

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Hawthorn Resources Limited (Company)

ABN

44 009 157 439

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

1 +Class of +securities issued or to be issued

Performance Rights (unlisted)

2 Number of +securities issued

11,915,000 Performance Rights (unlisted)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>                                                                                                                                                                                                                                                                                                        | <p>The unlisted Performance Rights which are subject to milestone Company's Employee Share Option Plan ("the Plan") to non-director eligible persons and totalling 11,915,000 Performance Rights and of which:</p> <p><b>(1) Vested</b></p> <p>2,500,000 Performance Rights issued under the Plan in relation to their contribution to the achievement of the \$6 million capital raising and the first delivery of ore to the Carosue Dam processing mill in February 2018; and</p> <p><b>(2) Not Yet Vested</b></p> <p>9,415,000 Performance Rights issued under the Plan in relation to milestone/ vesting events <b>PR 6 to 10</b> set out in Part 1(9).</p> <p><b>Performance Rights – Key Terms</b></p> <p>Performance Rights are issued to non-director eligible persons under the terms of the Plan</p> <p>As noted above, the milestones/vesting events relative to the \$6 million capital raising in 2017 and the first delivery of ore to the Carosue Dam processing mill in February 2018 and totalling 2,500,000 Rights have been achieved.</p> <p>The <i>not-yet-vested</i> Performance Rights are as set out in Part 1 (9) below; refer PR 6 to 10.</p> <p>To the extent that any of the milestone performance criteria is not satisfied, then the related Performance Rights will not vest and will lapse.</p> <p>No amount is payable upon the issue or exercise of the Performance Rights.</p> <p>Performance Rights that vest upon the achieving of the related milestones may be exercise and converted into the Company's ordinary fully paid shares on the basis of one (1) new share for each vested (1) Performance Right exercised.</p> |
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p><b>Performance Rights – NO.</b></p> <p>Following the achievement of any of the stated milestones Performance Rights vest and, upon their exercise, converted into ordinary fully paid shares such shares will be allotted and will rank equally in all respects with an existing class of ordinary fully paid shares as quoted on the Official Lists of the ASX.</p> <p>As noted above, the milestones 1 and 2 have been achieved and are fully vested being namely the achievement of the \$6 million capital raising and the first delivery of ore to the processing mill.</p> <p>The Performance Rights have no rights as to voting nor any rights to participate in dividend distributions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

+ See chapter 19 for defined terms.

|    |                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                         |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5  | Issue price or consideration                                                                                                                                                                                                      | The Performance Rights are issued as long-term incentives under the Company's Employee Share Option Plan to eligible persons, including Directors for whom prior approval of shareholders is and has been received, and are issued at no consideration. |
| 6  | Purpose of the issue<br>(If issued as consideration for the acquisition of assets, clearly identify those assets)                                                                                                                 | The Performance Rights are issued to eligible persons under the Company's Employee Share Option Plan for the exploration, discovery and winning of JORC compliant mineral resources                                                                     |
| 6a | Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?<br><br>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i | Not Applicable                                                                                                                                                                                                                                          |
| 6b | The date the security holder resolution under rule 7.1A was passed                                                                                                                                                                | Not Applicable                                                                                                                                                                                                                                          |
| 6c | Number of +securities issued without security holder approval under rule 7.1                                                                                                                                                      | Not Applicable                                                                                                                                                                                                                                          |
| 6d | Number of +securities issued with security holder approval under rule 7.1A                                                                                                                                                        | Not Applicable                                                                                                                                                                                                                                          |
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)                                                                                 | Not Applicable                                                                                                                                                                                                                                          |
| 6f | Number of +securities issued under an exception in rule 7.2                                                                                                                                                                       | Not Applicable                                                                                                                                                                                                                                          |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.                          | Not Applicable                                                                                                                                                                                                                                          |

|    |                                                                                                                                                                                                                                                                                                 |                 |                            |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------|
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements                                                                                                                                  | Not Applicable  |                            |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements                                                                                                                                                      | Not Applicable  |                            |
| 7  | +Issue dates<br><br>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.<br><br>Cross reference: item 33 of Appendix 3B. | 10 October 2018 |                            |
| 8  | Number and +class of all +securities quoted on ASX ( <i>including</i> the +securities in section 2 if applicable)                                                                                                                                                                               | Number          | +Class                     |
|    |                                                                                                                                                                                                                                                                                                 | 321,265,613     | Fully paid ordinary shares |

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+ See chapter 19 for defined terms.

