

QUARTERLY UPDATE FOR THE PERIOD ENDING 31 MARCH 2020

HIGHLIGHTS

- Hawkstone announced the acquisition of the historical high-grade Lone Pine Gold Project located in Idaho and the Western Desert Au-Cu Project located in Utah, both in the USA.
- The Lone Pine Gold Project contains a 1935 non-JORC compliant, mineral resource estimate of 71,128 ounces Au (122,600 tons @ 18.06 g/t Au) that was last mined in 1907*.
- At Lone Pine gold mineralisation is 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 and down dip for 150m. The mineralisation remains untested at depth and along strike in both directions.
- The Lone Pine Project has not been subjected to modern exploration techniques, providing a significant opportunity for Hawkstone.
- The Western Desert Au-Cu Project lies within the same geological terrain that hosts the Carlin, Cortez gold trends and the Long Canyon gold mine.
- At Western Desert sampling has returned high grade results including:
 - Gold (Au) up to 25 grams per tonne, Copper (Cu) up to 4.6% and Silver (Ag) up to 95 grams per tonne from the adit while:
 - Surface grab samples returned: Gold (Au) up to 6.7 grams per tonne and Copper (Cu) up to 6.3% while
 - Channel sampling across 1m in the historical trench returned: Gold (Au) up to 4.42 grams per tonne, Copper (Cu) up to 1.03% and Silver (Ag) up to 11.8 grams per tonne.
- A regional and detailed airphoto structural interpretation is ongoing on both projects to provide an increased understanding of the mineralization controls and identify other potential targets within the claim group.

Cautionary Statement: Readers are cautioned that the historical Mineral Resource estimate for the Lone Pine Gold Project, referred to in the February 3, 2020 announcement, **ACQUISITION OF HISTORICAL HIGH-GRADE LONE PINE PROJECT 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 the “**Company**”) is pleased to provide an update on its activities for the period ending 31 March 2020.

Hawkstone Mining Managing Director, Paul Lloyd, commented: “*The March quarter was a significant period for Hawkstone commencing with the acquisition of the Lone Pine Gold Project located in Idaho, USA followed closely by the Western Desert Gold-Copper Project.*”

The Lone Pine Gold Project is a known mineralised system with historical workings that is drill ready with the potential for definition of a high-grade gold resource.

The Western Desert Gold-Copper Project lies within the same geological terrain hosting the world class Carlin and Cortez gold trends and the Long Canyon gold mine to the west. It has been the subject of limited exploration and recent sampling has demonstrated the presence of high-grade gold and copper mineralisation.

We remain 100% committed to the Big Sandy Lithium project and look forward to a change in market sentiment towards lithium.

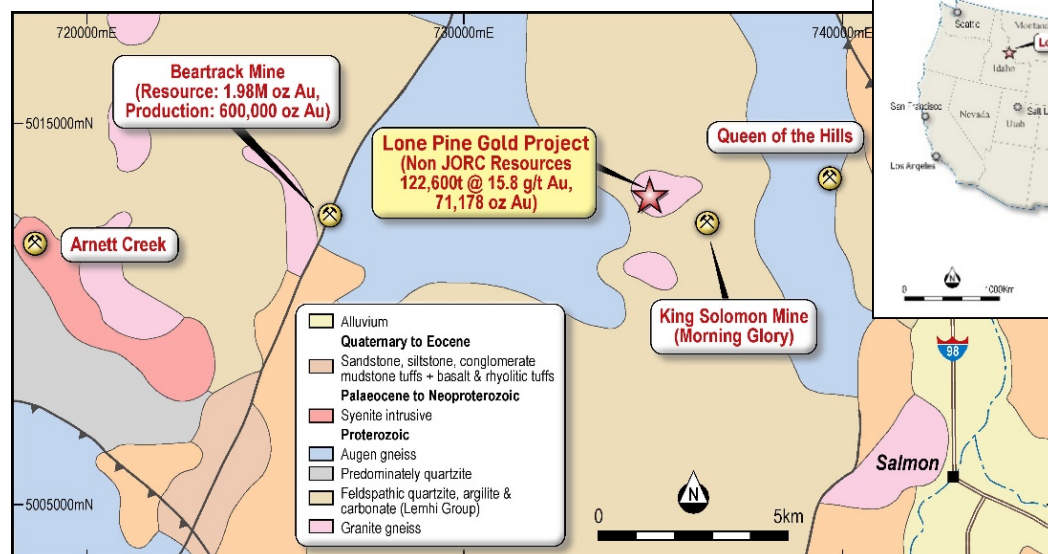
I would like to thank shareholders to date for their support as we try our best to advance the projects under the current conditions.”

