HEXAGON
resources limited
High Purity Flake Graphite for New Technologies

ASX ANNOUNCEMENT **30 April, 2018**

MARCH 2018 QUARTERLY ACTIVITIES & CASH FLOW REPORT

Hexagon Resources (ASX:HXG, **Hexagon** or the **Company**) is delighted to report on an historic quarter for the Company, most notably on the financing and development of its McIntosh Graphite Project located in Western Australia, with full project funding for the Stage 1 development. In addition there has been further excellent technical test work outcomes.

1. HIGHLIGHTS

- ***Funding***; Hexagon has negotiated an agreement (subject to Hexagon shareholder vote and positive Feasibility Study) which fully funds the development of the McIntosh plant (Stage 1 – upstream flake concentrate production) up to commercial production of 100ktpa of graphite concentrates. Under this agreement, Mineral Resources (**ASX:MIN**) earns a 51% project interest by providing all the funding for this Stage 1 development expenditure.

- ***Chief Development Officer;*** Michael Chan to commence 21 May, 2018. Prior to this appointment, Mr Chan was General Manager – Project Development for Syrah Resources Ltd for 6 years, taking its Balama Graphite Project from concept to commissioning as technical lead.

- ***Outstanding graphite quality results;*** new test work (undertaken by US Department of Energy) has yielded results demonstrating excellent crystallinity; highly ordered structure including "HOPG", which is a rare and commercially valuable attribute in natural flake graphite.

- ***Large scale marketing strategy;*** the excellent test-work results enable Hexagon to aim to displace synthetic graphite. This strategy is supported by existing test work results and additional planned work to demonstrate and verify potential for McIntosh graphite to replace synthetic graphite with refining and further downstream processing (Stage 2 – downstream graphite material refinement and processing).

- ***Positive graphite market trends;*** continued tightening supply and price appreciation for the higher-specification end graphite products due to increased demand across a range of end-uses including batteries and ongoing closures in China due to increased enforcement of environmental and occupational health regulations.

2. COMMENTARY

Following closely on the transformational December 2017 quarter which saw outstanding technical outcomes, the Company has continued this momentum by signing a Heads of Agreement (**HoA**) with Mineral Resources Limited (**MinRes**) whereby "Stage 1" McIntosh Project development is effectively fully funded, subject to Hexagon shareholder approval and a positive feasibility study outcome.

Hexagon regards MinRes as a very credible partner to work with to bring the Stage 1 graphite flake concentrate project into production. Their technical skills, Western Australian experience and financial capacity significantly de-risks the project and provides certainty to Hexagon and its investors.

Subject to Hexagon shareholder approval, expected on the 14 May, 2018, Hexagon now has a clear line of sight toward production, sales, cash flow and profitability. The McIntosh Project is now effectively funded through to full commercial development via a project-level joint venture which conserves the Company's capital structure and importantly in terms of future business growth enables the Hexagon team to focus on the downstream, "Stage 2" material processing as well as new project opportunities.

On the basis of the MinRes joint venture proceeding, Hexagon now plans to focus on the downstream development or Stage 2 test work comprising piloting and commercialisation of a purification circuit. Hexagon's marketing strategy is to undertake test work to verify that with refining and secondary processing it can meet the exacting specifications of a series of high value applications for the very rare qualities that the McIntosh graphite is being shown to possess. Each tier of test work provides a better understanding of the applications for which the McIntosh material is suitable and thus the markets that should be targeted. Specifically markets for which other natural graphite often does not qualify for and where McIntosh flake can out-compete synthetic on a cost basis and in some cases in terms of performance also. This ambition has been further reinforced by the latest crystallinity test outcomes.

Test results on graphite crystal structure highlight the globally unique properties of the crystalline lattice of graphite from the McIntosh project. Independent testing by the US Department of Energy has confirmed unique, near all-hexagonal preferred crystal orientation of purified McIntosh natural crystalline flake graphite material. Demonstrating superior crystallinity aspects of the McIntosh material is vital in terms of successfully competing with premium quality synthetic graphite products.

This is a clear endorsement that McIntosh flake is differentiated from other natural graphite projects which places Hexagon on a straight path towards accelerating its dual strategy of meeting increased demand from the energy/technology sectors but also displacing synthetic graphite in more traditional industries such as steel making and other high volume and high margin technical applications . With the planned construction of a demonstration plant, Hexagon is aiming to verify to its target-customers that its secondary processed and refined McIntosh graphite has major cost advantages and technical enhancements over synthetic graphite. Given that the synthetic graphite market is 2 to 3 times larger than the natural graphite market this is an important diversification aspect of the Company's marketing strategy.

To execute the down steam processing strategy the Company was delighted to announce the appointment of Mr Michael Chan, as Chief Development Officer, commencing on 21 May, 2018. For the past six years, Mr Chan has been the General Manager – Project Development for Syrah Resources Ltd, with prime responsibility for bringing its Balama Graphite Project from an exploration target to an emerging, significant graphite concentrate producer. Mr Chan will have prime responsibility for driving the Company's strategy to build out its downstream graphite processing capability (Referred to as "Stage 2"). This will comprise major secondary processing test work (purification, battery anode material, expandable graphite and other downstream opportunities) to identify the core technical marketing attributes, process flow sheet design, establishment of pilot scale facilities and if successful development of full scale commercial plants.

In summary, the March quarter has been another transformational period in the history of the Company with a clear path to commercialisation of the McIntosh graphite project through the joint venture with MinRes. This enables Hexagon to focus on the downstream processing business of its

allocation of the joint venture product which is underpinned by more positive technical test outcomes – in this case "perfect crystallinity". The team to deliver these plans has been enhanced with the recruitment of a highly experienced metallurgical engineer with talent to design flow sheets which match the customer's product specifications in a variety of specialty commodities including graphite.

Hexagon has transformed the commercial prospects of the McIntosh project through outstanding outcomes on both the technical and commercial aspects of the business creating a solid platform from which to launch further growth and value for its shareholders. A recent research and valuation report completed by Independent Investment Research is available on the Company's website, recognises the significant value re-rating resulting from the pending MinRes transaction.

3. MCINTOSH FLAKE GRAPHITE PROJECT – STAGE 1 PROJECT

The Company achieved a major milestone during the quarter when it signed a binding HoA with MinRes covering the development of Stage 1 of the McIntosh Graphite Project (**Project**). Stage 1 refers to the project activities and product specifications outlined in the Prefeasibility Study reported in May 2017 comprising mining, graphite flake beneficiation through flotation, bagging, shipping and sale of a graphite flake concentrate grading between 96 - 98% TGC (total graphitic carbon).

Under the agreement, Hexagon and MinRes will establish an unincorporated joint venture, with Hexagon and MinRes respectively holding a 49% and 51% participating interest.

From the date that Hexagon shareholders approve the transaction (General Meeting to be held on the 14 May, 2018), MinRes will be solely responsible to:

- undertake all feasibility studies within 18 months;
- make a decision to mine within 24 months; and
- target completion of project development activities and commercial production of graphite concentrate within 36 months.

MinRes will build, own and operate the entire pit to wharf supply chain under a life of mine, mining services agreement. A special purpose company jointly owned 50:50 will act as Marketing Agent for all Stage 1 graphite concentrate products.

The key terms of the binding HoA for the Earn-in Joint venture are set out in ASX announcement dated 27 March, 2018.

3.1 Geo-Met Model Inputs

The building of the Geo-Met models for each of the deposits continued during the quarter with work focusing on character analysis using assay results and core scanning. A targeted program consisting of submitting pulps for multi-element analysis was completed with results received in late March. The results will be used for lithochemical analysis and integrated into geological logging to refine or provide further support for domains.

A core scanning program commenced in March using core sourced from mineralised zones within the Emperor and Longtom deposits. This work aims to provide characterisation mapping of the core with a focus on outlining where gangue material like quartz and feldspar occurs with respect to graphite mineralisation. The results of this work can be integrated into the ore sorting studies that Hexagon is currently undertaking.

The integration of various datasets; assay results, geological logging, petrographic analysis, physical properties (i.e. density) and spectral mapping, allows for detailed character assessment of deposit mineralisation resulting in the building of robust Geo-Met models. These models will then be used to provide the geological and spatial framework for ongoing metallurgical test work.

3.2 Primary Processing Flowsheet

The major test work programs to examine several opportunities to make significant improvements and cost savings to the processing flow sheet assumed in the May 2017 PFS were suspended while vital data from the secondary processing tests and from the Geo-Met modelling became available. The secondary processing test results have for example highlighted the large flake endowment and the importance of designing a comminution circuit that preserves flake size as much as possible, unlike the circuit in the PFS – which focused on achieving a certain target size ideal for the spherical graphite market. The geo-met data is currently being modelled, but already it provides the background data in regard to the variability and the representative nature of the samples being selected for the test work.

