ASX ANNOUNCEMENT **29 October 2018**

SEPTEMBER 2018 QUARTERLY ACTIVITIES & CASH FLOW REPORT

Hexagon Resources (ASX: HXG, **Hexagon** or the **Company**) has continued to make significant progress at both its "upstream" McIntosh Joint Venture project as well as on the "downstream" material processing. The Company is focused on shortening paths to cash flow and profitability so aligning all parts of the business to be able to come on line without delays is a key focus.

The downstream flow sheet is aimed at producing ultra-high purity graphite materials into the premium priced energy storage and industrial applications. Both sectors have high-growth segments; lithium ion batteries as a core for energy storage and in industrial applications Hexagon is targeting substitution of synthetic graphite by its highly crystalline natural flake into the large scale electrodes market, amongst other uses.

In keeping with these strategic objectives, the Company is pleased to report on the following activities and achievements for the September 2018 quarter as outlined below.

1. HIGHLIGHTS

Upstream – the McIntosh Project:

- **Drilling Results**
  - i. 90 metres of shallow graphite mineralisation intersected at the new Mahi Mahi target.
  - ii. 20 metres of shallow graphite mineralisation intersected at the new Threadfin target.
  - iii. Drilling at the Emperor Mineral Resource indicates mineralisation occurs at shallower levels than previously interpreted – highlighting potential for improved open pit mining economics.
- **Min Res JV**
  - i. Finalisation of the Joint Venture agreement between Mineral Resources and Hexagon in progress to replace the current binding Heads of Agreement.

Downstream – Processing of the McIntosh flake graphite concentrates:

- **Major Advancement of the Downstream Strategy, comprising:**
  - i. Identification of target market segments and specific range of products in each of those segments (Figure 9). Test work on each of those products currently in progress.
  - ii. Configuration of innovative downstream purification, leveraging off Hexagon's ability to purify to very high levels (+ 99.99 wt. % carbon) at low cost to target premium end markets via a variety of downstream processes such as spheroidisation, classification, ultrafine milling/micronisation, intercalation/expansion and substitution of synthetic graphite.

- **Highly Encouraging Cell Cycling Results for McIntosh Graphite**
    i. Cell cycling tests using McIntosh graphite achieved results that exceed benchmark reversible capacity levels of 350mAh/g, attaining reversible capacity of up to 363.1mAh/g and 357.5mAh/g – results typical of synthetic graphite and advanced grades of natural crystalline spheroidised flake graphite.
    ii. Results indicate McIntosh produces a high-quality material suitable for lithium ion batteries and is capable of surpassing high-quality synthetic materials used in Li-ion battery production.

Corporate

- Chief Commercial Officer appointed to build-up team with added commercial skills to implement the commercialisation strategy.
- Closing cash balance of $6.3 million, with $0.3 million debtor payment made after 30 September 2018.
- Hexagon presented at several investor and industry specific conference events, meeting with existing and potential investors as well graphite end users. Further investor relations events are planned for the December quarter.

2. COMMENTARY

Hexagon's focus on the downstream processing of its high-grade natural flake graphite concentrate advanced strongly during the quarter. By concentrating its efforts on the downstream opportunities, the Company is pursuing its own path as Mineral Resources Limited (ASX:MIN, MinRes) commences site activities on the Upstream, McIntosh Joint Venture project.

The Company's commercialisation strategy is to establish its refining and downstream qualification plant for testing of McIntosh concentrates to generate specific graphite products for qualification by specific customer groups. Different target markets have varying qualification requirements, with the battery material segment likely having the longest stage-gate process, which has already commenced and generally takes around 18 months, hence the need to progress this process.

Serious, committed off-take agreements arise near the end of this qualification process. Hexagon is already in discussions with a variety of parties interested in its materials. Hexagon's sales program will likely utilise all of its share McIntosh Joint Venture concentrate for its own downstream facilities.

The supply of graphite concentrate to the downstream facilities relies on a high quality graphite resource, such as the McIntosh Project, where MinRes is earning a 51% interest by funding all development through to Commercial Production, subject to completion of a positive Feasibility Study. Hexagon is also assessing other projects with similar technical attributes as its McIntosh flake material and amenable to its unique downstream strategy, located in similar "Tier-1, jurisdictions close to major markets.

MinRes commenced drilling in August with positive initial results achieved, including a 90 m thick intercept of graphite mineralisation from surface at the previous undrilled, Mahi Mahi target. Graphite intercepts were also recorded at the new Threadfin target and at the Emperor Mineral Resource where graphite mineralisation was intercepted at shallower depths than expected which might support improved mining economics to those in the May 2017 Prefeasibility Study. The program will be completed in late October 2018 and assays will likely take several months for final results.

In addition to testing new targets and upgrading the existing mineral resources, the drilling program is designed to generate a large mass of sample for metallurgical testing to optimise the stage 1, upstream flowsheet and to provide concentrate for downstream testing. Michael Chan, Hexagon's

Chief Development Officer, has been in discussions with MinRes supporting their test work program and flow sheet design.

The fact that the Company does not have to invest capital in developing the upstream project enables Hexagon to focus on the value-adding, downstream processing of its allocation of graphite concentrates. The Company is pursuing opportunities to supply the energy storage sector, advanced technologies and established industrial applications: all at the high-specification, premium priced end of the market. To this end a comprehensive strategy update was released in late August, 2018 which highlighted the modified downstream flow sheet, specific end-use customers and products as well as product price expectations for various products.

Test work on purification and nine different product specifications spanning battery materials and high-spec industrial applications, such as furnace electrodes, is currently in progress. Highly encouraging battery cycling test work results were achieved for purified, uncoated spherical graphite from McIntosh supporting previous positive battery test results.

The Company is implementing several initiatives on technical collaboration aimed at offtake of downstream materials as well as pursuing existing offtake relationships. To advance these with hard data, namely finished sample material, Hexagon is planning to establish a pilot refining furnace facility with several prototype downstream product lines focused on both batteries and industrial materials.

In developing its downstream business, Hexagon is adhering to the stringent "5-M's" qualification process dictated by leading battery manufacturers which is a regime of consistent source for all material (which requires that there be no change to the source project), process methodology and location and other criteria. Whilst Hexagon has access to a high quality graphite source at McIntosh, the downstream site and process selection needs to be carefully considered and executed before any qualification processes can commence – because changes mid-way will breach the 5-M's qualification criteria and invalidate the qualification process testing completed to date. A key site selection parameter is power availability and price and the Company is currently reviewing sites in Australia and overseas for its downstream pilot and qualification plant.

To support these upstream and downstream technical and commercial processes the Company appointed Lianne Grove to the newly created role of Chief Commercial Officer to focus on business development opportunities and overall financial management and strategy. This is part of the Company's growth strategy of building up the capabilities of the Hexagon team following the appointment of Michael Chan, a Metallurgical Engineer, as Chief Development Officer.

A detailed data compilation program for the Halls Creek tenements which has identifying several targets prospective for high-grade gold and VMS style base metals was recently completed. An airborne aeromagnetic survey is planned to provide detailed geological context for those targets. However, given the Company's core focus on graphite it is currently seeking expressions of interest for any Joint Venture or Initial Public Offer-style transactions from a serious exploration group.

