
HEXAGON RESOURCES LIMITED

ACN 099 098 192

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: Monday 25 September 2017

DATE: 9.30 am (AWST)

PLACE: The Hay Room, BDO Perth, 38 Station Street, Subiaco, Perth WA 6008

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00 pm (AEST) on Friday 22 September 2017.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ADOPTION OF EMPLOYEE SHARE LOAN SCHEME

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)), Section 260C(4) of the Corporations Act and for all other purposes, approval is given for the Company to adopt an incentive scheme titled Employee Share Loan Scheme, and for the issue of securities under that plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – ADOPTION OF EMPLOYEE SHARE OPTION PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an incentive scheme titled Employee Share Option Plan, and for the issue of securities under that plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or

- (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,324,387 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,675,613 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – ISSUE OF SHARES – MR MICHAEL ROSENSTREICH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4), ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 1,000,000 Incentive Shares to Mr Michael Rosenstreich (or his nominee) under the Company's Share Plan in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in the Share Plan) and any of his associates (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – ISSUE OF OPTIONS – MR MICHAEL ROSENSTREICH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4), ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 15,000,000 Incentive Options to Mr Michael Rosenstreich (or his nominee) under the Company's Incentive Plan in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in the Incentive Plan) and any of his associates (**Resolution 7 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 7 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8 – ISSUE OF OPTIONS – MR GARRY PLOWRIGHT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4), ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 2,250,000 Incentive Options to Mr Garry Plowright (or his nominee) under the Company’s Incentive Plan in accordance with the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in the Incentive Plan) and any of his associates (**Resolution 8 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 8 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 – ISSUE OF OPTIONS – MR CHARLES WHITFIELD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4), ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 10,500,000 Incentive Options to Mr Charles Whitfield (or his nominee) under the Company’s Incentive Plan in accordance with the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in the Incentive Plan) and any of his associates (**Resolution 9 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 9 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 24 August 2017

By order of the Board

**Leni Stanley
Company Secretary**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6244 0349.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – ADOPTION OF EMPLOYEE SHARE LOAN SCHEME

1.1 General

Resolution 1 seeks Shareholders approval for the adoption of the employee incentive scheme titled Employee Share Loan Scheme (**Share Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)) and Section 260C(4) of the Corporations Act.

1.2 ASX Listing Rule 7.2 (Exception 9(b))

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 1 is passed, the Company will be able to issue Shares under the Share Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

1.3 Sections 260A and 260C of the Corporations Act

Under section 260A of the Corporations Act, a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

Section 260C(4) of the Corporations Act states that financial assistance is exempted from section 260A of the Corporations Act if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the company. This exemption applies to issues of securities to employees and salaried directors of the Company, but does not extend to allow the proposed issues of securities to consultants of the Company.

1.4 Objective and features of the Share Plan

The objective of the Share Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Share Plan and the

future issue of Shares under the Share Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

A material feature of the Share Plan is the issue of Shares pursuant to the Share Plan may be undertaken by way of provision of a non-recourse, interest free loan to be used for the purposes of subscribing for the Shares based on a price that will be determined by the Board with regard to the market value of the Shares at the time of issue.

Any future issues of Shares under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

Shareholders should note that no Shares have previously been issued under the Share Plan. However, pursuant to Resolution 6, the Company is seeking Shareholder approval to issue the Incentive Shares to Mr Michael Rosenstreich.

A summary of the key terms and conditions of the Share Plan is set out in Schedule 1. In addition, a copy of the Share Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Share Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

2. RESOLUTION 2 – ADOPTION OF EMPLOYEE SHARE OPTION PLAN

Resolution 2 seeks Shareholders approval for the adoption of the employee incentive scheme titled Employee Share Option Plan (**Incentive Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.2 (Exception 9(b)) is set out in section 1.2 above.

If Resolution 2 is passed, the Company will be able to issue Options and performance rights (together, **Incentives**) under the Incentive Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Incentives have previously been issued under the Incentive Plan. However, pursuant to Resolutions 7 to 9, the Company is seeking Shareholder approval to issue the Incentive Options to the Directors of the Company.