The opportunities to improve the PFS process flow sheet include ore-sorting and beneficiation, alternative comminution circuits and reagent regimes. But with the preliminary secondary process and Geo-Met test work now largely complete major test work programs are being planned for ore sorting, comminution, and classification and trialling new reagent regimes.

In the March quarter a total of 600 kg comprising four samples from the various Geo-Met domains at the Emperor, Wahoo and Longtom deposits were submitted for ore-sorting test work. This work is in progress.

3.3 Off Take

A non-binding Memorandum of Understanding (**MoU**) with China National Building Materials - General Technology Co. Ltd (**CNMM-GT**) of China to purchase 30% of planned primary production from the McIntosh Graphite was signed in January, 2018.

With the likely imminent formation of the 51:49 Joint Venture with MinRes the exact allocation of this product offtake has not been finalised. This needs to be addressed between Hexagon, CNBM-GT and MinRes. In the interim, Hexagon is seeking to agree a test work program with CNBM-GT to underpin any off-take arrangements.

Hexagon is very pleased to be partnering with CNBM-GT in China, given the large scale and diverse network of its business as part of one the world's largest building materials companies with reach into other sectors such as technology. Hexagon will continue to engage with CNBM-GT to understand their specific technical requirements and how either the joint venture or Hexagon might form a commercial offtake arrangement.

3.4 Project Permitting and Approvals

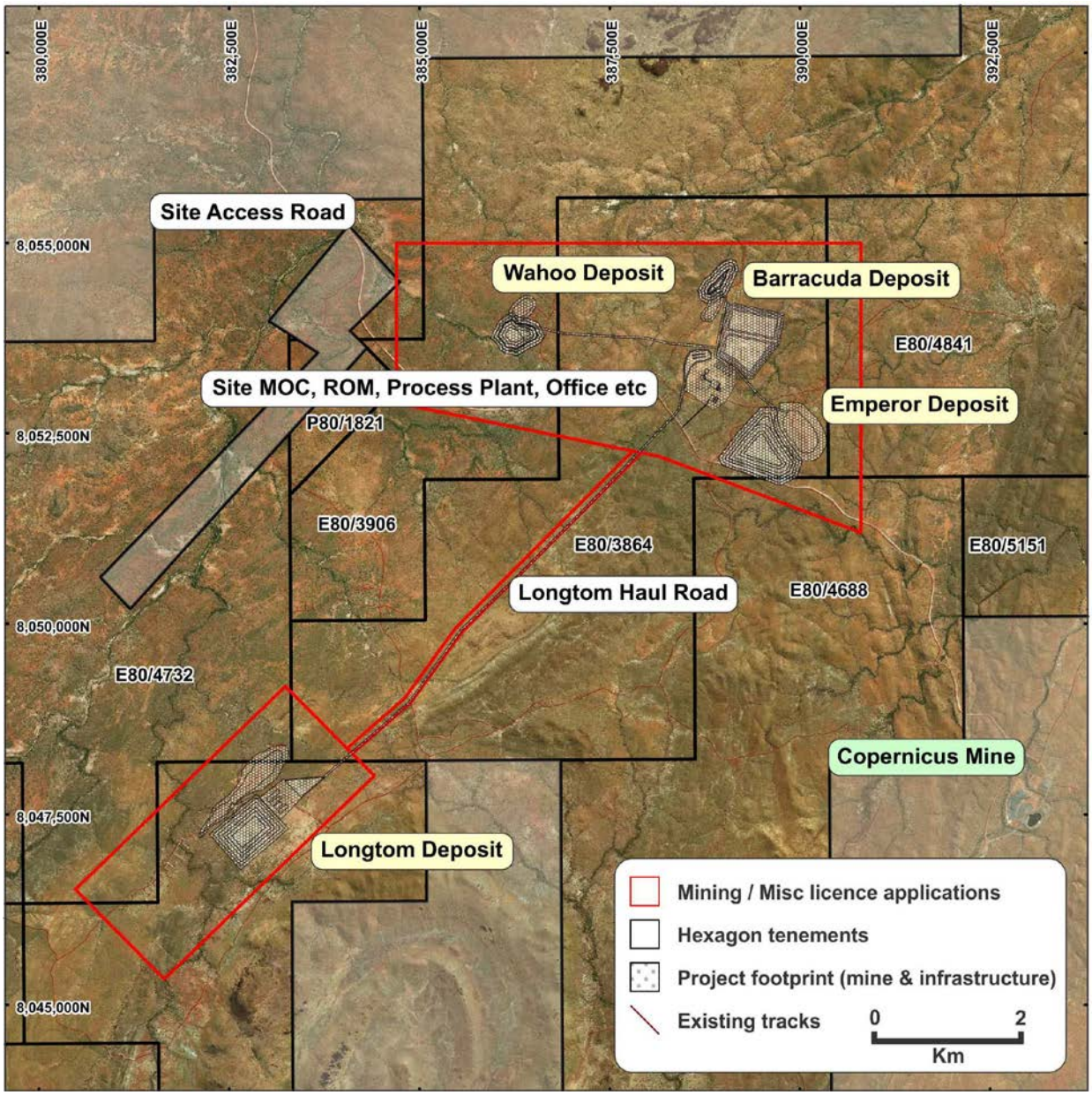
The two applications for mining licences (**MLA**) and one miscellaneous licence application covering the four deposits and areas for proposed infrastructure (as illustrated in Figure 1) are progressing with the Department of Mines, Industry Regulation and Safety.

Mining Lease Agreement negotiations required for the grant of the MLAs have commenced with the Native Title Claimant Group and a series of monthly meetings are scheduled to advance these negotiations.

As part of the final requirements of the baseline environmental assessment process, specimens from the Subterranean Fauna Survey were sent for further identification by environmental consultants Biologic Environmental Surveys to allow adequate subterranean fauna impact assessments.

A gap analysis for all biological surveys completed at the Project is underway and a number of meetings with Regulators and Stakeholders are planned to support the progress of the Projects Mining Proposal submission.

Figure 1: Plan showing MLAs and Miscellaneous Licence areas.



3.5 Stage 1 Feasibility Study and Development Strategy

Under the terms of the HoA for the Stage 1 Joint Venture, MinRes will assume management of the project; as yet no programs or budgets have been proposed or agreed. To maintain momentum toward development, Hexagon has continued its program in regard to test work, approvals and planned drilling programs notwithstanding that management and 100% of the cost of these activities will transfer to MinRes from the date that Hexagon shareholders approve the joint venture transaction. To this end Hexagon has planned drilling programs, engaged drilling contractors and is undertaking the heritage clearance surveys to access several new drilling target areas for drilling to commence in late May-early June.

4. STAGE 2 - DOWNSTREAM PROCESSING

Test work to assess the various technical properties that customers will assess and value continued through the quarter. These results are consolidating Hexagon's opinion that the McIntosh deposit

graphite flake has a unique set of attributes in terms of ease of purification, micronising, shaping, expandability and crystallinity.

Further exciting test results were released during the quarter highlighting the unique properties of the crystalline lattice of graphite coming from the McIntosh project. Independent testing conducted by Argonne National Laboratory (**ANL**) which is operated by the US Department of Energy has confirmed unique, near all-hexagonal preferred crystal orientation of purified McIntosh natural crystalline flake graphite material. Demonstrating superior crystallinity aspects of the McIntosh material is vital in terms of successfully competing with premium quality synthetic graphite products.

ANL has described the McIntosh material as "HOPG-like", which is extremely rare in the world of natural graphite and is very promising for the utilisation of McIntosh material in a number of value added applications from advanced battery systems to friction, nuclear, thermal management and electrical applications, to name a few. HOPG is an acronym for "highly oriented pyrolytic" graphite and is characterised by the highest degree of three-dimensional atomic ordering. This is a very high value synthetic graphite product selling for approximately US$30,000/tonne with 30,000 to 40,000 tonnes traded per year.

The value that these technical specifications attribute to the deposit are not necessarily reflected in the typical parameters used to assess mining projects such as grade and strip ratio. However, the value they add, far outweighs the mine site cost differentials of these mining type aspects and any value comparison based solely on these is fundamentally incomplete. The Company's confidence in the value-add of these technical attributes is reflected in its detailed technical reporting in ASX reports which is of interest to potential customers as much as it is to investors.

The company, in association with its technical partner in the US, NAmLabs, is planning to build a demonstration scale graphite refining furnace to undertake additional test work as part of a feasibility study to build a commercial scale facility that could produce a range of ultra-high purity graphite products. A study is currently underway assessing potential sites in Australia and in North America.

Test work currently in progress comprises cycling test work of batteries utilising McIntosh flake as anode material. As well, planning is advanced for a test program which compares all of the technical specifications of several commercially available synthetic graphite products against refined McIntosh flake material. To date, on a range of isolated test work results such as purity and crystallinity the McIntosh material exceeds many of the synthetic graphite standards.

