

ACQUISITION OF HISTORICAL HIGH-GRADE LONE PINE GOLD PROJECT, IDAHO, USA

HIGHLIGHTS

- **Hawkstone Mining Limited has agreed to acquire 100% interest in the high-grade Lone Pine Gold Project located in the Trans-Challis Fault System.**
- **Lone Pine is an advanced gold exploration project that was last mined in 1907.**
- **The Project contains a 1935 non-JORC compliant, mineral resource estimate of 71,128 ounces Au (122,600 tons @ 18.06 g/t Au)*.**
- **Drilling to commence Q2, 2020 and the Company expects to advance exploration on the patented land holding with the aim to generate a maiden JORC resource.**
- **Gold mineralisation hosted by NE trending, steep NW dipping quartz vein zone in granite that has been traced by adits and trenches over a strike length of 480 metres. The mineralisation remains untested at depth and along strike in both directions.**
- **Project has not been subjected to modern exploration techniques, providing a significant opportunity for Hawkstone.**
- **100% ownership of both patented and BLM claims provides the ability to make efficient exploration and investment decisions.**
- **The Company has received firm commitments to raise \$1,000,000 from sophisticated investors at an issue price of \$0.006, with a free attaching option.**

**Cautionary Statement: Readers are cautioned that the historical Mineral Resource estimate for the Lone Pine Gold Project, referred to in this announcement, is a "historical estimate" under ASX Listing Rule 5.12 and is not reported in accordance with the JORC Code. A competent person has not yet undertaken sufficient work to classify the historical estimate as mineral resources or ore reserves in accordance with the JORC Code. It is uncertain that, following evaluation and/or further exploration work, it will be possible to report this historical estimate as mineral resources or ore reserves in accordance with the JORC Code. ASX Listing Rule 5.12 specifies the additional information that must be provided in a market announcement that contains historical estimates. This information is contained in Appendix 1 together with further details on the historical Mineral Resource estimate.*

Hawkstone Mining Limited (ASX:HWK) (**Hawkstone** or **Company**) is pleased to announce the acquisition, subject to completion of satisfactory due diligence, of the Lone Pine Gold Project located in Idaho, USA (**Lone Pine Gold Project** or **Project**). The acquisition of the Project represents a diversification of the Company's assets from a solely lithium explorer to include gold, a metal that is maintaining its value and showing significant upward potential. The Lone Pine Gold Project is located in Idaho, USA, a world-class mining jurisdiction well ranked globally for Investment Attractiveness by the Fraser Institute¹

¹ Fraser Institute – 2018 Survey of Mining Companies <https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2018.pdf>

The Lone Pine Gold Project was mined up to 1907 and contains a non-JORC compliant gold resource. As the vein hosted mineralisation occurs on Patented Claims, through a drill program, the Company expects to advance the project to a JORC compliant resource.

Hawkstone Mining Managing Director, Paul Lloyd, commented: “Due to the ongoing weakness of the LCE price and hence the negative sentiment of the overall investment community to lithium producers and in particular explorers, the Company has made the decision to diversify its project portfolio to include gold assets. To this end, the Company has elected to build shareholder wealth via the acquisition of the Lone Pine Gold Project, an advanced gold project located in Idaho, USA. The acquisition allows us to leverage off the years of experience working in the USA and the professional exploration team built up over that period. The project will enable the Company to define a potentially high-grade JORC compliant resource in a mining friendly state.

The Company remains 100% committed to the Big Sandy Lithium Project and will continue to advance the environmental study on the Big Sandy Lithium Project to facilitate the issuance of a Plan of Exploration. This will enable the completion of further drilling in the Northern Mineralised Zone. Discussions with parties to construct a pilot plant are ongoing.

I look forward to creating shareholder value from the exploration of the Lone Pine Gold Project.”