LONE PINE GOLD PROJECT

On February 24, 2020 Hawkstone announced the acquisition of the Lone Pine Gold Project located in Idaho, USA from Inception Mining Inc., for the consideration of US\$510,000 (by way of cash and scrip)¹. 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 45 BLM lode



claims covering 364 ha.

Figure 1 – Location, Lone Pine Gold Project

¹ HWK Announcement, ACQUISITION FINALISED ON HISTORICAL HIGH-GRADE LONE PINE GOLD PROJECT, IDAHO, USA

The Lone Pine Gold Project contains one of the numerous precious metal occurrences related to the Trans-Challis Fault System including the Arnett Creek and Beartrack mines, 16km and 8km east respectively of the project. The historic Queen of the Hills mine lies 5km east and the King Solomon Mine (Morning Glory Project) explored by Teck Resources lies 900m to the SE (Figure 1).

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 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 (Figures 2 & 4).

At the entrance to Adit # 5 the vein zone averaged **14.46 g/t Au** over 2.6 metres. High grade, select float samples from the vein have returned assays up to **45.67 g/t Au** / 20.75 g/t Ag including **35.6 g/t Au** and **18.25 g/t Au** from vein material at **Adits #3 and #4** respectively².

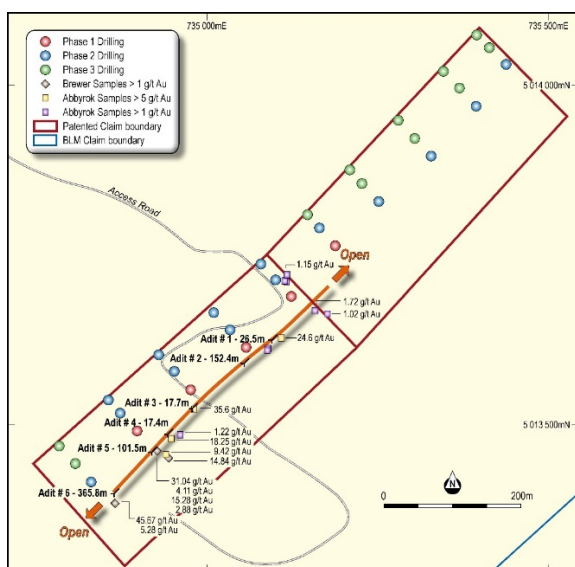


Figure 2 – Vein, Adits and Sampling

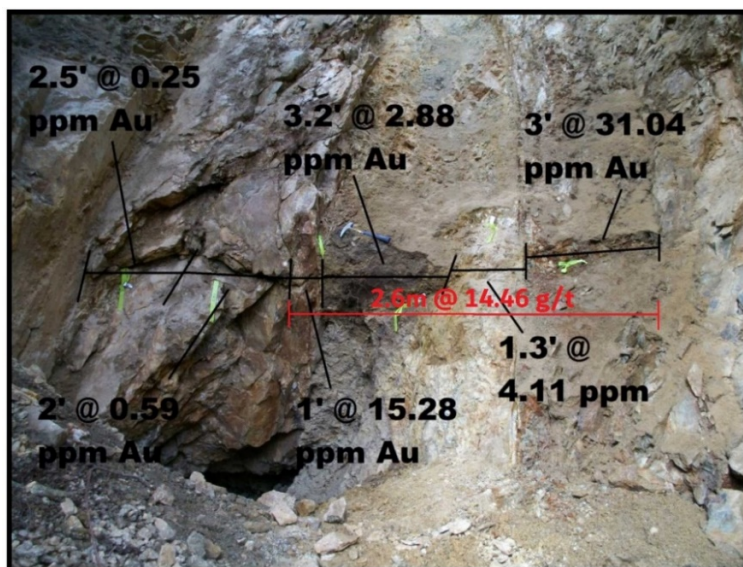
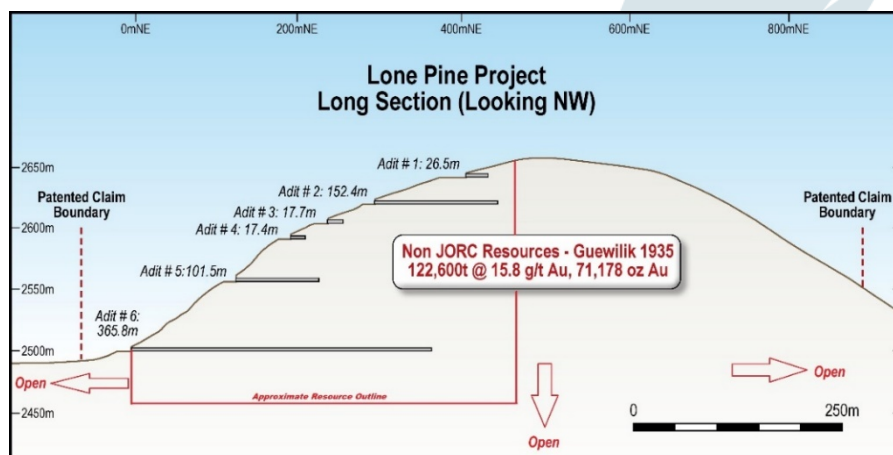


Figure 3 – Adit # 5 Sampling

No JORC compliant resource has yet to be defined on the Lone Pine Gold Project (U.P. & Burlington Mine). A full description of the non-complaint resource has been presented by Hawkstone in their announcement dated February 3, 2020, ACQUISITION OF HISTORICAL HIGH-GRADE LONE PINE PROJECT.

Figure 4 Lone Pine Gold Project
Long Section Looking NW
(plane of vein)
Planned Exploration

Exploration is progressing as follows:



² HWK Announcement, February 24, 2020, ACQUISITION FINALISED ON HISTORICAL HIGH-GRADE LONE PINE GOLD PROJECT, IDAHO, USA

- A regional and detailed structural analysis is ongoing on the Lone Pine Gold Project to provide an increased understanding of the mineralisation controls, its setting within the regional structural framework and other potential targets within the claim group;
- Drill planning and liaison with the relevant government departments and drill contractor 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.

The above interpretation and planning are well advanced.

