



ASX Announcement

12 December, 2017

US\$1,000,000 FROM SALE OF NON-CORE INVESTMENT

Hexagon Resources Limited (ASX: **HXG**) is pleased to advise that it has sold its holding in unlisted Australian company, Battery Mineral Resources Limited (**BMRL**), which it received as partial consideration for the sale of its Korean graphite assets.

Hexagon has agreed to sell its 2 million shares for US\$0.50 per share to realise US\$1,000,000 (approximately A\$1.3 million). Offers have been received for all of the shares and to date US\$700,000 has been received, with the balance due this week.

The transaction provides a significant boost to Hexagon's cash reserves, and will enable the company to complete its current test and development work on its McIntosh Graphite Project located in Western Australia.

Background

In January 2016, Hexagon settled on the sale of its South Korean graphite assets to BMRL for A\$1.0 million in cash and 2 million BMRL shares. The sale enabled Hexagon to focus its team and financial resources on the development of the McIntosh Project. BMR is working toward a TSX listing as a diversified battery materials company with advanced cobalt, lithium and graphite assets in Canada, the USA and South Korea.

Commentary

The company's Managing Director, Mike Rosenstreich said: "Whilst we are very positive on BMRL and the overall battery minerals sector, we need to give priority to Hexagon's own development plans and capital management.

"The sale of the BMRL shares bolsters our cash reserves at a time when the company is making important progress on its product development program as set out in our recent Corporate Presentation (refer [HXG Corporate Update Presentation December 2017](#)). Positive test results for battery applications, identification of a significant large-flake endowment and excellent results for the higher priced expandable graphite sector are all attracting increased interest from potential offtake parties and financiers. Technically, we are certainly in a much stronger market position in terms of product diversity and premium-markets to secure higher prices than we were 6 months ago. These funds allows us to maintain that momentum and complete graphite purification test work currently underway and then finalise our development strategy and funding requirements."

For further information, please contact:

Mike Rosenstreich

Managing Director

Hexagon Resources Limited

MikeR@hexagonresources.com

+61 8 6244 0349

David Ikin

Senior Account Director

Professional Public Relations

David.ikin@ppr.com.au

+ 61 408 438 772



COMPETENT PERSONS' ATTRIBUTIONS

Exploration Results and Mineral Resource Estimates

The information within this report that relates to exploration results, Exploration Target estimates, geological data and Mineral Resources at the McIntosh Project is based on information compiled by Mr Shane Tomlinson and Mr Mike Rosenstreich who are both employees of the Company. Mr Rosenstreich is a Fellow of The Australasian Institute of Mining and Metallurgy and Mr Tomlinson is a Member of the Australian Institute of Geoscientists. They both, individually have sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activities currently being undertaken to qualify as a Competent Person(s) as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and they consent to the inclusion of this information in the form and context in which it appears in this report.

Metallurgical Test Work Outcomes

The information within this report that relates to metallurgical test work outcomes and processing of the McIntosh material is based on information provided by a series of independent laboratories. Mr Rosenstreich (referred to above) managed and compiled the test work outcomes reported in this announcement. A highly qualified and experienced researcher at NAMlabs planned, supervised and interpreted the results of the test work. Mr Noel O'Brien provided overview and technical guidance on the planning of the programs and the interpretation of the results generated. Mr O'Brien is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr O'Brien and the NAMLabs principals have sufficient experience relevant to the styles of mineralisation and types of test work under consideration and to the activities currently being undertaken to qualify as a Competent Person(s) as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and have consented to the inclusion of this information in the form and context in which it appears in this report.