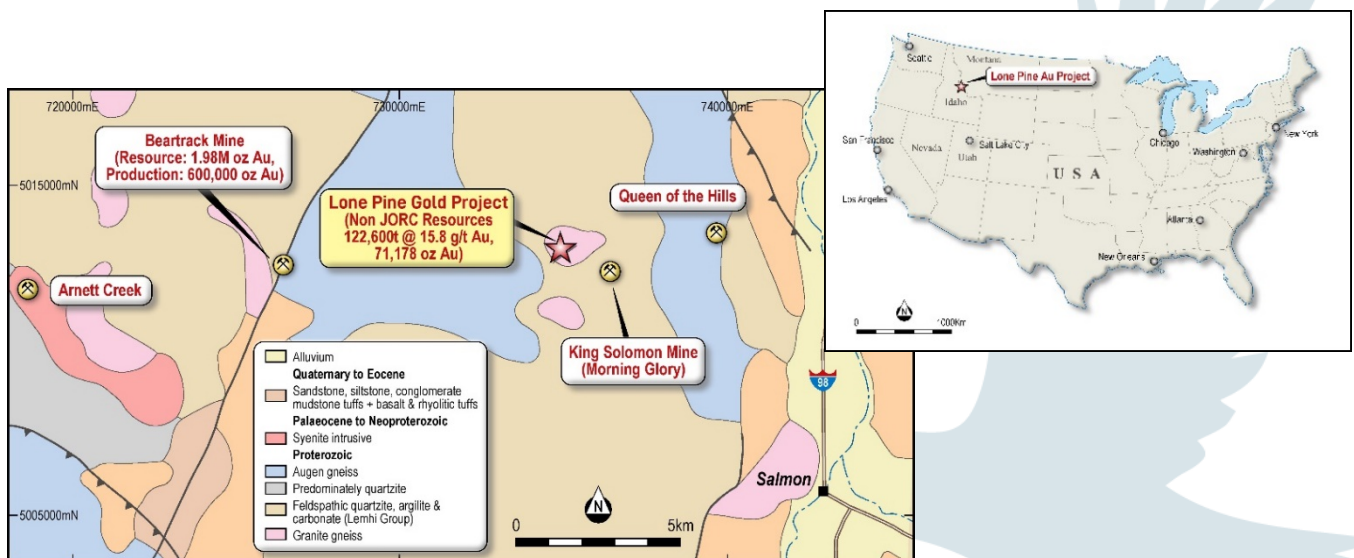
LONE PINE GOLD PROJECT

The Company has entered a binding agreement to acquire the advanced Lone Pine Gold Project from Inception Mining Inc., for the consideration of US\$510,000 (by way of cash and scrip). The Project offers significant financial upside from proof of concept exploration success and the Company’s aim is to develop the Project into a medium to high-grade gold deposit.

Location and Access

The Project is located approximately 10km west of Salmon, Idaho, USA and consists of 2 patented claims 16.77 ha (Figures 1 & 2) surrounded by a further 75 BLM lode claims covering 607 ha.

Figure 1 – Location, Lone Pine Gold Project



The Project lies 16km and 8km east respectively of the Arnett Creek and Beartrack mines operated/explored by Revival Gold Inc. and 5km west of the historic Queen of the Hills mine and 900m NW of the King Solomon Mine (Morning Glory Project) explored by Teck Resources (Figure 1).

The Queen of the Hills Mine was mined up till its closure in 1942 due to World War 2.

The Morning Glory (King Solomon) Project is also held by Jervois Mining. They describe the Morning Glory Project as shear-hosted oxide gold occurrences amenable to open cut mining and processing via heap leach. Exploration to date has consisted of soil sampling, geophysics, trenching and old mine rehabilitation. During the 1995/96 exploration seasons 23 RC drill holes were completed³.

Geology

The Lone Pine Gold Project contains one of the numerous precious metal occurrences spatially and genetically related to the Trans-Challis Fault System, a NE striking, 275km long zone that has produced more gold than any other area in Idaho.

Gold mineralisation on the Project is hosted by a quartz veined zone in a northeast-trending steeply 80° west dipping shear in a granite formation near its contact with the overlying quartzite. The quartz vein zone has been traced the entire length of the southern patented claim and part of the northern patented claim, a strike length of 480m, where it disappears under cover. It has been traced down dip via adits for up to 150m (Figure 2).

The vein is a mesothermal, fissure type consisting of quartz veining and coarse gouge. Gouge is mostly schistose crushed quartz as found in Adit # 5. Sampling has demonstrated the gold to be associated with both the vein and gouge. It is partially free milling with the remainder associated with pyrite.

At the entrance to Adit # 5 the vein zone averaged **14.46 g/t Au** over 2.6 metres representing the weighted average of samples 10701 to 10706, Table 2 (Figure 3). High grade, select float samples from the vein have returned assays up to **45.67 g/t Au / 20.75 g/t Ag** in vein material with 5 – 7% disseminated pyrite⁴.

³ Jervois Mining Website: <https://jervoismining.com.au/our-assets/non-core-exploration/> The Morning Glory Project & Queen of the Hills Projects

