



ASX ANNOUNCEMENT

16 March 2017

APPOINTMENT OF NEW MANAGING DIRECTOR AND CEO

Further to its stated objective of continuous development of the Board and management to take the Company into production, the Board of Hexagon Resources Limited (ASX: HXG) is delighted to advise that it has appointed Mr Michael Rosenstreich as the new Managing Director / CEO of Hexagon Resources effective 17th March 2017.

Mike has extensive experience in bringing mining projects from exploration into operations including organising financing and offtake agreements. He has over thirty years technical, corporate and financial experience tempered and tested through times of great success and also adversity. The Board considers that Mike's specific technical and commercial experience including a strong international network, as outlined below make him an ideal appointment for Hexagon's next stage of development:

- 13 years as an exploration and mine geologist with Homestake Gold & Dominion Mining;
- 6 years as a resource financier with NM Rothschild & Sons;
- 2 years technical consultant with Snowden and independently;
- 9 years as founding Managing Director of ASX listed Bass Metals, leading it from pre IPO stage, exploration success and then transitioning to over 5 years of base and precious metals production; and
- 3 years at Keystone Resource Development providing corporate, technical and financial consulting services mainly to emerging producers and financiers.

Tony Cormack has stepped aside as Executive Director / CEO effective 15th March 2017 but will continue on as Non-Executive Director. Tony joined the Company as Head of Operations in April 2014, the Board of Directors in December 2014 and was appointed as the company's CEO in April 2015. Tony fulfilled the role with a great passion and commitment and was instrumental in the successful turnaround of Hexagon and the defining of the McIntosh Resource.

Under Tony's leadership, the company has defined a world-class resource on a shoe-string budget and then built a first-class team in our Perth office. Over the past months we have also hired many of the key employees into full time employment as we lock in the team ready for the next stage.



Neville Miles commented “I am really excited about getting Mike to lead the team as Hexagon enters the next stage of the development of our projects. He comes with a strong track record and will be instrumental in helping us to secure a path forward for the McIntosh Flake Graphite Project as well as progressing our other assets. It was important that we made the transition now as Mike will take ownership of delivering the McIntosh PFS outcomes and evaluating a path forward for our other assets.

I also really want to thank Tony for his tremendous effort and dedication to Hexagon over the past 3 years. I don’t believe we would have turned this company around without him. I am also very pleased that he will stay in the Hexagon team as a Non-Executive Director where we can continue to access his extensive knowledge and experience.”

Mr Rosenstreich responded that Tony, Neville and the team have created a strong platform from which to launch the Company into a development and marketing focused phase. He said “McIntosh is a stand-out graphite project. I am puzzled by the industry wide distraction of “flake size”; at McIntosh the mineralisation is so clean that we appear to be able to produce a premium concentrate product in terms of grade and optimum flake size for the high-end tech applications we will be targeting. This is a key, but poorly understood value driver which I am looking forward to developing and verifying further with the HXG team.”

Mr Rosenstreich will be paid an annual salary of \$250,000 plus 9.5% superannuation and will be eligible for a short-term incentive bonus comprising 10% of salary subject to attaining prescribed objectives set by the Board. As part of a Long-term incentive scheme, Mr Rosenstreich will be granted a performance shares and options package which to still to be finalised. The incentive package will be linked to the company’s strategic goals focussed on the McIntosh project such as completion of Feasibility Study, financing, off-take and operating the business on a sustainable basis in terms of stakeholder relations, environmental management and OH&S. Shareholders will be asked to approve this as soon as practical. The contract is subject to a 3 month notice period by either party.

In conclusion, Mr Miles added “as I stated a year ago, we are constantly looking at bringing the right people into the team to bring our projects towards production. We have secured some great people up to now and I am sure Mike will help us continue down that path.”

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