

QUARTERLY UPDATE FOR THE PERIOD ENDING 30 JUNE 2019

HIGHLIGHTS

- **Hawkstone's 37-hole Phase 2 diamond drill program at its Big Sandy Lithium Project in Arizona, USA, continually delivered high grade lithium intersections, which successfully outlined extensions to the primary mineralisation.**
- **Capital raise of \$2.4 million completed, for 120 million shares at \$0.02 per share, with the proceeds from the placement primarily being used to accelerate exploration activities and metallurgical test work on Hawkstone's Big Sandy Lithium Project.**
- **Global lithium expert and former Chief Technical Officer for Lithium Americas, Dr David Deak, appointed as advisor to the Company.**
- **Experienced investment banker and corporate advisor, Mr Barnaby Egerton-Warburton, appointed as Non-Executive Chairman.**

Hawkstone Mining Limited (**ASX:HWK**) ("**Hawkstone**" or the "**Company**") is pleased to provide an update on its activities for the period ending 30 June 2019.

Hawkstone Mining Managing Director, Paul Lloyd, commented: "The June quarter has been a significant period for Hawkstone as the Company successfully completed 34 of the 37 planned diamond drill holes at its flagship Big Sandy Lithium Project. Importantly, the drill program has continually delivered outstanding results of high grade lithium intersections, which has successfully outlined extensions to the primary lithium mineralisation. With the Company funded through the recent capital raise, we look forward to continuing to deliver shareholder value as Hawkstone progresses towards a maiden JORC resource in late September 2019."

OPERATIONAL UPDATE

37 Hole Diamond Drill Program at the Big Sandy Lithium Project

During the reporting period, Hawkstone's 37-hole Phase 2 diamond drill program at its Big Sandy Lithium Project in Arizona, USA, continually delivered high grade lithium intersections, which has successfully outlined extensions to the primary mineralisation. As announced on 21 February 2019, the Company commenced a 37 hole diamond drill program for approximately 3,700 metres, with the aim of testing the lateral extents of mineralisation in the Northern Mineralised Zone. Drill targets were identified through the Company's 2018 maiden drill program and geological mapping, which successfully identified high grade results across the mineralised zone measuring 3,000m x 1,000m.

The Company's 37 hole diamond drill program at the Big Sandy Lithium Project intersected thick high grade lithium mineralisation at shallow depth.

The best intersections received to date include:

- **DHQ3** 54.0m @ 2,041 ppm Li from 10.0m to 64.0m
- **DHQ4** 34.0m @ 1,941 ppm Li from 32.0m to 66.0m
- **DHQ5** 36.0m @ 1,892 ppm Li from 31.0m to 67.0m
- **DHQ10** 44.0m @ 2,040 ppm Li from 12.0m to 56.0m
- **DHQ28** 52.0m @ 1,953 ppm Li from 11.0m to 63.0m
- **DHQ22** 47.0m @ 2,130 ppm Li from 12.0m to 59.0m

As at 30 June 2019, the Company had completed 34 of the 37 holes, with diamond drilling continuing over the Northern Mineralised Zone. Results from the drill program included a peak value of 4,250 ppm Li and the complete drill results are available in Appendix B of this announcement. The final three holes will be completed over the coming weeks.