⁴ Mr. Brian T. Brewer, 2013, U.P. AND BURLINGTON MINE PROPERTY, LEMHI COUNTY, IDAHO, USA

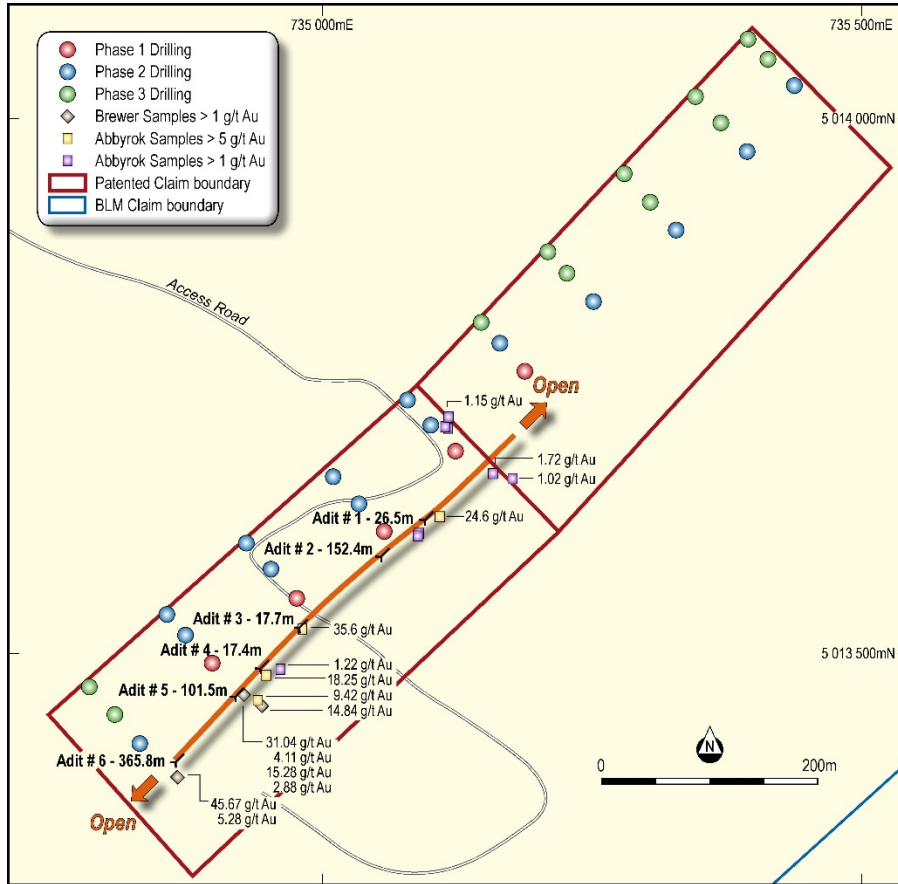


Figure 2 – Vein, Adits and Sampling

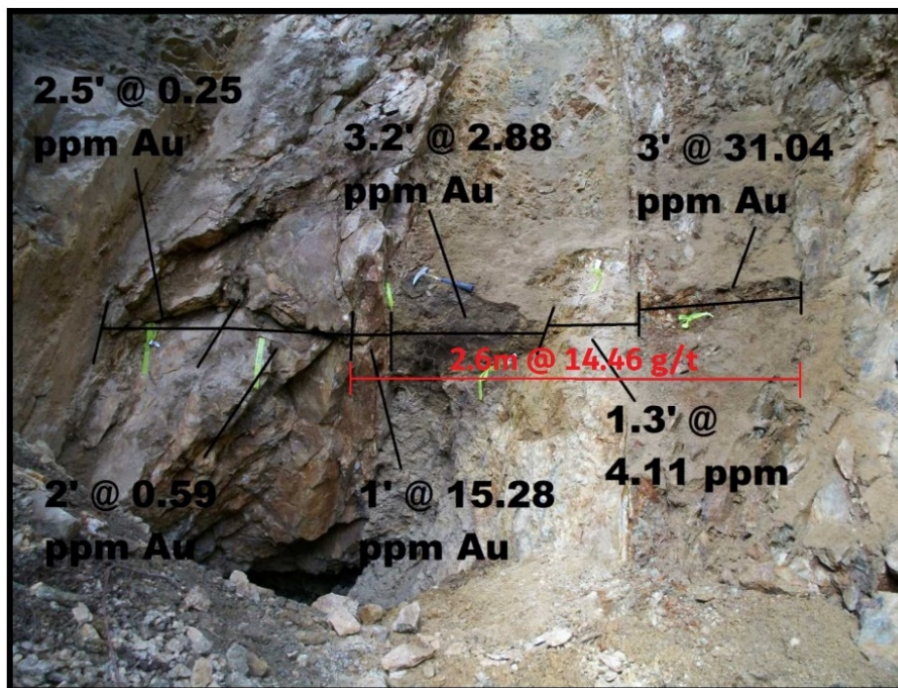


Figure 3 – Adit # 5 Sampling – Table 2 - Samples 10701 to 10706 incl.

Recent Exploration

The Project has had limited recent exploration providing Hawkstone with a significant opportunity for development. Between 2010 and 2013, Inception Mining Corp. opened the portals of the #5 and #6 adits, completed trenching, metallurgical testwork and a bulk sample.

Idaho based geological consultant Brewer Exploration completed rockchip and chip channel sampling on behalf of Inception. In late 2019 Abbyrok⁵, an Australian based geological consultant, completed rock chip sampling programme as part of the project review, but were hampered by the presence of early snow and collapses over the adits. The sampling program however confirmed the presence of gold mineralisation associated with the quartz vein and adjacent gouge. Tables 1 & 2 contain the results of sampling completed by Brewer Exploration and Abbyrok respectively.

Table 1 – Brewer Sampling

Sample	Easting	Northing	Description	Au g/t	Ag g/t
34101	734897	501424	grab sample, white quartz, adit 5 dump	0.13	0.00
34102	734865	5013395	grab sample, white quartz, adit 6 dump	0.10	0.00
34103	734865	5013395	grab sample, white quartz, adit 6 dump	0.13	0.00
34104	734897	5013383	grab sample from dump above mill	0.69	10.00
10701	734928	5013462	80cm chip sample	0.25	0.00
10702	734928	5013462	60m chip sample - quartzite and moderate stockwrk	0.59	0.00
10703	734928	5013462	30m chip sample - quartz vein	15.28	11.35
10704	734928	5013462	1m chip sample - sheared quartzite	2.88	0.00
10705	734928	5013462	40cm chip sample - sheared quartz vein	4.11	0.00
10706	734928	5013462	90cm chip sample across fault, strong Fe	31.04	0.00
10707	734952	5013452	quartz float, 5% pyrite	14.84	7.00
10708	734875	5013385	quartz float, 5% pyrite	45.67	20.70
10709	734875	5013385	quartz float, 10-15% pyrite-chalcopyrite-galena	5.28	28.80

