



ABN 44 009 157 439

25 September 2020

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Australia

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COMPANY ANNOUNCEMENT

HAWTHORN RESOURCES LIMITED

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Capital Return and Special Dividend

Further to the announcement to the Australian Stock Exchange on 23 September 2020 wherein it was announced, in part, that subject to the approval of shareholders at the 2020 Annual General Meeting on 30 October 2020 that the Company would undertake a Return of Capital payment together with the payment of a Special Dividend

Under the sub-heading of ‘...Capital Return and Special Dividend...’ the 23 September 2020 announcement noted that:

In November 2019 the Company announced in the Managing Director’s address to the Annual General Meeting that the Board of Directors announced an intention to make a return of funds equally to all shareholders from the \$13.5 million proceeds from the disposal of the Company’s interest in the Yundamindera Project (Box Well and Deep South prospects). Such return to be subject to clarification from the Australian Taxation Office (“ATO”) as to the inherent nature of the proposed return of funds for taxation purposes and subject to shareholder approval.

Arising from an ATO draft class ruling the proposed return of funds **subject to the approval of shareholders in meeting** will consist in aggregate of a Return of Capital (approx. \$8.23 million) and a Special Dividend (approx. \$5.27 million) which represents on a per share basis:

- Return of Capital: \$0.0246908737
- Special Dividend: \$0.0157869914

The resolution seeking the approval of shareholders will be put as an item of Special Business requiring a simple majority of members present and voting at the Meeting electronically or by Proxy for it to be passed.

Upon the resolution being passed the following timetable will apply for the payment of the Return of Capital and the Special Dividend:

Effective date of the Capital Return / Special Dividend	2 November 2020
Last day for trading in 'cum Capital Return / Special Dividend' Shares	3 November 2020
Trading in Shares 'ex' entitlement to Capital Return / Special Dividend commences	4 November 2020
Capital Return Record Date – being the date for determining entitlements to participate in Capital Return and Special Dividend	5 November 2020
Payment Date for Capital Return and Special Dividend	20 November 2020

Shareholders are reminded that arising from the existing restrictions associated with the COVID-19 pandemic the Company's 2020 AGM will be held as a virtual meeting – details to enable member's participation and proxy voting will be included in the mailing to shareholders together with, where applicable, the 2020 Annual Report.

END

For further information: please contact Managing Director, Mark Kerr, or Company Secretary, Mourice Garbutt, on (03) 9605-5950.

This announcement was authorised for release by the Board of Directors, Hawthorn Resources Limited.