The objective of the Incentive Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Incentive Plan and the future issue of Incentives under the Incentive Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Incentives under the Incentive Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Incentive Plan is set out in Schedule 2. In addition, a copy of the Incentive Plan is available for review by Shareholders at the registered office of the Company until the date of the

Meeting. A copy of the Incentive Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

3. RESOLUTIONS 3 AND 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

3.1 General

On 12 October 2016, the Company completed a placement to sophisticated and professional investors at an issue price of \$0.20 to raise \$2 million (**Placement**). The Placement resulted in the issue of 10,000,000 Shares (**Placement Shares**) comprising:

- (a) 7,324,387 Placement Shares issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1 (the subject of Resolution 3); and
- (b) 2,675,613 Placement Shares issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1A, which was approved by Shareholders at the annual general meeting held on 27 November 2015 (the subject of Resolution 4).

Resolutions 3 and 4 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Placement Shares.

3.2 Resolution 3 – ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue the subject of Resolution 3, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.3 Resolution 4 – ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 4, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

3.4 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 3 and 4:

- (a) 10,000,000 Placement Shares were issued on the following basis:
 - (i) 7,324,387 Shares issued pursuant to ASX Listing Rule 7.1; and
 - (ii) 2,675,387 Shares issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.20 per Placement Share under both the issue of Shares pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A;
- (c) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares were issued to sophisticated and professional investors. None of these subscribers are related parties of the Company; and
- (e) the funds raised from the issues are being used to accelerate the Company's Stage 2 lithium-ion battery test work and for general working capital purposes.

4. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

4.1 General

On 22 December 2016, the Company issued a total of 6,000,000 unlisted Options to a nominee of Canaccord Genuity (Australia) Limited (**Canaccord**), comprising:

- (a) 2,000,000 Options exercisable at \$0.28 on or before 16 December 2019;
- (b) 2,000,000 Options exercisable at \$0.40 on or before 16 December 2019; and
- (c) 2,000,000 Options exercisable at \$0.50 on or 16 December 2019,

(December 2019 Options).

The December 2019 Options were issued to Canaccord in consideration for Canaccord assisting the Company in delivering its equity capital markets strategy

and agreeing to act as lead manager and bookrunner for any capital raising by the Company in the following 12 months. The December 2019 Options were issued without Shareholder approval under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the December 2019 Options.

A summary of ASX Listing Rule 7.1 is set out in section 3.2 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) 6,000,000 Options were issued;
- (b) the Options were issued for nil cash consideration in satisfaction of acting as lead supporting broker and lead manager services to be provided to the Company;
- (c) the Options were issued on the terms and conditions set out in Schedule 3;
- (d) the Options were issued to a nominee of Canaccord Genuity (Australia) Limited. None of these parties are related parties of the Company; and
- (e) no funds were raised from this issue as the Options were issued in consideration for assisting the Company in delivering its equity capital markets strategy and agreeing to act as lead manager and bookrunner for any capital raising by the Company in the following 12 months.

5. RESOLUTIONS 6, 7, 8 AND 9 – ISSUE OF SECURITIES TO RELATED PARTIES – MICHAEL ROSENSTREICH, GARRY PLOWRIGHT AND CHARLES WHITFIELD

5.1 Background

As part of a broad incentive share and option issue to key employees and directors of the Company, the Company has agreed, subject to obtaining Shareholder approval and to the adoption of the Share Plan (refer to Resolution 1) and Incentive Plan (refer to Resolution 2), to issue a maximum of 1,000,000 Shares (**Incentive Shares**) and 28,500,000 Options (**Incentive Options**) to related parties of the Company as follows:

- (a) pursuant to Resolution 6, up to 1,000,000 Incentive Shares to Mr Michael Rosenstreich under the Share Plan;
- (b) pursuant to Resolution 7, up to 15,000,000 Incentive Options to Mr Michael Rosenstreich under the Incentive Plan;
- (c) pursuant to Resolution 8, up to 2,250,000 Incentive Options to Mr Gary Plowright under the Incentive Plan; and
- (d) pursuant to Resolution 9, up to 10,500,000 Incentive Options to Mr Charles Whitfield under the Incentive Plan.

The Incentive Shares and Incentive Options the subject of Resolutions 6 to 9 (together, the **Incentive Securities**), will vest upon satisfaction of the milestones set out in Schedules 4 and 5 of this Notice respectively.

