

## ACQUISITION OF CARLIN TREND GOLD PROJECT WITH SAMPLES UP TO 92 g/t GOLD

### HIGHLIGHTS

- Hawkstone has entered into an agreement to acquire the Devil's Canyon Gold Project, located in the highly prolific Carlin trend in Nevada, USA, that has produced in excess of 195 million ounces of gold.
- 14 rock chip samples completed by the vendor and analysed by Hawkstone returned results including:
  - Gold to 92.2 g/t,
  - Silver to 59.2 g/t
  - Copper to 5.62%
  - Zinc to 4.81%
- The Project is located 23 kms west of the Bald Mountain Gold Mine operated by Kinross Gold, that produced 188,000 ounces of gold in 2019<sup>1</sup>, has a resource of 1.277 Moz Au and an exploration budget of \$7 million USD in 2020<sup>2</sup>.
- 40 kms to the south of the Project is the Ruby Hill Gold Mine, operated by Barrick with quoted resources of 1 million ounces Au in 2006<sup>3</sup>.
- Geology is similar to both Bald Mountain and Ruby Hill Gold Mines.
- Consisting of 6 BLM claims, Hawkstone's landholding at Devil's Canyon will be immediately increased by 1,500% (a further 84 claims) on signing the agreement.
- The acquisition will complement Hawkstone's exploration efforts in a geological province that hosts world class gold deposits, with the Western Desert Project in Utah within 200kms of the Devil's Canyon Project.
- An additional rock chip sampling program has just been completed with results pending. The exploration plan includes drilling H1 2021.
- A photogeological structural interpretation of the Devil's Canyon area has commenced and results will be reported in the next month.
- The Company's core focus is the Lone Pine Gold Project, with Devil's Canyon and Western Desert Projects allowing Hawkstone to carry out year round exploration.
- Drilling at the Lone Pine Gold Project continues.

USA focused gold and copper explorer, Hawkstone Mining Limited (ASX:HWK) ("Hawkstone", the "Company") is pleased to announce that the Company has signed a purchase agreement ("Agreement") to acquire the Devil's Canyon Gold Project ("Project") consisting of 6 Bureau of Land Management ("BLM") claims ("Acquisition"), located in the highly prolific Carlin trend in Nevada, USA, that has produced in excess of 195 million ounces of gold.

<sup>1</sup> <https://www.kinross.com/operations/default.aspx#americas-baldmountain>

<sup>2</sup> <https://www.kinross.com/operations/default.aspx#exploration-roundmountainusa>

<sup>3</sup> USGS MRDS ID MP90056, [https://mrdata.usgs.gov/mrds/show-mrds.php?dep\\_id=10310484](https://mrdata.usgs.gov/mrds/show-mrds.php?dep_id=10310484)

The claims lie within the 90 claims staked by the Company consolidating the land position and expanding the exploration potential of the Project.

The Acquisition is accompanied by limited historical data including reports, drill hole locations and some inferences to gold mineralised drill intercepts. The results of the recent rock chip sampling, its location in the Carlin Gold trend and its proximity to the Bald Mountain and Ruby Hill Gold Mines, demonstrates the significant potential of the area and its importance in the overall prospectivity of the Devil's Canyon Gold Project.

**Hawkstone Mining Managing Director, Paul Lloyd, commented:** *“The Agreement to acquire the Devil's Canyon Gold Project increases the Company's holding of ground in known mineralised belts, in this case within the highly endowed Carlin Trend. We continue to explore company making projects in an area that is host to world class gold deposits, and look forward to reporting the results of the due diligence on the Devil's Canyon Gold Project and further drill results from Lone Pine Gold project in Idaho.”*

