ASX ANNOUNCEMENT **9 September 2019**

HEXAGON CONSOLIDATES HALLS CREEK GOLD LAND POSITION

Highlights:

- **Hexagon to acquire a 75% interest in ELA80/5126 (under application), contiguous to its existing Halls Creek Gold Project, Western Australia**
- **New tenement boasts prospective continuous geology and fills gap In Hexagon's tenure of permits prospective for gold and gold-copper mineralisation**
- **571km^2 of highly prospective gold and base metal geology now under Hexagon control**
- **Halls Creek Gold Project boasts historical drill intercepts of 4m @ 22.6 g/t Au & 17.3 g/t Ag from surface at Lady Helen Prospect**
- **Numerous untested, drill ready gold and base metal targets. Rock chip samples of up to:**
  - **26 g/t Au at Townsite Prospect**
  - **10.7% Cu at Milba Prospect**
  - **1.3 g/t Au at Bent Ridge Prospect**
  - **36 g/t Au and 47 g/t Ag from Lady Helen Prospect**
  - **11.5 g/t Au at Granite Prospect (on ELA80/5126 and east along the Lady Helen contact zone)**
- **Tenement consolidation is anticipated to improve exploration efficiencies and increase existing land package value**
- **Increased exploration activity for gold and base metals in the region.**

Hexagon Resources Limited (ASX: HXG, "Hexagon" or "the Company"), is pleased to announce it has entered into a binding purchase agreement to consolidate its Halls Creek Gold Project in northern Western Australia. The agreement enables Hexagon to acquire a 75% interest in a new Exploration Licence, under application, filling a critical prospective gap in the central part of its tenements for $20,000 (further details below).

Hexagon Managing Director Mike Rosenstreich said, "We are very pleased to have consolidated our Halls Creek project land tenure, filling in eastern extensions of the high-grade Lady Helen gold prospect to the Granite prospect. Hexagon now holds a significant contiguous land position that we believe is highly prospective for gold and base metals and possibly nickel mineralisation.

"We have noticed a renewed interest in the Kimberley region, driven by recent regional successes, such as Pantoro Limited's discoveries, and strong gold price gains. While Halls Creek is not our core focus, there is a tremendous opportunity to add shareholder value for a modest spend to collect high quality data and hopefully attract a well credentialled exploration partner to take the Project forward."

1. Halls Creek Project – Background

The Halls Creek Project is an early-stage gold and base metal exploration project in the east Kimberley region of Western Australia.

Now covering 571km^2, the project has had very little systematic exploration work to date. Several high-priority targets and new prospective zones have been identified across the project, including the Lady Helen Au-Ag prospect where very high grades were returned from early historic exploration work.

The east Kimberley Mineral Field contains the first ever gold discovery in Western Australia in 1885 at Old Halls Creek. Significant gold has been produced from the area since that time. Prospecting in the 1970s and 80s located significant discoveries with grades of between 10 to 60 g/t gold. Nearby, Pantoro Limited (ASX: PNR) Nicholson Gold Project commenced production in September 2015 and has a current production rate of 50,000-55,000 ounces per year, forecast to increase to 80,000 ounces. The Nicholson orebody comprises high-grade mesothermal lode gold style mineralisation with a reported life-of-mine head grade of 7.3 g/t gold for 220,000 ounces[1]. Pantoro has reported high-grade gold results from its Mary River and Grants Creek Projects which are immediately south and north, along strike, respectively from Hexagon's Halls Creek tenements (refer Figure 2). Similar styles of epithermal to mesothermal gold mineralisation have been identified within the Company's tenements at the Lady Helen and Townsite prospects and the newly acquired ELA has similar prospectivity.

Hexagon's Halls Creek Gold project is prospective for volcanogenic massive sulphide (**VMS**) style mineralisation as well as high-grade gold. Significant polymetallic, VMS resources were defined to the southeast by Anglo Australian Resources (ASX:AAR). A summary location and schematic geology plan is presented in Figure 1 highlighting the targets currently defined by Hexagon.

There is also potential to target magmatic-hosted nickel, copper and platinum group elements (PGE) mineralisation within the tenements, which has been ignored by previous explorers.