The full terms of the Share Plan and Incentive Plan are set out in Schedules 1 and 2 respectively.

5.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Incentive Securities constitutes the giving of a financial benefit and Messrs Rosenstreich, Plowright and Whitfield (together, the **Related Parties**) are related parties of the Company by virtue of being Directors of the Company.

The Directors (other than Mr Rosenstreich in relation to Resolutions 6 and 7, Mr Plowright in relation to Resolution 8 and Mr Whitfield in relation to Resolution 9, given their material personal interests in these Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Incentive Securities because the agreement to grant the Incentive Securities, reached as part of the remuneration package for the Related Parties, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

In addition, ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

5.3 Technical information required by ASX Listing Rule 10.15A

Pursuant to and in accordance with the requirements ASX Listing Rule 10.15A, the following information is provided in relation to the proposed grant of the Incentive Securities:

- (a) Messrs Rosenstreich, Plowright and Whitfield are related parties of the Company by virtue of being Directors of the Company;
- (b) participation in the Share Plan and Incentive Plan is open to any full time or part time employee, contractor or Director of the Group Company who is declared by the Board to be eligible to receive grants of securities under the respective plan;
- (c) the maximum number of Incentive Securities to be granted to the Related Parties is:

- (i) pursuant to Resolution 6, up to 1,000,000 Incentive Shares to Mr Michael Rosenstreich;
- (ii) pursuant to Resolution 7, up to 15,000,000 Incentive Options to Mr Michael Rosenstreich, comprising:
 - (A) 5,000,000 Tranche 1 Incentive Options;
 - (B) 5,000,000 Tranche 2 Incentive Options; and
 - (C) 5,000,000 Tranche 3 Incentive Options;
- (iii) pursuant to Resolution 8, up to 2,250,000 Incentive Options to Mr Gary Plowright, comprising:
 - (A) 750,000 Tranche 1 Incentive Options;
 - (B) 750,000 Tranche 2 Incentive Options; and
 - (C) 750,000 Tranche 3 Incentive Options; and
- (iv) pursuant to Resolution 9, up to 10,500,000 Incentive Options to Mr Charles Whitfield, comprising:
 - (A) 3,500,000 Tranche 1 Incentive Options;
 - (B) 3,500,000 Tranche 2 Incentive Options; and
 - (C) 3,500,000 Tranche 3 Incentive Options.
- (d) the Incentive Securities will be granted to the Related Parties no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the Incentive Securities will be issued on one date;
- (e) a loan of \$110,000 under the Share Plan will be provided to Mr Rosenstreich with respect to the Incentive Shares that are the subject of Resolution 6;
- (f) the issue price of the Incentive Shares is set out in the terms and conditions of the Share Plan in Schedule 1;
- (g) the Incentive Option will be granted for nil cash consideration, accordingly no funds will be raised;
- (h) the Incentive Shares the subject of Resolution 6 will be subject to the vesting conditions set out in Schedule 4 and once vested, will rank equally with the Shares currently on issue;
- (i) the full terms and conditions of the Incentive Options are set out in Schedule 5;
- (j) no securities have previously been issued under the Share Plan or Incentive Plan nor have the Share Plan or Incentive Plan previously been adopted by Shareholders;
- (k) details of any Incentive Securities issued under the Share Plan and Incentive Plan will be published in each annual report of the Company relating to a period in which Incentive Securities have been issued and

the report will state the approval for the issue of those Incentive Securities was obtained under ASX Listing Rule 10.14. Any additional persons who will be entitled to participate in the Share Plan or the Incentive Plan after the date of the Meeting and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Performance Rights to the Related Parties as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Related Party Performance Rights to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Class order means ASIC Class Order 14/1000 (as amended or replaced).

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or

a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Hexagon Resources Limited (ACN 099 098 192).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Group means the Company and its Subsidiaries and Associated Companies (if any) from time to time.

Incentive Option has the meaning given in Section 5.1.

Incentive Plan has the meaning given in Section 2.

Incentive Securities has the meaning given in Section 5.1.