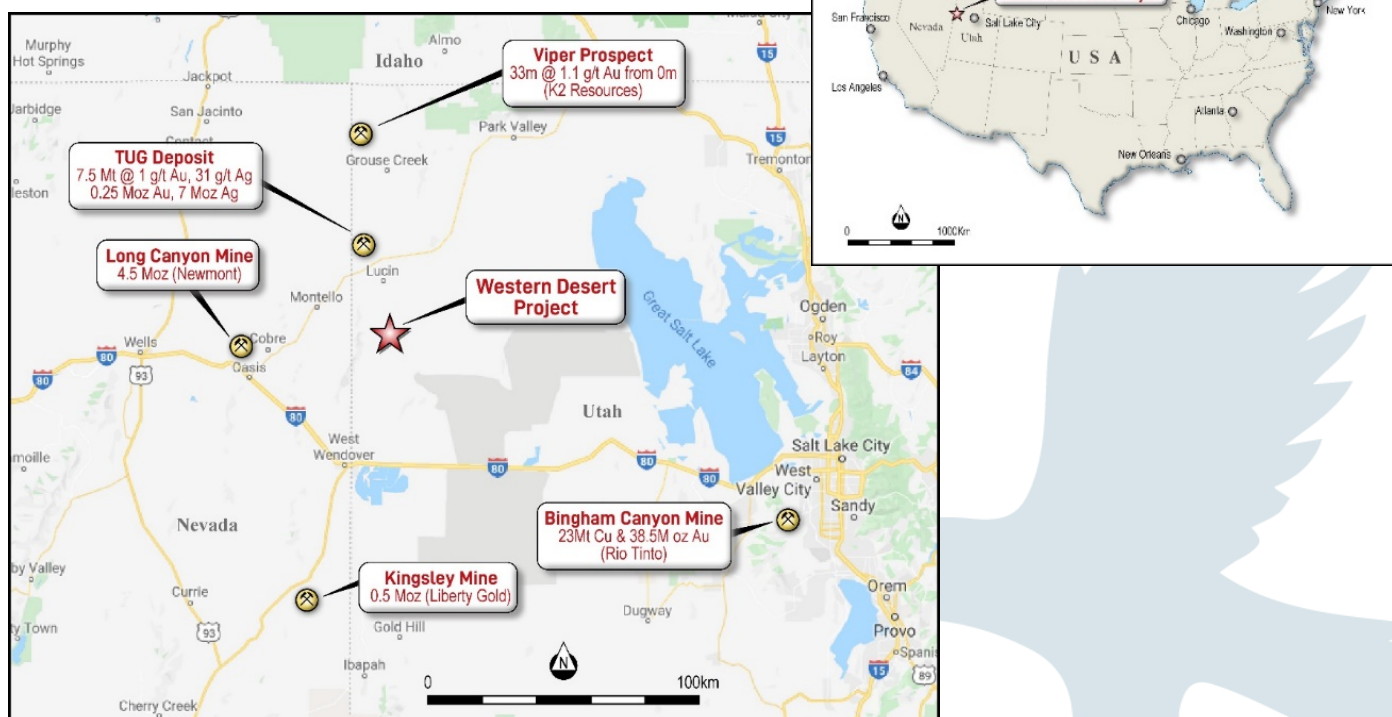
WESTERN DESERT GOLD-COPPER PROJECT

On 16 March, 2020 Hawkstone announced the acquisition of 100% of the Western Desert Gold-Copper Project, which offers significant upside via exploration success and the Company's aims to progress the Project using established exploration methodology.

Tenure & Location

The Western Desert Gold-Copper Project (WD) is located in western Utah near to the Nevada Border. The closest town is Wendover, 42km South West of the project, and the town straddles the Utah-Nevada Border, with good access to all services and amenities (Figures 1 & 2). The Project is readily accessible via maintained gravel roads from Wendover.

Figure 5 – Location of the Western Desert Gold-Copper Project



Regional Geology

