

EXCESS DEMAND FOR \$2.4 MILLION PLACEMENT

HIGHLIGHTS

- Firm commitments received for a share placement to raise gross proceeds of approximately \$2,400,000.
- Excess demand with strong support from existing shareholders and new investors.
- Proceeds from the placement will primarily be used to accelerate exploration activities over the Company's Big Sandy Lithium-Clay Project and for general working capital purposes.
- PAC Partners acted as Lead Manager for the placement.
- The Company continues to receive outstanding results from its fully funded 37-hole Phase 2 diamond drill program at its Big Sandy Lithium-Clay Project, located in Arizona USA.

Hawkstone Mining Limited (ASX:HWK) (Hawkstone or Company) is pleased to announce that it has received firm commitments for the placement of approximately 120 million shares at an issue price of A\$0.02 per share to raise approximately \$2,400,000 before costs (**Placement**). Net proceeds from the Placement will be used to advance the Company's flagship Big Sandy Project with further drilling programs and metallurgical test work planned as the Company builds towards the estimation of a maiden JORC compliant resource targeted for late 2019.

The new shares will rank equally with existing fully paid ordinary shares, increasing the total number of shares on issue to approximately 690 million.

Managing Director Paul Lloyd commented:

"Recent exploration has highlighted the potential of the Big Sandy Project, with diamond drilling intersecting areas of wide, shallow high-grade lithium mineralisation. To ensure we are well-funded for further drilling and metallurgical test work, the Company has undertaken a small financing which was well supported by new and existing shareholders, with demand well in excess of \$2.4 million. With the recent appointment of special advisor Dr. David Deak (formerly of Tesla Inc. and Lithium Americas Corp.) and Non-Executive Chairman Mr Barnaby Egerton-Warburton (formerly of Ioneer Ltd), the successful Placement marks the beginning of an exciting period of activity for the Company, including the expected compilation of a maiden JORC compliant resource at its Big Sandy Project in the coming months."

The Placement, managed by PAC Partners, was offered to investors satisfying the requirements of either s708(8), 708(10) or 708(11) of the Corporations Act, and will be issued using the Company's placement capacity under ASX Listing Rule 7.1 (as to approximately 63 million shares) and ASX Listing Rule 7.1A (as to approximately 57 million shares). Settlement of the Placement shares is expected to occur on 28 May 2019. PAC Partners will receive a placement fee of 6% of the funds raised by PAC Partners and subject to shareholder approval, will be issued with 5 million unquoted options exercisable at \$0.06 each on or before 30 December 2021 and 5 million unquoted options exercisable at \$0.07 each on or before 30 December 2021.

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FOR FURTHER INFORMATION PLEASE CONTACT:

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ABOUT HAWKSTONE

Hawkstone Mining is an ASX listed exploration company with clay and brine-hosted lithium projects located in Arizona and New Mexico, USA. The Big Sandy Project (Arizona) is Hawkstone's flagship project, targeting clay-hosted lithium mineralisation identified by recent drilling programs. Big Sandy represents a significant opportunity for Hawkstone to become a low-cost producer of the materials required to meet the growing ion-battery market.

The Big Sandy Project is located some 2.5 hours' drive northwest of Arizona's 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, with both passing 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 which carries 100 to 150 freight trains per day.

Arizona is a top 10 global mining investment destination¹ with the project located within a recently designated economic opportunity zone², 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 Government³.

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

² ARIZONA COMMERCE AUTHORITY - OPPORTUNITY ZONES
<https://www.azcommerce.com/arizona-opportunity-zones/>

³ 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>