Incentive Share has the meaning given in Section 5.1.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Project means the Company's McIntosh Flake Graphite Project, located in Western Australia.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Share Plan has the meaning given in Section 1.1.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – SUMMARY OF SHARE PLAN

The key terms of the Share Plan are as follows:

- (a) **Eligibility:** Participants in the Scheme may be:
- (i) a Director;
 - (ii) any full or part time continuing employee of a Group Company (including bodies corporate); or
 - (iii) a casual employee or contractor Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**);
- whom the Board determines, in its absolute discretion, is to participate in the Incentive Plan (together **Eligible Participants**).
- (b) **Administration of Share Plan:** The Board is responsible for the operation of the Share Plan and has a broad discretion to determine which Participants will be offered Shares under the Share Plan.
- (c) **Offer:** The Board may, in its absolute discretion, make an offer to an Eligible Participant to participate in the Share Plan (**Offer**). The Offer will be made via an Offer Document and advise the Eligible Participant of:
- (i) the maximum number of Shares that the Eligible Participant may apply for, or the formula for determining the number of Shares that may be applied for;
 - (ii) the issue price for the Shares or the manner in which the issue price is to be calculated;
 - (iii) whether the Company is prepared to grant the Eligible Participant a loan in accordance with the Share Plan, and the maximum loan amount;
 - (iv) any applicable vesting conditions
 - (v) the date by which an offer must be accepted (**Closing Date**); and
 - (vi) any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Shares.
- (d) **Issue price:** the issue price of each Share will be determined by the Board with regard to the market value of the Shares when it resolves to make an offer of Shares. The market value of a Share is to be determined by the weighted volume average price at which Shares were traded on the ASX over the five trading days up to and including the actual date of acceptance of the Shares offered under the Offer.
- (e) **Vesting conditions:** A Share may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the Offer for the Shares (**Vesting Condition**).
- (f) **Restriction conditions:** Shares cannot be sold, disposed of or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Share Plan.

- (g) **Loan:** An Eligible Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:
- (i) the Loan will be interest free;
 - (ii) the Loan made available to an Eligible Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
 - (iii) the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the offer;
 - (iv) an Eligible Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;
 - (v) the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to sell those Shares in accordance with the terms of the Share Plan;
 - (vi) a Loan will be non-recourse except against the Shares held by the Eligible Participant to which the Loan relates; and
 - (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to an Eligible Participant.
- (h) **Sale of Shares to repay Loan:**
- (i) The whole of the amount under a Loan will become immediately due and payable:
 - (A) following the 10th anniversary on the date on which the Loan was made;
 - (B) if the Eligible Participant ceases to be an employee of the Group or notice having been given to that effect;
 - (C) if the Eligible Participant suffers an event of insolvency;
 - (D) if the Eligible Participant breaches any condition of the Loan or the Share Plan; or
 - (E) a Vesting Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
 - (i) **Power of Attorney:** The Eligible Participant irrevocably appoints each of the Company and each person nominated from time to time by the Company (each an attorney) severally as his or her attorney to complete and execute any documents, including applications for Shares and Share transfers, and to do all acts or things on behalf of or in the name of the Eligible Participant which may be convenient or necessary to give effect to the provisions of the Share Plan.
 - (j) **Share Plan limit:** Where the Company has relied or intends relying on the Class Order to make an offer of Shares under the Share Plan, the Company must have reasonable grounds to believe, when making an offer under the Plan, that the number of Shares offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the

Class Order at any time during the previous three (3) year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer under the plan

- (k) **Restriction on transfer:** Eligible Participant may not sell or otherwise deal with a Share until the Loan Amount in respect of that Share has been repaid. The Company is authorised to impose a holding lock on the Shares to implement this restriction.
- (l) **Quotation on ASX:** If Shares of the same class as those issued under the Share Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within the later of 10 business days after:
 - (i) the date the Shares were issued; and
 - (ii) the date any restriction period that applies to the Shares ended.
- (m) **Rights attaching to Shares:** Each Share issued under the Share Plan shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Share Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

SCHEDULE 2 – SUMMARY OF INCENTIVE PLAN

The key terms of the Incentive Plan are as follows:

- (a) **Eligibility:** Participants in the Incentive Plan may be:
- (i) a Director;
 - (ii) any full or part time continuing employee of a Group Company (including bodies corporate); or
 - (iii) a casual employee or contractor Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**),
- whom the Board determines, in its absolute discretion, is to participate in the Incentive Plan (**Eligible Participants**).
- (b) **Offer of Incentives:** Subject to the terms of the Incentive Plan, the ASX Listing Rules and all applicable legislation, the Company may in its absolute discretion, offer Incentives to any Eligible Participant at such time and on such terms as the Board considers appropriate (**Offer**).
- (c) **Incentive Plan limit:** Where the Company has relied or intends relying on the Class Order to make an offer of Incentives under the Incentive Plan, the Company must have reasonable grounds to believe, when making an Offer or Invitation, that the number of Shares to be received on exercise of Incentives offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous three (3) year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Incentives issued under the Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Incentive may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Incentive (**Vesting Conditions**).
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived or met) by written notice to a “Relevant Person” (being an Eligible Participant to whom Incentives have been granted under the Incentive Plan or their nominee), resolve to waive any of the Vesting Conditions applying to Incentives if:
- (i) a Relevant Person ceases to be an Eligible Participant due to:
 - (A) death or total or permanent disability of a Relevant Person; or
 - (B) retirement or redundancy of a Relevant Person,together the **Specified Reasons**;
 - (ii) a change of control occurs; or

- (iii) the Company passes a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Incentive:** Subject to clause (h) and unless otherwise determine by the Board:
 - (i) an Option not validly exercised on or before the relevant expiry date of the Options will automatically lapse; and
 - (ii) a Performance Right lapses on the earlier to occur of:
 - (A) where Vesting Conditions attaching to the Performance Rights have not been satisfied by the date specified in the Offer terms; and
 - (B) the relevant expiry date of the Performance Rights.
- (h) **Ceasing to be an Eligible Person:** Unless otherwise determined by the Board:
 - (i) if any Vesting Conditions attaching to an Incentive have not been met when:
 - (A) an Eligible Participant ceases to be an Eligible Participant for any reason other than a Specified Reason, any such Incentives held by such Eligible Participant, or if appropriate, his or her nominee, will automatically lapse; and
 - (B) an Eligible Participant ceases to be an Eligible Participant for a Specified Reason, such Eligible Participant, or if appropriate his or her nominee, may exercise any such Incentives held by him or her within three months of the date of the Specified Reason (or a longer period as determined by the Board). Incentives not exercised within the three-month period (or a longer period as determined by the Board) will automatically lapse;
 - (ii) if an Incentive has vested, when:
 - (A) an Eligible Participant ceases to be an Eligible Participant for any reason other than a Specified Reason, such Eligible Participant, or if appropriate his or her nominee may exercise any such Incentives held by him or her within three months of ceasing to be an Eligible Participant (or a longer period as determined by the Board). Incentives not exercised within the three-month period (or a longer period as determined by the Board) will automatically lapse;
 - (B) an Eligible Participant ceases to be an Eligible Participant for a Specified Reason, such Eligible Person, of if appropriate, his or her nominee, is entitled to exercise any such Incentive at any time prior to its Expiry Date.
- (i) **Shares:** Shares resulting from the exercise of the Incentives will rank equally in all respects with Shares on issue and entitle the holders of the Shares to participate fully in dividends declared by the Company after the date of allotment and all issues of securities made or offered pro rata to holders of Shares.
- (j) **Sale Restrictions:** Subject to the Company's Constitution and the requirements of the Corporations Act, there will be no transfer restrictions on Shares issued under

the Incentive Plan unless the sale, transfer or disposal by the Eligible Participant of the Shares issued to them on exercise of the Incentives (or any interest in them) would require the preparation of a disclosure document.

