Hexagon Resources Limited Corporate Presentation

US Downstream Energy-Graphite Business

October 2019

Next-Generation Graphite Starts Here.

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HXG

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Ongoing material events in the global graphite upstream have led to HXG's sole focus on its US downstream business

SEM image of HXG's natural-flake graphite concentrate

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Graphite Upstream

A Buyers' Market

Product — depressed prices, ongoing and significant oversupply; excess capacity; incumbents can ramp-up/expand production quicker and at lower cost than a new entrant ever could

Mine Development — oversaturated space and limited-value creation opportunities for shareholders until demand and supply are in balance (2023-2024)

Note, HXG sees tremendous demand for upstream development opportunities 2024 onward

Graphite mining at Jixi City Puchen Graphite Co, Ltd in Jixi, southeastern Heilongjiang Province, China
Photo: G&W, 2019

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Graphite Downstream

A Sellers' Market

Products
Multiple product opportunities (not just batteries); strong pricing, robust margins, significant long-term demand, several additional growth opportunities

Transformational Technology Manufacturing
Insufficient downstream capacity to meet demand; significant growth/early-mover opportunities

Note, concentrate sourcing optionality is critical. Having a sole source of graphite can be a liability, *not an asset,* to downstream manufacturers

The world's largest Li-ion battery manufacturing facility, Tesla's Gigafactory 1 in Sparks, Nevada, USA
Photo: Tesla, 2017

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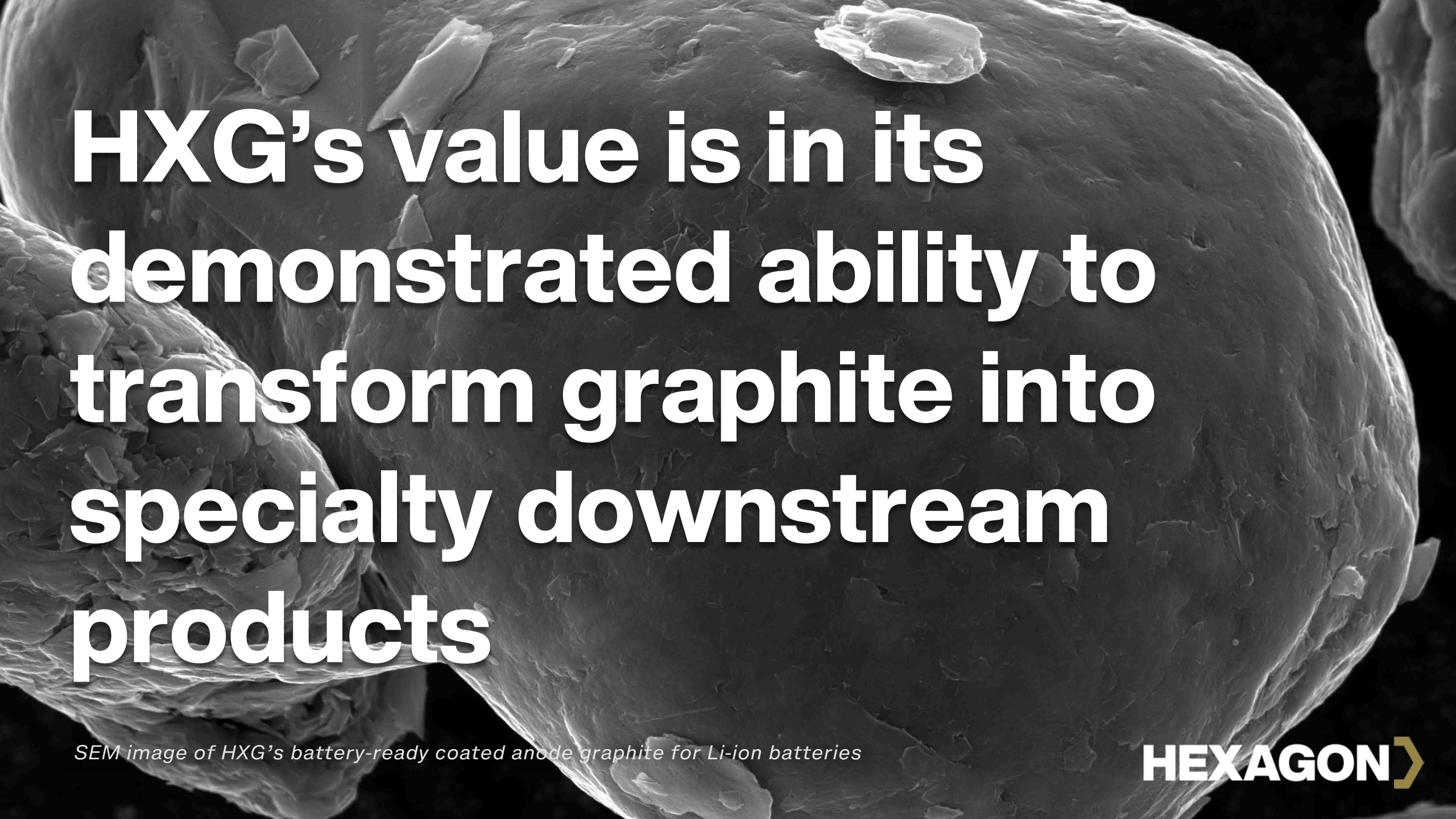
HXG's value is in its demonstrated ability to transform graphite into specialty downstream products