3. MCINTOSH FLAKE GRAPHITE PROJECT – STAGE 1 PROJECT

Drilling activities commenced on the McIntosh Joint Venture project (**MJV**) in early August 2018. The MJV is between Hexagon and Mineral Resources Limited (ASX: MIN, **MinRes**). MinRes has the right to earn a 51% interest in the McIntosh tenements, by funding all feasibility and development activities through to Commercial Production. MinRes is managing the current program and, subject to a positive Feasibility Study, will manage the MJV operations under a separate Mine Services Agreement.

The aim of the current drilling program is to test the resource potential of new exploration targets east of the known resource, confirm and upgrade existing targets and resources and generate approximately 17 tonnes of core samples for metallurgical test work.

Key near-term objectives of the Joint Venture include:

- Upgrading the existing Mineral Resource base currently comprising 21.3 million tonnes grading 4.5% TGC (as reported by HXG in April 2017);
- Advancing negotiations with the Malarngowem Native Title claimant group to enable heritage clearance of new targets and potential operational areas, and granting of current Mining Lease applications;
- Detailed metallurgical test work to enhance and optimise the process flow sheet for the project to ensure maximum possible preservation of flake size and high graphite recoveries whilst also maintaining high concentrate grades; and
- Develop a "McIntosh" brand to allow marketing of graphite concentrates planned to be produced at McIntosh.

MJV Site Activities

A major drilling program commenced in early August 2018 designed to generate metallurgical samples, underpin a resources upgrade and test several undrilled target zones.

Near the end of quarter, a total 40 drill holes have been completed, comprising 4,888 metres of reverse circulation (RC) and 1,751.1 metres of diamond drill (DD) core over the existing Emperor deposit and the previously untested Mahi Mahi and Threadfin targets; refer Figure 1, Prospect Location Plan.

The program is due for completion at the end of October 2018 and all assay results are pending.

Summary interim observations include:

a. Mahi Mahi Target

First drilling at the Mahi Mahi target has intersected thick, up to 90 metres of graphite mineralisation almost from surface as shown in Figure 2. The graphite mineralisation dips 10 to 30 degrees west and plunges gently south. It has been intersected on 4 drill sections extending over 300 metres along strike and remains open to the south and down dip.

To date, 16 drill holes were completed for a total of 2,058 metres with two diamond drill holes still planned. Drill hole collar locations plotted onto the electro-magnetic (EM) anomaly are presented in Figure 3.

b. Thread Fin Target

First drilling at the Threadfin target has intersected up to 20 metres of graphite mineralisation in the first hole, subsequent holes have intersected thinner bands of graphite. The program consisted of 10 holes for a total of 810 metres.

