

## **HAWKSTONE COMMENCES TRADING ON US-BASED OTCQB MARKET**

- Hawkstone now trading on the US-based OTCQB market under the code of OTCQB: HWKMF.
- Three key advantages for North American investors are:
  1. Trades and settlements are in US Dollars (USD);
  2. Trading in the North American time zone; and
  3. The OTCQB share is the same class of Ordinary Share to the ASX traded stock (ASX: HWK), not a synthetic. The shares are simply registered in two different registries.
- Trading on OTCQB will further enhance the visibility and accessibility of the Company to US investors.
- Hawkstone's primary listing will continue to be the Australia Securities Exchange (ASX) with shares now tradable on the OTCQB market ([www.otcmarkets.com](http://www.otcmarkets.com)).

Hawkstone Mining Ltd (ASX: HWK) ("**Hawkstone**") is pleased to announce that the Company is now trading on the US-based OTCQB market under the code of OTCQB: HWKMF. This important step in the growth aspirations for the Company follows on from the significant interest shown by North American Investors and is part of the Company's strategy to raise awareness of the 100% owned Big Sandy Lithium project in Arizona, USA.

**Hawkstone Managing Director, Paul Lloyd, commented:** "We are very pleased to commence trading on the OTCQB as part of raising the Company's profile in the USA. With a large developing lithium resource in Arizona, USA, and the recent confirmation of the production of battery grade lithium of 99.8% from the Big Sandy sedimentary material, the time is right to increase activity in the USA. The Company will look to bolster the in-country management team and seek out USA based directors with the appropriate skill set to take the Company to the next development level in the shortest possible time."

OTCQB promotes both high financial standards and 'best practice' corporate governance and statutory compliance. Home exchange reporting, being Hawkstone's ASX obligations, satisfies the OTCQB requirements and disseminates throughout the US without additional compliance requirements. Hence it is a cost-effective mechanism of providing trading opportunities within the US relative to traditional exchanges.

The Company is also in the process of seeking DTC eligibility from The Depository Trust and Clearing Corporation ("**DTC**"). The process of seeking DTC eligibility is independent of listing on the OTCQB. Hawkstone is enabling this process through Dynamic Stock Transfer.

DTC manages electronic clearing and settlement of publicly traded companies across the United States and in over 130 other countries, thereby giving investors around the world the opportunity to trade in the securities of member companies electronically from their online accounts. It provides for cost-effective clearing and guaranteed settlement, simplifying and accelerating the settlement process of daily trades. Such eligibility will ensure a more liquid and transparent market for the Company's common shares within the United States as is the case with daily on-market trading on the ASX.

Hawkstone anticipates this process will be completed during June 2021 and will advise the market accordingly.

In the interim, OTCQB trading will be conducted through OTC market Maker, B.Riley Securities Inc.

## BIG SANDY SEDIMENTARY LITHIUM PROJECT

### Location and Access

The project consists of 311 BLM Claims covering 25.17km<sup>2</sup> located 2.5 hours' drive northwest of Phoenix, Arizona with access to world-class infrastructure including rail, road and grid power. It is connected through the Interstate Highway System (I40) and (I10) from State Route I93 that passes through the southern project area.