SEM image of HXG's battery-ready coated anode graphite for Li-ion batteries

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HXG Downstream Growth Strategy

Objectives

1. Value-creative utilisation of HXG's assets
2. Create new and sustained shareholder value
3. Maximise value; generate future cash flows quickly and efficiently
4. Successfully identify, effectively manage, accurately measure, and develop near-term downstream market opportunities
5. Rapidly bring premium Made-in-USA products to market
6. Diversify US downstream Graphite focus to include Rare Earth Elements (REEs)
7. Communicate effectively with stakeholders

Improving stakeholder engagement *—*
CEO and Managing Director, Mike Rosenstreich, filming a HXG corporate-update video segment in North America on 19 September 2019
Photo: G&W

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HXG Downstream Growth Strategy

Go-to-Market Strategy

- Detailed, complete, commercialisable, enduring
- Accelerated qualification timelines, providing significant opportunities as an early-mover
- Commercialising downstream technologies and expertise to transform graphite into high-value end products by building on HXG's significant development work
- Diverse range of battery and energy products
- Deep relationships with leading end users and industry experts
- Increase HXG's enterprise value by partnering with an industry innovator to commercialise a demonstrated key downstream Rare-Earth Elements (REEs) technology
- Advancing US-based businesses with leading global commercial partners

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HXG Downstream Growth Strategy

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Potentially transformative US graphite downstream opportunity currently under review

Graphite

made in USA

Rare Earth Elements (REEs)

Binding Commercial Agreement Executed
announcement forthcoming

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HXG’s successfully doped natural graphite as an antioxidant & conductivity additive to synthetic graphite electrodes

SEM cross-section image of HXG’s antioxidant conductivity-enhancement additive

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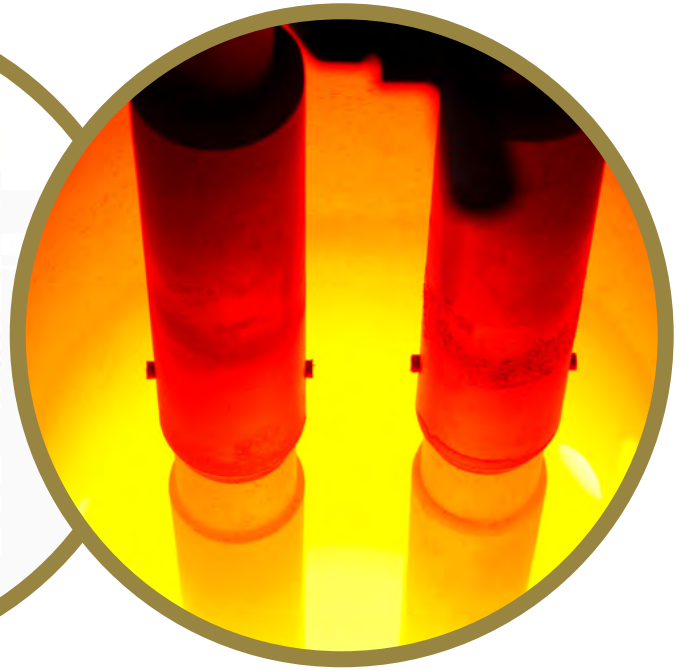
Downstream Graphite Demand Drivers

Electric Transportation

Stationary Storage

Primary Batteries



Industrial & Energy

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HXG Downstream Growth Strategy

HXG's 'Go-to-Market' US downstream business strategy is based on extensive input and guidance from battery-industry leaders