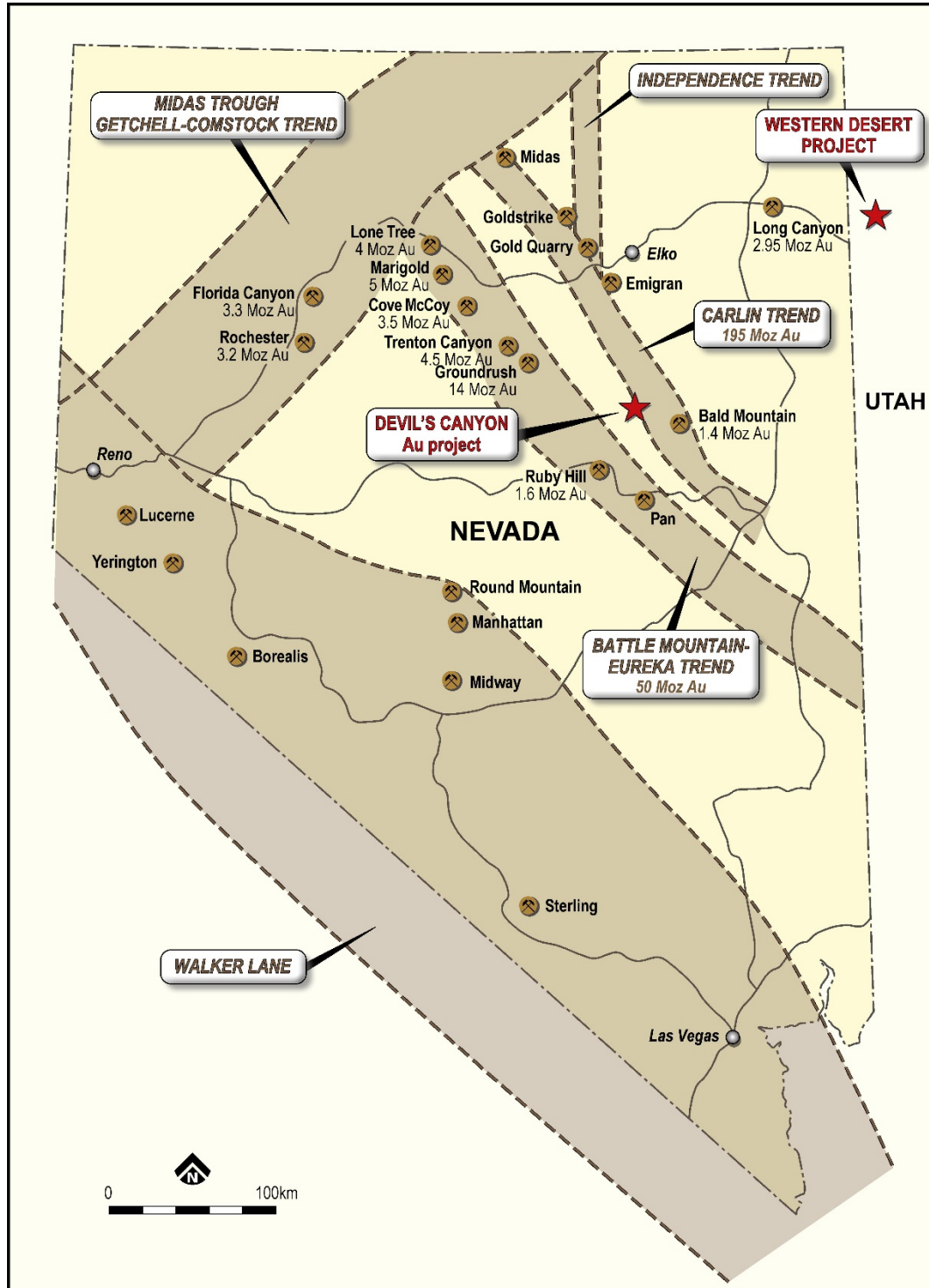
## DEVIL'S CANYON GOLD PROJECT

### Location and Access

The Devil's Canyon Gold Project is located approximately 50km north of Eureka and 100km south of Elko, Nevada, USA, and consists of 6 claims subject to the Agreement, with a further 90 claims staked by the Company covering 728 ha (Figure 1).



Figure 1 – Location, Devil's Canyon Gold Project



**Figure 2 – Devil's Canyon Gold Project, Carlin Trend Mines/Deposits**

The Project lies 23km west of the Bald Mountain Gold Mine of Kinross Gold and 40km north of the Ruby Hill Gold Mine of Barrick Gold Corporation, and lies within the Carlin Gold Trend. The Gunman Ag, Zn Project of Pasinex Resources Ltd lies 18km to the south.