2. Halls Creek tenement consolidation

Hexagon's focus is on developing its downstream graphite processing business supported by its upstream McIntosh Project located approximately 100km north of the Halls Creek project and its Alabama graphite prospects. However, the recent strong rise in the gold price to over A$2,300/ounce has highlighted the potential value of this project. The Project area is considered highly prospective for gold and base metal mineralisation. Historical exploration has defined numerous high-grade outcrops within the tenement package, most of which have never been drilled. The Company's recent access to the ground is complemented by a commitment to undertake exploration work planned to demonstrate the opportunities underpinned by modern exploration data to provide geological context to the many targets. This tenement consolidation is an exciting opportunity to fill an important tenure gap and further enhance the prospectivity and value of Hexagon's Halls Creek land package.

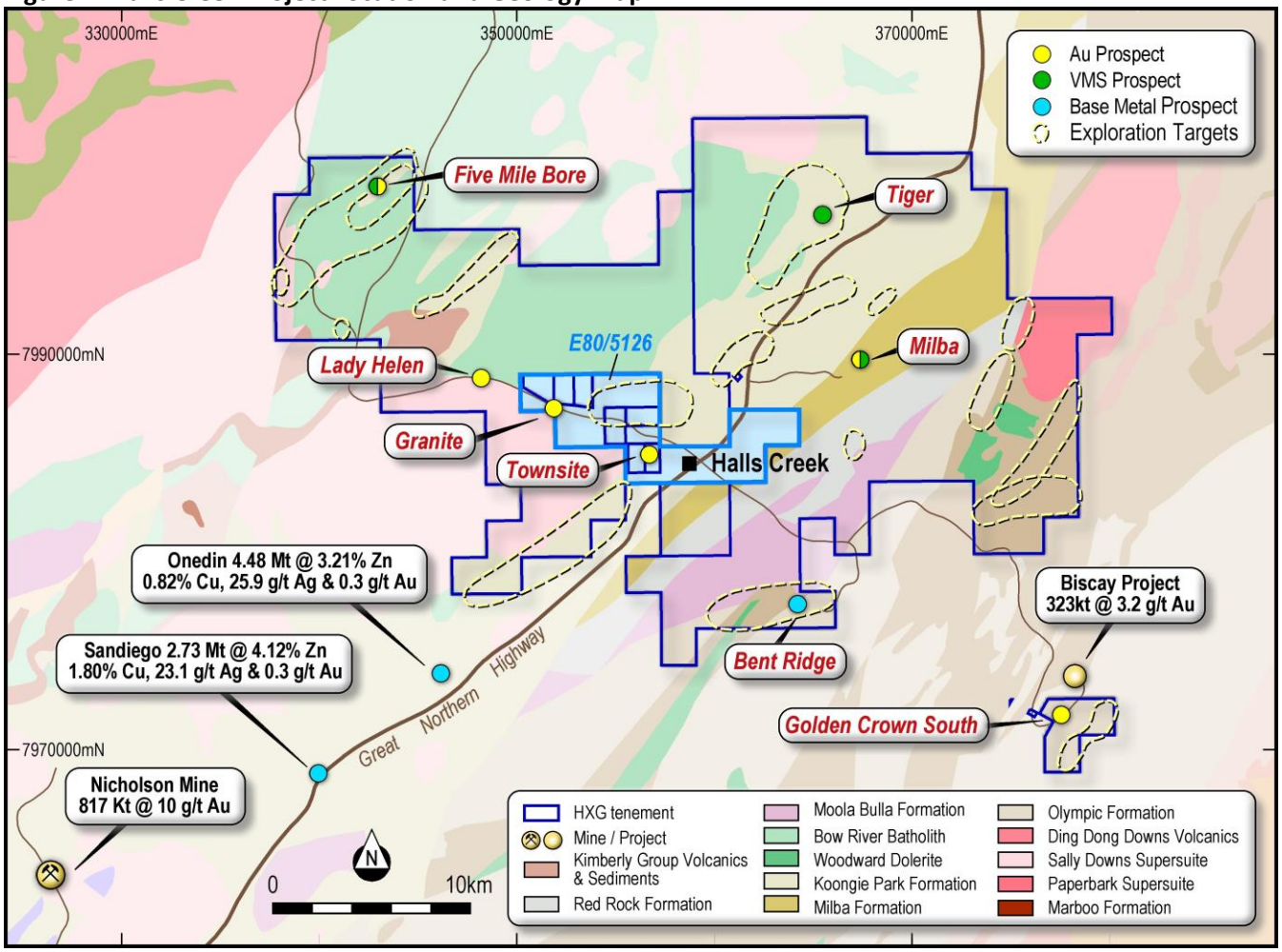
The consolidation also allows for more efficient and cost-effective regional exploration programs, targeting major gold-bearing structures. The Company has conducted a review of the available geophysical data and is currently investigating the viability of an airborne magnetic survey which is designed to add value via generating new drill targets.