- Driven by major end users
- Not reliant on upstream development activities
- HXG has gained an intimate knowledge of major potential customers' immediate and future needs; this knowledge and insight is the foundation the Company's downstream business
- With this deep understanding, HXG can better serve the wants and needs of potential customers and, in turn, build long-term trusted business relationships
- Forthcoming business plan de-risks the enterprise and rapidly advances commercial opportunities

Li-on battery anode manufacturing at CATL in China. Led by its American CTO Robert Galyen, CATL has become the world's second largest Li-ion battery manufacturer in less than 10 years

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Battery Customer Requirements

Customers require products derived from several different upstream commercial graphite concentrate producers

Customers require a suite of natural, synthetic and blended specialty graphite products

Customers require specialty graphite products manufactured by current industry-accepted technologies

Customers require extensive materials and commercial performance testing, utilising standard industry formulations

Customers require consistent, high-performance, Made-in-USA products with capacity to scale production

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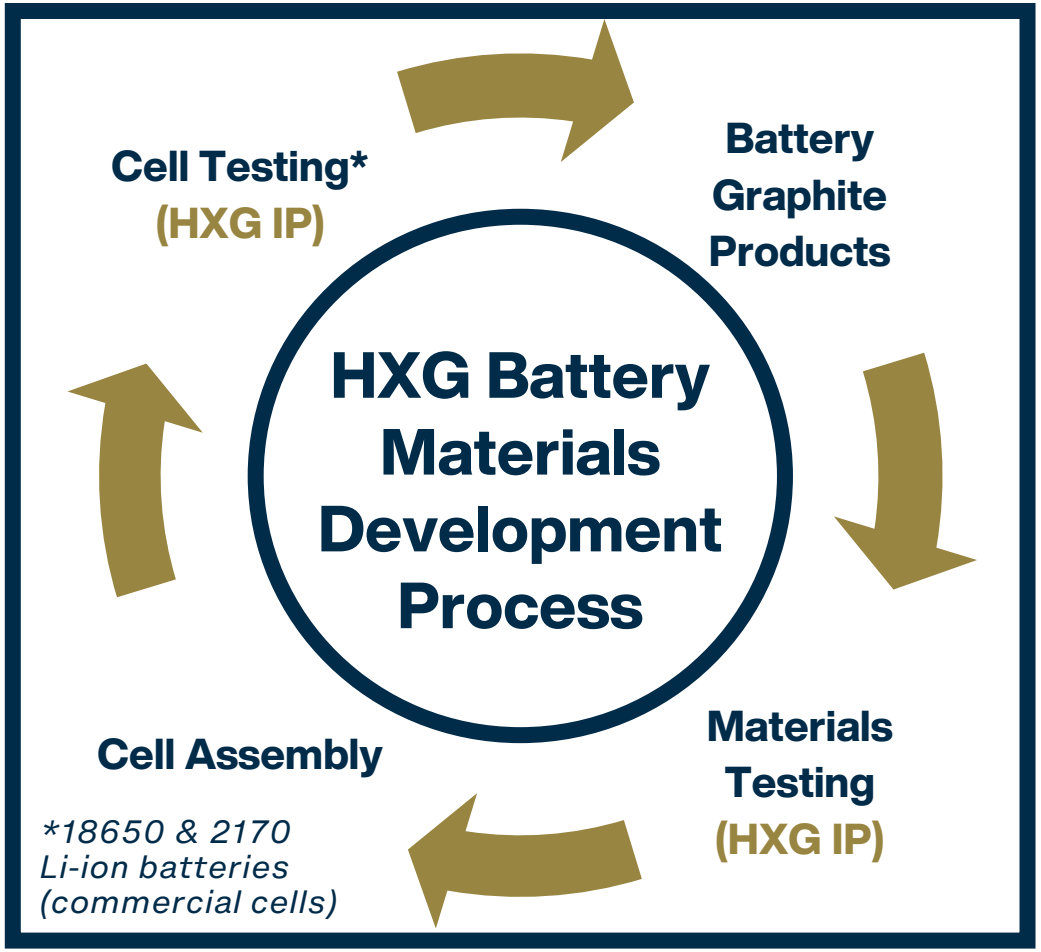
Responding to Current Market Needs

- HXG's extensive downstream graphite product testing is of critical import and will drive sales *(will demonstrate commercial suitability, product electrochemical/electric quality and performance, stability, long-term cycling capacity, safety, etc.)*