The Western Desert project is located within the Basin & Range Province of the Western USA, comprising a series of northerly striking, fault bounded ranges. The project lies within the same sequence of Cambro-Ordovician carbonate and sedimentary rocks, that host the Carlin Trend gold deposits 200km to the west, the Long Canyon gold mine (Newmont 4.5M oz Au)³, 65 km to the North West, and Tug Deposit (431,000 oz Au and 13.8M oz Ag) of West Kirkland Mining INC⁴ 40km to the north (Figure 5). The project lies 150 km West-North-West of the Bingham Canyon Mine (Rio Tinto 23Mt Cu & 38.5M oz Au) (Figure 5).

Previous Exploration

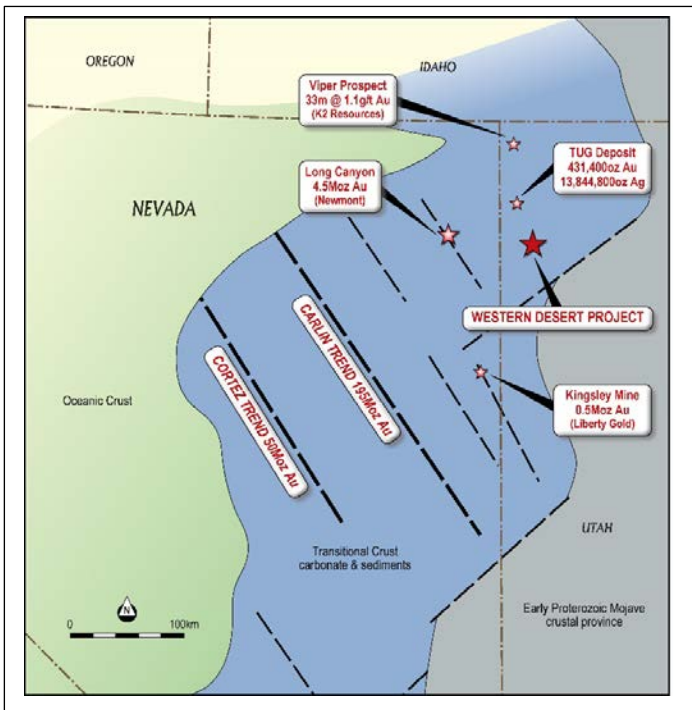
No data relating to previous exploration is available although surface pitting/shafts and an adit were apparently completed in the early 1900's. Dozer trenching was completed in the late 1990's, however no historical production data is available.