The Company has noted a renewed exploration interest in the region following success by regional mine operators such as Pantoro (gold), Panoramic Resources (ASX: PAN) (nickel) and Northern Minerals (ASX: NTU) (rare earth elements (REEs)), as well as explorers such as Buxton Resources (ASX: BUX) (nickel-copper-cobalt), Northwest Nickel Pty Ltd (recently acquired by Chalice Gold Mines, ASX: CHN) and recent pegging activity by Independence Newsearch Pty Ltd, a subsidiary of Independence Group (ASX: IGO), as illustrated in Figure 2.

The Company remains open to partnering with a well credentialled exploration company potentially via a joint venture to further explore at Halls Creek, and this consolidation makes a partnership more attractive.

[1] Pantoro ASX Report 5 August 2019.

Figure 1. Halls Creek Project Location and Geology Map

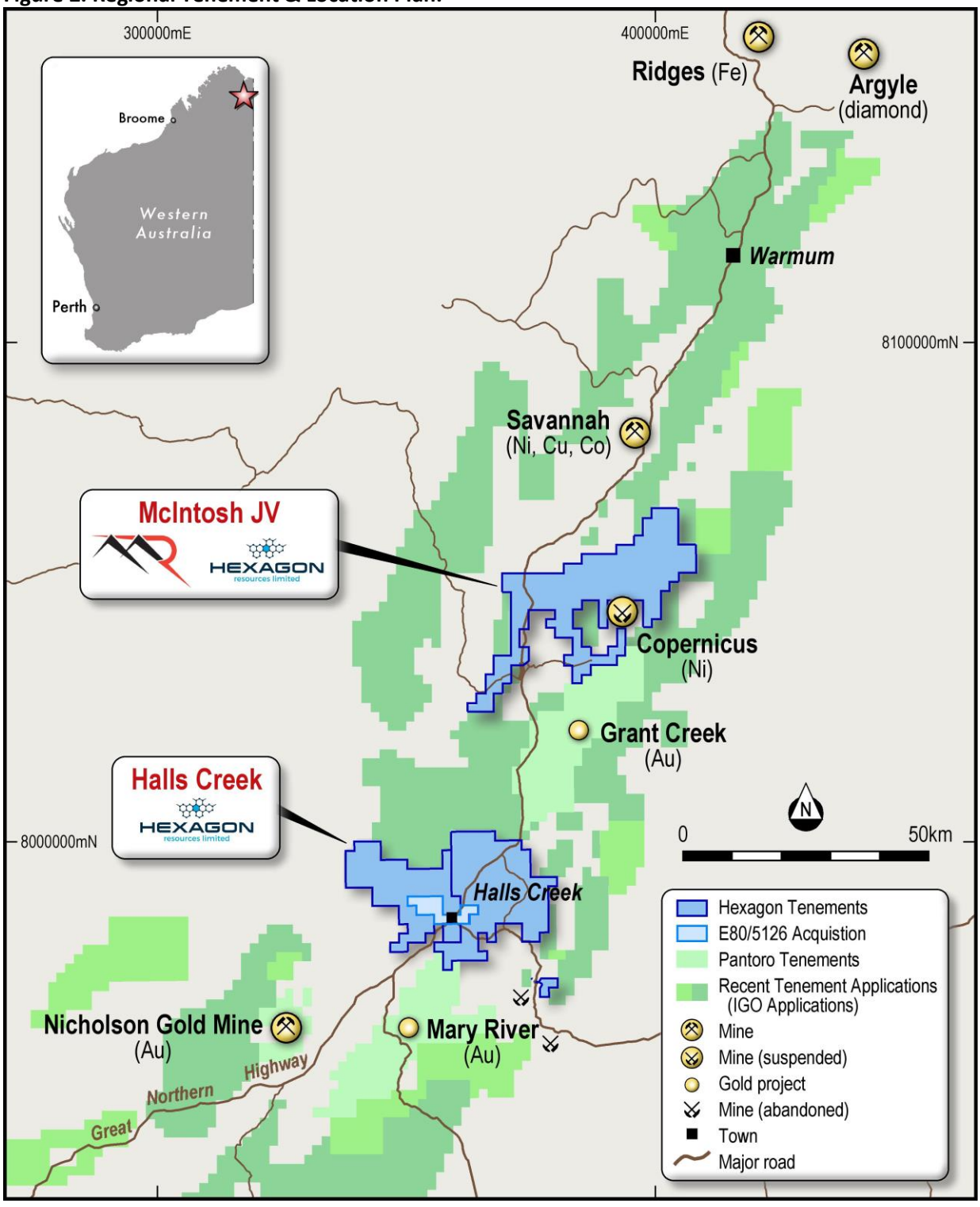


3. Acquisition Terms

Hexagon's 100%-owned subsidiary company, Halls Creek Resources Pty Ltd, is purchasing the tenement (under application) which is owned jointly by two private entities (Vendors). The key terms are:

1. Structure – Hexagon purchasing a 75% interest in ELA80/5126, for:
    a. $5,000 deposit on signing (Completed)
    b. $15,000 purchase payment on grant of the Exploration Licence and Ministerial consent for transfer; and
    c. A 1.5% Net Smelter Return Royalty payable to the Vendors.
2. Call Option – Hexagon has a Call Option to acquire the outstanding 25% for either $25,000 cash or Hexagon shares to a value equivalent of $30,000, at Hexagon's election, within 2 years of the formation of the tenement being granted and the joint venture being formed.
3. Subject to the expiry of the Call Option, the Vendors will be free carried on their equity up to a Decision to Mine stage.
4. HXG to be responsible for meeting tenement expenditure commitments and Heritage obligations.

Figure 2. Regional Tenement & Location Plan.



4. Next Steps