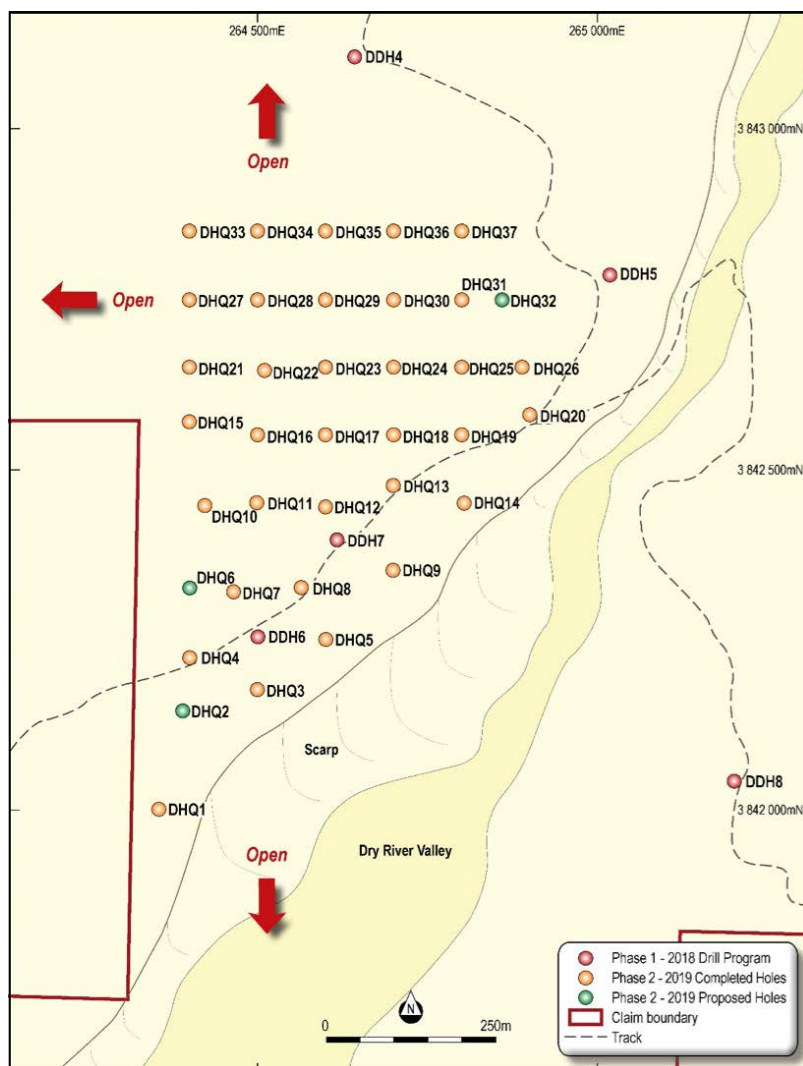


Figure 1 - Phase 2 drill plan with completed holes, including drill-holes completed during Phase 1 drilling



Images 1 & 2 (above) – Hawkstone Managing Director, Paul Lloyd, and team, overseeing drilling at the Big Sandy Lithium project in Arizona, USA.

Image 3 (below) – Diamond drill rig on site at the Big Sandy Lithium project for the Company's 37 hole diamond drill program.



During the June 2019 quarter, Hawkstone's drilling contractor continued to obtain excellent core recovery, improving Hawkstone's geological understanding of the project, which will be applied to ongoing metallurgical test work.



Images 4 & 5 (above and below) – Drill cores from Hawkstone’s 37 hole diamond drill program.



CORPORATE UPDATE

Capital Raise for \$2.4 Million Completed

On 22 May 2019, Hawkstone announced that it had received firm commitments for a placement of 120 million shares at \$0.02 per share, to raise gross proceeds of approximately \$2,400,000. The capital raise was led by PAC Partners with the proceeds from the placement primarily being used to accelerate exploration activities and metallurgical test work on the Company's Big Sandy Lithium Project, as Hawkstone builds towards the estimation of a maiden JORC compliant resource in late September 2019. The placement was completed on 29 May 2019, with strong support received from both new and existing shareholders.

Appointment of Hawkstone Advisor, Dr David Deak

On 1 May 2019, Hawkstone announced the appointment of Dr David Deak as an advisor to the Board and Managing Director of the Company. Dr David Deak is the former Chief Technical Officer for Lithium Americas Corp (TSX:LAC) and held the role of President of its subsidiary, Lithium Nevada Corp. At Lithium Americas, he was responsible for recruiting and leading a team that delivered the 2018 preliminary feasibility study on the Thacker Pass lithium project, located in Nevada, USA. Dr Deak is currently President of Marbex LLC, a private company that supports a portfolio of projects in upstream battery metals.

With over 10 years' experience working in renewable energy, energy storage and electric vehicles, including roles at Tesla Inc. (NASDAQ: TSLA) where he established and grew Tesla's supply chain for lithium and other battery materials, Dr Deak brings a wealth of experience to his role with Hawkstone.