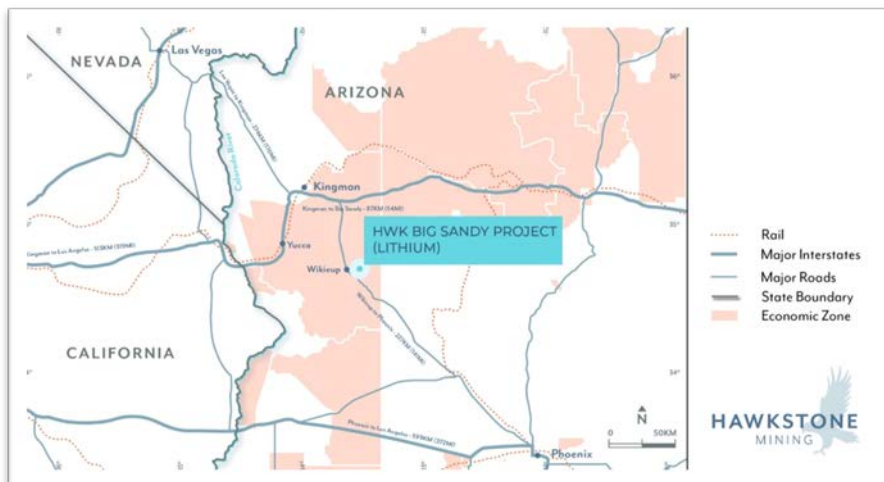


Figure 1 – Location Big Sandy Project

## Geology

The lithium mineralisation is hosted by sediments deposited in a N-S oriented lacustrine basin. The lithium bearing sediments, up to 50m in thickness, are covered by a thin veneer of transported colluvium (5-10m thick). The mineralisation that demonstrates excellent continuity, remains open to the north, south and west.

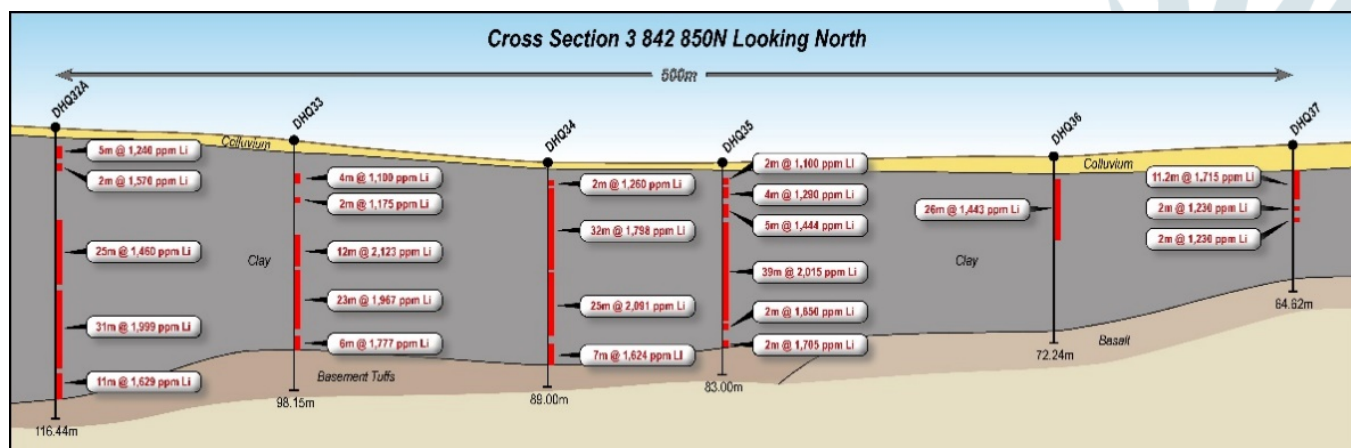


Figure 2 - Drill Cross Section 3,842,850N

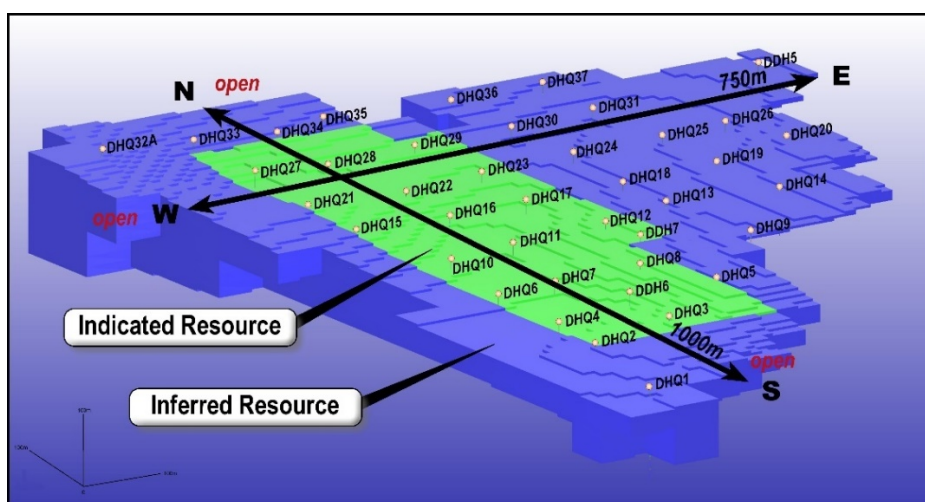
## Resources

Drilling on the Big Sandy Lithium Project, 37 HQ diamond holes totalling 2,881m delineated a JORC compliant Maiden Mineral Resource, with a Total Indicated and Inferred Resource of 32.5 Million Tonnes (Mt) grading 1,850 parts per million (ppm) Li, or 320,800 tonnes Lithium Carbonate Equivalent (LCE) (Table 1, Figure 3)<sup>1</sup>.