Figure 1: Prospect Location Plan – MJV

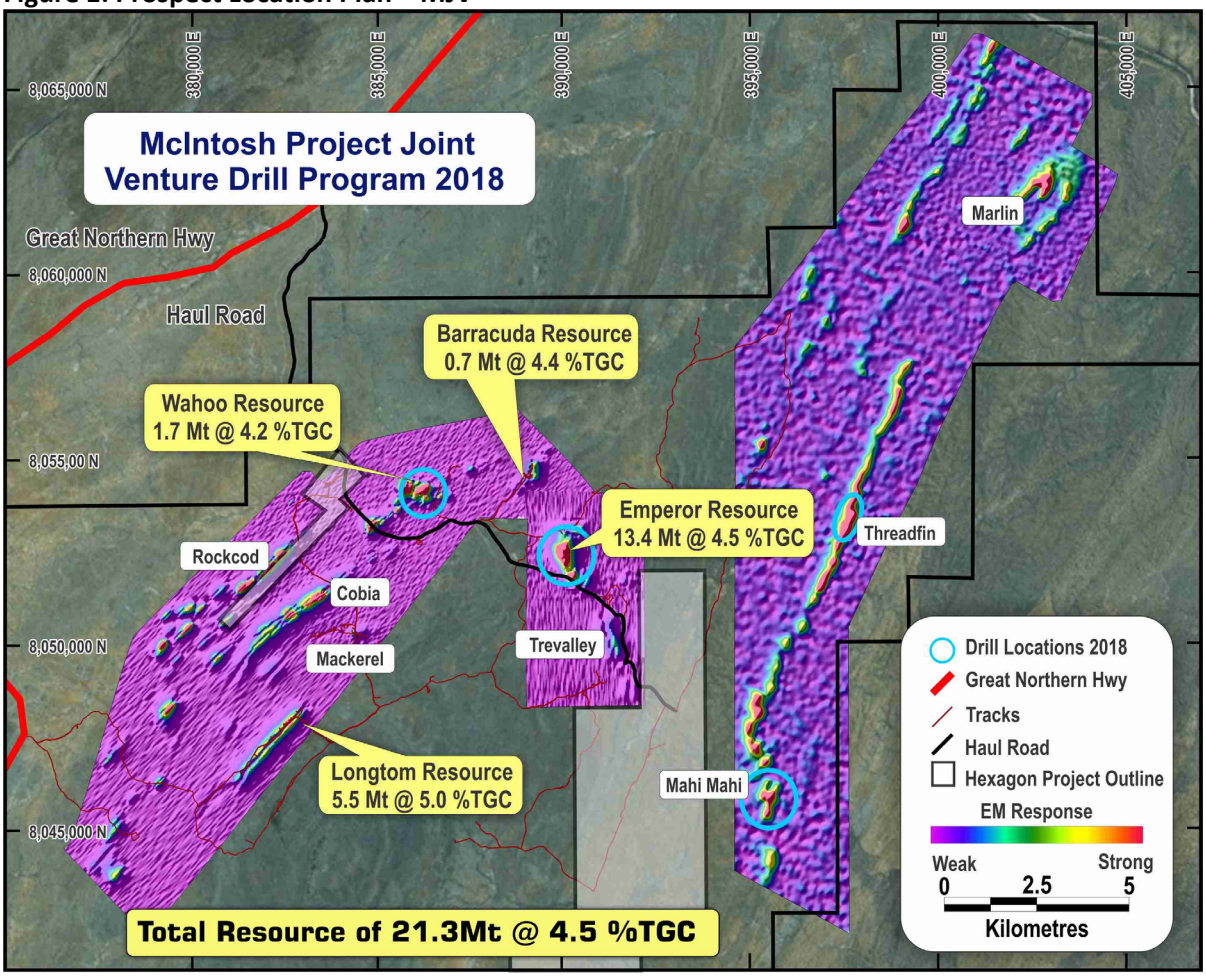


Figure 2: Mahi Mahi Schematic Cross Section

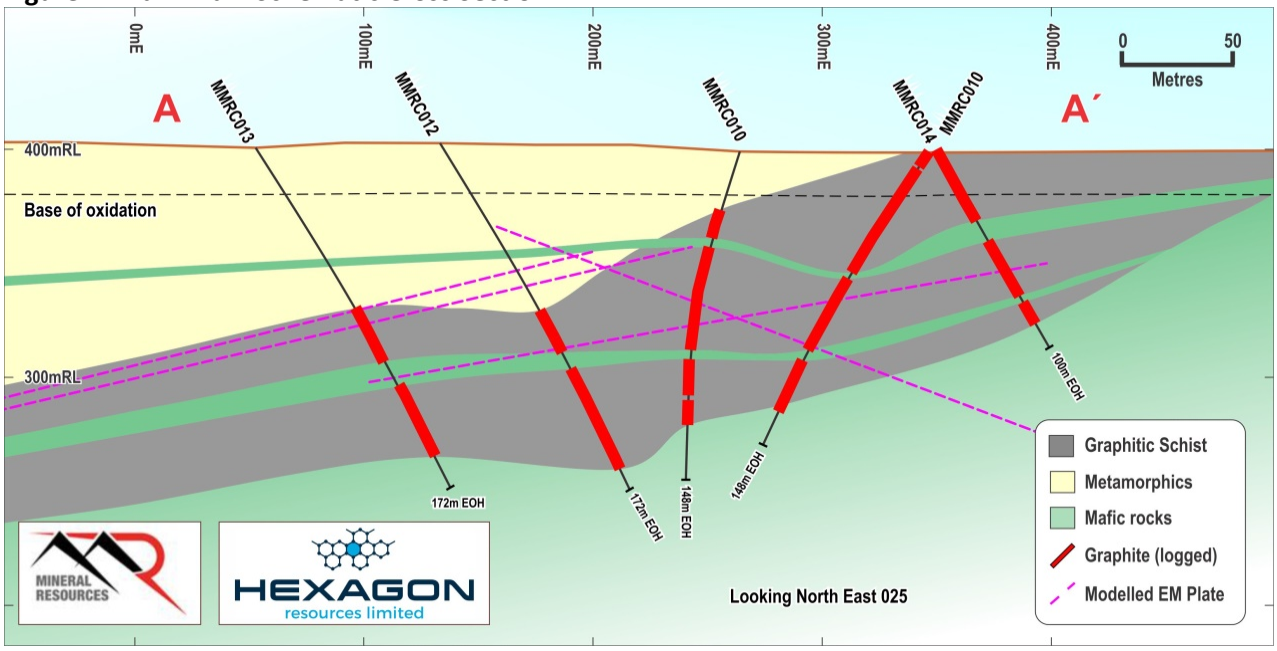


Figure 3: Mahi Mahi drill hole collar location plan superimposed on airborne EM data.

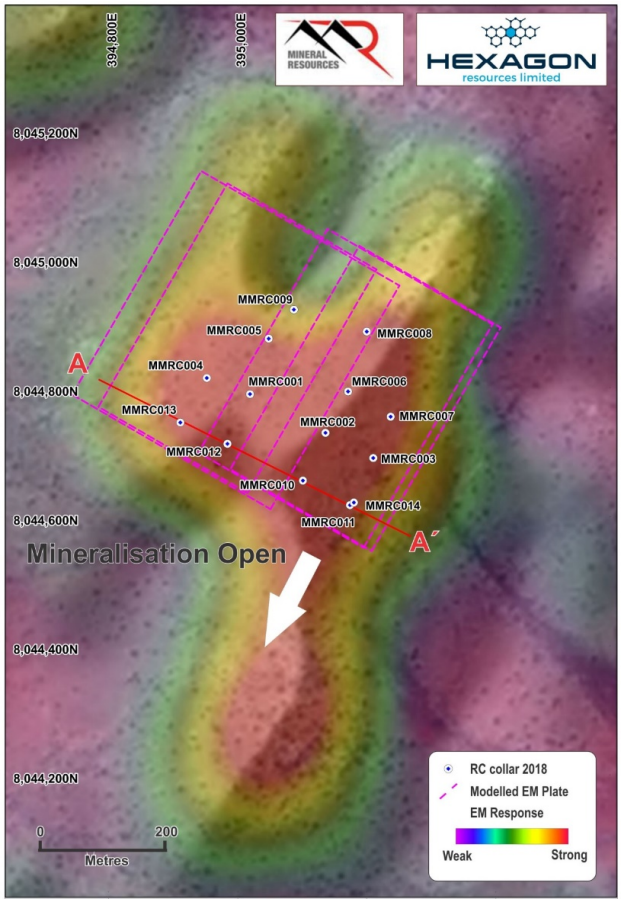
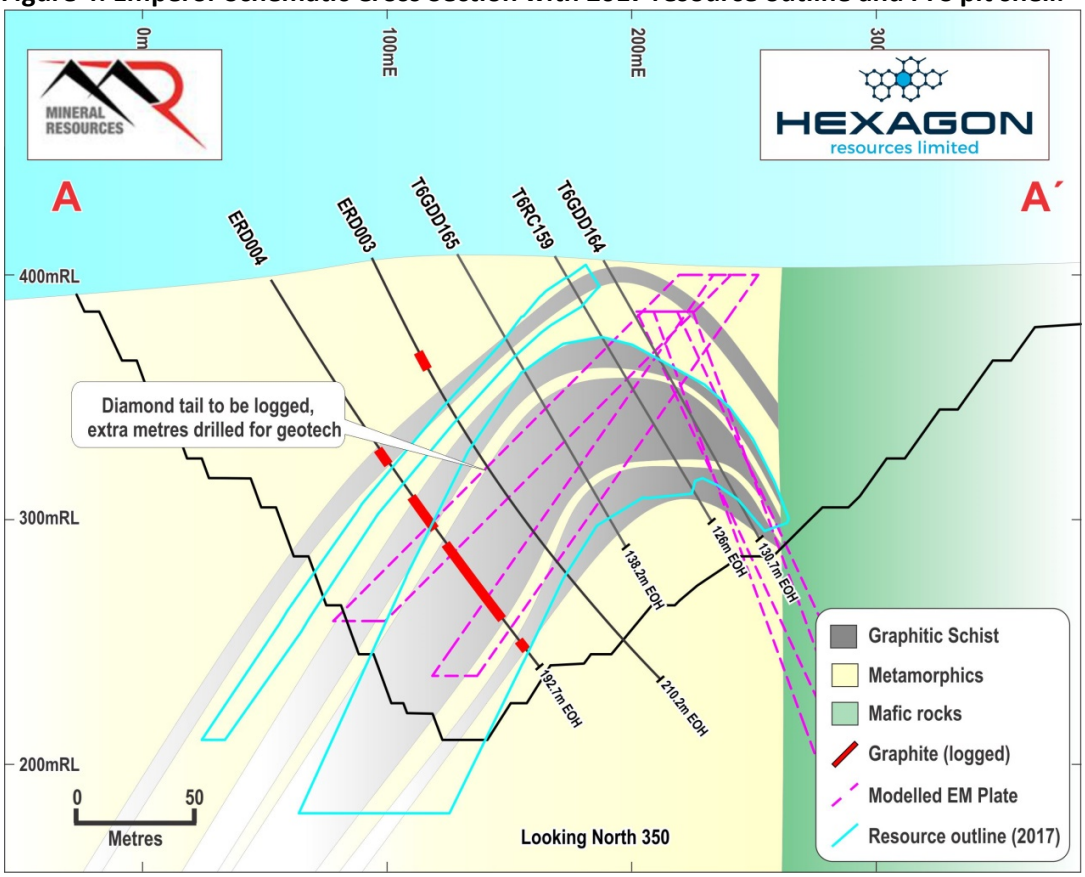


Figure 4: Emperor Schematic Cross Section with 2017 resource outline and PFS pit shell.