- (k) **No Participation Rights:** There are no participating rights or entitlements inherent in the Incentives and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentives without first exercising their Incentives.
- (l) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Incentives and subject to compliance with the ASX Listing Rules, an Incentive does not confer the right to a change in exercise price or in the number of underlying Shares over which the Incentive can be exercised.
- (m) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Incentive are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

SCHEDULE 3 – TERMS AND CONDITIONS OF DECEMBER 2019 OPTIONS

On 22 December 2016, the Company issued 6,000,000 unlisted options on the following terms and conditions:

- (a) 2,000,000 options exercisable at \$0.28
- (b) 2,000,000 options exercisable at \$0.40
- (c) 2,000,000 options exercisable at \$0.50

The terms and conditions of the options are as follows:

- (i) Each option entitles the holder to one share in the Company;
- (ii) The options are exercisable at any time after the 22 December 2016 up until 5.00 pm (AEDT) on 16 December 2019 by completing an option exercise form and delivering it together with the payment for the number of shares in respect of which the options are exercised to the registered office of the Company;
- (iii) An option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised;
- (iv) The options are not transferable;
- (v) All shares issued upon exercise of the options will rank *pari passu* in all respects with the Company's then issued shares;
- (vi) If at any time the issued capital of the Company is reconstructed, all rights of an option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules.

SCHEDULE 4 – VESTING CONDITIONS OF INCENTIVE SHARES

50% of the Incentive Shares shall vest upon issue, with the balance to vest upon completion of a feasibility study with respect to the Project.

SCHEDULE 5 – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

The following is a summary of the key terms and conditions of the Incentive Options:

(a) Vesting

The Incentive Options shall be divided into three tranches, each tranche representing one third of the overall option allocation to that participant. In order for the tranche of Incentive Options to vest the following key performance indicators (**KPIs**) and Share price vesting conditions must be satisfied:

- (i) **KPI vesting criteria:** completion by the Company (in any order) of each the following operational items:
 - (A) completion of a feasibility study with respect to the Project;
 - (B) entry into a binding offtake agreement with a third party with respect to more than 50% of planned production from the Project; and
 - (C) obtaining finance to fully fund the development of the Project through to first production.
- (ii) **Share price vesting criteria:** Upon satisfaction of the above KPI vesting criteria, in order for a given tranche of Incentive Options to vest, the volume weighted average closing price of the Company's Shares over any consecutive 15 trading days must be at or above the following price:
 - (A) Tranche 1 Incentive Option – \$0.20;
 - (B) Tranche 2 Incentive Option – \$0.21; and
 - (C) Tranche 3 Incentive Option – \$0.23.

(b) Entitlement

Each Incentive Option entitles the holder to subscribe for one Share upon exercise of the Incentive Option.

(c) Exercise Price

Subject to paragraph (e), the amount payable upon exercise of each Incentive Option (**Exercise Price**) will be:

- (i) Tranche 1 Incentive Option – \$0.15;
- (ii) Tranche 2 Incentive Option – \$0.17; and
- (iii) Tranche 3 Incentive Option – \$0.20.

(d) Expiry Date

Each Incentive Option will expire at 5:00 pm (WST) on the date which is 5 years from the date of vesting (**Expiry Date**).

(e) Exercise Period

The Incentive Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) Notice of Exercise

The Incentive Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Incentive Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Incentive Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Incentive Option being exercised in cleared funds (**Exercise Date**).

(h) Timing of issue of Shares on exercise

Within 10 Business Days after the Exercise Date, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Incentive Options specified in the Notice of Exercise and for which cleared funds have been received by the Company.

(i) Shares issued on exercise

Shares issued on exercise of the Incentive Options rank equally with the then issued shares of the Company.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Incentive Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options without exercising the Incentive Options.

(l) Change in exercise price

An Incentive Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Incentive Option can be exercised.

(m) Quotation

The Company will not apply for quotation of the Options.

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 9.30am (AWST) on Saturday, 23 September 2017**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **9.30am (AWST) on Saturday, 23 September 2017**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Completed Proxy forms may be lodged by:

- Email info@hexagonresources.com
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Hexagon Resources Limited

ACN 099 098 192

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Hexagon Resources Limited** (Company) and entitled to attend and vote hereby appoint:

the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at **The Hay Room, BDO Perth, 38 Station Street, Subiaco, WA 6008 on Monday 25 September 2017 at 9.30am (AWST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 2, 6, 7, 8 and 9 I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 2, 6, 7, 8 and 9 are connected with the remuneration of a member of the key management personnel for the Company. The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 2, 6, 7, 8 and 9). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Employee Share Loan Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares – Mr Michael Rosenstreich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Options – Mr Michael Rosenstreich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Options – Mr Gary Plowright	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Options – Mr Charles Whitfield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017