



ASX ANNOUNCEMENT

29 August 2019

UPDATE ON COMMERCIALISATION STRATEGY

Hexagon Resources Limited (ASX: HXG, “Hexagon” or “the Company”) is pleased to provide a brief update on recent activities including on its active pursuit of downstream processing opportunities in the United States.

The Company’s objective is to become an integrated producer of high value specialty materials for the battery and related technical industrial sectors. As reported recently Hexagon has been engaged in building a foothold in the North American market material processing industry for nearly two years.

This has involved a large amount of technical work that the company has undertaken to understand end customer needs which has provided significant knowledge and industry contacts that have advanced this roll out. Hexagon’s Managing Director has referred to its activities in Alabama as “*being a doorbell to the US battery supply chain*”. Which appears to be resonating with key stakeholders and has resulted with key management executives spending significant time stateside in negotiations and evaluation of several exciting opportunities. The Company is looking forward to being able to announce progress in the coming weeks and months.

It has become apparent that controlling downstream value-added processing and product marketing adds substantial strength to the Company’s upstream projects; McIntosh in Australia and Ceylon in Alabama – which allows the company to be in control of its own destiny. For the past two years the Company has been focused on commercialising a downstream business to become the “natural customer” for its own upstream graphite concentrate materials. This remains the core basis of its strategy – however now in a strong market and business environment, the USA.

The Company continues to advance technical work on its upstream mineral resources to better understand where efficiencies and strengths can be exploited. As reported previously there is going to be a delay to the progress of the McIntosh Joint Venture with Mineral Resources Limited. How this will be structured or what form it will take is still a matter of discussion between the joint venture parties.

Whilst not a core asset, the Halls Creek Gold Project has obvious value to Hexagon in the current high-gold price environment. Following access clearance from Native Title claimant groups work is planned to commence on the Halls Creek Gold project during this field season.

Hexagon’s management team is extremely busy with a number of important initiatives including those referred to above, but looks forward to a full investor engagement program in Q3-Q4 when some of these initiatives will hopefully have come to fruition and the institutional investor community calendar (specifically in the Northern Hemisphere) is more appropriate.

Hexagon looks forward to providing further details and regular updates over the coming months.

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