

7 February 2020

Daniel Nicholson
Adviser, Listings Compliance
Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

Dear Daniel,

HAWKSTONE MINING LIMITED (ASX: HWK) – RESPONSE TO AWARE QUERY

Hawkstone Mining Limited (the **Company** or **HWK**) refers to your Aware Query Letter dated 3 February 2020 and provides the following responses:

1. *Does HWK consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

Yes

2. *If the answer to question 1 is “no”, please advise the basis for that view.*

Not applicable.

3. *When did HWK first become aware of the Information?*

Negotiations with respect to the proposed acquisition of the Lone Pine Gold Project (**Proposed Transaction**) commenced around 11 December 2019.

4. *If the answer to question 1 is “yes” and HWK first became aware of the Information before the relevant date (being the date it requested the Trading Halt, 15 January 2020), did HWK make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe HWK was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps HWK took to ensure that the information was released promptly and without delay.*

The information regarding the Proposed Transaction was not released to the market prior to the requested trading halt on 15 January 2020 as at that stage the Company was still in confidential and incomplete discussions with respect to the Proposed

Transaction (including undertaking due diligence), and therefore relied on Listing Rule 3.1A. The Company also refers to its response to ASX's price query released to the market on 3 February 2020.

HWK released an announcement to the market detailing the material terms of the Proposed Transaction on 3 February 2020, following completion of the negotiations and preparation of a compliant ASX announcement.

5. *Please confirm that HWK is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

HWK confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. *Please confirm that HWK's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of HWK with delegated authority from the board to respond to ASX on disclosure matters.*

HWK confirms that its responses to the questions above have been authorised and approved by its Board.

Yours sincerely



Oonagh Malone

Company Secretary





3 February 2020

Ms Oonagh Malone
Company Secretary
Hawkstone Mining Limited

By email

Dear Ms Malone

Hawkstone Mining Limited ('HWK'): Aware Query

ASX refers to the following:

- A. The change in price of HWK's securities from a low of \$0.006 on 7 January 2020, to a high of \$0.008 on 14 January 2020 prior to the Trading Halt (defined below), and the significant increase in volume of HWK's securities traded from 7 January 2020 to 14 January 2020 prior to the Trading Halt.
- B. The trading halt requested by HWK and released on the ASX Market Announcements Platform ('MAP') at 9.13 AM on 15 January 2020 AEDT pending a response to an ASX price and volume query ('Trading Halt').
- C. HWK's announcement entitled "*Response to Price Query*" lodged on MAP at 9.39 AM AEDT on 3 February 2020 which discloses, among other things, that '*The Company has been in discussions with respect to a proposed transaction (Proposed Transaction), which now has reached an advanced stage of negotiations....*'.
- D. HWK's announcement entitled "*Acquisition of Historical High-grade Lone Pine Gold Project, Idaho, USA*" lodged on the ASX Market Announcements Platform and released at 9:42 AM AEDT on 3 February 2020 (the 'Announcement'), disclosing HWK's acquisition of the Lone Pine Project ('Information').
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

H. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for Information

Having regard to the above, ASX asks HWK to respond separately to each of the following questions and requests for information:

1. Does HWK consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did HWK first become aware of the Information?
4. If the answer to question 1 is “yes” and HWK first became aware of the Information before the relevant date (being the date it requested the Trading Halt, 15 January 2020), did HWK make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe HWK was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps HWK took to ensure that the information was released promptly and without delay.
5. Please confirm that HWK is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that HWK’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of HWK with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than 4:00 PM **AWST Thursday, 6 February 2020**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, HWK’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require HWK to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;

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- the event you expect to happen that will end the trading halt;
 - that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to HWK's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that HWK's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in HWK's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours faithfully

Daniel Nicholson
Adviser, Listings Compliance (Perth)