- The resultant, continually growing product testing dataset/IP will become a core asset of the Company and is key to end-user approvals and purchase orders

- HXG's downstream graphite operations will consist of natural, synthetic and blended *(natural and synthetic)* specialty graphite products for energy and industrial applications



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Li-ion battery manufacturers use an anode blend of natural & synthetic graphite to balance performance & cost

SEM image of HXG's synthetic graphite

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Responding to Current Market Needs

Ready to address customers today

HXG's unique, go-to-market strategy is based on commercially available feedstocks, transformed utilising only proven commercial technologies already approved and understood by end users to sell into markets as quickly as possible

Ready to address customers tomorrow

HXG's downstream is underpinned by ongoing commercial development with leading next-generation technologies such as electrothermal fluidised furnace testwork *(i.e. partnering on alternative purification technologies with industry leaders)* to main/increase market share if/when new transformation technologies are adopted by industry

Made-in-USA

Products provide customers a potential competitive advantage *(US content must be disclosed by automobile manufacturers per the US Federal Trade Commission's* American Automobile Labeling Act*)*

made in USA®

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HXG Competitive Advantages

Go-To-Market Strategy

- Speed to Market & Revenues
  Accelerated Qualification Timelines
- Product Diversification; Addressing Multiple Markets Now
- Leading Technical Expertise & Commercial Partners
- Established Relationships with Industry & End Users
- Comprehensive Testing Data Library

Workers assembling a Tesla Model 3 battery pack at the Tesla Gigafactory 1 in Nevada — the largest Li-ion battery-cell factory in the world
Photo: Las Vegas Review Journal

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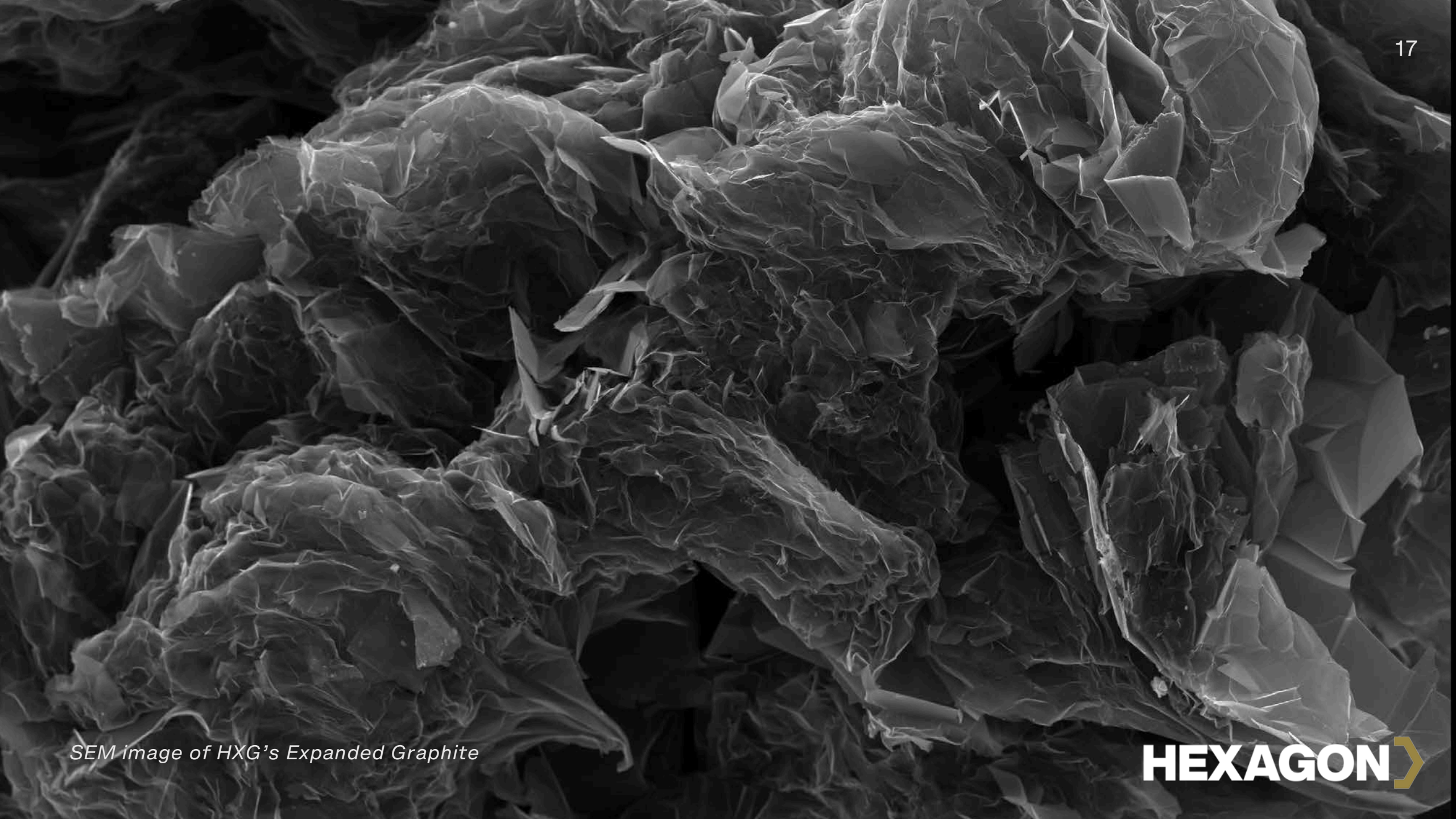