Coordinates UTM AGD83 11

Table 2 – Abbyrok Sampling 2019

Sample	Easting	Northing	RL	Description	Au g/t
UPB001	264020	5013523	2511	1m samples across face above adit #4	0.01
UPB002	264020	5013523	2511	1m samples across face above adit #4	0.01
UPB003	264020	5013523	2511	1m samples across face above adit #4	1.22
UPB004	263998	5013496	2484	two 1m samples across face adit 5	9.42
UPB005	263998	5013496	2484	two 1m samples across face adit 5	0.01
UPB006	263998	5013496	2484	grab from pile at adit #5	0.01
UPB007	264229	5013692	2588	grab sample from qtz vein oc on top of hill under tree, near bulk sample trench	1.72
UPB008	264191	5013748	2595	sheared milky qtz-fsp vn, oxidised, pitting ex-py, siderite, tourmaline from ore	1.15
UPB009	264188	5013738	2595	blk fg sed, wk shear. 3-5% fg diss py. Sil? From ore pile	0.04
UPB010	264190	5013737	2595	vn-sed contact, 5-15% diss py, concentrated at contact. From same ore pile as	0.2
UPB011	264247	5013686	2580	milky qtz vn float, from rehaqb trench, oxidised, ferrug. Rare vugs	1.02
UPB012	264177	5013658	2575	gy-w qtz vn stockwork in sed?, from rehab trench 25m upslope form Adit1.	<0.01
UPB013	264177	5013655	2575	or-bn oxidised qtz vn from backfilled trench. Ex-pitting after py	24.6
UPB014	264155	5013638	2577	qtz vn stockwork in granite, sampke from face	0.22
UPB015	264156	5013640	2577	qtz vn stockwork, sample from face	0.03
UPB016	264044	5013559	2520	or-bn oxidised qtz vn from Adit 3, weak fabric. Ex-pitting after py	35.6
UPB017	264007	5013519	2503	or-bn oxidised qtz vn from Adit 4, str fabric. Ex-pitting after py. Granite host	18.25
UPB018	264008	5013519	2503	wk sheared granite, Fe stained fractures, Adit 4, E of vn	0.07
UPB019	264006	5013519	2503	fg sil? Sed, y-bn, adj to UPB17 in Adit 4	0.05
UPB020	264005	5013519	2502	choc bn ferr fg sed. Wk-mod sh, pitting after sulp. Wk stockwk qtz veinlets. Adit 4	0.01
UPB021	264009	5013518	2503	thin 10-15cm qtz vn in granite, approx 3 m E from vn (UPB17) in Adit 4	0.78
UPB022	263993	5013490	2486	wk fractured mg-cg granite. Stockwk qtz-tourmaline veinlets, 1-3cm. Wk py? Adit	0.01
UPB023	263918	5013422	2405	grab sample from ore pile near Adit 6. Or-bn qtz vn, pitting after py, ferrug	0.01
UPB024	263918	5013422	2405	Altered sil? Granite. Yell-grn. Wk fabric, Wk pitting after py. From same pile as	<0.01
UPB025	263918	5013422	2405	grey fg sed. Adit 6 ore pile. Pitting after py, wk fabric. Mn spotting?	0.09
UPB026	263918	5013422	2405	massive milky qtz vn, weak colloform banding. Adit 6 ore pile.	0.1
UPB027	264037	5013365	2420	sheared or-bn mg-cg granite, oxidized	<0.01
UPB028	264044	5013362	2424	sheared or-bn mg-cg granite, oxidized	0.01
UPB029	264053	5013358	2429	sheared or-bn mg-cg granite, oxidized, qtz stringer veins	<0.01

Coordinates UTM AGD83 12

⁵ Lyle Thorne, 2019, Abbyrok Pty Ltd, Mineral Project Review Western USA

Resources

No JORC compliant resource has yet been defined on the Lone Pine Gold Project (U.P. & Burlington Mine). However, a non-compliant JORC resource estimate is available based on historical work of R. Guewilik, 1935 and is considered essential in demonstrating the potential of the Lone Pine Gold Project.

Under ASX Listing Rule 5.12, an entity reporting a historical non-JORC (2012) mineral resource estimate in relation to a material mining project, must include all of the information required by ASX Listing Rule 5.12. Accordingly, the Company has provided the requisite additional disclosure in Appendix 1 in relation to the historic estimate detailed above. Refer further below for details on the Company’s proposed work programs, which will include activities aimed at generating a mineral resource estimate for the Lone Pine Gold Project in accordance with the JORC Code (2012).

Guewilik estimates a total of 71,178 ounces Au classified as “developed and probable ore reserves” based on “map records” (Guewilik, 1935) and a 1914 report. The calculations presented in the 1935 report are summarized in the following table, retaining the original terminology from the report (Table 3)⁶. No known additional exploration work has been completed, other than minimal surface work by Inception Mining Inc⁷.