Ultimately this test work is aimed to demonstrate that secondary-processed and refined McIntosh graphite has major advantages over synthetic graphite in terms of cost and technical performance.

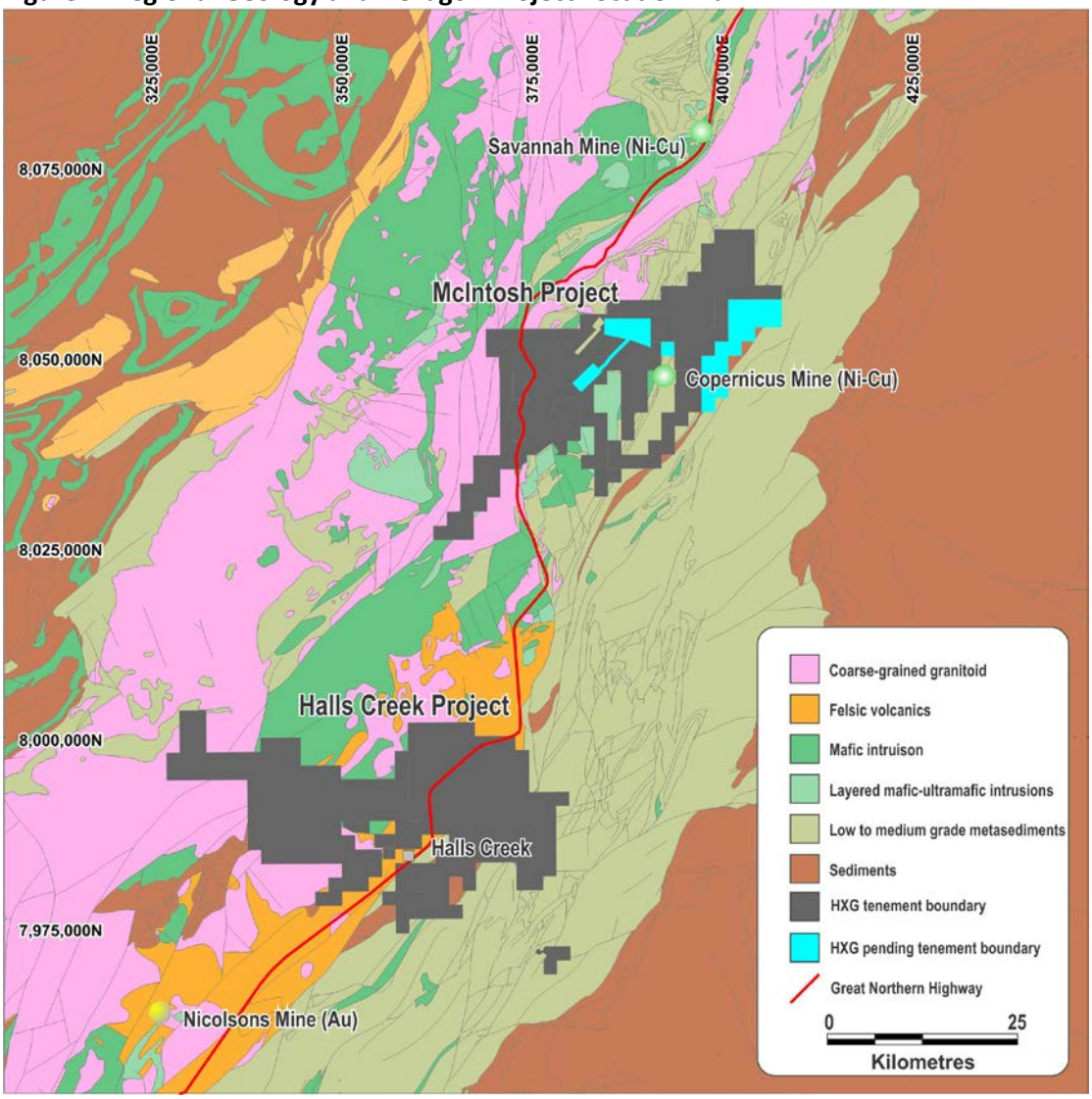
5. DISCOVERY

The Company has two main tenement areas located in the East Kimberley as shown in Figure 2, comprising:

- The McIntosh project – prospective for graphite and base metal massive sulphide deposits; and
- The Halls Creek project – prospective for gold and base metal massive sulphide deposits.

The McIntosh tenements are the core focus and host the McIntosh flake graphite project. Data compilation and target generation work was undertaken on the Halls Creek Project and the Company is assessing its options for this project.

Figure 2: Regional Geology and Hexagon Project Location Plan.



5.1 McIntosh Project

5.1.1 McIntosh Graphite

Details of the drilling program completed in the September 2017 quarter have been reported previously. Since then, assay results for all the reverse-circulation (RC) samples submitted have been received and reported. All assays results including diamond core samples have been received. The program was primarily focused at the Longtom deposit with drilling designed to provide core for metallurgical test work and QAQC analysis within the current PFS designed pit outline. A combination of RC and diamond holes were also drilled along strike testing for extensions to the current defined Longtom resource based on VTEM anomalism (as shown in figure 3 and 4).

Highlights of this drilling include:

- Graphite mineralisation intercepted at true widths of up to 10 metres along an additional strike length of 1.4km from current SW edge of the Longtom resource:
    - T1GRD262: 11 metres at 5.95 %TGC (Total Graphitic Carbon)
    - T1GDD269: 18 metres at 5.74 %TGC

- Positive QAQC analysis between RC and diamond twinned holes; T1GRC270: 27 metres at 5.39 %TGC compared to T6GRD272: 26 metres at 5.82 %TGC
- Confirmation of high grade TGC results within current Longtom resource for example; T1GDD241: 24 metres at 5.40 %TGC
- High grade Ni-Cu rock chip samples returned (1.64% Ni and 5.17% Cu) 1km northeast of Wahoo graphite deposit

Assay results at Longtom presented in Attachment 2, indicate moderate widths of mineralisation were intercepted along an additional strike length of approximately 1.4km from the SW edge of the existing resource.

Two diamond holes were drilled at Barracuda within the current optimised pit design to provide material for metallurgical test work, QAQC analysis through twining of holes and supporting data for the potential resource category upgrade from currently an Inferred Resource to Indicated. Assay results for Barracuda are listed in Attachment 2.

Figure 3: Longtom collar plan showing current resource and optimised pit outline underlain by late time channel VTEM survey image.