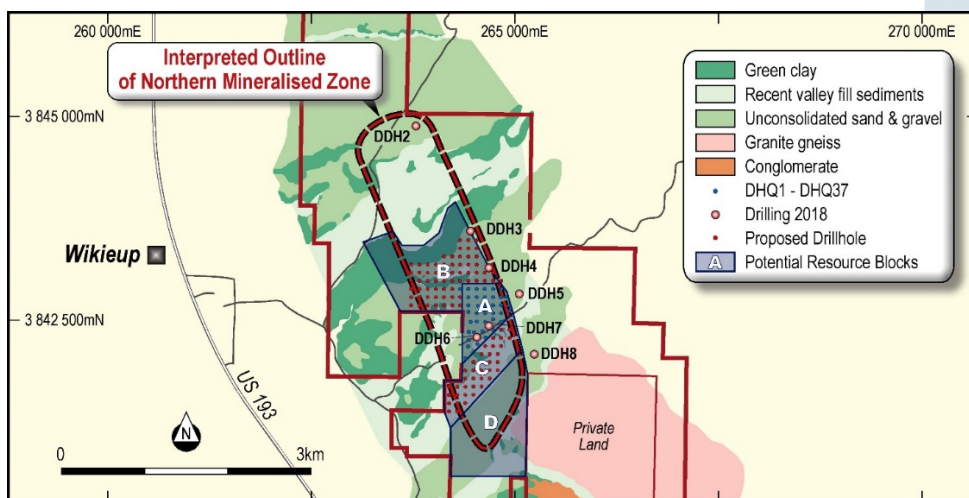
This estimate includes a higher-grade zone of 12.7 Mt grading 2,360 ppm Li above a cut-off of 2,000 ppm Li for 159,500 tonnes LCE, representing 49% of the total resource.

**Table 1 – Big Sandy Project Mineral Resource Statement**

Resource Classification	Tonnes (Mt)	Li Grade (ppm)	Contained Li Metal (t)	Contained LCE (t)
<b>Indicated</b>	14.6	1,940	28,400	150,900
<b>Inferred</b>	17.9	1,780	31,900	169,900
<b>Total</b>	<b>32.5</b>	<b>1,850</b>	<b>60,300</b>	<b>320,800</b>



**Figure 3 – Big Sandy, Drilling and Resource**



**Figure 4 – Resource Drilling in Blue (Block A) and Holes Subject to POE in Red Blocks B & C, Northern Mineralised Zone**

<sup>1</sup> ASX Announcement 26/09/2019 Big Sandy Lithium Project Maiden Mineral Resource

## Exploration Target

The total exploration target for Northern and Southern Mineralised Zones is estimated at between 271Mt – 483Mt of sedimentary material grading between 1,000 and 2,000 ppm Li (Table 2)<sup>2</sup>. *Note that the potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a mineral resource and it is uncertain whether future exploration will result in the definition of a mineral resource.*

**Table 2 – Big Sandy Project - Exploration Target**

Zone	Resource Block	Grade Range Li ppm	m <sup>2</sup>	Thickness Lower (m)	Thickness Upper (m)	SG	Lower (Mt)	Upper (Mt)
North	B	1000 - >2000	1,150,000	40	60	1.8	82,800,000	124,200,000
North	C	1000 - >2000	750,000	20	35	1.8	27,000,000	47,250,000
North	D	1000 - >2000	1,250,000	20	35	1.8	39,600,000	69,300,000
South	SMZ1	1000 - >1500	1,550,000	30	60	1.8	83,700,000	167,400,000
South	SMZ2	1000 - >1500	703,704	30	60	1.8	38,000,000	75,000,000
<b>Total</b>							<b>271,100,000</b>	<b>483,150,000</b>