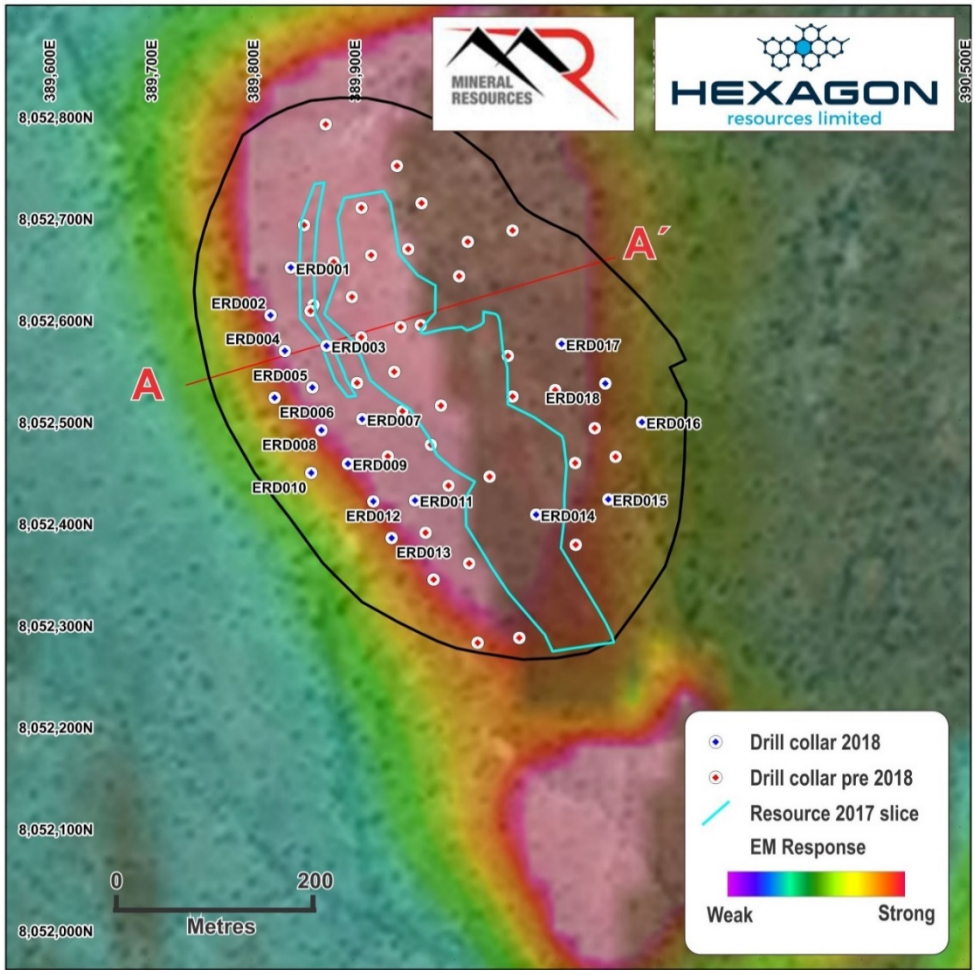


c. Emperor Deposit

Drilling designed to infill the existing Mineral Resource[1] estimated for the Emperor deposit and generate additional metallurgical samples is in progress with 12 diamond drill holes of a 20-hole program completed.

Preliminary observations of the new drill core intercepts suggest that the graphite mineralisation is occurring at a shallower level than previously interpreted which if confirmed would lead to more favourable open pit mining economics. A drill hole plan and schematic cross section is presented in Figures 4 and 5 respectively.

Figure 5: Emperor drill hole collar location plan superimposed on airborne EM data.



Joint Venture Agreements

The MJV activities are currently being conducted under the terms of the binding Heads of Agreement (HoA) executed on 27 March 2018. Hexagon and MinRes had planned to have the formal documentation completed in July 2018. The parties are now planning to have the joint venture documentation completed by the end of October 2018.

3.2 Project Permitting and Approvals

The MJV has two applications for mining licences (**MLA**) and one miscellaneous licence application covering the four deposits and areas for proposed infrastructure at McIntosh. These are progressing through the Right to Negotiate process with the Department of Mines, Industry Regulation and Safety

[1] Refer ASX Report on Mineral Resources dated 25 May, 2017 for full details.

and the Native Title Claimant group and their representatives. Representatives of the MJV have held several meetings with the Native Title Claimant group during the quarter and the MJV is continuing to advance these negotiations.

4. STAGE 2 - DOWNSTREAM PROCESSING

The Company's commercialisation strategy to identify core market segments and undertake thorough test work to optimise its product offering and capture customers. Hexagon is planning its refining and downstream qualification plant which will allow testing of McIntosh concentrates to generate specific graphite products for qualification by specific customer groups.

Different target markets have varying qualification requirements with the battery material segment, likely having the longest stage-gate process, which has already commenced and generally takes around 18 months – hence the need to progress this process. Serious, committed off-take agreements arise near the end of this qualification process. Hexagon is already in discussions with a variety of parties interested in its materials. Hexagon's sales program is likely to comprise utilising all of its share of the McIntosh Joint Venture graphite concentrate for its planned downstream facilities.

The Company continues to assess and refine its downstream business strategy based on the excellent technical results achieved to date. The latest test work reported impressive initial cell cycling test work results using purified, uncoated spherical graphite sourced from the McIntosh project. These results are comparable to the performance of the highest quality synthetic graphite utilised in battery applications – a sector that Hexagon is targeting.

4.1 Building a Vertically Integrated Graphite Business

On 28 August, Hexagon provided an update on its strategy to create a vertically integrated graphite business with the objective to supply high growth demand in the energy storage and industrial sectors. This is an important document and provides several, new key insights on how this strategy will be implemented. This includes:

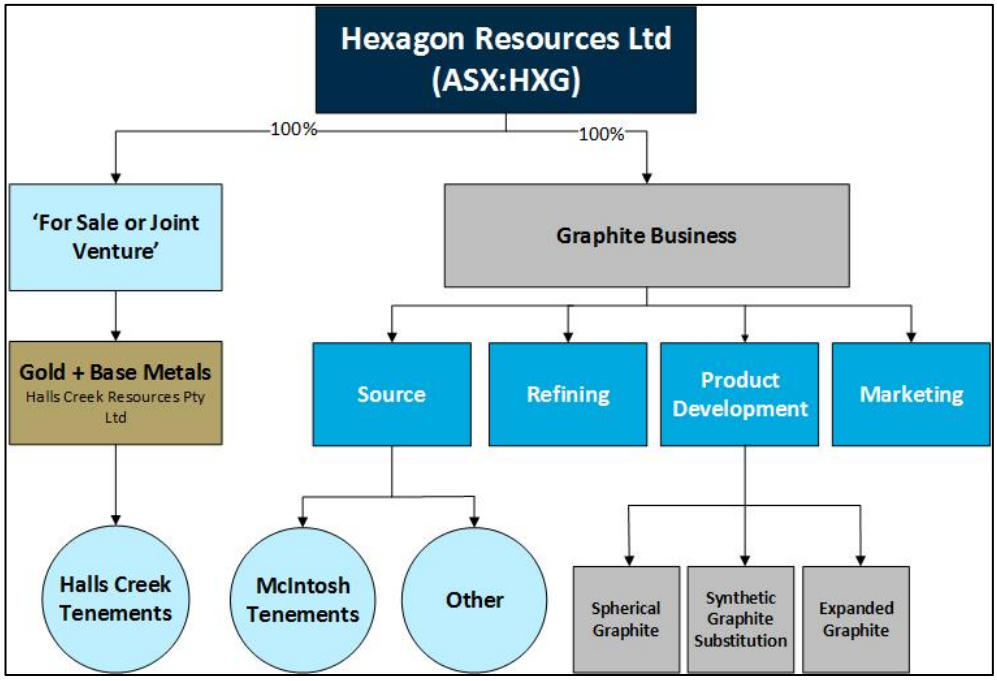
a. Business Structure:

This Company is setting up its operations and financial structure in accordance with the corporate structure depicted in Figure 6. The key segments comprise:

- Sources – which refers to deposits with demonstrated high-purity, crystalline flake graphite – such as McIntosh and others being evaluated by Hexagon;
- Refining – planned to be a core, initial component of the overall downstream flow sheet utilising a low-cost technology to achieve >99.99% TGC;
- Product Development – is the process of matching customers' specific requirements with the technical attributes of Hexagon's flake, focused on three diverse product lines; and
- Marketing – ultimately requiring a dedicated team to establish Hexagon's graphite brands.