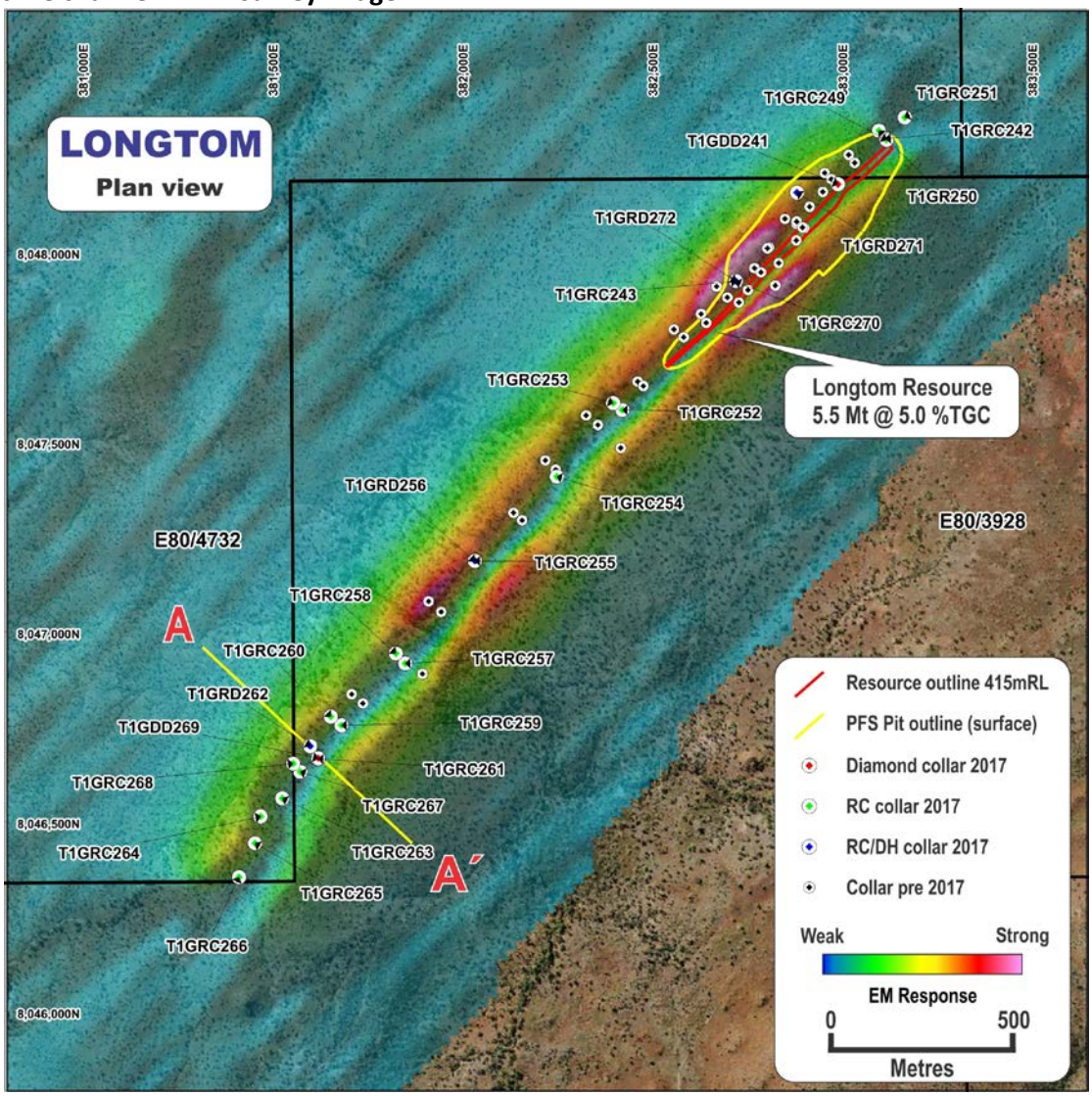
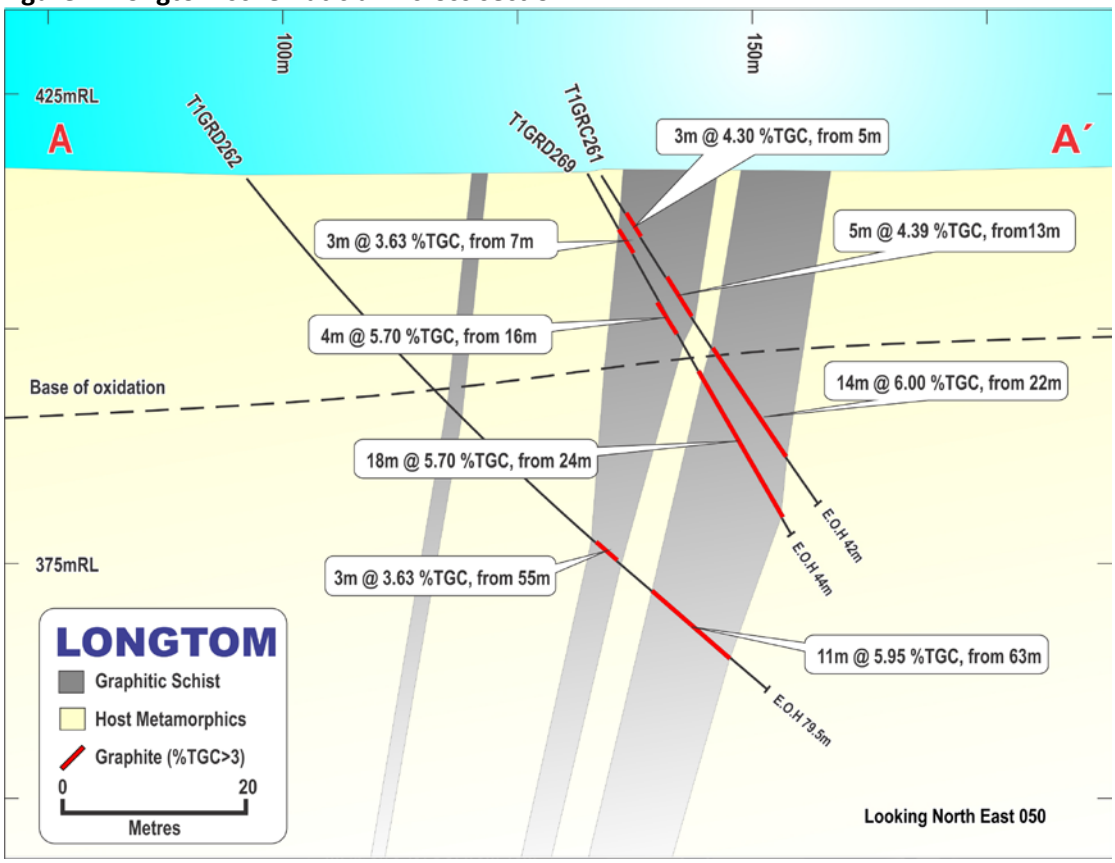


Figure 4: Longtom schematic drill cross section A-A'.

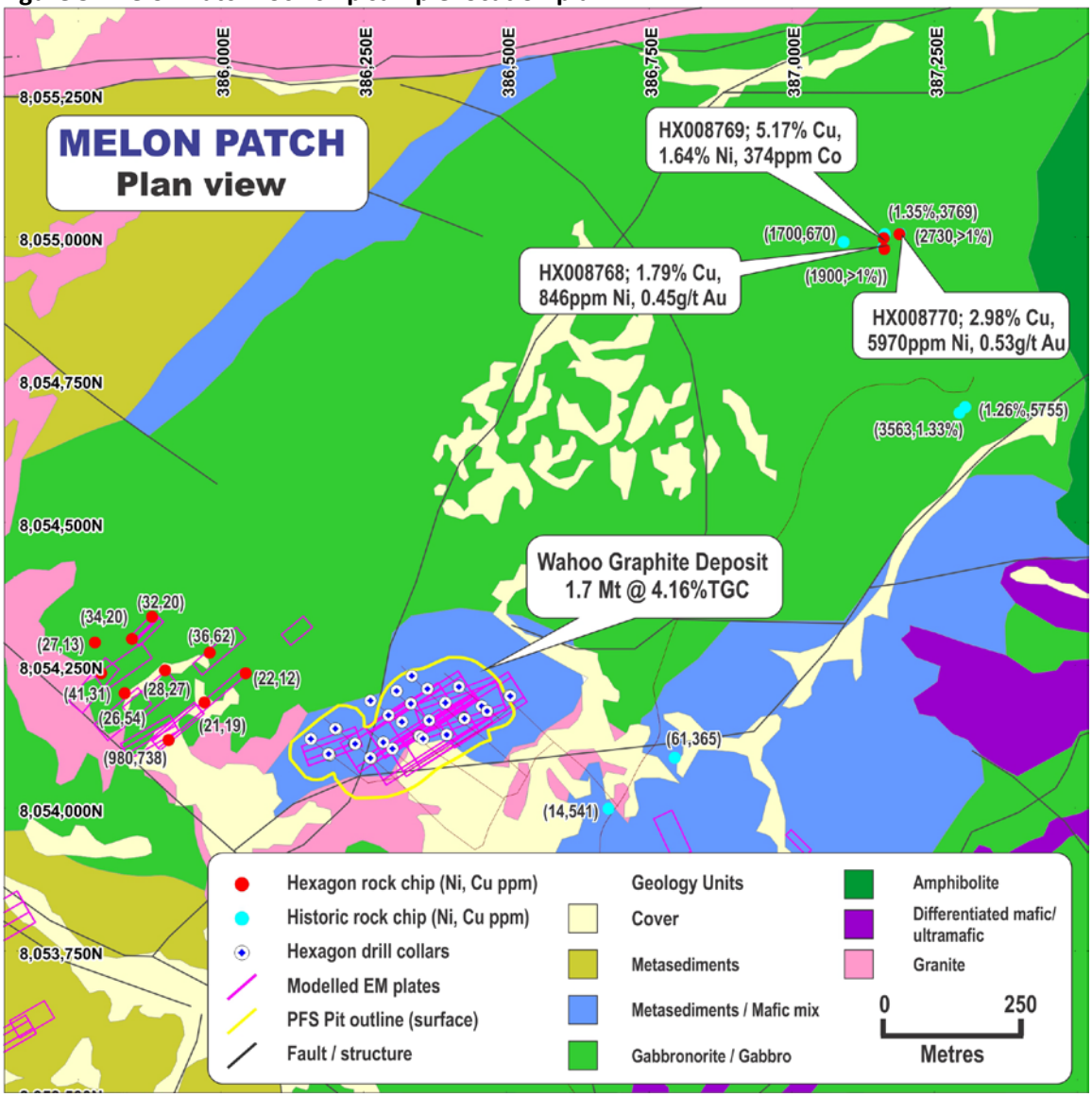


5.1.2 McIntosh Ni-Cu Potential

A small rock chip sampling program was carried out across identified Ni-Cu prospective targets proximal to the Wahoo deposit (Figure 5). The program consisted of three rock chip samples collected proximal to historically recorded high grade Ni-Cu results (1.35% Ni and 3% Cu, WAMEX reports A70864 and A86750) from outcropping gossanous gabbro to replicate these results. Outcropping malachite rock chip samples were collected from the same area and produced analogous results ranging up 1.64% Ni and 5.17% Cu. Further work is required to understand these results when compared to the underlying geophysical datasets.