SEM image of HXG's Expanded Graphite

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HXG Competitive Advantages

Speed to Market & Revenues
Accelerated Qualification Timelines

- Commercialising downstream technologies and expertise to transform graphite into high-value end products by building on HXG's significant development work
- Direct marketing to end users
- Utilising established industry-accepted downstream technologies already accepted/expected by end users
- Suite of high-quality products and full-manufacturing/testing capability; technical and commercial partners in place
- Defined suite of diverse, commercially available precursors
- Extensive testing data based on what end users require to engage
- Limited direct competition
- Significant early-mover advantage

An LG Chem worker tends to a roll of anode material for Li-ion EV battery cells at LG Chem's plant in Holland, Michigan. The plant has multiple assembly lines running 24 hours a day and is capable of producing batteries for 30,000 EVs
Photo: Automotive News

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HXG Competitive Advantages

Product Diversification
Addressing Multiple Markets Now

- Diverse range of battery, energy and industrial products
- Targeting deep, high-growth, high-margin market sectors, including electric vehicles,
  energy storage, industrial and energy applications, renewable energy, and defence applications
- Suite of natural, synthetic and blended graphite products

Leading Technical Expertise & Commercial Partners

- Downstream graphite product commercial laboratory
- Battery graphite commercial formulations laboratory
- Battery assembly commercial scale-up partner
- Long-term cycling commercial partner

In July 2019, BMW Group announced investment to double Li-ion battery production at its largest plant worldwide – in Spartanburg, South Carolina – for the X3 and X5 PHEVs
Photo: Automotive News

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HXG Competitive Advantages

Established Relationships with Industry & End Users

- **Business strategy is based on extensive input and guidance from battery-industry leaders**
- **Extensive knowledge of major potential customers' immediate and future needs**
- **Relationships with world-leading battery manufacturers and electric vehicle companies**
- **Strong end-user-driven marketing programme**

Comprehensive Testing Data Library

- **Will become a core asset (IP) of the Company**
- **Testing data library is of critical import to end users for product selection and will drive sales**
- **Data library is key to end-user approvals and purchase orders**
- All development work and testing data is interconnected

Mercedes Benz U.S. International has invested US$1B in its Tuscaloosa, Alabama plant to build Li-ion batteries for the EQC 400 EV Photo: Daimler AG

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HXG's Downstream Graphite Transformation Technical Accomplishments

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Battery-Grade Purification

Produced ≥99.99 wt% C purified natural-flake graphite concentrate via thermal purification

- *Battery applications require a net purity of ≥99.95% C*

Applications: serves as the precursor for all high-value downstream graphite products

SEM image of HXG's 99.9999 wt% C purified graphite concentrate

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Li-ion Coated Anode Graphite

Manufactured Li-ion battery anode graphite materials

- *Purified natural graphite concentrate to ≥99.99% C*
- *Milled (sized)*
- *Spheroidised (shaped; high yield)*
- *Surface treated (coated)*
- *Produced sizes ranging from D_{50} 7 to 25 microns*
- *Performance testing in Li-ion cells*

Application: Li-ion batteries

SEM image of HXG's coated anode graphite for Li-ion batteries

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Conductivity-Enhancement Graphite

