Hawthorn RESOURCES

ABN 44 009 157 439

Level 2, 90 William St
Melbourne Victoria 3000
Australia

Telephone: +61 3 9605 5950
Facsimile: +61 3 9605 5999
Email: info@hawthornresources.com
Website : www.hawthornresources.com

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Corporate Development

Share Purchase Plan Closing Date Extended

On 5 December 2011 the Company announced the establishment of a Share Purchase Plan ("SPP") offering to eligible shareholders as at the Record Date of 2 December 2011 the opportunity to subscribe for shares in Hawthorn Resources Limited at A$0.01 a share.

In announcing the SPP the Chairman of Hawthorn Resources Limited ("Hawthorn"), Mark Kerr, advised that the Company proposed to:

- seek shareholder approval for the restructure of assets;
- spin-off all of the Company's non-Mt Bevan Iron Ore Project assets to a new ASX listed entity inclusive of its interests in 5 major gold projects;
- have the Company only holding the Mt Bevan Iron Ore Project; and
- the shares in the spin-off entity to be distributed to the existing Hawthorn shareholders in the same percentages as shares held in Hawthorn.

Since the dispatch of the SPP documentation on 7 December 2011 there have been a number of significant events that shareholders should be aware of:

- Legacy Iron Ore Limited ("Legacy") which is the Company's joint venture partner in the Mt Bevan Iron Ore Project has announced the completion of the Phase II drilling programme and that the results of Phase II drilling will be announced in mid January 2012 which is expected to provide an " … upgrade to the current inferred resource … ";
- by the approval of the Legacy shareholders in General Meeting on 16 December 2011 National Mineral Development Corporation Limited ("NMDC") a Government of India fully owned public enterprise, has become a 50 per cent shareholder in Legacy and has subscribed A$18.9 million new capital into Legacy thereby securing its ability to complete the earning of interest in the Mt Bevan Iron Ore Project;
- on 21 December 2011 in a joint release to the ASX Hawthorn and Legacy announced the signing of a Term Sheet which, subject to shareholder approval, Legacy will acquire a 60 per cent interest in Hawthorn;

- Legacy, subject to shareholder approval, has agreed to take a $5 million placement of new shares in Hawthorn at an issue price of A$0.015 a share; and

- as part of the restructure proposals all of the non-Mt Bevan Iron Ore Project assets will be the subject to a spin-off into a separate vehicle which will be owned directly by the Hawthorn shareholders as at a Record Date ahead of Legacy becoming a 60 per cent shareholding Hawthorn.

In view of the timings of the expected release by Legacy of an upgraded inferred resource for the Mt Bevan Iron Ore Project by mid January 2012 and the issue of details of the proposed corporate restructure by end January 2012 the Board of Directors consider it appropriate that the current Closing Date for the SPP (Monday 16 January 2012) be extended until close of business on Tuesday 7 February 2012.

This extension will enable Hawthorn shareholders time to assess the impact of the Mt Bevan Iron Ore Project Phase II drilling programme on the inferred resource calculations and to study the details of the corporate restructure of Hawthorn into two exciting resources companies which will be the subject of the meeting of shareholders in late February 2012.

The extension will also allow the eligible Hawthorn shareholders time to consider their participation in the SPP thereby affecting their level of participation in the spin-off of the non-Mt Bevan Iron Ore Project assets.

The above details are being forwarded to the Hawthorn shareholders and each of the announcements referred to above can be viewed on the Company's website www.hawthornresources.com

For further information contact

Mourice Garbutt
Company Secretary
T + 613 9605 5917
F + 613 9605 5928

About Hawthorn Resources Limited; Legacy Iron Ore Limited and National Mineral Development Corporation Limited

Hawthorn Resources Limited (ASX code: "HAW") is maturing into a gold exploration company with significant interests in the Kalgoorlie District of the Eastern Goldfields of Western Australia, whilst progressing the substantial Mt Bevan Iron Ore Project.

Legacy Iron Ore Limited (ASX code : "LCY") is a Western Australian based Exploration Company focussed on iron ore and gold exploration and discovery.

National Mineral Development Corporation Limited ("NMDC") is a Government of India owned public enterprise under the control of the Ministry of Steel, and is actively involved in the exploration of a wide range of minerals including iron ore, copper, phosphate, diamonds, tin and other metals. In 2009/10, NMDC achieved sales of 6,239 Crore (A$1.2 billion) with total assets of 15,682.99 Crore (A$3.2 billion).

NMDC currently produces approximately 30 million tonnes of iron ore (62%+ Fe) per annum and is India's single largest iron ore producer, with reported resources in excess of 800 million tonnes.*

(*reported in the NMDC Annual Report and on their website as public record, but not JORC compliant).