From the VTEM survey flown by Hexagon in 2014 a series of strong conductors were modelled. The areas where these conductors are located within mapped metasedimentary rocks were drilled for graphite, resulting in the definition of the Wahoo graphite deposit. For the area immediately to the northwest of Wahoo deposit (Figure 5) the EM anomalies occur within a gabbro intrusive. A rock chip program was completed across the modelled plates with a best returned result of 980ppm Ni and 738ppm Cu from gossanous gabbroic rock. All returned results are shown in Attachment 4.

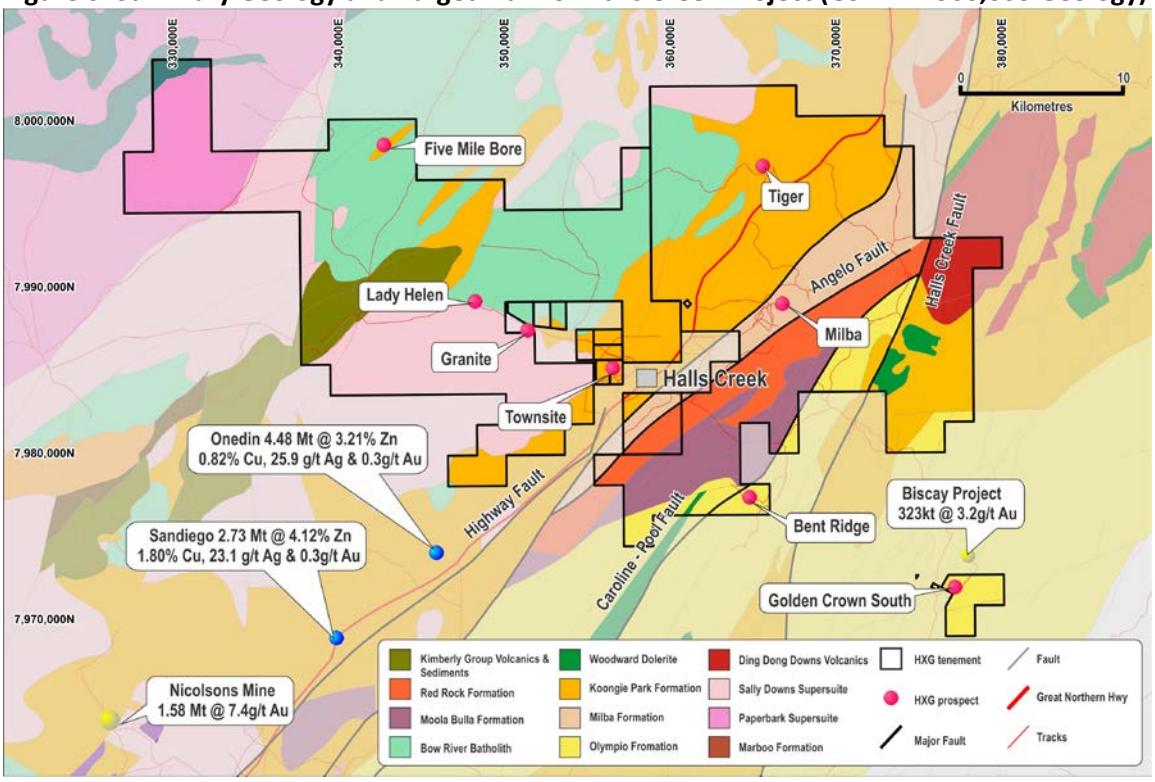
Figure 5: Melon Patch rock chip sample location plan



5.2 Halls Creek Project

The Halls Creek Project is an early stage exploration project which has had very little systematic work, in particular drilling. Work during the past quarter involved correspondence with the heritage group's representative to approve work programs for the upcoming field season and the submission of program of works to the Department of Mines and Petroleum to carry out drilling programs across the prospects shown in Figure 6.

Figure 6: Summary Geology and Target Plan for Halls Creek Project (GSWA 1:500,000 Geology)



6. SUSTAINABILITY

6.1 Health and Safety-

No injuries or major incidents were recorded for the quarter.

7. CORPORATE

7.1 Transactions

Management's core focus has been to secure project financing support and offtake interest for the McIntosh Project. As reported above this has culminated in the joint venture with MinRes to fully fund the project development for a 51% Project interest; and execution of a non-binding MoU for offtake of 30% of graphite concentrate production with CNBM-GT.

Shareholders have been asked to approve the MinRes transaction at a General Meeting of Shareholders to be held on 14 May, 2018 as set out in a Notice of Meeting despatched to shareholders on the 11 April, 2018. Hexagon and MinRes are currently working to complete the documentation of the joint venture in anticipation of a positive shareholder vote.

7.2 Financial Position

The Company finished the March 2018 quarter with $1.02 million cash at bank. Approximately $0.15 million was spent on exploration and development and $0.40 million on administration and staff costs – which includes the financing and offtake related expenditures. The quarterly cash flow and forecast is summarised in the attached Appendix 5B.

The Company has no debt and is considering its capital requirements following signing of the HoA with MinRes, as part of finalising the planning of the secondary processing test work and possible new project opportunities.

7.3 Company Administration

Subsequent to the end of the quarter the Company has relocated its registered office and principal place of business to:

Unit 3/7 Kintail Road
Applecross, WA 6153
Tel: +61 8 6244 0349
Fax: +61 8 6314 6673

The mailing address is:
PO Box 825
Canning Bridge
Applecross, WA 6153

7.4 Capital Structure

During the quarter the following changes to the capital structure of the Company occurred:

- A total of 3 million options were exercised at a price of $0.16162 each to raise $484,000. The options were issued to US based, The Lind Partners LLC on 3 March, 2015 as part of a $1 million convertible funding structure which has since been fully repaid.

The Company has 251.2 million fully paid ordinary shares on issue and 29.4 million unlisted options on issue at the date of this report.

8. 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 and Halls Creek Projects 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 NAmLab planned, supervised and interpreted the results of the test work. The NAmLab 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.

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Attachment 1: Hexagon Tenement Holdings as at 31 March, 2018

Project	Type	Number	Ownership Status at end of Quarter	Tenement Status
McIntosh, WA	E	E80/3864	100% Hexagon	Granted
	E	E80/3928	100% Hexagon	Granted
	E	E80/3906	100% Hexagon	Granted
	E	E80/3907	100% Hexagon	Granted
	E	E80/4688	100% Hexagon	Granted
	E	E80/4734	100% Hexagon	Granted
	E	E80/4739	100% Hexagon	Granted
	E	E80/4732	100% Hexagon	Granted
	E	E80/4825	100% Hexagon	Granted
	E	E80/4842	100% Hexagon	Granted
	E	E80/4841	100% Hexagon	Granted
	P	P80/1821	100% Hexagon	Granted
	E	E80/4733	100% Hexagon	Granted
	E	E80/4879	100% Hexagon	Granted
	E	E80/4931	100% Hexagon	Granted
	E	E80/5151	100% Hexagon	Application
	E	E80/5157	100% Hexagon	Application
	L	L80/0092	100% Hexagon	Application
	M	M80/638	100% Hexagon	Application
	M	M80/639	100% Hexagon	Application
Halls Creek, WA	E	E80/4794	100% Hexagon	Granted
	E	E80/4793	100% Hexagon	Granted
	E	E80/4795	100% Hexagon	Granted
	E	E80/4858	100% Hexagon	Granted
	P	P80/1816	100% Hexagon	Granted
	P	P80/1817	100% Hexagon	Granted
	P	P80/1815	100% Hexagon	Granted
	P	P80/1818	100% Hexagon	Granted
	P	P80/1814	100% Hexagon	Granted
	P	P80/1799	100% Hexagon	Granted
	P	P80/1801	100% Hexagon	Granted
	P	P80/1800	100% Hexagon	Granted

Attachment 2. Drill Hole Results, reported downhole intercepts using >3%TGC, with maximum 2m internal dilution

HoleID	Deposit	Hole Type	mFrom	mTo	Interval	%TGC
T1GDD241	Longtom	DD	10	21	11	3.7
			25	49	24	5.5
T1GRD256	Longtom	RCD	67	81	14	4.44
T1GRD262	Longtom	RCD	55	58	3	3.63
			63	74	11	5.95
T1GDD269	Longtom	DD	7	10	3	4.19
			16	20	4	5.70
			24	42	18	5.74
T1GRD271	Longtom	RCD	109	118	9	4.56
			122	159	37	4.82
T1GRD272	Longtom	RC	63	89	26	5.82
T5GDD244	Barracuda	DD	53	62	9	4.47
T5GDD245	Barracuda	DD	12	25	13	5.58