Board Appointment of Mr Barnaby Egerton-Warburton

On 16 May 2019 the Company announced the appointment of Mr Barnaby Egerton-Warburton to the position of Non-Executive Chairman. As an experienced investment banker and corporate advisor, Mr Egerton-Warburton has held managing director and non-executive director positions in the investment banking, technology, oil and gas and resource sectors.

Importantly, he was previously a non-executive director of ASX listed Ioneer Ltd (formerly Global Geo-Science Ltd), where he was responsible for driving the initial introduction of the company's highly regarded Rhyolite Ridge Lithium-Boron Project (located in Nevada USA) to the US investor group. His experience and involvement in this advanced lithium project will greatly assist the Company as it progresses towards its maiden JORC estimated resource in late September 2019.

NEXT STEPS

The final 3 of the 37 hole drill diamond drill program are currently being completed with assays being dispatched to the laboratory on a hole-by-hole basis. Hawkstone expects results from the final holes over the coming weeks and is continuing with metallurgical test work. Hawkstone's maiden JORC compliant resource estimate is due in late September 2019.

-END-

FOR FURTHER INFORMATION PLEASE CONTACT:

MR. PAUL LLOYD

Managing Director
Hawkstone Mining Limited
Tel. +61 419 945 395
plloyd@hawkstonemining.com
www.hawkstonemining.com.au/

ABOUT HAWKSTONE

Hawkstone's 100% owned Big Sandy and Lordsburg Projects (Figure 1) are located within the United States **Battery Corridor**, which includes Tesla Motors (NASDAQ:TSLA) Gigafactory 1, a lithium-ion battery and electric vehicle subassembly factory near Reno, Nevada.

The Company's flagship Big Sandy project is located some 2.5 hours' drive northwest of the state capital Phoenix, with access to world-class infrastructure including rail, road and grid power. The project is connected through the Interstate Highway System (I40) and cross-country Route 66, which both pass through the town of Kingman, 87km northeast of Big Sandy.

Kingman is located on the Southern Transcon route of the BNSF Railway, the main transcontinental route between Los Angeles and Chicago.

Big Sandy's 25.2km² project area contains an 11km-long lithium horizon with simple geology, lithium mineralisation from surface to a depth of 90m and a current Exploration Target of **242.1Mt - 417.6Mt at 1,000 - >2,000ppm Li¹**. (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).

Arizona is a top 10 global mining investment destination² with the Big Sandy Project located within an area that has recently been designated as an economic opportunity zone³, allowing companies to access tax concessions from state and federal authorities. Big Sandy's prospectivity is also bolstered by the recent designation of lithium by the US Commerce Department as a mineral deemed critical to U.S. national security and the economy by the US Federal Government⁴.

¹ ASX Announcement - BIG SANDY PROJECT – LITHIUM EXPLORATION TARGET

<https://www.asx.com.au/asxpdf/20190328/pdf/443tym6c5wl88s.pdf>

² Frasier Institute – 2018 Survey of Mining Companies

<https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2018.pdf>

³ ARIZONA COMMERCE AUTHORITY - OPPORTUNITY ZONES

<https://www.azcommerce.com/arizona-opportunity-zones/>

⁴ Interior's U.S. Geological Survey - list of critical minerals

<https://www.usgs.gov/news/interior-releases-2018-s-final-list-35-minerals-deemed-critical-us-national-security-and>





Figure 2 - Location of Hawkstone's high grade Big Sandy and Lordsburg Lithium Projects

COMPETENT PERSON'S STATEMENT

The information in this announcement that relates to exploration results and exploration targets for the Big Sandy Project is based on and fairly represents information compiled by Mr Gregory Smith, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith consults to the Company as its Chief Technical Officer and holds shares in the Company. Mr Smith consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

EXPLORATION TARGET

ZONE	RESOURCE BLOCK	GRADE RANGE LI PPM	THICKNESS LOWER (M)	THICKNESS UPPER (M)	LOWER (TONNES)	UPPER (TONNES)
North	A	1,000 → 2,000	30	50	21,600,000	36,000,000
North	B	1,000 → 2,000	40	60	82,800,000	124,200,000
North	C	1,000 → 2,000	15	25	27,000,000	45,000,000
North	D	1,000 → 2,000	30	50	27,000,000	45,000,000
South	SMZ	1,000 → 1,500	30	60	83,700,000	167,400,000
		1,000 → 2,000	TOTAL		242,100,000	417,600,000

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.