Local Geology and Mineralisation

The Project area is predominately underlain by Carboniferous-Permian aged carbonate (limestone, dolomite, dolomitic clastic sediments) with lesser shales, conglomerates and sandstone intruded by Jurassic monzonites and diorites. Regional mapping indicates other intrusive events including later porphyries and crosscutting dykes.

Mineralisation consists of skarn style Au-Cu-Ag mineralisation within altered carbonate - sandy carbonate rocks proximal to intrusive contact. The mineralised zones strike ~290°/45°S over 350m+, possibly extending under cover to the east and at depth to the west.

Image 1 – Cu oxide mineralisation in dozer cut



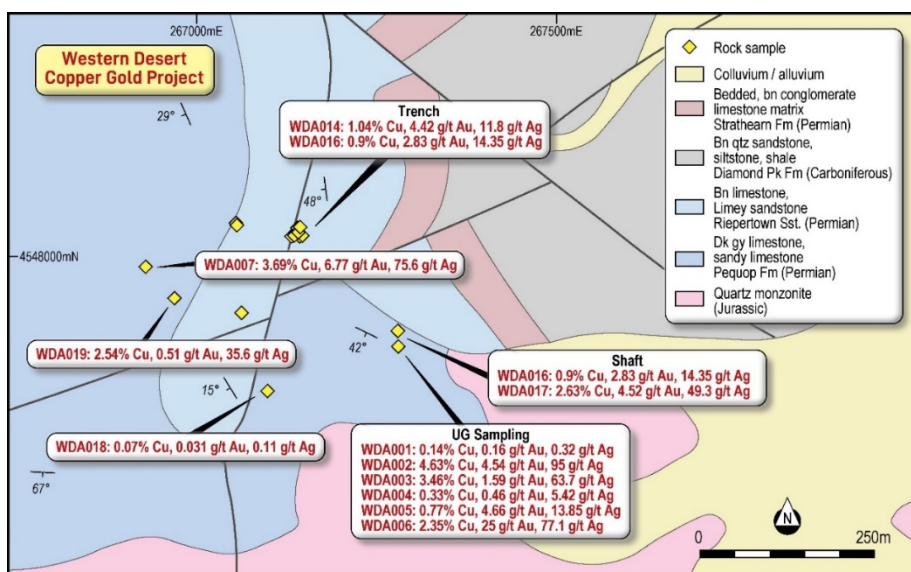
³ <https://miningdataonline.com/property/100/Long-Canyon-Mine.aspx#Reserves>

⁴ News Release, No. 36-2012 July 16, 2012, West Kirkland Files TUG Resource Estimate on SEDAR

A total of 21 samples were collected as part of the due diligence process.

High grade results included:

- **Au to 25 g/t, Cu to 4.6% and Ag to 95 g/t** from the adit;
- **Au to 6.7 g/t and Cu to 6.3%** from surface grab samples and
- **4.42 g/t Au, 1.03% Cu, 11.8 g/t Ag and 2.83 g/t Au, 0.9% Cu, 14.35 g/t Ag** from channel sampling in a historical trench⁵.



Exploration

The Company is currently planning to complete a **2 Phase Exploration Program**:

Phase 1

- Photogeological geological/structural mapping
- Soil geochemistry

Phase 2

- Appropriate geophysics to be determined after completion of mapping and geochemistry
- Diamond drilling of selected targets

BIG SANDY LITHIUM PROJECT

No field activities were completed on the Big Sandy Lithium Project during the quarter, however, the Company continues to assess an economic acid processing route for the Project.

KANGWANE SOUTH ANTHRACITE PROJECT

No field activities were completed on the Company's anthracite project in South Africa. As previously advised, the Company is working towards the divestment of this asset.