The figure also highlights Hexagon's intent to farm-out its Halls Creek project – but only until a serious exploration group capable of adding value for Hexagon shareholders is identified.

Figure 6: Hexagon's Business structure

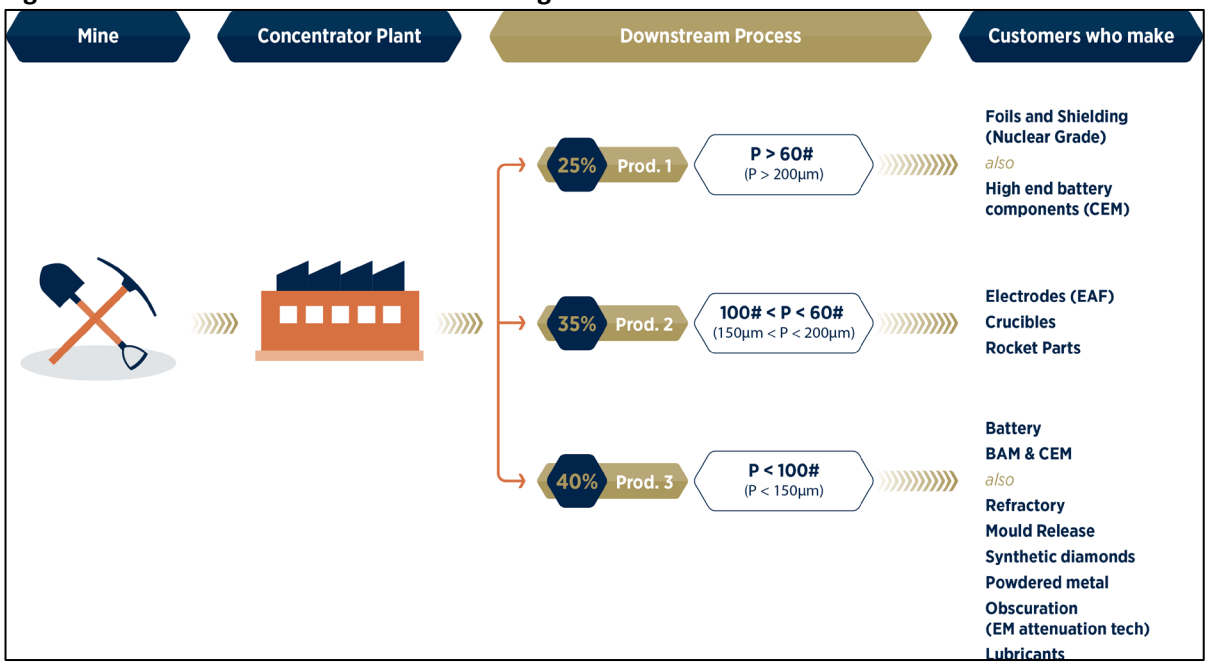


b. Target Customers – viewed from "Upstream"

Hexagon considers that the McIntosh project has the potential to produce at least three concentrate streams in the relative proportions and the target customers as shown in Figure 7. Whilst a Feasibility Study is in progress, preliminary test work undertaken to date indicates the suitability of the concentrate material to these customer's product lines.

The diversity of potential products and industry sectors as indicated under "Customers who make" in Figure 7 is considered a core strength of Hexagon's business case.

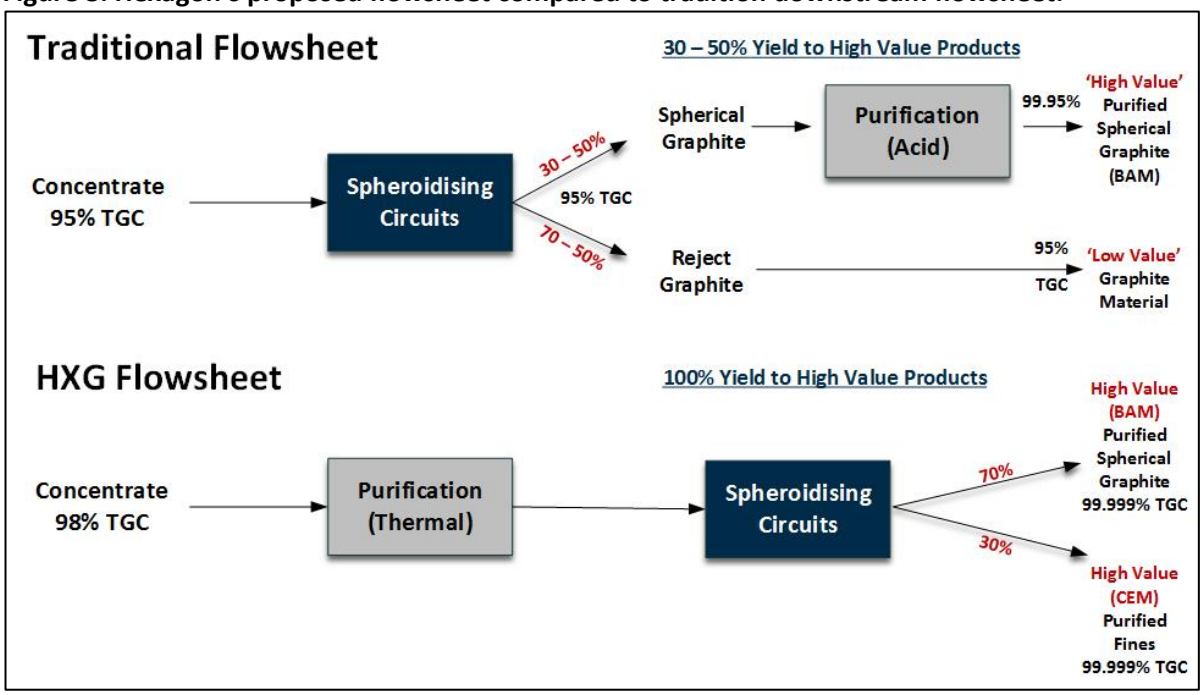
Figure 7: Potential Concentrate flow and target customers.



c. Innovative Downstream flow sheet

Hexagon considers that its McIntosh flake has attributes making it easy and low cost to purify using a proprietary and proven electro-thermal refining technology, targeting a cost of less than US$600/tonne – approximately the same as the assumed cost of, hydrofluoric acid based, environmentally hazardous purification plants operated in China. This has motivated Hexagon to reconfigure its downstream flowsheet as presented in Figure 8, bringing refining to the front of the circuit resulting in an effective 100% yield to high-value products compared to the traditional flow sheet which has a 30-50% yield. In this case using battery anode manufacturing (spheroidisation) as an example.