The Exploration Target has been estimated using a range of thicknesses for the mineralised sections calculated from drill intercepts, surface sampling and geological mapping. The grade estimates a range of values demonstrated from drilling and surface sampling. For full details see the Company's ASX announcement dated 28 March 2019.

APPENDIX A

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 30 June 2019.

Project	Claim Number	Location	Number of Claims	Interest
Big Sandy	WIK-001 to WIK-112	Arizona, USA	112	100%
Big Sandy	BSL-001 to BSL-146	Arizona, USA	146	100%
Lordsburg	LLP-001 to LLP-208	New Mexico, USA	208	100%
Lordsburg	LLP-209 to LLP-354	New Mexico, USA	147	100%
Kangwane South	N/A	Mpumulanga Province, South Africa	N/A	70%

No tenements were acquired or disposed of during the quarter.



Appendix B: Phase 2 Drill Results to date

Hole ID	Easting	Northing	RL (m)	Depth (m)	Width (m)	From (m)	To (m)	Li ppm
DHQ1	264,355	3,842,000	607	92.35	21.00	9.00	30.00	2,176
				<i>incl</i>	2.00	11.00	13.00	2,875
				<i>incl</i>	4.00	15.00	19.00	2,345
				<i>incl</i>	3.00	24.00	27.00	3,893
					9.00	33.00	42.00	1,430
					19.00	46.00	65.00	1,791
				<i>incl</i>	5.00	52.00	57.00	2,438
					2.00	71.00	73.00	1,655
					2.00	81.00	83.00	1,515
DHQ3	264,500	3,842,175	615	67.67	54.00	10.00	64.00	2,041
				<i>incl</i>	13.00	13.00	26.00	2,573
				<i>incl</i>	9.00	34.00	43.00	2,531
				<i>incl</i>	4.00	47.00	51.00	2,550
DHQ4	264,400	3,842,223	615	78.33	19.55	11.45	31.00	2,218
				<i>incl</i>	10.00	13.00	23.00	2,474
				<i>incl</i>	2.00	25.00	27.00	2,910
					34.00	32.00	66.00	1,968
				<i>incl</i>	10.00	32.00	42.00	2,268
DHQ5	264,600	3,842,250	616	70.71	6.00	4.00	10.00	1,092
					17.00	12.00	29.00	2,152
				<i>incl</i>	10.00	13.00	23.00	2,401
					36.00	31.00	67.00	1,892
				<i>incl</i>	5.00	34.00	39.00	2,414
				<i>incl</i>	4.00	42.00	46.00	3,315
DHQ7	264,465	3,842,320	615	72.24	14.67	14.33	29.00	2,344
				<i>incl</i>	11.67	14.33	26.00	2,529
					29.00	30.00	59.00	1,923
					4.00	61.00	65.00	1,272
				<i>incl</i>	11.00	34.00	45.00	2,371
DHQ8	264,565	3,842,325	617	72.24	23.30	6.70	30.00	2,143
				<i>incl</i>	14.00	8.00	22.00	2,459
					35.00	31.00	66.00	2,105
				<i>incl</i>	14.00	34.00	48.00	2,559
DHQ9	264,700	3,842,350	617	58.83	20.00	7.00	27.00	1,898
				<i>incl</i>	9.00	16.00	25.00	2,356
					2.00	35.00	37.00	1,435
					2.00	43.00	45.00	1,540
DHQ10	264,423	3,842,446	615	76.8	44.00	12.00	56.00	2,040
				<i>incl</i>	11.00	13.00	24.00	2,732
				<i>incl</i>	2.00	34.00	36.00	2,865
				<i>incl</i>	4.00	39.00	43.00	2,515