Hexagon has approved expenditure to fly, process and interpret high-resolution airborne magnetic and radiometric data of the consolidated Halls Creek tenements. This program will provide Hexagon with a high quality data set on which to base an updated litho-structural interpretation critical for detailed target generation and refinement work ahead of drilling. The aerial survey work is planned for completion in September and the interpretations expected in December 2019.

In combination with newly acquired geochemical data, this creates a powerful baseline data set to identify the regional controls on gold and base metal mineralisation ahead of ground mapping and geochemical sampling to define drilling targets – ready for testing within the next field season. Furthermore, as discussed above, the more detailed magnetic and radiometric data will assist in identifying mafic and ultramafic intrusives "fertile" to host sulphides prospective for nickel, copper, cobalt and PGEs.

5. Competent Persons Attribution

Exploration Results

The information within this report that relates to exploration results and geological data at the Halls Creek Project is based on information compiled by Mr. Michael Rosenstreich who is an employee of the Company and consultant Ms. Cherie Leeden (consultant with NV Resources). Mr. Rosenstreich is a fellow of the Australian Institute of Mining and Metallurgy and Ms. Leeden is a member of The Australian Institute of Geoscientists. They each 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 both consent to the inclusion of this information in the form and context in which it appears in this report.

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Table 1: Location and meta data for selected drill hole MB01P at the Lady Helens Prospect.

Company	Prospect	Hole ID	East	North	Grid	Dip	Azimuth	Hole Type	Dated Drilled	Drilling Company	Lab	Lab Method	Wamex
Freeport	Lady Helen	MB01P	348047	7988872	MGA94_50	-90	0	RP	1981	Dowan & Hughes	Pilbara Laboratories	(Au)Fire Assay (Ag)AAS	a10708

Table 2: Location and meta data selected rock chip samples.