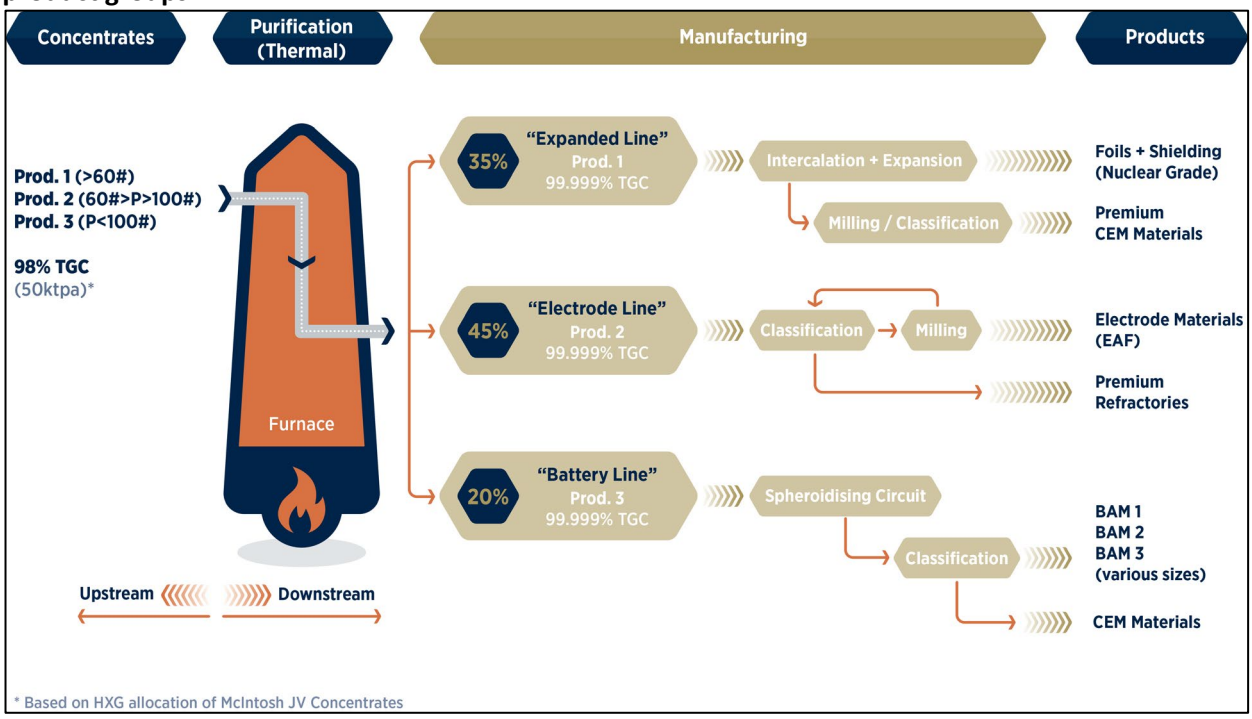
Figure 8: Hexagon's proposed flowsheet compared to tradition downstream flowsheet.



d. Product Development

Successful sales or offtake contracts are predicated on a process where the supplier is able to verify that it can consistently make materials to the specifications demanded by the customer. Figure 9 presents the overall downstream flowsheet but highlights some of the technical processes required for each of the concentrate lines planned to be available from McIntosh. Note – test work is currently underway to verify McIntosh flake as being suitable for each of the eight product groups shown in Figure 9 and some others.

Figure 9: Potential downstream flow sheet utilising multi-stage processing steps to produce specific product groups.



e. Adherence to the "5-M's" qualification steps

Subject to the final end use, main stream battery and other sophisticated technology manufacturers require their suppliers to go through a rigorous qualification process which can take up to 2 years. Once qualified, those suppliers must comply with a strict code referred to as the "5-M's" qualification scheme, with breaches or departures ending the supply relationship.

The "5-M's" scheme requires consistency in the following process related areas:

i. Material Source – consistent, cannot utilise material from a new source or unqualified third-party supplier;
ii. Method – production process must remain the same;
iii. Machines – the mechanical components within the process must remain the same;
iv. Manufacturing Standards – demonstrable adherence and practice of QA/QC & ISO standards; and
v. Management and Ownership – should remain stable and largely the same.

Whilst some peer companies appear to be departing from these principles, especially as they move downstream and often away from their initial projects. Hexagon, in its product development work, is working to meet these requirements from commencement of test work as a strong de-risking strategy and to attract quality offtake partners.

4.2 Highly Encouraging Cell Cycling Results for McIntosh Graphite

In July 2018 the Company reported impressive cell cycling test work results using purified, uncoated spherical graphite sourced from its McIntosh project. Results from the cycling test work are comparable to the performance of the highest quality synthetic graphite utilised in battery applications – a sector that Hexagon is targeting.

Typically, good battery performance is indicated by reversible capacity levels above 350 mAh/g.

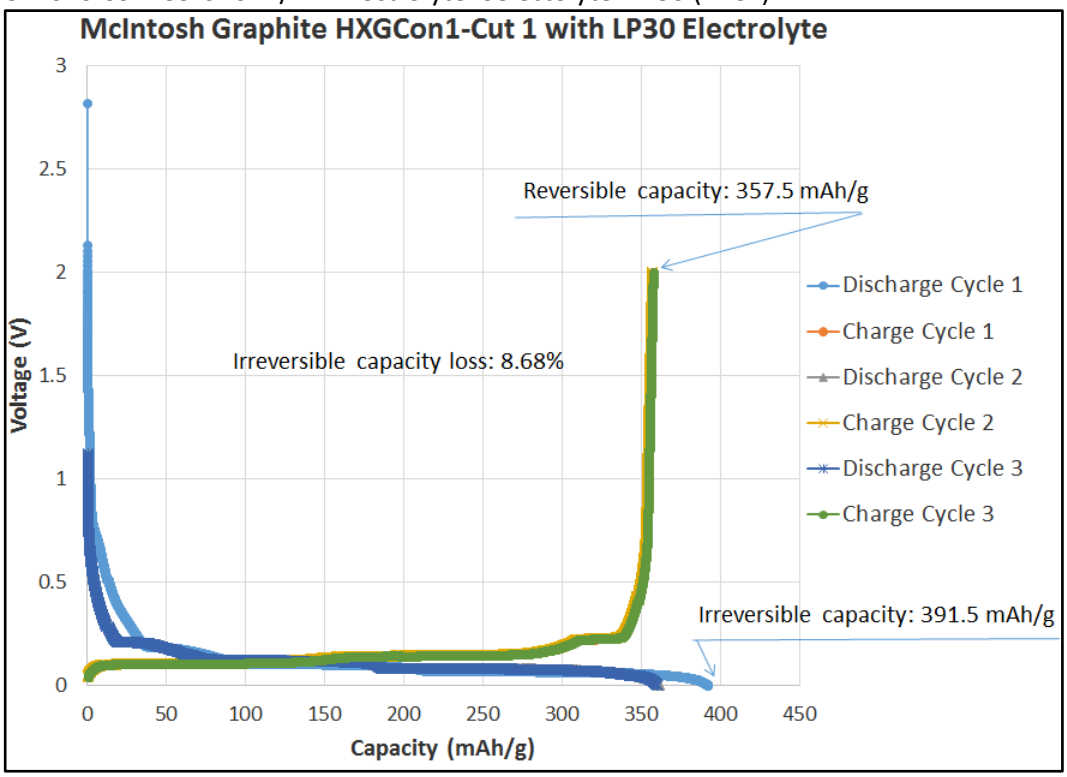
Hexagon's cell cycling achieved results that included:

- (BASF LP30, room temperature electrolyte) - Reversible capacity, near theoretical performance of 363.1mAh/g and Irreversible capacity of 402.3 mAh/g – resulting in a first cycle irreversible capacity loss of 9.7%; and
- (BASF LP81, low temperature electrolyte) - Reversible capacity of 357.5 mAh/g Irreversible capacity of 391.5 mAh/g resulting in a first cycle irreversible capacity loss of 8.7%, (Refer Figure 10).

Hexagon, in collaboration with its US based technical partner, is focussed on the downstream business case to follow up on the very positive spheroidisation results released in late June – which indicated nearly 100% yield from concentrate to high value battery materials; both anode and conductivity enhancement material. These initial cycling results indicate that the Company has high-quality crystalline material suitable for lithium ion batteries capable of surpassing the attributes of the highest quality synthetic graphites, which still make up 50 to 70% of the anode material in lithium ion batteries.

This cycling test work aims to verify the July 2017 test work indicating the suitability of McIntosh graphite flake concentrates for lithium ion battery anode material, and provide more detailed data, which is specific to the application of Hexagon's 99.9997% purity, spheroidised natural flake graphite. It follows up spheroidisation and product classification test work Hexagon reported on 21 June 2018 undertaken in collaboration with Hexagon's US technical partner, NAmLab2. Specifically, these tests are a first-pass examination of the cycling efficiency of anodes made from purified McIntosh graphite flake material.

Figure 10. Initial Galvanostatic Cycling of McIntosh graphite HXGCon1-Cut 1.
CR2016 Coin Cells vs. Li/Li+. Electrolyte: Selectolyte LP-30 (BASF).



[2] Hexagon has formed a technical alliance with a US-based, highly credentialed advanced materials research, testing and speciality manufacturing company that specialises in graphite products and technology. Due to confidentiality requested by the US partner, this company is referred to as "NAmLab".

These initial results are highly encouraging for the utilisation of McIntosh graphite in lithium ion battery anodes because of the consistency across different samples and cells and the favourable quantitative outcomes. The results are exciting because the spherical graphite that has been tested to date is uncoated. Quality anode material must be coated with a thin layer of ultra-fine carbonised material which will result in a significant reduction of the irreversible capacity loss to levels on the order of 5-6%. The key prerequisite for achieving the latter is to ensure that the precursor uncoated spheroidal graphite has irreversible capacity loss of less than 10-11%, which was found to be the case with Hexagon's samples tested to date.

Also, the stable and consistent initial cycling patterns are highly encouraging and comparing the different cycling rates led NAmLab to report that these results are more typical of premium quality synthetic graphite and not natural crystalline flake graphite which generally displays issues with high rate cycling capability. This notion manifests itself in the ability of purified spheroidised graphite from McIntosh to withstand increased cycling rates, such as the C/3 rate, without significant degradation of the reversible capacity, something which synthetic graphites can do while most natural graphite typically can't.

NAmLab concluded that based on these initial cycling outcomes, Hexagon's material had the potential to effectively compete and outperform the highest quality graphitised carbons on the market. Hexagon plans to undertake additional spheroidisation and classification test work to optimise the sizing and yields of concentrate into anode and conductivity enhancement materials (**CEM**). This will generate additional anode and CEM samples for more detailed cycling style test work in preparation for a feasibility study on production of uncoated spherical graphite and CEM as part of a targeted battery materials marketing campaign.

In the near-term, Hexagon will continue doing detailed test work on downstream product development, to build up a downstream processing business case. This includes a Scoping Study to enable cost and revenue figures to underpin the business strategy.

5. DISCOVERY

The Company has two main tenement areas located in the East Kimberley as shown in Figure 11, 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 host the McIntosh flake graphite project, subject to the MJV as reported in Section 3 above. At Halls Creek, data compilation and target generation work was completed as part of the Company's assessment of its options for this project.

5.1 Halls Creek Project

The Halls Creek project is an early-stage exploration project prospective for gold and base metals deposits.

During the quarter the Company completed a major data compilation and target generation program. Planning is underway for a detailed airborne aeromagnetic program designed to provide detailed geological context to integrate all of the tenement areas and expedite systematic assessment.

A meeting was held in Halls Creek in July with Traditional Owner groups to discuss planned work programs across the prospects shown in Figure 12.

Figure 11: Regional Geology and Hexagon Project Location Plan.