Hole ID	Easting	Northing	RL (m)	Depth (m)	Width (m)	From (m)	To (m)	Li ppm
					4.43	61.57	64.00	2,250
DHQ11	264500	3842450	617	77.12	26.00	15.00	41.00	2,205
				<i>incl</i>	10.00	18.00	28.00	2,544
				<i>incl</i>	8.00	33.00	41.00	2,324
					14.00	42.00	56.00	2,085
				<i>incl</i>	4.00	43.00	47.00	2,770
					8.00	59.00	67.00	1,526
DHQ12	264,600	3,842,445	619	70.41	21.00	10.00	31.00	2,203
				<i>incl</i>	13.00	18.00	31.00	2,497
					13.00	36.00	47.00	2,395
				<i>incl</i>	6.00	37.00	43.00	2,492
				<i>incl</i>	4.00	45.00	49.00	3,220
					13.00	51.00	64.00	1,756
DHQ13	264,700	3,842,475	620	58.83	22.00	7.00	29.00	1,668
				<i>incl</i>	2.00	10.00	12.00	2,730
				<i>incl</i>	3.00	18.00	21.00	2,267
					4.00	42.00	46.00	1,250
DHQ14	264,805	3,842,450	625	49.38	7.34	3.66	11.00	1,412
					11.00	15.00	26.00	1,767
DHQ15	264,403	3,842,571	615	76.81	3.00	7.00	10.00	1,207
					21.00	13.00	34.00	2,329
				<i>incl</i>	14.00	15.00	28.00	2,786
					32.00	35.00	67.00	2,021
				<i>incl</i>	2.00	35.00	37.00	2,645
				<i>incl</i>	5.00	41.00	46.00	2,764
DHQ16	264,500	3,842,556	616	70.71	52.00	14.00	66.00	2,042
				<i>incl</i>	2.00	14.00	16.00	2,315
				<i>incl</i>	4.00	19.00	23.00	2,068
				<i>incl</i>	5.00	25.00	30.00	2,294
				<i>incl</i>	2.00	35.00	37.00	2,310
				<i>incl</i>	9.00	42.00	51.00	2,748
				<i>incl</i>	3.00	53.00	56.00	2,123
				<i>incl</i>	3.00	59.00	62.00	2,287
DHQ17	264,585	3,842,553	619	73.76	20.15	15.85	36.00	1,780
				<i>incl</i>	2.00	19.00	21.00	2,295
				<i>incl</i>	4.00	27.00	31.00	2,238
					14.00	40.00	54.00	1,924
				<i>incl</i>	2.00	40.00	42.00	2,425
				<i>incl</i>	4.00	48.00	52.00	2,310
					3.00	56.00	59.00	1,663
					6.00	61.00	67.00	1,642
				<i>incl</i>	2.00	62.00	64.00	2,110
DHQ18	264,690	3,842,545	623	61.57	20.25	9.75	30.00	1,618

