

ASX ANNOUNCEMENT

30 July 2024

June 2024 Quarterly Activities Report

- **HiPurA[®] Pilot Plant construction advanced, early-stage commissioning commenced.**
- **\$500,000 Share Purchase Plan (SPP) Completed**
- **Ongoing Government and Stakeholder Engagement for grant funding and support, including visit from Member for South Metropolitan Region, Hon. Klara Andric MLC.**
- **Launch of ChemX Materials' [New Website](#)**
- **Commercialisation of South Australian Manganese Assets**

ChemX Materials (ASX:CMX) (ChemX or the Company), an Australian high purity critical materials company, is pleased to present its June 2024 quarterly report. The Company is developing its 100%-owned, HiPurA[®] process to produce High Purity Alumina (HPA) in Perth, Western Australia along with its High Purity Manganese (HPM) Project on the Eyre Peninsula in South Australia.

Chief Executive Officer, Peter Lee commented:

"Early stage commissioning of the HiPurA[®] Leach Circuit has been an important milestone achieved by the ChemX Team. This has enabled our internal high purity laboratory to commence optimisation studies ahead of the delivery of the solvent extraction module commissioning."

"ChemX has been well supported in closing out its Share Purchase Plan (SPP) and also Director support via placement, both completed during the quarter."

"Our HPA Pilot Plant is advancing well and we look forward to turning the key on this game-changing technology. Commensurate with our Pilot Plant progress and advanced material ethos, ChemX has also launched a refreshed website (www.chemxmaterials.com.au), showcasing the many applications and increasing demand for HPA in today's technology driven society."

HiPurA[®] HPA Pilot Plant Early Stage Commissioning

During the June 2024 quarter (**the quarter**), ChemX, continued to receive key modules and components of the HPA Pilot Plant. Towards the end of the quarter, the Company was able to begin early-stage

commissioning of the leach circuit within the innovative HiPurA® HPA 24tpa Pilot Plant in O'Connor, Western Australia.

The Leach Circuit is a key part of ChemX's unique flow sheet and comprises the first part of the patented, HiPurA® purification process.

Reagent systems are also nearing operational readiness stage, pictured below.



Figure 1 - ChemX Team pictured in front of the reagents compound.

Next stage construction work is heavily focused on the innovative HiPurA® Solvent Extraction (SX) Circuit.



Figure 2 - ChemX Team actively plumbing key reagent delivery systems to the unique HiPurA® SX Circuit

\$500,000 Share Purchase Plan (SPP) and Placement of Shortfall Completed

Under the SPP, eligible shareholders were provided the opportunity be able to subscribe for shares up to the value of \$30,000 at an issue price of \$0.048 per share along with one free Attaching Option for every two new shares issued, exercisable at \$0.09 per share and expiring three years from the date of issue. Following completion of the Offers the Company issued 6,187,474 fully paid ordinary shares under the SPP and 4,200,000 fully paid ordinary shares under the placement of SPP Shortfall. Following Shareholder approval, the Company issued a further 1,354,166 fully paid ordinary shares to Directors of the Company for consideration of \$65,000. In addition, as per the terms of the Offers 17,739,567 unlisted Options \$0.09 expiring 29/05/2027 comprising Placement Participants (including Directors), SPP Options and Broker Options were issued to investors.

Visit From Member for South Metropolitan Region, Hon. Klara Andric MLC

During the quarter, ChemX was pleased to show the Member for the South Metropolitan Region (Australian Labour Party) Honourable Klara Andric MLC, through our high purity HPA Pilot Plant facility.

The Member was impressed with the award of an Australian Patent in January 2024, and the potential held within ChemX’s novel HiPurA® Process located within her electorate in O’Connor, WA.

Discussions are ongoing with regard to eligible government grants and industry support opportunities given high purity alumina’s critical mineral listing status.



Figure 3 – Pictured Left to Right:

ChemX CEO Peter Lee, Hon. Klara Andric MLC South Metropolitan Region, ChemX Operations Manager Russell Vallis, ChemX Head of Corporate Affairs Linda Gimondo.

Launch of ChemX Materials' New Website in-line with business evolution

ChemX is pleased to launch its new website with a fresh look, as the company nears high purity alumina production at scale and to improve investor relations and stakeholder engagement. ChemX encourages all stakeholders to [subscribe](#).

ChemX's business model continues to strengthen driven by the pillars below.



Proven technology

Proven HiPurA® can produce an above 4N (99.99%) pure HPA at Micro Plant scale.



Innovative and sustainable

Australian patented technology that is lower in energy intensity than alternative methods.



Flexible

HiPurA® not tied to mine production and scalable and modular so can be located close to end users.



Commercialisation

HiPurA® pilot plant to be commissioned in Q3 2024 paving way for commercialisation.



Growing market

Global demand for HPA is growing as the world pursues clean energy and advanced technologies.



Figure 4 - Excerpt from ChemX Materials' new website (www.chemxmaterials.com.au)

Strong growth in demand for HPA in numerous technologies underpins a favourable entrance in H2 2024 as a rapidly developing +4N HPA producer.

Commercialisation of South Australian Manganese Assets

During the quarter, ChemX has fielded interest from several parties for the potential divestment, and/or joint venture of its two tenements within South Australia's Eyre Peninsula region. ChemX's large tenement holding is home to several Kaolin and Manganese prospects as well as a Mineral Resource Estimate (MRE) containing an inferred resource of 13Mt at 5.7%Mn, announced 20 September 2023¹.

In-line with the Board's strategy to elevate the HPA program delivery, ChemX is engaged in discussions with interested parties, due to the increased prominence of manganese market supply side concerns.