Table 3 – Guewilik 1935 Ore Calculations

Guewilik 1935 Ore Calculations									
1935 Report	Vein Width ft.	Area sq. ft.	Tons (in-situ)	Value per Ton @ \$35		Ounces	Tons of Minable Ore	Ounces Minable	Ounces Recoverable
				OPT Au	Ounces				
Developed Ore Block 1	2.77	87,500	18,600	32.86	0.9389	17,463	14,900	14,003	12,603
Developed Ore Block 2	2.72	120,000	25,000	21.49	0.6140	15,350	18,750	11,562	10,406
Developed Ore Block 3	1.66	120,000	15,000	14.00	0.4000	6,000	5,000	4,290	3,861
Total Developed Ore			58,600		0.6623	38,813	38,650	29,856	26,870
Probable Ore North			32,000	23.40	0.6686	21,394	22,400	14,976	13,478
Probable Ore Below			32,000	12.00	0.3429	10,971	22,400	7,680	6,912
Total Probable Ore			64,000		0.5057	32,366	44,800	22,656	20,390
Grand Total			122,600		0.5806	71,178	83,450	52,512	47,260

Guewilik calculated the “Tons” column amounts of “developed” ore by computing a volume of vein material and applying a tonnage factor (13 ft³/t or 2.46 tonnes/m³). The columns labelled “OPT” (ounces per ton) and “Ounces” were calculated from Guewilik’s tonnage and value figures. The column labelled “Tons of Minable Ore” resulted from Guewilik’s subtraction of 20, 25 or 30 percent of the resource tons to account for possibly un-minable ore. The column labelled “Ounces Recoverable” was calculated because of Guewilik’s estimation of 90% mill recovery.

The three blocks of “developed” ore add up to 58,600 tons at an average grade of 0.6686 oz/ton Au (20.80 g/t Au) for 38,813 ounces Au before any subtractions for mining. Guewilik reduced that amount to 38,650 tons (29,856 ounces Au) minable and 26,870 ounces Au recoverable.

⁶ Guewilik, R., 1935, Report on U.P. & Burlington Mine, Company Report.

⁷ Brian T. Brewer, 2013, U.P. AND BURLINGTON MINE PROPERTY LEMHI COUNTY, IDAHO, USA

For the areas of “probable ore reserves”, Guewilik assumed two factors: (1) the vein continues 300 feet (91m) along strike to the northeast with the same width and grade as the “developed” ore reserve, and (2) the mineralisation continues 150 feet (46m) below Adit #6 at grades equal to the sampled grades in that Adit (Figure 4). He conservatively assumed a decreased value in the zone below the workings.

Sampling of Adit #5, the only drive accessible in November 1934 returned an average grade of 0.2677 oz/ton Au over an average width of 3.28 feet along its length (8.33 g/t Au over 1.0m along 101.5m). Sampling in 2011 by Brewer across the face of Adit # 5 returned a gold value of 0.422 oz/ton Au over 8.5 feet (13.13 g/t Au over 2.6m) including 0.905 oz/ton Au over 3 feet (28.15 g/t Au over 0.91m) (Figure 3). The latter vein zone grading 28.15 g/t Au over 0.91 is interpreted to be that used in the estimation of the Guewilik resource.

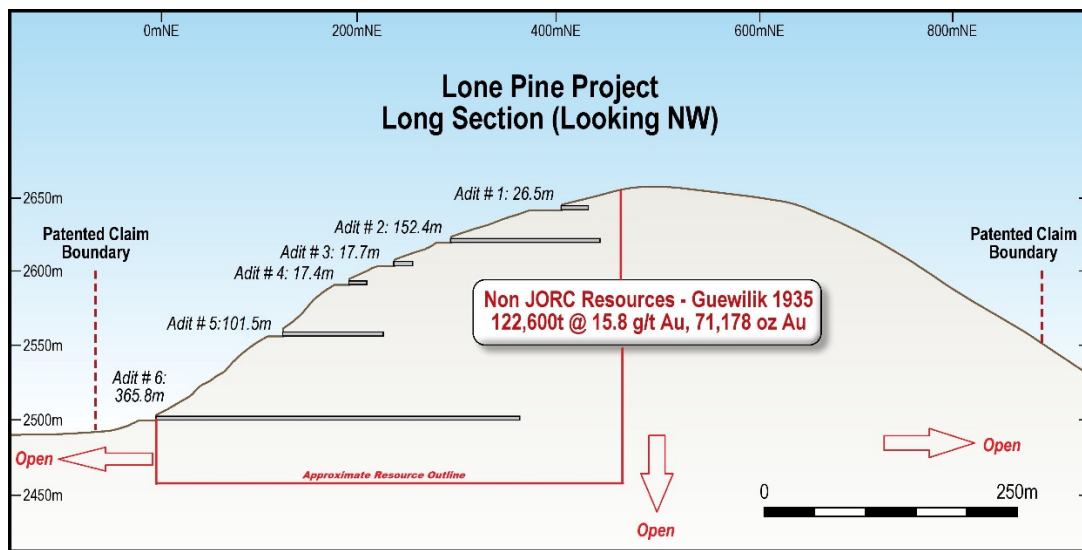


Figure 4 – Lone Pine Gold Project, Long Section Looking NW (plane of vein)

Brewer considers Guewilik’s resource estimate to be conservative highlighting that his 1935 report states that the width sampled was only on “favourable” portions of the vein, and other portions of the vein had lower values not desirable in 1907.

Planned Exploration

Exploration is planned to progress as follows:

- Structural analysis of the Lone Pine Gold Project to define the mineralisation controls and its setting within the regional structural framework;
- Drill planning and liaison with the relevant government departments to ensure that all protocols are in place; and
- Commencement of Phase 1 diamond drilling program estimated at approximately 400m (5 holes x 80m) to test the vein zone on 100 metre centres in the area of the historic resource (Figure2). Phase 2 and 3 drill programs are planned dependent on results of Phase 1.

Drill planning is well advanced and is expected to commence quarter 2 of 2020.