Hole ID	Easting	Northing	RL (m)	Depth (m)	Width (m)	From (m)	To (m)	Li ppm
				<i>incl</i>	2.00	11.00	13.00	2,500
DHQ19	264,800	3,842,550	623	46.33	5.00	7.00	12.00	1,848
					8.00	17.00	25.00	1,325
DHQ20	264,900	3,842,580	624	40.23	9.34	3.66	13.00	1,912
DHQ21	264,400	3,842,650	626	79.86	22.00	14.00	36.00	2,195
				<i>incl</i>	14.00	22.00	36.00	2,751
					2.00	37.00	39.00	1,890
					20.00	40.00	60.00	2,333
				<i>incl</i>	10.00	44.00	54.00	2,539
					5.00	63.00	68.00	2,092
				<i>incl</i>	2.00	65.00	67.00	2,780
DHQ22	264,500	3,842,650	622	82.91	3.00	6.00	9.00	1,020
					47.00	12.00	59.00	2,130
				<i>incl</i>	12.00	16.00	28.00	2,615
				<i>incl</i>	5.00	38.00	43.00	2,706
				<i>incl</i>	7.00	47.00	54.00	2,680
DHQ23	264,600	3,842,650	624	81.00	23.20	12.80	36.00	2,141
				<i>incl</i>	11.00	14.00	25.00	2,446
					4.00	40.00	44.00	1,528
					8.00	45.00	53.00	1,589
					6.62	58.00	64.62	1,604
					4.00	70.00	74.00	1,490
DHQ24	264,700	3,842,650	625	64.62	11.20	12.80	24.00	2,024
				<i>incl</i>	2.00	20.00	22.00	2,080
					2.00	26.00	28.00	2,045
					1.00	31.00	32.00	1,350
					1.00	47.00	48.00	1,700
DHQ25	264,800	3,842,650	630	45.00	7.30	9.70	17.00	1,688
DHQ26	264,877	3,842,650	628	49.38	5.20	12.80	18.00	1,878
DHQ27	264,413	3,842,757	628	82.91	2.10	18.90	21.00	1,331
					14.00	31.00	45.00	2,211
				<i>incl</i>	7.00	31.00	38.00	2,483
				<i>incl</i>	3.00	41.00	44.00	2,490
					20.00	47.00	67.00	2,131
				<i>incl</i>	2.00	48.00	50.00	2,475
				<i>incl</i>	4.00	55.00	59.00	2,663
				<i>incl</i>	2.00	65.00	67.00	2,190
					7.00	72.00	79.00	1,470
DHQ28	264,490	3,842,748	623	79.86	52.00	11.00	63.00	1,953
				<i>incl</i>	15.00	22.00	37.00	2,463
				<i>incl</i>	17.00	43.00	60.00	2,250

Hole ID	Easting	Northing	RL (m)	Depth (m)	Width (m)	From (m)	To (m)	Li ppm
					6.00	67.00	73.00	1,630
DHQ29	264,594	3,842,756	625	79.86	27.25	9.75	37.00	1,590
				incl	2.00	13.00	15.00	2,300
				incl	4.00	18.00	22.00	2,255
					6.00	39.00	45.00	1,677
				incl	2.00	41.00	43.00	2,450
					6.47	49.00	55.47	1,971
					9.48	58.52	68.00	1,506
DHQ30	264,700	3,842,750	624	64.62	21.00	13.00	34.00	1,636
				incl	2.00	15.00	17.00	2,325
				incl	2.00	23.00	25.00	2,325
DHQ31	264,796	3,842,754	623	55.47	10.00	15.00	25.00	1,272
DHQ33	264,400	3,842,850	638	98.15	4.00	13.00	17.00	1,100
					2.00	22.00	24.00	1,175
					12.00	37.00	49.00	2,123
				incl	3.00	40.00	43.00	2,723
					23.00	51.00	74.00	1,967
				incl	8.00	60.00	68.00	2,346
					6.00	77.00	83.00	1,777
				incl	3.00	77.00	80.00	2,273
DHQ34	264,500	3,842,850	629	89	2.00	7.00	9.00	1,260
					32.00	10.00	42.00	1,798
				incl	12.00	28.00	40.00	2,346
					25.00	43.00	68.00	2,091
				incl	10.00	55.00	65.00	2,559
					7.00	72.00	79.00	1,624
DHQ35	264,568	3,842,873	628	82.91	2.00	6.00	8.00	1,100
					4.00	9.00	13.00	1,290
					5.00	16.00	21.00	1,444
					39.00	23.00	62.00	2,015
				incl	7.00	23.00	30.00	2,473
				incl	6.00	32.00	38.00	2,412
				incl	3.00	44.00	47.00	2,743
					2.00	63.00	65.00	1,650
					2.00	70.00	72.00	1,705
DHQ36	264,700	3,842,850	630	72.24	26.00	10.00	36.00	1,443
				incl	5.00	13.00	18.00	2,272
DHQ37	264,800	3,842,850	634	64.62	11.20	12.80	24.00	1,715
					2.00	27.00	29.00	1,230
					2.00	32.00	34.00	1,230

Note: Easting and Northing coordinates: NAD83 / UTM zone 12N