



ASX Announcement

12 June, 2018

OVERSUBSCRIBED \$7M INSTITUTIONAL PLACEMENT

Key Points

- Binding commitments for a \$7 million share placement.
- The book-build was heavily oversubscribed with strong support from a range of new Australian and international institutional investors.
- Hexagon acknowledges the strong support from the Tribeca Global Resource Fund and welcomes a number of additions to its register including Mineral Resources Limited (its JV partner in the McIntosh Project) as well as a series of new high-quality investment funds.
- Funds will primarily be deployed for the feasibility study and pilot plant for downstream processing of its graphite concentrate.

The Directors of Hexagon Resources Limited (ASX: **HXG** or the **Company**) are delighted to advise the Company has received binding commitments to raise \$7 million at \$0.19 per share from a range of Australian and international, mainly, institutional investors. This includes strong support from existing substantial shareholder, the Tribeca Global Resources Fund, and new shareholder, Mineral Resources Limited.

The issue price of \$0.19 represents a 2.5% discount to the last close of \$0.195. The placement was jointly managed by Foster Stockbroking (Australia/NZ) and Aetas Global Ltd (USA/UK/HK and Singapore). The shares will be issued on settlement under the Company's existing 15% Placement Capacity (ASX Listing Rule 7.1).

Managing Director Mike Rosenstreich said: "These funds will primarily be utilised for the establishment of a pilot refining facility as part of the downstream business feasibility study and to expedite marketing of upgraded McIntosh derived graphite materials."

"We plan to sell into a diverse range of high-end graphite applications including batteries, advanced technologies and also displacing synthetic graphite in sectors such as furnace electrodes; to do this we must produce and distribute sample materials to qualify with our customers. To this end we are establishing a pilot facility spearheaded by our new Chief Development Officer, Michael Chan, in collaboration with our US-based technical partners."

"Hexagon is now well funded to achieve a series of re-rating milestones in terms of downstream processing as well as from the work that Mineral Resources is undertaking at the Stage 1, upstream McIntosh Project."

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Charles Whitfield, Hexagon’s Chairman commented “We are very excited about the opportunities in the “Stage 2” processing of our material and this raise clears the way for us to progress that. There has been an exceptional response to this raise but I would like to note our appreciation of Tribeca for their support and the confidence they have demonstrated by increasing their stake to approximately 10.4%. We also welcome our McIntosh joint venture partner, Mineral Resources to the register along with the other new institutional investors who are clearly supportive of our business strategy”.

“From the outset I have been keen to strengthen and diversify our register with greater institutional support and this placement is part of that process. The fact that the offer was more than 40% oversubscribed at such a slim discount is indicative that the Company’s results and strategy are gaining recognition and we all look forward to this being reflected in the share price also.”

The Company plans to settle this placement by the close of business on Friday 15 June, 2018 at which time an Appendix 3B will be issued.

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