## Metallurgical Testwork

Initial metallurgical test work undertaken by Hazen Research (“**Hazen**”) has demonstrated positive results, with lithium carbonate (Li<sub>2</sub>CO<sub>3</sub>) produced at 99.8% purity from lithium mineralised drill core recovered at the Big Sandy Project. This exceeds the benchmark for battery grade lithium of 99.5% purity, and overall lithium recoveries of 90% were achieved with minimal losses in downstream processing. Hawkstone is confident that it can continue to produce lithium carbonate that exceeds specifications, meeting the requirements of the most rigorous of off-takers<sup>3</sup>.

Hazen are currently developing plans for the bench-scale testing, which will commence this month. Planning is also underway for the subsequent pilot-scale phase.

## Preliminary Engineering and Logistical Work defined competitive advantages:

- **Large Resource:** potentially one of the larger mineable lithium resources in North America with a very low strip ratio exploitable by free dig, open pit mining methods.
- **Sustainable:** environmentally friendly slurry pipeline transport of ore to a nearby industrialized processing location with a USA wide east-west rail link, dry-stacked tailings disposal and compliant sulfuric acid plant design with a zero-discharge approach.

**Conceptual Feasibility Assessment and Development Plan** has highlighted the following<sup>4</sup>:

- **Good Infrastructure and Labour Market:** located just off Highway 193 that connects with interstate routes crossing the USA makes the Project an easy access location for consumables supply and products transport with a skilled workforce for construction, operation and maintenance.

<sup>2</sup> ASX Announcement 7/11/2019, Big Sandy Lithium – Exploration Target Update

<sup>3</sup> ASX Announcement 29/11/18 – Preliminary metallurgical test work proves highly successful at Big Sandy Lithium Project

<sup>4</sup> ASX Announcement, 11/11/2020, Hawkstone Engages Hazen Research to Evaluate the Production of Battery Grade Lithium



- **Government Support:** Arizona, ranked #1 in the Fraser Institutes Survey of Mining Companies 2020<sup>5</sup>, is a fast-growing mining friendly state (world's 4<sup>th</sup> largest copper producer) open to development and is willing to provide incentives.
- **Growing Market:** across the USA utilities are rapidly switching to new lower cost wind and solar power production employing battery-based energy storage.
- **Battery Supply Chain:** prominent companies are completing the lithium supply chain with manufacturer/energy storage producers located or in development in Arizona, Nevada, Texas and Tennessee.
- **Critical Mineral:** lithium became a US strategic mineral in 2018 with recently introduced Federal permitting incentives under the Biden government's "New Green Deal".
- **Proven Technology:** simple, proven unit operations with an effective process flowsheet having minimal crushing, sulfuric acid leaching and resultant production of battery-grade lithium carbonate or lithium hydroxide.

### Proposal of Exploration (POE)

Phoenix, Arizona based consulting group ERM have completed field work for the proposed Phase 3 drill program in Blocks B and C in the Northern Mineralised Zone and Block 1 in the Southern Mineralised Zone (Figure 4). The final reports on these surveys have been submitted to the BLM as part of the POE process. Approval is imminent.



Image 1 – Big Sandy, Extensive Lithium Mineralised Sediments

### FOR FURTHER INFORMATION PLEASE CONTACT:

**MR. PAUL LLOYD**

Managing Director

Hawkstone Mining Limited

Tel. +61 419 945 395

[plloyd@hawkstonemining.com](mailto:plloyd@hawkstonemining.com)

This announcement has been authorised for release by the Board of Hawkstone.

<sup>5</sup> Fraser Institute Annual Survey of Mining Companies - <https://www.fraserinstitute.org/studies/annual-survey-of-mining-companies-2020>

**Competent Person's Statement**

The exploration results in this announcement were reported by the Company in accordance with ASX Listing Rule 5.7 on 14 August 2019 and 7 November 2019. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement. The mineral resource estimates in this announcement were reported by the Company in accordance with listing rule 5.8 on 26 September 2019. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters underpinning the estimates in the previous announcement continue to apply and have not materially changed.