Attachment 3. Drill Hole Summary

Hole ID	Hole Type	Easting (m)	Northing (m)	R.L. (m)	Dip (°)	Azimuth (°)	Depth EOH (m)
T1GDD241	DD	382991	8048178	420	-60	140	57.2
T1GDD269	DD	381623	8046667	416	-60	140	44
T1GRC242	RC	383117	8048298	420	-60	140	22
T1GRC243	RC	382724	8047922	422	-60	140	12
T1GRC249	RC	383119	8048295	420	-60	140	75
T1GRC250	RC	383099	8048319	419	-60	140	73
T1GRC251	RC	383168	8048354	421	-60	140	83
T1GRC252	RC	382424	8047584	415	-60	140	45
T1GRC253	RC	382400	8047602	413	-60	140	80
T1GRC254	RC	382251	8047408	415	-60	140	57
T1GRC255	RC	382035	8047186	418	-60	140	65
T1GRC257	RC	381852	8046916	417	-60	140	36
T1GRC258	RC	381827	8046943	414	-60	140	87
T1GRC259	RC	381684	8046753	416	-60	140	48
T1GRC260	RC	381656	8046776	416	-60	140	96
T1GRC261	RC	381623	8046665	416	-60	140	42
T1GRC263	RC	381528	8046561	416	-60	140	78
T1GRC264	RC	381471	8046513	417	-50	140	90
T1GRC265	RC	381456	8046442	418	-60	140	78
T1GRC266	RC	381414	8046353	416	-60	140	66
T1GRC267	RC	381576	8046631	417	-60	140	69
T1GRC268	RC	381557	8046652	417	-60	140	108
T1GRC270	RC	382722	8047922	422	-60	140	108
T1GRD256	RCD	382035	8047186	418	-60	140	90
T1GRD262	RCD	381602	8046698	416	-60	140	79.5
T1GRD271	RCD	382884	8048156	422	-60	140	185.2
T1GRD272	RCD	382723	8047923	422	-60	140	102
T5GDD244	DD	388790	8054033	396	-60	310	72.5
T5GDD245	DD	388815	8054102	393	-60	310	29.9
T5GRC246	RC	388839	8054141	392	-60	310	66
T5GRC247	RC	388870	8054191	391	-60	310	66
T5GRC248	RC	388944	8054258	394	-60	300	96

Note: Reverse Circulation (RC), Diamond (DD) and Reverse Circulation precollar with diamond tail (RCD). Co-ordinates grid GDA94-52N.

+Rule 5.5

Attachment 4. All Hexagon rock chip sample locations with selected element results

Sample ID	East	North	Au ppm	Ag ppm	Co ppm	Cr ppm	Cu ppm	Ni_ppm
HX008649	385908	8054119	0.0010	0.657	68.6	106	738	980
HX008650	385831	8054201	<0.0002	0.035	19.15	18.4	53.9	25.9
HX008651	385790	8054236	0.0003	0.023	18.4	33.3	30.8	40.8
HX008652	385779	8054290	<0.0002	0.01	14.95	34.6	12.5	27.1
HX008653	385844	8054296	<0.0002	0.026	15.15	67.1	20.1	33.9
HX008654	385902	8054241	<0.0002	0.005	12.75	140.5	27.2	27.7
HX008655	385971	8054185	<0.0002	0.009	8.01	64.4	18.55	20.8
HX008656	386043	8054236	0.0003	0.009	14.65	18	12.25	22
HX008657	385980	8054272	0.0002	0.01	15.45	44.8	61.7	35.6
HX008658	385879	8054335	0.0003	0.013	14.25	63.3	20.2	32.3
HX008768	387162	8054979	0.4510	1.385	20	50.4	17850	846
HX008769	387161	8054998	0.0529	3.57	374	80.2	51700	16350
HX008770	387189	8055005	0.5300	3.51	101	203	29800	5970

Attachment 5: JORC Tables

Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	**McIntosh Project** **1. Reverse Circulation** • RC drilling used high pressure air and a cyclone with a rotary splitter. • Samples were collected at one-metre intervals. • Approximately 50% of samples were not submitted for assay due to the visual non-mineralised nature of the material collected. All graphitic intervals were submitted for analyses. • Duplicate and standards analysis were completed and no issues identified with sampling reliability. • Samples were sent to the ALS laboratory in Perth for assay preparation and then sent to ALS in Brisbane for Total Graphitic Carbon (TGC) analyses. • All samples were pulverised to better than 85% passing 75µm with a 10 g aliquot taken for assay. • Sampling was guided by Hexagon's protocols and QA/QC procedures. • RC drilling samples of 3 to 5 kg weight were shipped to the laboratory in plastic bags; samples were pulverised and milled for assay. **2. Diamond Drilling** • Drill samples in this program were collected based on geology, varying in thickness from 0.1 m to 2 m intervals. Sampling was completed so samples could be composited to one metre intervals within the geological units. • Core samples were quarter split HQ3 core using a diamond bladed saw and sent to the ALS laboratory in Perth for assay preparation and then sent to ALS in Brisbane for Total Graphitic Carbon (TGC) analyses. • All samples were pulverised to better than 85% passing 75µm with a 10 g aliquot taken for assay. • Duplicate samples, CRM standards and blank material were used during the drill programs. Duplicates collected after each 50 samples. Standards were inserted for samples ending in *00,*20,*40,*60 and *80 and blanks for samples ending in *01,*21,*41,*61 and *81.Sampling was guided by Hexagon's protocols and QA/QC procedures. **3. Rock Chip** • Samples collected from outcrop using a geopick on a nominal 100x100m grid for area to the northwest of Wahoo deposit and from outcrop with visible malachite staining (no grid used). • Handheld GPS used to locate and record sampling points. • Approximately 0.5-1kg of sample collected for each site.
Drilling Techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	**McIntosh – Longtom Deposit** **1. Reverse Circulation** • RC drill holes (total of 1,418 m from 21 holes) – completed with face sampling hammers and collected through a cyclone. Sample recovery was estimated at a percentage of the expected sample, sample state recorded (dry, moist or wet), samples tested with 10:1 HCl acid for carbonates and graphite surface float. • RC drilling was completed by Seismic Drilling using an LMP2000 multipurpose rig. **2. Diamond Drilling** • Diamond drill holes (total of 102.2 m for 2 holes) – collected HQ_3 core using a 3m core barrel and drilled by Seismic Drilling using an LMP2000 multipurpose rig Core orientation was recorded using a Camtec instrument. • RC pre-collars were drilled with HQ_3 diamond tails for a total of 456.7 m from 4 holes. **McIntosh – Barracuda Deposit** **1. Reverse Circulation** • RC drill holes (total of 228 m from 3 holes) – completed with face sampling hammers and collected through a cyclone. Sample recovery was estimated at a percentage of the expected sample, sample state recorded (dry, moist or wet),

		samples tested with 10:1 HCl acid for carbonates and graphite surface float. • RC drilling was completed by Seismic Drilling using an LMP2000 multipurpose rig. **2. Diamond Drilling** • Diamond drill holes (total of 102.4 m for 2 holes) – collected HQ_3 core using a 3m core barrel and drilled by Seismic Drilling using an LMP2000 multipurpose rig Core orientation was recorded using a Camtec instrument.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	**McIntosh Project** **1. RC Drilling** • A face sampling hammer was used to reduce contamination at the face. • 1 m drill chip samples, weighing approximately 2 kg were collected throughout the drill programme in sequentially numbered bags. • Split samples were recovered from a cyclone and rig-mounted cone splitter. The sample recovery and physical state were recorded. • Every interval drilled is represented in an industry standard chip tray that provides a check for sample continuity down hole. **2. Diamond drilling** • Core recovery was excellent. Recoveries were measured for each run between core blocks and measurements recorded. Core was photographed and logged for RQD and geology. • Analysis from one pair of twin holes drilled at Hexagon's Longtom resource (an adjacent and similar style graphite deposit) noted a lower graphite content in the RC samples when compared with diamond core. Insufficient work has been completed on comparing RC and diamond methods to rule out drilling by RC.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	**McIntosh Project** • All RC and diamond drilling (100%) was logged for geology in the field by qualified geologists. Lithological and mineralogical data was recorded for all drill holes using a coding system developed specifically for the Project. Primary and secondary lithologies are recorded in addition to texture, structure, colour, grain size, alteration type and intensity, estimates of mineral quantities, graphite intensity and sample recovery. The oxidation zone is also recorded. • No adjustments have been made to any assay data • Geological logging is qualitative in nature. • Diamond drilling logging also recorded recovery, structure and geotechnical data. • Diamond core was orientated using the Reflex orientation tool. • Core was photographed both dry and wet.
Sub-sample techniques and sample preparation	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	**McIntosh Project** **1. RC Drilling** • All samples marked with unique sequential sample number • RC drilling samples were bagged at the drill site in calico bags with a second outer plastic bag to prevent loss of fines. The sample sizes are considered to be appropriate to the grain size of the material being sampled. • 1m RC drilling samples were submitted to either Actlabs Canada or ALS laboratories in Perth. The samples were riffle split on a 50:50 basis, with one split pulverised and analysed for Total Graphitic Carbon (TGC), Total Carbon (TC) and Total Sulphur (TS) using a LECO Furnace, and the other split held in storage. • For RC samples, standards and field duplicates were inserted at an approximate rate of 1 in every 20 samples collected. Duplicate assay results exhibit good correlation with the original assays and no consistent bias is evident. • Sample preparation: 1. Coarse crush using a jaw crushed to better than 70% passing 6mm. 2. For samples exceeding 3kg received mass, riffle split using a Jones Riffle Splitter 50:50

