

ASX ANNOUNCEMENT

28 December 2016

UPDATE ON TRANSACTION TO SELL SOUTH KOREAN GRAPHITE ASSETS TO BATTERY MINERAL RESOURCES

Hexagon Resources Limited (ASX: HXG, "the company" or "HXG") wishes to provide an update following the Announcement of 5 December 2016 on the sale of its subsidiary company which holds its South Korean assets to Battery Material Resources Limited ("BMR").

The announcement of 5 December outlined a Completion Date expected to be around but not before 23 December 2016.

As some due diligence items were still outstanding as at 23 December, completion of the transaction was not achieved prior to the Christmas holiday period. Hexagon's management team will seek to continue to work with BMR to resolve the outstanding items and aim to complete the transaction on the terms as previously announced.

The Board will continue to update the market as to the progress of the transaction.

For further information please contact:

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