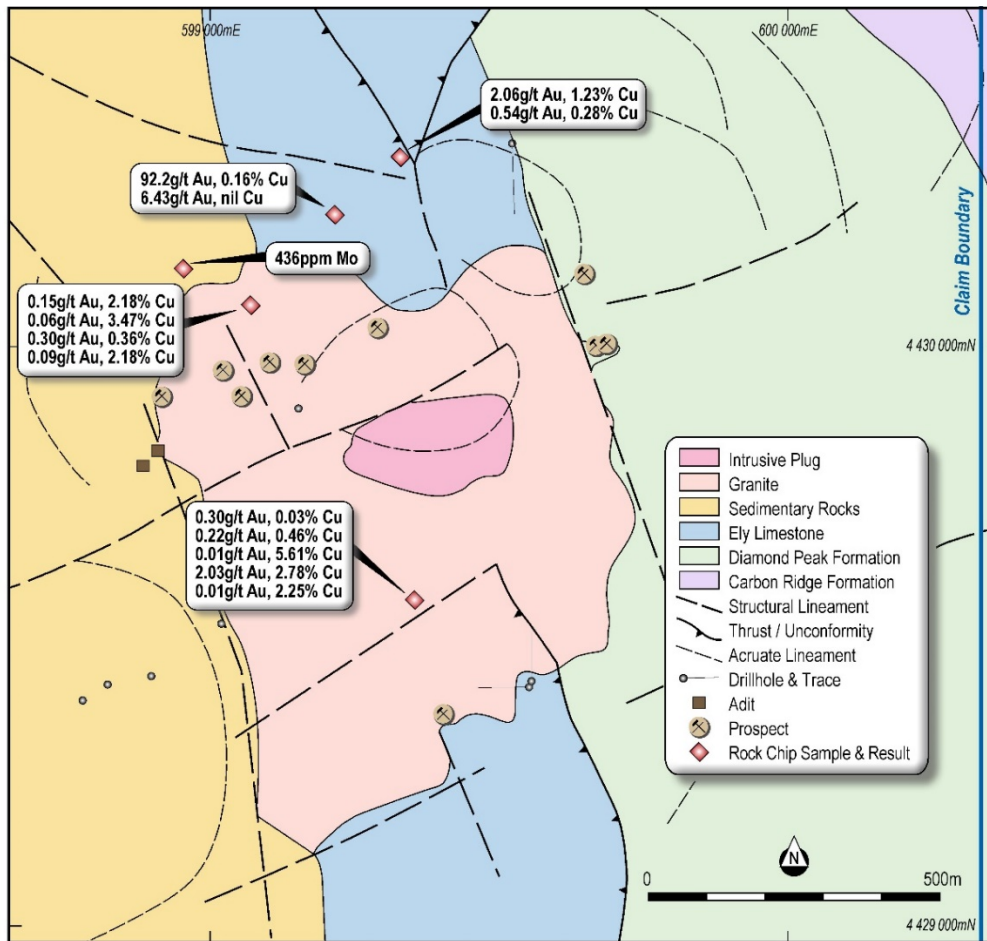
**Image 1 – The Devil's Canyon Gold Project looking to the south**



**Images 2 to 4 – Rock chip samples from the Devil's Canyon Gold Project**

## Geology

The Devil's Canyon Gold Project is underlain by a sequence of Paleozoic sediments deposited on a continental margin intruded by Mesozoic granite and younger plugs. These intrusives have a strong spatial relationship to the gold and copper metal mineralisation within the claims. Several stages of compressional folding and NE and NW faulting have been recognised. Extensional deformation in the Tertiary has produced the present basin and range physiography and is responsible for igneous activity and related hydrothermal alteration and mineralisation. This geology is similar to the Bald Mountain and Ruby Hill Gold Mines of Kinross and Barrick respectively (Figure 3).



**Figure 3 – Geology, Drill Collars and Sampling at Devil's Canyon Gold Project**

Kinross's Bald Mountain Gold Mine lies on the western flanks of Bald Mountain 23km ESE of the Devil's Canyon Gold Project. Mineralisation is hosted in SSE dipping limestones, dolomites and sediments intruded by quartz-monzonite stocks, with faulting producing a complex structural regime. At the intersection of deep crustal NW and NNE trending faults or at sedimentary contacts ore zones attain appreciable widths.

At the Barrick Ruby Hill Mine, 40km south of the Project, the primary host rock is limestone. High-angle NNE-trending faults were important in localising some gold mineralisation, however the WNW-trending high angle structures controlled the emplacement of the Archimedes gold deposit, a steeply-plunging, oxidized, gold-bearing jasperoid breccia adjoining the quartz-feldspar porphyry intrusive.

The Gunman Silver-Zinc Prospect of Pasminex lies 18km south of the Project. It is described as a carbonate replacement style deposit controlled by a series of NNE trending fault zones.

The geological setting of the Devil's Canyon Project, is repeated throughout the Carlin Gold Trend where mineralisation occurs adjacent to intrusives with the mineralisation controlled by cross-cutting structural zones and the higher grade and larger mineralised bodies localised at the intersection of oblique structural trends or at sedimentary contacts.

## Previous Exploration / Production

The only recorded production (1950) on the Project was: 250 lbs Cu, 19 lbs Zn and 2 oz Ag from 2 tons of ore from a small open pit mine and numerous prospect pits and trenches (Roberts et al 1969).