		3. Pulverise up to 3kg of coarse crushed material to better than 85% passing 75µm particle size 4. Small aliquot (~10g) taken for assay. **2. Diamond Drilling** • Diamond drill core was cut into half core (used for metallurgical testing) and the remaining half sawn into quarter core using diamond blade core-saw. Quarter core was used for samples and duplicates. Core cutting was carried out under consignment at Westernex in Perth. • Duplicate assay results exhibit good correlation with the original assays and no consistent bias is evident. • Sample preparation: 1. Coarse crush using a jaw crushed to better than 70% passing 6mm. 2. For samples exceeding 3 kg received mass, riffle split using a Jones Riffle Splitter 50:50 3. Pulverise up to 3 kg of coarse crushed material to better than 85% passing 75µm particle size 4. Small aliquot (~10 g) taken for assay. • Sampling procedures and sample preparation represent industry good practice: **3. Rock Chip** • Sample methods below **SAMPLE PREPARATION** ALS CODE / DESCRIPTION WEI-21 Received Sample Weight LEV-01 Waste Disposal Levy PUL-QC Pulverizing QC Test LOG-22 Sample login - Rcd w/o BarCode CRU-21 Crush entire sample >70% -6 mm PUL-23 Pulv Sample - Split/Retain BAG-01 Bulk Master for Storage SPL-21 Split sample - riffle splitter **ANALYTICAL PROCEDURES** ALS CODE / DESCRIPTION / INSTRUMENT ME-OG46 Ore Grade Elements - AquaRegia ICP-AES Cu-OG46 Ore Grade Cu - Aqua Regia ICP-AES ME-ICP06 Whole Rock Package - ICP-AES ICP-AES ME-GRA05 H2O/LOI by TGA furnace TGA Ni-OG46 Ore Grade Ni - Aqua Regia ICP-AES ME-MS41L Super Trace Lowest DL AR by ICP-MS
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	**McIntosh Project** • The assaying and laboratory procedures used are industry standard and are appropriate for the material tested. • Sampling was guided by Hexagon's protocols and QA/QC procedures. • For RC samples, standards and field duplicates were inserted at an approximate rate of 1 in every 20 samples collected. • Field duplicates were inserted into diamond core samples at a rate of 4 every 100 samples, standards at a rate of 4 every 100 samples and blanks at 2 every 100 samples. • Statistical analysis of standards, blanks and duplicates during the QAQC process showed that the data was satisfactory. • No issues were identified with sampling reliability • For the rock chips a standard was used plus the laboratories own QAQC checks due to the very limited sample numbers.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	**McIntosh Project** • Hexagon QA/QC checks show that all samples are within acceptable limits. No adjustments to assay data have been made based on the analysis of duplicates, standards and blanks. • Standards from ALS laboratory were found to be acceptable. • Duplicate analysis was completed and no sampling issues were identified. • CSA verified several graphite intersections in core and RC chip samples during a visit to Hexagon's warehouse during January 2015. • During a site visit in October 2015, a geological consultant from CSA verified that the diamond drilling, geological logging and sampling practices were of industry standard. The consultant also verified graphite intersections in core samples. • Analysis from one pair of twin holes drilled at Hexagon's Longtom resource noted a lower graphite content in the RC

		samples when compared with diamond core. It is suggested that RC samples are biased due to the loss of fine material. The majority of samples used in the estimation for Emperor are diamond core. • The Hexagon database is hosted in a SQL backend database, ensuring that data is validated as it is captured and exports are produced regularly. Assay results are merged into the database from the lab certificates limiting transcription or mapping errors from occurring. • No adjustments have been made to the results. • The first none samples by number were reconnaissance sampling so no verification sampling program was undertaken. The last three samples were a verification sampling program of historically reported anomalous results. • The high value results for Ni and Cu rock chip samples were reported in ppm from the laboratory, but reported in % here.
Location of Data points	• *Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	**McIntosh – Longtom and Barracuda Deposits** • 32 drill hole collars were surveyed using Differential GPS by a contract surveyor (MNG survey) from Broome. The degree of accuracy of drill hole collar location and RL is estimated to be within 0.1 m for DGPS. 3 collars were surveyed using a handheld Garmin 62S and Garmin 76c Global Positioning System (GPS) with a typical ±5 m accuracy. Topography from contours generated from a LiDAR survey was used to validate collar points and assign RL values to the 3 holes surveyed by GPS that had an RL >2 m different to the topography. • Downhole surveys completed for all holes where possible (holes) by a gyro instrument by ABIM Solutions. • Topographic control was adequate for the purposes of Mineral Resource estimation. • The map projection used is the Australia Geodetic MGA 94 Zone 52. **McIntosh – Melon Patch** • Handheld GPS with an accuracy of 3m was used to collect the rock chip sample locations
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	**McIntosh – Longtom Deposit** • Drill spacing on an approximate 40 m by 80 m grid throughout the majority of the deposit extension to the SW. • Geological interpretation and mineralisation continuity analysis indicates that data spacing is sufficient for definition of a Mineral Resource. **McIntosh – Barracuda Deposit** • Drill spacing on an approximate 20 m by 40 m grid within the existing defined resource. • Geological interpretation and mineralisation continuity analysis indicates that data spacing is sufficient for definition **McIntosh – Melon Patch** • Samples to the northwest of Wahoo deposit were collected on a nominal 100x100m grid where outcrop was present. • Samples collected to the northeast of Wahoo deposit were randomly spaced and focused on outcrop with malachite staining.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	**McIntosh – Longtom and Barracuda Deposits** • Holes generally drilled dipping at -60° perpendicular to mineralised structure. • Diamond drill core has been orientated using a Camtech tool, with α and β angles measured and positioned using a Kenometer. MapInfo software was used to calculate dip and dip direction for each structure. • The relationship between the drilling orientation and the orientation of key mineralised structures is not considered to have introduced a sampling bias. **McIntosh – Longtom and Barracuda Deposits** • Sampling for the area to the northwest of Wahoo deposit was orientated to be perpendicular to the modelled EM plates.
Sample Security	• *The measures taken to ensure sample security.*	**McIntosh Project** • Unique sample number was retained during the whole process • RC and diamond samples were placed into calico bags and then into self-sealing plastic bags prior to being put into bulka bags. The bulka bags were then transported by road. RC samples were sent to the ALS laboratory in Brisbane for preparation and analysis and diamond core samples were sent to ALS in Perth for preparation and then to ALS in

		Brisbane for analysis. A small amount of core samples were sent to Actilabs. • Drill core transported to Westernex was secured on pallets with metal strapping and transported to Perth by road train. • The sample security is considered to be adequate.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	**McIntosh Project** • Sampling techniques and data collected methods have been audited by CSA during a site visit in October 2015 • Field data is managed by an independent data management consultancy Rocksolid Solutions. • All data collected was subject to internal review • No review has been undertaken for the rock chip samples.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	**McIntosh – Emperor Deposit** • Concentrate material generated from the Emperor deposit occurred on exploration leases E80/3864 and E80/4841. These tenements are held by McIntosh Resources Pty Ltd who is a wholly owned subsidiary of Hexagon Resources. Hexagon Resources are the managers of exploration on the project. • A mining licence (M80/638) application has been applied for which covers the Emperor resource. **McIntosh – Longtom Deposit** • Drilling on the Longtom deposit occurred on exploration leases E80/3928 and E80/4732. • A mining licence (M80/639) application has been applied for which covers the Longtom resource. **McIntosh – Barracuda Deposit** • Drilling on the Barracuda deposit occurred on exploration lease E80/3864. • A mining licence (M80/638) application has been applied for which covers the Barracuda resource. **McIntosh – Melon Patch** • Rock chip samples were collected from tenements E80/3906 and E80/3864. **Halls Creek** • The Lady Helen prospect occurs within tenement E80/4793.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	**McIntosh Project** • The East Kimberley has been largely explored for base metals and diamonds with no active previous exploration for graphite. Graphite had been noted by Gemutz during regional mapping in the Mabel Downs area for the BMR in 1967, by Rugless mapping and RAB drilling in the vicinity of Melon Patch bore, to the east of the Great Northern Highway in 1993 and has been located during nickel exploration by Australian Anglo American Ltd, Panoramic Resources Ltd and Thundelarra Resources Ltd over the last 20 years. • Use of WAMEX reports A70864 and A86570 for historic rock chip sample results. **Halls Creek Project** • The East Kimberley has been largely explored for gold, base metals and diamonds. Within the Halls Creek Project exploration over the past twenty years has been carried out primarily by two companies; Burdekin Resources and 3D resources. Prior to these two companies exploration has been carried out mostly by smaller private companies or prospectors sometimes in joint ventures with larger companies like Freeport of Australia. Exploration consisted of surface geochemical, reconnaissance drilling and geophysical surveys. • Exploration by both companies has been has been largely limited to surface geochemical sampling programs where numerous prospective gold and base metals targets were identified. A small shallow drill program was carried out at the Granites prospect while focused ground IP surveys were completed at some of the prospects including Lady Helen by 3D Resources in the mid 2000's. • Within the broader Halls Creek area significant resources for gold have been identified at Nicolsons and base metal deposits at Onedin and Sandiego.