Consideration

The Company has agreed to acquire the Lone Pine Gold Project from Inception, subject to completion of satisfactory due diligence, for the following consideration:

- (a) US\$35,000 non-refundable deposit on execution of the acquisition agreement;
- (b) by 15 February 2020:
 - (i) US\$250,000 cash; and
 - (ii) 67,164,179 fully paid ordinary shares in the capital of the Company (**Shares**), calculated by dividing the Australian dollar equivalent of US\$225,000 by a deemed issue price of A\$0.005 per Share.

In conjunction with the acquisition, the Company intends to appoint its Chief Technical Officer, Mr Greg Smith, as a director of the Company.

The Company also intends to issue 15,114,428 Shares to Harrison Land Services, LLC and Abbyrok Pty Ltd at a deemed issue price of \$0.006 as consideration for due diligence services provided to the Company in relation to the acquisition. Neither of the service providers are related parties of the Company.

Conditions

Completion of the acquisition is conditional upon completion by Hawkstone of due diligence on the Project to Hawkstone's satisfaction.

Capital raising

The Company has received firm commitments for a share placement of 166,666,667 Shares to sophisticated investors under the Company's existing placement capacity at \$0.006 per Share, together with free-attaching unquoted options (issuable on the basis of 1 option for every 1 Share subscribed for under the placement, exercisable at \$0.012 each and expiring 3 years from the date of issue). The Company will raise approximately \$1,000,000 (before costs) pursuant to the placement. The issue will occur in two tranches with the second tranche and all of the options being issuable subject to shareholder approval. A total of 136,665,319 Shares will be issued under the first tranche of the placement (of which 55,133,520 Shares will be issued using the Company's existing placement capacity under ASX Listing Rule 7.1 and 81,531,799 Shares will be issued using the Company's existing placement capacity under ASX Listing Rule 7.1A). A total of 30,001,348 Shares will be issued under the second tranche of the placement, subject to shareholder approval.

A broker has been appointed to assist the Company in raising \$300,000 under the share placement. As part of the transaction fee, the Company proposes to issue 10,000,000 unquoted broker options exercisable at \$0.012 each and expiring 3 years from the date of issue (subject to shareholder approval).

Funds raised under the placement will be used to fund all cash payments required to be paid to Inception pursuant to the acquisition (as set out above), the costs of the acquisition and an initial drill program for the Lone Pine Gold Project.

Shares issued under the placement and on exercise of the options will rank equally with the then issued shares of the Company.

BIG SANDY LITHIUM PROJECT

In September 2019, Hawkstone announced a Maiden Mineral Resource at the Big Sandy Lithium Project over Block A of the Northern Mineralised Zone (“Resource”) at 32.5 Million tonnes grading 1,850 ppm Li containing 60,300 tonnes of lithium metal, which equals 320,800 tonnes Lithium Carbonate Equivalent (“LCE”). The Mineral Resource was estimated by Cube Consulting in accordance with the JORC Code (2012)⁹. *(This information was prepared and first disclosed to comply with JORC Code 2012. It has not materially changed since it was last reported.)*

Table 4 – Big Sandy Project Mineral Resource Statement (above 800 ppm Li cut-off)

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

Table 5 – Big Sandy Project Mineral Resource Statement (above 2,000 ppm Li cut-off)

Resource Classification	Tonnes (Mt)	Li Grade (ppm)	Contained Li Metal (t)	Contained LCE (t)
Indicated	6.4	2,330	15,000	79,800
Inferred	6.3	2,390	15,000	79,800
Total	12.7	2,360	30,000	159,500

NB: Numbers may not add up due to rounding

This estimate included 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 contained LCE. The estimate follows the successful completion of the Phase 2 diamond drilling program (37 HQ diamond holes totalling 2,881m), focused on Block A in the Northern Mineralised Zone.

Excellent potential exists to further expand the size of the Mineral Resource. Drilling has been planned to target Blocks B and C in the Northern Mineralised Zone which remains open to the north, south and west.

Big Sandy - Exploration Target

In November 2019, Hawkstone announced that geological mapping and surface sampling in the Big Sandy Project has identified an Exploration Target between 271,100,000 and 483,150,000 tonnes in a grade range of 1,000 ppm to >2,000 ppm Li¹⁰. *(This information was prepared and first disclosed to comply with JORC Code 2012. It has not materially changed since it was last reported. The potential quantity and grade of the Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource).*

⁹ Hawkstone ASX Announcement, 26 September, 2019, Big Sandy Lithium Project, Arizona, USA, Maiden Mineral Resource

¹⁰ Hawkstone ASX Announcement, 7 November, 2019, Big Sandy Lithium, Exploration Target Update

Table 6 – Summary of Exploration Target Ranges at varying thicknesses

Zone	Resource Block	Grade Range Li ppm	Thickness Lower (m)	Thickness Upper (m)	Lower (Mt)	Upper (Mt)
North	B	1000 - >2,000	40	60	82,800,000	124,200,000
North	C	1000 - >2,000	20	35	27,000,000	47,250,000
North	D	1000 - >2,000	20	35	39,600,000	69,300,000
South	SMZ 1	1000 - >1,500	30	60	83,700,000	167,400,000
South	SMZ 2	1000 - >1,500	30	60	38,000,000	75,000,000
				TOTALS	271,100,000	483,150,000

NEXT STEPS

In addition to aggressively exploring the Lone Pine Gold Project the Company will continue with the environmental review required as a part of the Plan of Exploration (POE) on the Big Sandy Project. The issuance of the POE at Big Sandy will enable the Company to carry out further drilling on the Northern Mineralised Zone. The Company is also currently progressing its plan to complete pilot plant testing on the Big Sandy mineralisation.