The Project has been the target of only one known period of exploration commencing in 1987 with stream sediment sampling. The vendor has supplied a brief report on data from a previous explorer in which the abstract describes “a tertiary granite stock intrudes clastic rocks of the Diamond Peak Formation, and the Ely Limestone”. Gold-mineralisation is developed in skarn in the Ely Limestone proximal to the intrusive contact and in shear zones. A total of 13 reverse-circulation drill holes, totalling 3,465 feet (1,056m), tested the property for gold mineralisation in the Ely Limestone and the Diamond Peak Formation (Figure 3).

Some high-grade gold results were noted in 2 of 13 the drillholes:

- 6 samples from one drill hole returned >2.14 g/t Au up to a maximum of 58 g/t Au and
- the second hole contained a further 6 samples ranging from 1.26 g/t Au up to 80 g/t Au.

The sample interval is unknown but with RC drilling in the USA sampling is generally completed on a 5 ft (1.52m) interval, and is interpreted from the report that these are separate intervals.

*Note: These intercepts are provided as reference only to show the presence of gold within the drilling. They are will not be used in the estimation of JORC compliant resource.*

## Rock Sampling

Rock chip sampling (14 samples) was completed by the vendors at 5 areas on exposed altered shear zones and areas of visible copper mineralisation (malachite and azurite). These samples were located with a handheld GPS and described. They were then analysed by ALS located in Reno, Nevada (Figure 3, Table 1).

These samples produced some highly anomalous results including:

- 5 samples with gold assays exceeding 0.50 g/t to 92.2 g/t Au
- 11 samples >1.71 g/t Ag to a maximum of 59.2 g/t Ag
- 8 samples containing copper >1% up to 5.61% Cu
- 3 samples with anomalous Zn to 4.81% and
- 1 sample with visible molybdenum on fractures in an intrusive returned 436 ppm Mo.

**Table 1 – Rock Chip Sample Results**

SAMPLE	Easting	Northing	Au g/t	Ag g/t	Cu %	Mo ppm	Zn %
DPWRC001	598,952	4,430,132	0.01	0.09	0.00	436	0.00
DPRCC001	599,215	4,430,226	6.43	6.04	0.16	5.71	0.01
DPCRC002	599,215	4,430,226	92.20	59.20	2.15	10	0.06
DPNRC001	599,328	4,430,324	2.06	45.30	1.23	17	0.03
DPNRC002	599,328	4,430,324	0.54	3.43	0.28	24.8	0.41
DPGRC001	599,069	4,430,069	0.15	50.10	2.18	3.18	4.81
DPGRC002	599,069	4,430,069	0.06	19.40	3.47	4.41	1.29
DPGRC003	599,069	4,430,069	0.30	3.00	0.36	6.88	0.10
DPGRC004	599,069	4,430,069	0.09	17.50	2.18	3.29	3.15
DPSRC001	599,350	4,429,559	0.30	0.62	0.03	3.11	0.02
DPSRC003	599,350	4,429,559	0.22	2.43	0.46	9.71	0.01
DPSRC005	599,350	4,429,559	0.01	1.71	5.61	7.9	0.10
DPSRC002	599,350	4,429,559	2.03	7.09	2.78	6.67	0.06
DPSRC004	599,350	4,429,559	0.01	2.73	2.25	8.63	0.04

*Note: Easting and Northing NAD83 Zone 11*

## Photogeological Interpretation

The Company has engaged independent consultant Dr Richard Russell to complete a photogeological interpretation on the Devil's canyon Gold Project.

## Exploration – Progressing Devil's Canyon Gold Project

- Acquisition of information from previous exploration with emphasis on drill data.
- Additional rock chip sampling program has been completed with results pending.
- Photogeological interpretation and targeting is underway.
- Exploration is ongoing with further mapping and sampling of the mineralisation.
- Drone magnetics will be undertaken to aid in the mapping and identification of mineralised structures in particular the intersections of the NW and NE trends.
- Diamond drilling program planned for H1 2021.

## Terms of the purchase agreement

The Company has signed an agreement to acquire, subject to due diligence, the 6 BLM claims comprising the Devil's Canyon Gold Project on the following terms:

- The payment of \$15,000 USD after completion of 30 day due diligence period.
- The payment of \$15,000 USD per year on the anniversary date.
- The payment of 3% of the annual exploration and development work expenditures.
- On commencement of commercial production the 3% fee will convert to a 3% net smelter royalty.
- The Company has the option to purchase the 3% fee and royalty within 4 years from completion by the payment of \$3,000,000 USD in cash or shares as agreed between the parties.