Manufactured battery cathode conductivity enhancement graphite (CEG) materials

- *Purified natural graphite concentrate to ≥99.99% C*
- *Produced expandable graphite (graphite intercalation)*
- *Produced expanded graphite (thermal shock)*
- *Milled expanded graphite into high-performance CEG*
- *Produced and tested both standard and high-performance CEG products*

Applications: all major commercial battery cathodes chemistries
(Li-ion, primary lithium, alkaline, and lead acid batteries)

SEM image of HXG's cathode conductivity-enhancement graphite

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Antioxidant Conductivity Enhancement Additive

Manufactured antioxidant conductivity enhancement additives for graphite electrodes

- *High-performance purified natural graphite additive to increase electrical and thermal performance, while extending life in synthetic graphite electrodes in electric-arc furnace (EAF) steel production*
- *Details forthcoming*

Application: graphite electrodes for EAF furnaces

SEM image of HXG's Antioxidant Conductivity Enhancement Additive

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Expandable & Expanded Graphite

Manufactured expanded/expandable graphite materials

- *Purified natural graphite concentrate to ≥99.99% C*
- *Produced expandable graphite (graphite intercalation)*
- *Produced expanded graphite (thermal shock exfoliation) with significant expansion*

Applications: flame-retardant/fire-suppression building materials, thermal management systems, sealing, ceramics, plastics, geothermal/energy, and batteries

SEM image of HXG's expanded graphite

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Synthetic Industrial Diamonds

Manufactured synthetic industrial diamonds

- *High Pressure High Temperature (HPHT) synthesis of cultured diamonds produced from natural graphite flake*

Applications: various industrial applications *(cutting, grinding and polishing media)* and active and passive semiconductor devices

SEM image of HXG's synthetic industrial diamond material

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Charles Whitfield

Chairman

The Principal Investment Officer at Drumrock Capital, Mr. Whitfield has extensive experience in both the battery resource sector and in the development of specialty mineral projects and companies. Previous to joining Hexagon, Charles undertook the turnaround and progression into profitable operation of ASX-listed Galaxy Resources Ltd, a producer of lithium for the battery industry.

Previously, Mr. Whitfield served as Managing Director of Citigroup where he served as Head of the Corporate Equity Solutions Group (Asia Pacific). Prior to this, he worked for Deutsche Bank where he served as head of the Strategic Equity Transactions Group (Asia Pacific).

Mr. Whitfield received his Masters in Business Administration (majoring in Finance and Strategy) from Columbia Business School (New York) and his Bachelor of Economics from The University of Exeter (UK).

Mike Rosenstreich

CEO & Managing Director

Mr. Rosenstreich is an international mining executive with more than 30 years' experience, including 13 years as an exploration and mine geologist with Homestake Gold and Dominion Mining, 6 years Corporate Finance with Rothschild Australia, 9 years as founding Managing Director of ASX-listed Bass Metals Ltd. from pre-IPO stage, exploration success and more than 5 years of base and precious metals production, and 3 years as Principal at Keystone Resource Development, providing corporate, technical and financial consulting services.

During this time he has been involved in a wide range of commodities from gold and base metals to industrials such as tantalum, feldspar and mineral sands across the globe. He joined Hexagon in early 2017 and has been instrumental in charting the Company's path to creating a downstream energy graphite and critical materials business.

Mr. Rosenstreich is a Fellow of the AusIMM and a member of the AICD. He holds a BSc (Hons) in Geology (Otago) and Masters in Mineral and Energy Economics (Macquarie).

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Dr. Gareth Hatch

Chief Technical Officer

Dr. Hatch is the CEO, Chairman and Co-Founder of Innovation Metals Corp. (IMC) and co-inventor of the RapidSX™ technology to separate and purify rare-earth elements (REEs). He was previously served as CEO and Executive Director of TSX Venture-listed Alabama Graphite Corp, and Director of Technology at Dexter Magnetic Technologies. Dr. Hatch holds five US patents on various inventions based on REE permanent magnets.

Dr. Hatch holds a BEng (Hons) in materials science & technology and a PhD in metallurgy & materials, both from the University of Birmingham. He is a Fellow of the Institute of Materials, Minerals & Mining, a Fellow of the Institution of Engineering & Technology, and is a Chartered Engineer through the UK Engineering Council.

During 2014-2016, Dr. Hatch led a major US-DoD-funded research program, overseeing research on new processes for critical materials. He is a member of a NATO STO strategy team on REEs and is a member of the Canadian ISO TC/298 Mirror Committee on standards for REEs.

Contact

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Thank you.

SEM cross-section image of HXG's graphite foil

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