Company	Prospect	Sample ID	East	North	Grid	Sample Type	Date	Lab	Lab Method	WamexID
Auridium	Lady Helen	HC042	348054	7988875	MGA94_52	Rock	1987	Analabs	Unknown	A21782
Auridium	Lady Helen	HC040	348059	7988882	MGA94_52	Rock	1987	Analabs	Unknown	A21782
Burdekin Resources	Townsite	849168	356960	7985182	MGA94_52	Rock	2000	Ultratrace	4 Acids	A61254
Burdekin Resources	Granite	350573	351768	7986847	MGA94_52	Rock	2000	Ultratrace	4 Acids	A61205
Burdekin Resources	Granite	P20004	351837	7987126	MGA94_52	Rock	2000	Ultratrace	4 Acids	A61205
3D Resources	Bent Ridge	881915	364505	7977642	MGA94_52	Rock	2008	Ultratrace	AquaRegia	A80725
Burdekin Resources	Milba	849118	365870	7988708	MGA94_52	Rock	1999	Ultratrace	AquaRegia	A61681

Appendix 1: JORC Table 1 Hall Creek

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.*	• Data has been collated from various explorers in the area since 1981. This includes surface samples, Auger, RAB, RC, RP drilling. Metadata from the sampling/drilling has been collected from the historic WAMEX exploration reports including where recorded, the sampling techniques. A summary of metadata for the selected drill holes intercepts and selected surface sampling is included as attachments in Table 1 & Table 2
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).*	• Rotary Percussion technique was used for hole MB01P, no other information is available
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.*	• Quantitative sample recovery data is not recorded
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.*	• MB01P has been geologically logged,
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.*	• No information available
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.*	• Freeport sent samples to Pilbara Laboratories with Fire Assay used for Au and Atomic Absorption Spectrophotometry used for Ag, Cu, Pb, Zn. • Auridum sent rock chip samples to Analabs, no sample method has been recorded • Burdekin Resources sent rock chips to Ultrarace for analysis by 4 acid digests with ICP finish, • 3D Resources sent rock chips to Ultrarace for analysis by Aqua regia • No QAQC samples were submitted.

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.*	• To date Hexagon has not conducted any verification sampling/drilling at the Halls Creek project.
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.*	• MB01P collar location was surveyed using tapes and compasses. Current location digitised from historic location plans. • Auridium samples location surveyed using tapes and compasses. Current location digitised from historic location plans. • All other sample located using handheld GPS
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.*	• Non-Applicable
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.*	• MB01P dipping at -90^0
Sample Security	• *The measures taken to ensure sample security.*	• Sample security protocols for the historic data is not recorded
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been undertaken.

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.*	• The Halls Creek Project (C124/2014) is in the East Kimberley region of Western Australia and comprises eleven granted tenements covering an area of 571 km2. These tenements are 100% owned by Hexagon Resources Ltd through a subsidiary Halls Creek Resources Pty Ltd. The tenement package consists of a combination of three Exploration and eight Prospecting Licence.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The project has been subject to exploration by several companies over the past 40 years. This work has been built up by successive explorers.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Halls Creek Project prospecting leases lie within the Palaeoproterozoic metamorphosed volcanics and sediments from the Halls Creek Orogeny. These include metamorphosed basalts, volcanic, sub-volcanic and volcaniclastic rocks and metamorphosed turbidites, calcareous rocks and cherts commonly displaying schistose fabrics. • The exploration licence extends over a far more extensive area to the west and north west and comprises of granitic and subordinate gabbroic rocks (/- minor metasedimentary hornfels from the Koonie Park Formation) to the north-west of

		the tenement, weakly porphyritic biotite monzogranite and syenogranite to the south of the • tenements and an epidotic and chloritic amygdaloidal basalt intrusion with minor lithic sandstone and siltstone along its western boundary

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.*
		• There are 122 RAB Holes, 21 RC and 9 RP Holes in the historic Halls Creek data identified to date.
		• Individual hole detail can be obtained from WAMEX reports, specifically, A51736, A47329, A48163, A51736, A21782

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.*	• No weighting has been applied.
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.*	• Intersection is reported as down hole intervals.
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.*	• Location plans are contained within the body of this 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.*	• A selection of significant results has been reported
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.*	• Other data has not been considered at the time. A full evaluation of other geological and geophysical information is ongoing.
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).*	• Hexagon has approved expenditure to fly, process and interpret high-resolution airbourne magnetic and radiometric data of the consolidated Halls Creek tenements. • This program will provide Hexagon with a high-quality data set on which to base an updated litho-structural interpretation critical for detailed target generation and refinement work ahead of drilling**.**