**Competent Persons Statement**

The information in this announcement that relates to the Devil's Canyon Gold Project (including the information provided pursuant to ASX Listing Rules 5.12.2 to 5.12.7 (inclusive)) 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 Director of 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.

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

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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**APPENDIX 1**

**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
<b>Sampling techniques</b>	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 rock chip 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 <sup>2</sup> .
	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 mineralisation. Staff of the vendor collected rock chip samples of 2-3kg in weight and dispatched these to ALS Laboratories where a 25gm charge was analysed by method Me-MS41 and Au-AA25 that includes Au by fire assay.
<b>Drilling techniques</b>	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,	Historical drilling is reported to be RC.
	depth of diamond tails, face sampling bit or other type, whether core is oriented and if so, by what method, etc.).	No other drilling has been completed
<b>Drill sample recovery</b>	Method of recording and assessing core and chip sample recoveries and results assessed.	No information is available.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No information is available.
	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 information is available.

Criteria	JORC Code Explanation	Commentary
<b>Logging</b>	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 information is available.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography	No information is available.
	The total length and percentage of the relevant intersections logged.	No information is available.
<b>Sub-sampling techniques and sample preparation</b>	If core, whether cut or sawn and whether quarter, half or all core taken.	No diamond drilling has been reported.
	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.	Rock chip samples are representative of the possibly mineralised 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 samples taken are representative of the material composing the sheared and altered rocks.
	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.
<b>Quality of assay data and laboratory tests</b>	The nature, quality and appropriateness of the Assaying and laboratory procedures used and whether the technique is considered partial or total.	The assay/analysis techniques used are standard in the industry.
	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.  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 geophysical methods or instruments have been used.  No quality control measures have been instituted as the results will not be used in the calculation of a JORC compliant resource.
<b>Verification of sampling and assaying</b>	The verification of significant intersections by either independent or alternative Company personnel.	No verification review has been completed.
	The use of twinned holes.	No twin holes were reported.
	Documentation of primary data, data entry procedures, data	The data are currently stored in hardcopy and digital format in the Company's office.

Criteria	JORC Code Explanation	Commentary
	verification, data storage (physical and electronic) protocols.	A hard drive copy of this is stored in the cloud.
	Discuss any adjustment to assay data.	No adjustment was made to assay data.
<b>Location of data points</b>	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.	Drill collars were digitised from a print of a drill location plan located on a USGS topographic sheet. It was possible to geo-reference the holes using a similar topographic sheet available in the public domain.
	Specification of the grid system used.	UTM NAD83 Zone 11
	Quality and adequacy of topographic control.	No survey has been undertaken. The drill holes will not be used in the estimation of a JORC compliant resource and are for reference only.
<b>Data spacing and distribution</b>	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.
<b>Orientation of data in relation to geological structure</b>	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	The rock samples are indicative of the presence of mineralisation but not its width or orientation.
	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 relationship has been established.
<b>Sample security</b>	The measures taken to ensure sample security.	All samples were taken and delivered directly to the relative sample preparation/lab facilities.
<b>Audits or reviews</b>	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
<b>Mineral tenement and land tenure status</b>	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 Devil's Canyon Gold Project consists of 90 BLM claims covering 20 acres each located 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.
<b>Exploration done by other parties</b>	Acknowledgment and appraisal of exploration by other parties.	Limited old workings, circa early 1900's, are present at the Project.
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	At the Devil's Canyon Gold Project the company is exploring for "Carlin type" carbonate hosted gold mineralisation.
<b>Drill hole Information</b>	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.
<b>Data aggregation methods</b>	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.	No weighted averages have been 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.	No aggregate intercepts are reported.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are stated.
<b>Relationship between mineralization widths and</b>	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.	No thicknesses have been stated.

<b>intercept lengths</b>	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').	A statement has been made on the estimated thickness of the drill intercepts and that they will not be used in the estimation of a JORC compliant resource.
<b>Diagrams</b>	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.
<b>Balanced reporting</b>	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 from the Devil's Canyon Gold Project.
<b>Other substantive exploration data</b>	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.	At Devil's Canyon the geology is a sequence of Carboniferous carbonates overthrust on an older sequence of predominantly carbonate and sediments that have been intruded by granitic rocks. No metallurgical test-work, geophysical surveys or bulk sampling has been undertaken.
<b>Further work</b>	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	At Devil's Canyon rock chip sampling, soil geochemistry, geophysics and drilling are 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 location of the drilling has not been identified. It will depend on the results of the prior surveys including mapping, geochemistry and geophysics.