This development holds potential to accelerate the High Purity Alumina (HPA) program and create shareholder value via non-dilutive funding. Further updates will be provided as this process continues.

¹ ASX - 20230920 - CMX - Maiden Manganese Resource Supports CMX Strategy

ASX Compliance

In accordance with ASX Listing Rule 5.3.1, the Company did not conduct any on-ground exploration during the quarter.

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

In accordance with Listing Rule 5.3.3, ChemX provides the following information in relation to its mining tenements in Table A. 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.

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

Table A - Tenement status

In accordance with Listing Rule 5.3.5, ChemX confirms payments totalling \$105,000 were made to directors for employment costs as well as to associates and related parties of the Company, for services rendered up to 30 June 2024.

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) is 2,500,000.
2. The terms of and conditions for the issue of Deferred Consideration Shares;
 - a. Commissioning of HPA Pilot Plant
3. During the quarter no Deferred Consideration shares were issued or cancelled.
4. There were no further milestones met during the quarter.

This Announcement has been authorised for release by the Board.

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The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant market announcements, and that the form and context in which the Competent Persons findings presented have not been materially modified from the original announcements.

Where the Company refers to the mineral resource for the Jamieson Tank Manganese Project in this announcement (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the mineral resource estimate in that announcement continue to apply and have not materially changed.

About ChemX Materials (ASX: CMX)

ChemX Materials (ASX:CMX) is an ASX-listed critical materials company developing innovative processing technology to produce high purity alumina for advanced technology and clean energy applications. ChemX Materials' 100% owned, Australian patented HiPurA[®] process technology offers a low cost and energy intensity production method to produce high purity alumina (HPA). The Company's vision is to support the clean energy transition through the delivery of high purity materials and technology that provide real solutions to lowering carbon emissions. The Company is currently constructing a 24 tpa HiPurA[®] Pilot Plant in Perth, Western Australia along with a high purity manganese (HPM) Project on the Eyre Peninsula in South Australia.

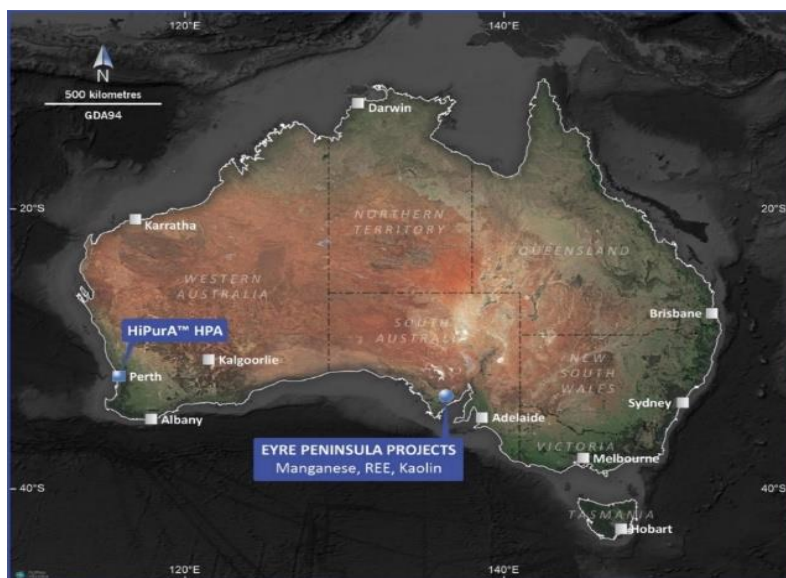


Figure 5 - ChemX Materials' project locations.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ChemX Materials Limited

ABN

88 644 982 123

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows (Unaudited)		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(528)	(1,310)
	(c) production	-	-
	(d) staff costs	(352)	(1,464)
	(e) administration and corporate costs	(170)	(1,019)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
1.5	Interest and other costs of finance paid	(11)	(43)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	920
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,060)	(2,914)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(1)
	(d) exploration & evaluation	(22)	(518)
	(e) investments	-	-
	(f) other non-current assets	-	(30)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows (Unaudited)		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(22)	(549)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,617	1,617
3.2	Proceeds from issue of convertible debt securities	-	2,200
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(213)	(213)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	(230)
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liabilities)	(28)	(114)
3.10	Net cash from / (used in) financing activities	1,376	3,260

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	301	798
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,060)	(2,914)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(22)	(549)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,376	3,260

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows (Unaudited)		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	595	595

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	595	301
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	595	301

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	105
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Convertible Notes)	2,200	2,200
7.4	Total financing facilities	2,200	2,200
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>Convertible note funding facility of up to A\$6m received from existing institutional shareholder Mercer Street Global Opportunity Fund LLC. (refer ASX release dated 4 August 2023). \$A0.5m was drawn down on 14 August 2023 and, following shareholder approval, on 26 September 2023 a further \$A1.7m was drawn down in the December Quarter. A further \$3.8m is available subject to further agreement between the parties up until 4 August 2024.</p> <p>The unsecured convertible notes issued have a maturity date 15 months from the date of issue. Material terms of the facility are contained in Schedule 1 of the ASX release dated 4 August 2023. The notes have a face value of \$600,000 (Expire 14/11/24) & \$2,040,000 (Expire 9 Jan 25..</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,060)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(22)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,182)
8.4	Cash and cash equivalents at quarter end (item 4.6)	595
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	595
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.55
	<i>Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Yes	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: The Company has applied for an advance from a funding provider against expected CMX FY24 R&D claim for circa \$440,000.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, based on expected R&D Rebate finance. Furthermore, the Company also has access to financial markets and believes it can successfully raise capital.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2024

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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