-END-

Competent Persons Statement

The information in this announcement that relates to the Lone Pine Gold Project (including the information provided pursuant to ASX Listing Rules 5.12.2 to 5.12.7 (inclusive)) and the Big Sandy Lithium Project is based on, and fairly represents information compiled by Gregory L Smith who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking 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 is a consultant to the Company and holds shares in the Company. Mr. Smith consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

The information contained in the Company's announcement of 26 September 2019¹ in relation to the Maiden Mineral Resource at the Big Sandy Lithium Project was prepared in compliance with JORC Code 2012. The Company is not aware of any new information or data that materially affects the information included in the 26 September 2019 announcement and all material assumptions and technical parameters underpinning the estimates in the 26 September 2019 announcement continue to apply and have not materially changed.

FOR FURTHER INFORMATION PLEASE CONTACT:

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¹ Hawkstone ASX Announcement, 26 September, 2019, Big Sandy Lithium Project, Arizona, USA, Maiden Mineral Resource

APPENDIX 1
Accompanying Notes to the Historic Mineral Resource Estimate

ASX Listing Rule 5.12 sets out the parameters whereby historic mineral resource estimates can be reported on the ASX. Accordingly, in addition to the disclosure in the body of this announcement, the Company provides the following information regarding the historic mineral resource estimate for the Lone Pine Gold Project.

ASX Listing Rule 5.12.1 – Provide the source and date of the historical estimate

The historical estimate is documented in an internal report prepared by R Guewilik in 1935, titled “Report on the U.P. and Burlington Mine, March 27, 1935”. (The U.P. and Burlington Mine lies within the U.P. and Burlington Patented Claims that contain the mineralised vein zone forming the core of the Lone Pine Gold Project).

ASX Listing Rule 5.12.2 – If the historical estimate used categories of mineralisation other than those defined in the JORC Code 2012, provide an explanation of the differences

The estimate is historical in nature and was calculated prior to the introduction of the JORC Code and has therefore not been classified into mineral resource categories. The estimate was calculated as part Guewilik’s assessment of the U.P and Burlington. At the time the estimate was calculated, polygonal methods were used, based on longitudinal sections that was deliberately confined to the widths and sample results from historic mine plans. Mineralisation was placed in 2 categories, developed and probable reserves with developed limited to ore blocks defined by sampling of the vein in the drives. Probable included the area extending 50m below the lowest and 100m past its farthest point of the underground workings.

The Company understands that confirmatory drilling and assaying needs to be undertaken before a JORC Code compliant mineral resource estimate can be made.

ASX Listing Rule 5.12.3 – Provide the relevance and materiality of the historical mineral resource estimate to the entity

The Company believes the historic resource estimate for the Lone Pine Gold Project is material because it provides an indication the size and scale of the mineralisation on the Project.

The historic resource estimate supports the Company’s intention to undertake confirmatory and extension drilling on the mineralisation.

ASX Listing Rule 5.12.4 – Detail the reliability of the historical estimate, including by reference to any of the criteria in Table 1 of JORC Code 2012 which are relevant to understanding of the reliability of the historic mineral resource estimate

The Company believes that, providing historical analytical results and mine plans were accurate (the Company has no reason to doubt the quality of these), the historical estimate is reliable because:

- (i) the historical resource was based on existing mine plans and reports;
- (ii) the geological interpretation appears to be sound; mineralisation has not been projected excessive distances from the underground workings;
- (iii) the techniques used for the historical estimate are reasonable; and
- (iv) preliminary analysis by the Company as well as other consultants, undertaken as part of its technical due diligence review, has generated comparable results.

ASX Listing Rule 5.12.5 – To the extent known provide a summary of the work programs on which the historic estimate is based and a summary of the key assumptions, mining and processing parameters and methods used to prepare the historic estimate

The historical resource estimate by Guewilik 1935 was based partially on mine records existing at the time and a report by Emerson Hill, June, 1914. Guewilik also considered mine dilution due to mining and milling recoveries in his grade and tonnage estimates and these are presented in Table 3 in the section Resources. Tonnage was rounded to the nearest 100 tons. He also stated that the calculations were only from the favourable portions of the vein, not the actual width of the vein that carried lower values that were not favourable at the time.

ASX Listing Rule 5.12.6 – Are there any more recent estimates or data relevant to the reported mineralisation available to the entity

The Company is not aware of any more recent historical resource estimates for the U.P & Burlington Mine, Lone Pine Gold Project. There has been no other work completed since the 1935 report with the exception of surface sampling as detailed in previous sections.

ASX Listing Rule 5.12.7 – Detail the evaluation and/or exploration work that needs to be completed to verify the historic estimate as mineral resources or ore reserves in accordance with the JORC Code 2012.

Drilling will be required to estimate a resource in accordance with the JORC Code (2012). A Phase 1 program has been planned to test the vein along strike and to depths between 35m and 50m below surface. Depending on the results of this program the Company will proceed with Phase 2 and 3 drill programs to enable calculation of JORC compliant resources.

