise Date, the Company will:

- i. issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- ii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- iii. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.