CORPORATE UPDATE

Capital raising

During the quarter, the Company completed Tranche 1 of a \$1 million (before costs) placement to sophisticated investors. Tranche 1 issued 136,665,319 Shares under the Company's existing placement capacity at an issue price of \$0.006 per Share to raise approximately \$820,000 (before costs). Subsequent to the quarter end, the Company received shareholder approval to issue the 30,001,348 Tranche 2 Shares

⁵ HWK Announcement, March 16, 2020, ACQUISITION OF WESTERN DESERT GOLD - COPPER PROJECT, UTAH, USA

at an issue price of \$0.006 per Share to raise the additional \$180,000 (before costs) to complete the \$1 million placement.

Further, shareholders approved the issue of one free-attaching unquoted option for each Share issued under the placement exercisable at \$0.012 each and expiring on 29 April 2023. 10 million options on the same terms were issued to the Company's broker as part payment for services. The Company also issued a total of 82.5 million unquoted options to directors exercisable at \$0.012 each and expiring on 29 April 2023 with vesting conditions related to the estimation of JORC compliant inferred resources on the either of the Lone Pine Project or Western Desert Project. Full details regarding the options are set out in the Notice of Meeting dated 16 March 2020.

Diversification of Asset Portfolio

The Lone Pine Gold Project and the Western Desert Gold-Copper Project represent a change in the Company's immediate focus acquiring a drill ready gold project with a significant historical gold resource and an exploration project located in a highly prospective geologic terrain, host to world class gold deposits, respectively. The Company is attempting to provide the shareholders with an exposure to the strengthening gold price in this time of uncertainty.

The Big Sandy sedimentary lithium project is a major asset and the Company continues to pursue the development of an economic acid processing route. The market sentiment for lithium has weakened considerably but we remain confident that demand will grow significantly due to the rising demand for electric vehicles and power storage in the renewable energy sector.

Effects of COVID-19

The COVID-19 shut down has affected the Company due to the travel bans put into place by the Australian government and the Federal and state governments of the USA. At present we cannot mobilise the drilling rig and crew from Utah to the Lone Pine gold project in Idaho due to the travel bans. Our Australian based geologists will not be able to travel to the USA to manage the drilling program but they will be able to remotely manage and supervise our capable US based geologist. The Company will update shareholders in regards to the lifting of the travel bans and the potential commencement of drilling activities as soon as the position changes.

Cost Reduction Strategies

The Directors of your Company and a number of significant consultants and service providers have elected to reduce the cash consideration for their services by accruing approximately 50% of their fees from 1 January 2020 so that the Company can conserve cash, finance the maiden drilling program at the Lone Pine Gold project and manage the COVID-19 shut down. Your Directors and major shareholders remain committed and focused on creating shareholder value in the medium to long term and surviving these difficult times for all involved.

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

-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/

COMPETENT PERSON'S STATEMENT

The information in this announcement that relates to exploration results and exploration targets for the Lone Pine and Western Desert Projects 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 is a Director of the Company 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. The Company confirms that there have been no material changes since the information was first reported on 3 February, 24 February and 16 March 2020.



Appendix 1: Schedule of Mining Tenements

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 March 2020.

Project	Claim Number	Location	Interest
Big Sandy	WIK-001 to WIK-112	Arizona, USA	100%
Big Sandy	BSL-001 to BSL-146	Arizona, USA	100%
Lordsburg	LLP-49 to LLP-72	New Mexico, USA	100%
Lordsburg	LLP-81 to LLP-120	New Mexico, USA	100%
Lordsburg	LLP-129 to LLP-354	New Mexico, USA	100%
Lone Pine	LP001 to LP075 U.P Patented Claim Burlington Patented Claim	Idaho, USA	100%
Western Desert	WD001 to WD030	Utah, USA	100%
Kangwane South	N/A	Mpumulanga Province, South Africa	70%

During the quarter, the Company completed the acquisition of the Lone Pine and Western Desert Projects. No tenements were disposed of during the quarter.

Appendix 2: Payments to Related Parties

In line with its obligations under ASX Listing Rule 5.3.5, Hawkstone Mining Limited notes that the only payments to related parties of the Company, as advised in the Appendix 5B for the period ended 31 March 2020, pertain to payments to an executive director for salary and superannuation, non-executive director fees and consultancy fees.