Geology	• *Deposit type, geological setting and style of mineralisation.*	**McIntosh Project** • The McIntosh Project graphite schist horizons occur in the high grade terrain of the Halls Creek Mobile Zone of Western Australia. The host stratigraphy is the Tickalara Metamorphic which extend for approximately 130 km along the western side of the major Halls Creek Fault. The metamorphic rocks reach granulite metamorphic facies under conditions of high-temperature and high pressure although the metamorphic grade in the McIntosh Project area appears to be largely upper amphibolite facies with the presence of key minerals such as sillimanite and evidence of original cordierite. • Hexagon has identified potential graphite schist horizons based on GSWA mapping and EM anomalism over a strike length in excess of 15 km within the project area, with potential for an additional 35 km strike length of graphite bearing material from lower order EM anomalism. **Hall Creek Project** • The Halls Creek project occurs in the Halls Creek Mobile Zone "HCMZ" of Western Australia. The HCMZ is divided into three sections; west, central and east. The Halls Creek project predominantly covers the central and eastern zones. The central zone includes felsic volcanic and volcaniclastics units of the Koongie Park Formation while the eastern zone consists of greywacke, siltstone, sandstone, marble, impure calcareous rocks, chert and minor mafic lavas and sills. • The metamorphic grade with the project area is low to medium. • Hexagon is targeting structurally controlled epigenetic gold, VMS style base metal and nickel sulfide mineralisation.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:*
	  • *easting and northing of the drillhole collar*
	  • *elevation or RL (elevation above sea level in metres) of the drillhole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length.*
		McIntosh – Longtom Deposit
		• 2 diamond drill holes for 101.2 m and 21 RC drill holes for 1,418 m and 4 RC precollar diamond tail (RD) holes for 456.7 m completed at the Longtom deposit. Hole locations tabulated in an Appendix to this announcement report.
		McIntosh – Barracuda Deposit
		2 diamond drill holes for 102.4 m and 3 RC drill holes for 228 m were completed at the Barracuda deposit. Hole locations tabulated in an Appendix to this announcement report.
		Hall Creek Project
		• N/A

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	**McIntosh Projects** • Data compiled in Excel and validated in Datashed by an external data management consultancy. • RC samples were all 1 m in length, diamond core samples vary between 1m and 2 m samples. • Metal equivalents are not reported as this is an industrial mineral project where the mineral properties define grade (e.g. flake size and purity). • A nominal 3% Total Graphitic Carbon cut-off has been applied in the determination of significant intercepts **Halls Creek** • N/A
Relationship between mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect.*	**McIntosh – Longtom Deposit** • Mineralised widths at Longtom are estimated to be typically between 5 m and 15 m, compared with RC samples of 1m width. There is a very close relationship between the graphitic schist unit and Total Graphitic Carbon (TGC%) assays. The presence of graphitic schist is clearly evident in both the RC chips and diamond drill core so that the assay widths can be clearly related to the geological logs. • The graphitic schist horizon has been interpreted as a steeply dipping unity with thin bands of internal waste. Angled drill holes (generally 60º) have targeted the mineralised unit with the priority to intersect the graphitic schist unit. The interpreted EM data has also allowed for a good indication of unit thickness to be made and applied in areas where the information is not available. **McIntosh – Barracuda Deposit**

		• Mineralised widths at Barracuda are estimated to be typically between 5m and 20m, compared with RC samples of 1m width. There is a very close relationship between the graphitic schist unit and Total Graphitic Carbon (TGC%) assays. The presence of graphitic schist is clearly evident in both the RC chips and diamond drill core so that the assay widths can be clearly related to the geological logs. • The graphitic schist horizon has been interpreted a sub vertical unit striking north, north-east. Angled drill holes (generally 60o) have targeted the mineralised unit with the priority to intersect perpendicular to the strike of the graphitic schist horizon. • Interpreted EM data and the width of intersections where holes were drilled perpendicular to the unit have allowed for a good indication of unit thickness to be made and applied in areas where the information is not available. **McIntosh – Longtom Deposit** • N/A **Halls Creek** • N/A
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.*	**McIntosh Project** • Attached within announcement. **Halls Creek** • Attached within announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	**McIntosh Project** • All diamond sample results and significant widths have been provided within announcement. **Halls Creek** • The exploration data used in the Halls Creek was sourced from historic reports from the Department of Mines and Petroleum of WA “DMP”. No new exploration has been carried out by Hexagon.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	**McIntosh Project** • The September 2014 VTEM Supermax survey over the McIntosh Flake Graphite Project covered a total of 642 line kilometres and identified a total of 12 high-priority anomalies. Five of these were previously identified by induced polarisation (IP) and historical electromagnetic (EM) techniques and confirmed to be flake graphite schist by geological field mapping, petrographic analysis, rock chip sampling and exploration drilling. • VTEM geophysical work was carried out by Geotech Limited with the data validated and processed by Southern Geoscience Consultants (SGC). • Test work and petrographic examinations to gather data on the mineralogy, flake size distributions and elemental associations are being undertaken and reported progressively. The methods comprise petrographic examination-including systematic flake length estimates, screen sizing analyses, assaying (as above). Samples were selected from within the current resource across low to high TGC and S grade ranges. Samples were collected from locations representing the limbs and fold hinge. • Metallurgical test work is underway and being reported progressively on McIntosh concentrate material produced from previous test work. This work examines downstream processing opportunities based on understanding the technical attributes of the flake comprising the concentrate material. This includes simulating downstream processing for battery anode material (Spheroidisation) to generate battery related parameters. As well, tests were completed assessing flake size in the concentrate, flake morphology, purity and particle size distribution and other aspects. Test work has also been completed indicating that flake coarser then 60 Mesh is amenable to expansion (220% expansion factor) opening up new downstream opportunities. • This work is being undertaken by several different laboratories and test work facilities in Australia and oversea

		that have been reviewed and assessed for their experience by Hexagon. **Halls Creek** • N/A
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	**McIntosh Project** • Further diamond core drilling has been recommended to support resource classification and metallurgical testwork. This core is planned to be assayed for TGC and examined petrographically to assess graphite flake characteristics. • Additional dry density work on core to be carried out on mineralised and background domains. • Targeted RC drill program to test the Ni-Cu targets. • Estimate S% content into resource model. • Program to assess moisture content of McIntosh material. • Multi-element analysis of mineralisation and waste material. • Continuation of the test work programs gathering mineralogical data to formulate a geometallurgical model, primary processing test work to improve the Stage 1 process flow sheet and continue the downstream processing test work on material derived from the stage 1 process flow sheet. **Halls Creek** • Reconnaissance drilling program testing strike and depth extents of identified potential mineralisation.

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

HEXAGON RESOURCES LIMITED	
ABN	**Quarter ended ("current quarter")**
29 099 098 192	**31 March 2018**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(149)	(1,540)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(32)	(136)
	(e) administration and corporate costs	(368)	(1,032)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	59
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(548)**	**(2,645)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	23
	(b) tenements (see item 10)	-	-
	(c) investments	-	1,242
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Refund Security Deposit)	-	10
2.6	Other (Hengda Deposit Proceeds)	-	37
2.6	**Net cash from / (used in) investing activities**	**-**	**1,312**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	485	505
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**485**	**505**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,102	1,857
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(548)	(2,645)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	1,312
4.4	Net cash from / (used in) financing activities (item 3.10 above)	485	505

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	(15)	(5)
4.6	**Cash and cash equivalents at end of period**	**1,024**	**1,024**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	994	1,072
5.2	Call deposits	30	30
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,024**	**1,102**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	99
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

6.1: Includes salaries and fees paid to directors

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	210
9.2	Development	
9.3	Production	
9.4	Staff costs	60
9.5	Administration and corporate costs	225
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**495**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2018

(Company secretary)

Print name: Rowan Caren

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.