ASX Listing Rule 5.12.8 – Explain the proposed timing of any evaluation work and/or exploration work the entity intends to undertake and how the entity intends to undertake that work

A summary of the proposed exploration activities that the Company intends initially undertaking in 2020 is set out in the body of this announcement. These activities will be financed by a proposed capital raising.



APPENDIX 2

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	This announcement primarily relates to results of 2 sampling programs have been primarily channel sampling with some grab samples.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Rock grab samples were randomly taken over an area of 1m ² while chip channel samples were taken across the vein zone.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	The samples are considered indicative of the presence of gold mineralisation. Abbyrok collected samples of 2-3kg in weight and dispatched these to ALS Laboratories where a 30gm charge was analysed by method PGM-ICP27 that includes Au by fire assay. Brewer dispatched his samples to American Assay Labs in Sparks Nevada for a 38-element analysis including gold fire assay using a 30gm charge.
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,	No drilling has been completed
	depth of diamond tails, face sampling bit or other type, whether core is oriented and if so, by what method, etc.).	No drilling has been completed
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	No drilling has been completed
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drilling has been completed
	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.	No drilling has been completed



Criteria	JORC Code Explanation	Commentary
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.	No drilling has been completed
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography	No drilling has been completed
	The total length and percentage of the relevant intersections logged.	No drilling has been completed
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	No drilling has been completed
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Rock chips were placed in Calico bags and shipped to lab.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Representative of vein and surrounding material.
	Quality control procedures adopted for all subsampling stages to maximise representivity of samples.	No quality control measures were used.
	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.	The rock chip and chip channel samples taken are representative of the material composing the quartz vein zone and wall rocks. No duplicate or half samples were collected as they will not form part of the JORC resource.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are appropriate for grain size of material sampled. They will not be used in the calculation of resources.
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.	The assay techniques used are standard in the industry using a 30gm charge riffled from a total crush and milling of the original sample.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical methods or instruments have been used.
	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.	No quality control measures have been instituted as the results will not be used in the calculation of a JORC compliant resource.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative Company personnel.	No drilling has been completed.
	The use of twinned holes.	No twin holes were drilled or have been drilled.

Criteria	JORC Code Explanation	Commentary
	Documentation of primary data, data entry procedures, data	The data are currently stored in hardcopy and digital format in the Company's office.
	verification, data storage (physical and electronic) protocols.	A hard drive copy of this is stored with GL Smith.
	Discuss any adjustment to assay data.	No adjustment was made to assay data.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	No drilling was completed. All sample location and mapping points were located with a hand held GPS accurate to ~3m in the X-Y axis. Elevations are far less accurate.
	Specification of the grid system used.	UTM NAD83 Zone 12
	Quality and adequacy of topographic control.	No survey has been undertaken. Hand held GPS coordinates have been utilized to locate sample locations.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	The rock chip sampling described in the report preceding this table are at no specific spacing.
	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.	The sampling is not of a spacing or distribution to establish a Resource.
	Whether sample compositing has been applied.	No sample compositing has been applied.
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.	Where chip channel samples were taken, they were sampled across the vein zone.
	If the relationship between the drilling orientation and the orientation of key mineralised structures are considered to have introduced a sampling bias, this should be assessed and reported if material.	No drilling to date.
Sample security	The measures taken to ensure sample security.	All samples were sampled and delivered directly to the relative sample preparation/lab facilities.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No reviews have yet been completed.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

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 Lone Pine Gold project consists of 2 Patented mining claims covering 16.77ha and a further surrounding BLM claims of approximately 20 acres each, covering 607 program ha physically staked on Bureau of Land Management, Federally administered land.



		All indigenous title is cleared and there are no other known historical or environmentally sensitive areas.
	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 claims have been granted and are subject to an annual payment. Other than the payment there is no requirement for minimum exploration or reporting. There is no expiry date on the claims.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Following mining in the early 1900's Inception Mining are the only other company to have completed exploration of the project.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	Gold mineralisation is hosted by a quartz veined zone in a northeast-trending steeply 80° west dipping shear in a granite formation near its contact with the overlying quartzite. The vein is a mesothermal, fissure type consisting of quartz veining and coarse gouge.
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 drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.	All information as listed is provided in the preceding tables.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No information has been excluded.
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.	The only weighted average used in the results is the average of the results across the face of Adit #5. In this case a simple weighted average was used.
	Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Aggregated rock chip channel results on Adit #5 have been done as a weighted average. The samples were taken on the basis of geology.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are stated.



Relationship between mineralization widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.	Where thickness are stated from the rock chip sampling the intercepts reflect the true thickness as the samples were taken at near right angles to the mineralisation.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	No drilling was completed.
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 drill hole collar locations and appropriate sectional views.	Appropriate maps are included.
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.	This release includes results to date from the rock chip sampling.
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.	The geology of the deposit is simple consisting of a steeply dipping quartz vein zone in granite. Inception reported bulk sampling but completed only limited processing before the project was shut down. Initial metallurgical test work shows the gold to be recoverable via flotation, cyanidation and gravity recovery. No water table has been identified but minor mine drainage from Adit #6 has been sampled and no deleterious elements were present.
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).	Further geological mapping including a regional and detailed structural interpretation and rock chip sampling are planned. Diamond drill testing of the gold mineralised zone is planned.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	The diagrams in the attached release show the zone of proposed future drilling as well as the areas of possible extensions.