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Number and <sup>+</sup>class of all <sup>+</sup>securities not quoted on ASX (*including* the <sup>+</sup>securities in section 2 if applicable)

| Number            | <sup>+</sup> Class                                                                                                                                                                                                               |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8,250,000         | <b>PR 001 to PR 005</b> as announced                                                                                                                                                                                             |
| 500,000           | <b>PR 006</b> Performance Rights:<br><b>Vested.</b> Milestone – \$6 million new equity capital raising completed – 18.09. 2017.                                                                                                  |
| 2,000,000         | <b>PR 007</b> Performance Rights:<br><b>Vested.</b> Milestone - first Gold Ore delivery/sale ex Anglo Saxon Gold Project by - 28.02.2018.                                                                                        |
| 4,750,000         | <b>PR 008</b> Performance Rights:<br><b>NON-vested.</b> Milestone – Subject to achievement of budget and KPI factors related to the mining operations for the Anglo Saxon Gold Mine Project.                                     |
| 1,850,000         | <b>PR 009</b> Performance Rights:<br><b>NON-vested.</b> Milestone – Subject to and within exploration budget and KPI's and prorated for the discovery of an up to additional 130,000 ounces of JORC compliant gold resource; and |
| 2,815,000         | <b>PR 010</b> Performance Rights:<br><b>NON-vested.</b> Milestone – Subject to and within exploration budget and KPI's and prorated for the discovery of further and additional 240,000 ounces of JORC compliant gold resource.  |
| <b>20,165,000</b> | <b>Total Performance Rights</b>                                                                                                                                                                                                  |

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Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

The Company's dividend policy in respect of its **fully paid ordinary shares** is unchanged.

Any fully paid ordinary shares arising from the exercise of the vested Performance Rights noted in this Appendix 3B will participate in full for future dividends post the exercise of the Performance Rights.

## Part 2 - Pro rata issue

|    |                                                                                                                                                                                                                        |                |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 11 | Is security holder approval required?                                                                                                                                                                                  | Not Applicable |
| 12 | Is the issue renounceable or non-renounceable?                                                                                                                                                                         | Not Applicable |
| 13 | Ratio in which the +securities will be offered                                                                                                                                                                         | Not Applicable |
| 14 | +Class of +securities to which the offer relates                                                                                                                                                                       | Not Applicable |
| 15 | +Record date to determine entitlements                                                                                                                                                                                 | Not Applicable |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?                                                                                                                     | Not Applicable |
| 17 | Policy for deciding entitlements in relation to fractions                                                                                                                                                              | Not Applicable |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents<br>Note: Security holders must be told how their entitlements are to be dealt with.<br>Cross reference: rule 7.7. | Not Applicable |
| 19 | Closing date for receipt of acceptances or renunciations                                                                                                                                                               | Not Applicable |
| 20 | Names of any underwriters                                                                                                                                                                                              | Not Applicable |
| 21 | Amount of any underwriting fee or commission                                                                                                                                                                           | Not Applicable |
| 22 | Names of any brokers to the issue                                                                                                                                                                                      | Not Applicable |
| 23 | Fee or commission payable to the broker to the issue                                                                                                                                                                   | Not Applicable |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders                                                                                                     | Not Applicable |

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+ See chapter 19 for defined terms.

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|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 25 | If the issue is contingent on security holders' approval, the date of the meeting                                                                           | Not Applicable |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled                                                                   | Not Applicable |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | Not Applicable |
| 28 | Date rights trading will begin (if applicable)                                                                                                              | Not Applicable |
| 29 | Date rights trading will end (if applicable)                                                                                                                | Not Applicable |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker?                                                                            | Not Applicable |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?                                                 | Not Applicable |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)?                                                                    | Not Applicable |
| 33 | <sup>+</sup> Issue date                                                                                                                                     | Not Applicable |

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>+</sup>securities  
(tick one)

(a) ☐ <sup>+</sup>Securities described in Part 1

(b) ☐ All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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+ See chapter 19 for defined terms.

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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p> |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

| <p>42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p> | <table border="1"> <tr> <th data-bbox="790 580 1088 627">Number</th><th data-bbox="1088 580 1375 627">+Class</th></tr> <tr> <td data-bbox="790 627 1088 848" style="height: 80px;"></td><td data-bbox="1088 627 1375 848" style="height: 80px;"></td></tr> </table> | Number | +Class |  |  |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|--|--|
| Number                                                                                                | +Class                                                                                                                                                                                                                                                              |        |        |  |  |
|                                                                                                       |                                                                                                                                                                                                                                                                     |        |        |  |  |

## Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
 

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
(Company secretary)

Date: 10 October 2018

Print name: Mourice Garbutt

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+ See chapter 19 for defined terms.