

ASX ANNOUNCEMENT ASX:HWK

25 July 2018

MAIDEN DRILLING COMMENCED AT BIG SANDY

HIGHLIGHTS

- · Drilling contractor and diamond drill rig have been mobilised to site and drilling commenced
- Maiden lithium clay drill program comprises 16 diamond core holes for ~1,600m
- Drilling targeting highly anomalous results spread across mapped 11km x 2km zone of lithium mineralised green lacustrine clays

Hawkstone Mining Limited (ASX:HWK) (**Hawkstone**, the **Company**) is pleased to announce that USA Lithium Limited (**USA Lithium**) has commenced the maiden diamond drill campaign at the Big Sandy Lithium Project.

Hawkstone announced the proposed acquisition of USA Lithium Limited on 26 June 2018. A meeting of shareholders will be held at 11.00 am on Friday, 3 August 2018 to approve the proposed acquisition.

BIG SANDY LITHIUM CLAY PROJECT – DRILLING APPROVAL

As announced (ASX Announcement 26 June 2018) following Bureau of Land Management (**BLM**) approval, USA Lithium has commenced its maiden drilling program at the Big Sandy Lithium Clay Project.

The focus of the initial 16 holes for $^{\sim}1,600$ of diamond drilling is to test the highly anomalous results from the previous detailed mapping, surface sampling and shallow auger programmes across the mapped 11km x 2km zone of lithium mineralised green lacustrine clays (Figure 1).

It will also test for the potential presence of stacked mineralised zones within the Big Sandy Formation, host to the lithium mineralised green clays.

The drilling contractor is currently operating during the evening to avoid the heat of the day (Figure 2 and Figure 3).

Paul Lloyd, the Managing Director of USA Lithium and Managing Director elect of Hawkstone commented,

"We are excited to have commenced our maiden drilling program at Big Sandy, which is the culmination of an intense target generation program completed on the ground by the USA Lithium team over the past 12 months. The diamond core drilling will provide us with an excellent understanding of stratigraphy, grade distribution and the potential for stacked mineralised zones across the entire project area.

With the drilling underway, we can truly commence advancing exploration and we look to reporting results in the coming weeks."



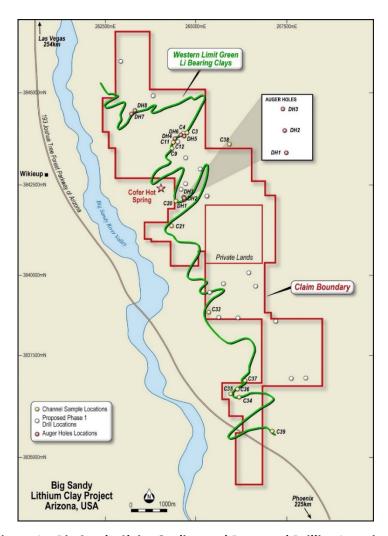


Figure 1 – Big Sandy Claim Outline and Proposed Drilling Locations



Figure 2 – Big Sandy – Maiden Drill Program Commenced



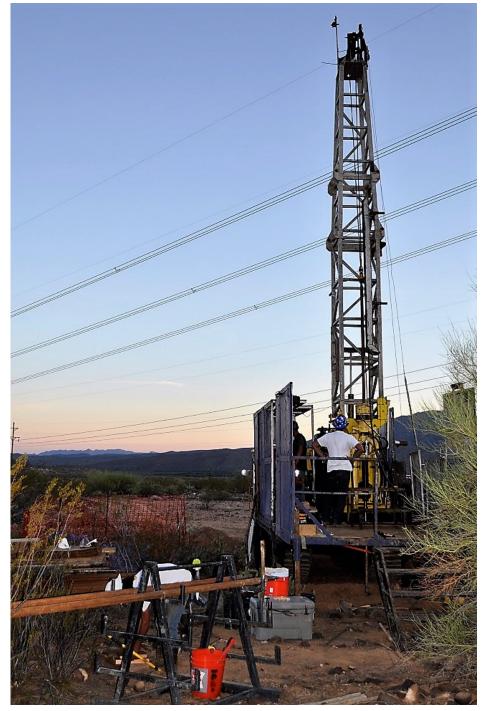


Figure 3 – Big Sandy – Maiden Drill Program Commenced

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