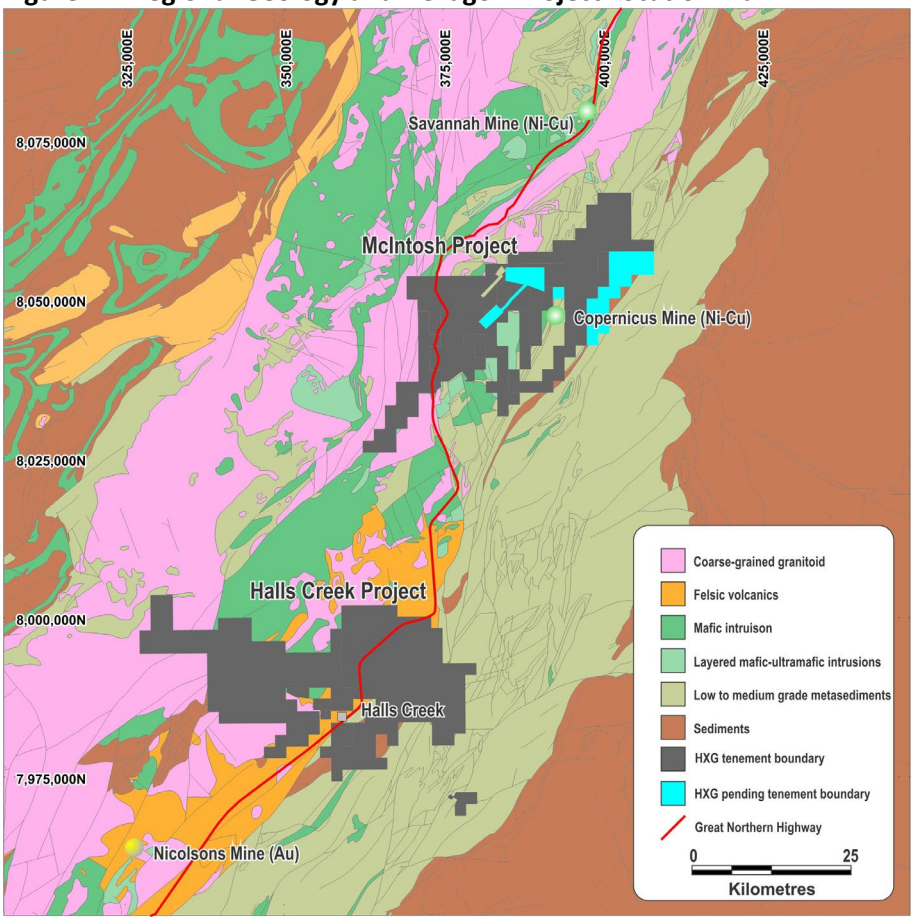
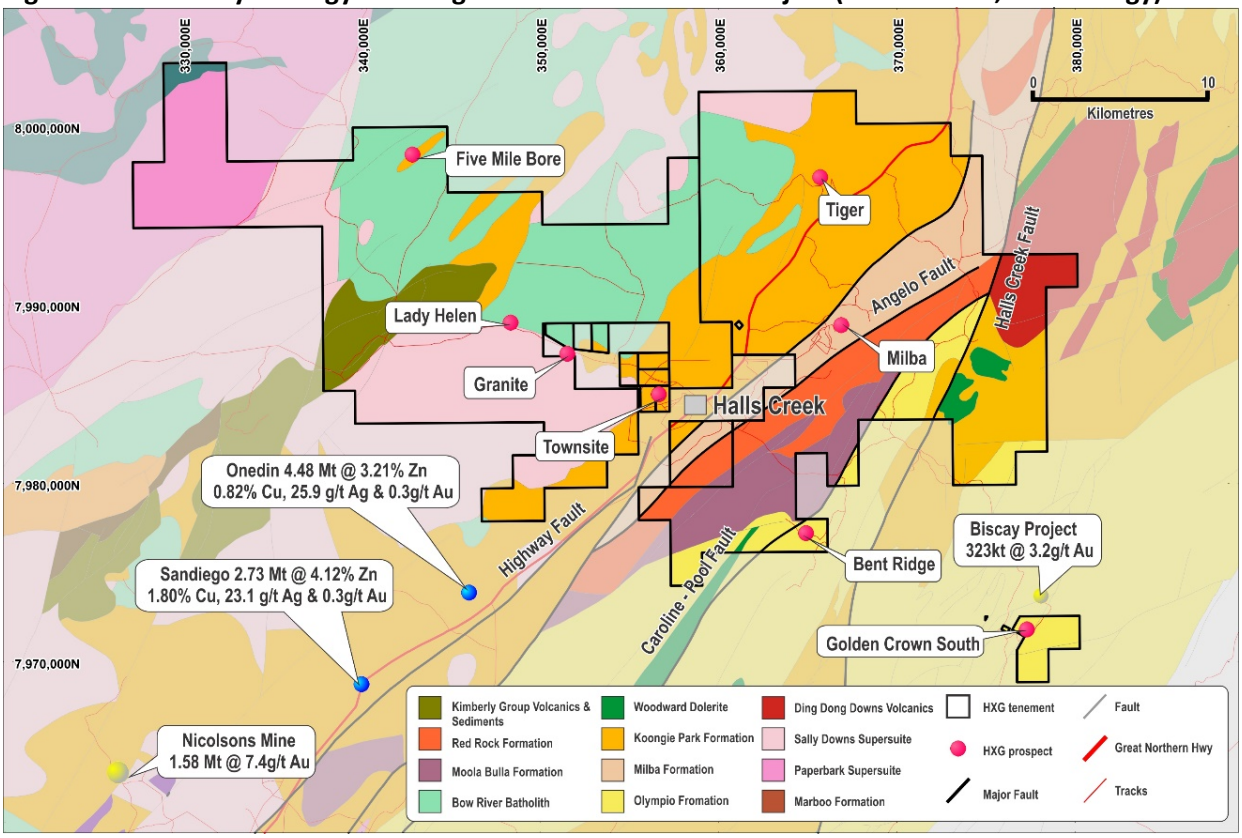


Figure 12: Summary Geology and Target Plan for Halls Creek Project (GSWA 1:500,000 Geology)



6. SUSTAINABILITY

6.1 Health and Safety

No injuries or major incidents were recorded for the quarter on any Hexagon managed programs.

7. CORPORATE

7.1 Financial Position

The Company finished the September 2018 quarter with $6.3 million cash at bank and with approximately $0.3 million of debtors (which was received by Hexagon in early October 2018).

Cash outflows: - a total of $1.07 million, comprising - $0.49 million spent on exploration and development and $0.58 million on administration and staff costs – which includes the financing, legal and offtake-related expenditures.

Cash inflows: - there were no significant cash inflows during the quarter.

A Quarterly cash flow and forecast is summarised in the attached Appendix 5B.

The Company has no debt.

7.2 Corporate Appointment

Ms Lianne Grove was appointed as Chief Commercial Officer responsible for financial and management and advancing the commercial affairs of the Company.

Ms Grove is an experienced Certified Practicing Accountant (CPA) and senior finance professional with 25 years of experience. She has spent more than 15 years in senior management positions, including roles with resources companies such as oil and gas producer AWE Limited, where she was Commercial & Finance Manager, and at Dampier Salt, a subsidiary of Rio Tinto.

7.3 Capital Structure

During the quarter, the following changes to the Company's capital structure occurred:

- 1,250,000 unlisted options expired on 30 June 2018;
- The Tribeca Natural Resources Fund increased its share ownership to 37,145,667 via on market share purchases to hold 12.73% of the issued capital; and
- Hexagon's Chairman, Mr Charles Whitfield purchased 319,751 shares on market.

The Company also reduced its administrative cost burden by tidying up small shareholdings on its share register through a less than marketable parcel sale facility which resulted in 221,609 shares held by 362 shareholders being consolidated. This was settled on 3 September at a final achieved average price of $0.155 per share.

Hexagon had on issue 291,783,397 fully paid ordinary shares, 24,397,500 million unlisted options, 3,000,000 employee incentive Performance Rights and 1,703 shareholders at the date of this report.

7.4 Investor Relations and Marketing

During the quarter, the Company presented to a number of sophisticated investors, industry events, brokers and analysts in Singapore, London and Perth.

Mike Rosenstreich was a speaker and guest panellist at the Argus LiCoNi 2018 Conference in Singapore spoke at the Graphite & Graphene conference in London and at the Benchmark Minerals World Tour-Perth Stop and subsequently presented and was a panellist at the Battery Material World Mining Summit in Perth. These were excellent opportunities to showcase the Company's strategy and meet with existing and potential investors, analysts, downstream processing and peer companies.

In October, Hexagon presented at the "landmark" Benchmark Minerals, Anodes conference in the US. The Company will also be presenting in Perth at the Technology and Low Emission Minerals Conference (13-14 November) and at the AMEC Investor Briefing (Saturday 17 November). Invitations have been extended to Hexagon shareholders to attend these events and anyone interested should contact the Company. A series of one-on-one investor and broker meetings is planned for Sydney, Melbourne, Perth and Auckland.

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 Mike Rosenstreich who is an employee of the Company. Mr Rosenstreich is a Fellow of The Australasian Institute of Mining and Metallurgy and has 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 he consents 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. Mr Michael Chan also reviewed the metallurgical test work outcomes. Mr Chan is a Metallurgical Engineer and a Member of the Australasian Institute of Mining and Metallurgy. Mr Chan and the NAmLab principals have sufficient relevant experience relevant to the style 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 30 September, 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