RapidSX™ Agreement Signed with US Rare Earth Development Company Ucore Rare Metals

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TORONTO, Feb. 18, 2020 - Hexagon Energy Materials Ltd. (“Hexagon” or the “Company”) (ASX:HXG) is pleased to announce the execution of a Technical Services Agreement (“TSA”) for test processing of customer material using the RapidSX™ rare-earth elements (“REEs”) separation technology. Innovation Metals Corp. (“IMC”) — Hexagon’s partner in the commercialization of RapidSX for REE separation[1] — has entered into the binding agreement with Ucore Rare Metals Inc. (“Ucore”) (TSXV:UCU) (OTCQX:UURAF)[2]. The purpose of the TSA is to assess RapidSX for the separation of REE concentrate materials into high-purity REE oxides (“REOs”) from Ucore’s flagship Bokan-Dotson Ridge REE Project located in Alaska, USA, and/or other commercially available, U.S. allied-sourced, mixed REE concentrate sources currently under nearer-term consideration for potential utilization at the company’s planned Alaska Strategic Metals Complex in the United States.

Hexagon’s management team in North America and Australia was instrumental in bringing the parties together and advancing the TSA, highlighting the Company’s contribution of marketing and commercial skills to the IMC-Hexagon joint venture entity to be named, American Innovation Metals LLC (“AIM”).

Hexagon’s Managing Director, Mike Rosenstreich commented *“Ucore’s interest in and commitment to evaluating RapidSX is significant; they are a REE industry stalwart in the USA with an advanced project with US$145 million in designated financing from the Alaska Industrial Development and Export Authority (“AIDEA”)[3]. Ucore plans to develop heavy and light REE downstream processing capabilities through its planned Alaska Strategic Metals Complex to produce separated high-purity REOs.”*

“Ucore brings a tremendous amount of third-party validation to RapidSX, underscoring Hexagon’s focus on the commercialization of this important technology,” Mr. Rosenstreich explained. *“Over the past several years, Ucore has evaluated a range of alternative REE-separation processes, resulting in the selection of solvent-extraction chemistry, which led to their interest in the proprietary RapidSX REE separation technology, offering significant CAPEX and OPEX savings compared to current conventional SX-based commercial REE separation. With RapidSX, existing REE producers and project developers can integrate the addition of downstream REE separation to produce REOs, thus significantly increasing margins, saleable products and most importantly — to effectively compete with Chinese operators.”*

Chairman and CEO of IMC, Dr. Gareth Hatch stated, *“The lack of US-based operational REE separation capacity presents a serious vulnerability to U.S. national and economic security and the security of its allies, as REEs are critical for defence technologies, electrification and U.S. economic growth plans. Without the downstream capacity to separate and purify REEs, the USA and its allies are vulnerable to potential supply disruptions, price spikes and trade disagreements related to REEs. It is our intention to remedy this situation with the successful commercialization of the RapidSX technology for processing and purifying REEs. IMC, with Hexagon, is very pleased to work with Ucore in its efforts to establish commercial REE separation capabilities on U.S. soil.”*

Hexagon regards IMC’s TSA with Ucore as a strong, industry endorsement of the RapidSX REE-separation technology and its potential to enable emerging producers to capture extra value in the REE supply chain on a highly cost-effective and competitive basis with the Chinese REE industry. This is the first of a planned series of agreements with both existing and emerging REE concentrate producers to commercialise RapidSX.

Per Hexagon’s December 18, 2019 ASX Announcement *(HXG Commences Funding the Commercialisation of RapidSX™ Rare-Earth Elements Separation Technology)*[4], the Company looks forward to reporting IMC’s filing of a provisional patent application on RapidSX in the United States, in addition to awarding the Front-End Engineering Design study contract for the RapidSX Commercial Demonstration Plant (“CDP”) to an independent engineering firm.

On behalf of the Board of Directors,

Mike Rosenstreich
Managing Director

About Hexagon Energy Materials Limited
Hexagon Energy Material Limited’s (Hexagon) focus is on the commercialization of RapidSX™ — a novel rare-earth elements (REEs) separation technology for the downstream processing and transformation of REEs into commercial-grade REE oxides (REOs) in North America, with the objective of licensing the RapidSX REE-separation technology to end users around the world. With its Canadian partner and the inventor of RapidSX, Innovation Metals Corp. (IMC), Hexagon is developing a Commercial Demonstration Plant to commercialise the RapidSX REE separation technology. RapidSX was developed and successfully piloted by IMC with more than US$1.8 million in assistance from the U.S. Department of Defense.

Additionally, Hexagon is developing its US-based downstream graphite-transformation business, focussed on ultra-high-purity battery and advanced-technology applications.

Learn more at www.HXGenergymaterials.com

About Innovation Metals Corp.
Innovation Metals Corp. is a private Canadian company and developer of the proprietary RapidSX™ process for the low-cost separation and purification of REEs, Ni, Co, Li, and other technology metals, via an accelerated form of solvent extraction. IMC is commercializing this approach for a number of metals, to help enable mining and metal-recycling companies to compete in today’s global marketplace.

Learn more at www.innovationmetals.com

Forward-Looking Statements
This news release contains projections and statements that may constitute "forward-looking statements" within the meaning of applicable United States, Canadian and other laws. Forward-looking statements in this release may include, among others, statements regarding the future plans, costs, objectives or performance of Hexagon Energy Materials Ltd. or the assumptions underlying any of the foregoing. In this news release, words such as "may", "could", "would", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", “goal”, "estimate" and similar words and the negative forms thereof are used to identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that are beyond the control of Hexagon Energy Materials Ltd., and which may cause the actual results, level of activity, performance or achievements of Hexagon Energy Materials Ltd. to be materially different from those expressed or implied by such forward-looking statements. Such risks and uncertainties could cause actual results, plans and objectives of Hexagon Energy Materials Ltd. to differ materially from those expressed in the forward-looking information. Hexagon Energy Materials Ltd. can offer no assurance that its plans will be completed. These and all subsequent written and oral forward-looking information are based on estimates and opinions of Hexagon Energy Materials Ltd. management on the dates they are made and expressly qualified in their entirety by this notice. Except as required by law, Hexagon Energy Materials Ltd. assumes no obligation to update forward-looking information should circumstances or the estimates or opinions of Hexagon Energy Materials Ltd. management change.

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[1] Please refer to Hexagon Energy Materials Ltd.’s ASX Announcement dated October 10, 2019, entitled *‘Hexagon Enters US-Based Rare Earths Downstream Processing Industry’*

[2] Please refer to Ucore Rare Metals Inc. announcement dated February 14, 2020, entitled *‘Ucore Announces Technical Services Agreement with Innovation Metals Corp. for RapidSX™ Rare Earth Element Separation Technology Testing’*

[3] Please refer to Ucore Rare Metals Inc. announcement dated February 10, 2020 entitled *‘AIDEA Bolsters Support for Heavy REE Separation Plant & Renews Commitment to Ucore’s Bokan Heavy REE Project’*

[4] Please refer to Hexagon Energy Materials Ltd.’s ASX Announcement dated December 18, 2019, entitled *‘HXG Commences Funding the Commercialisation of RapidSX™ Rare-Earth Elements Separation Technology’*