

ASX Release

30 January 2024

Hawthorn Resources
Limited

ABN 44 009 157 439

ASX Code: HAW

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Directors:

Mr Li, Yijie
(Non-Executive
Director/Chairman)

Mr Brian Thornton
(Managing Director/CEO)

Mr Liu Zhensheng
(Non-Executive Director)

Mr Joseph D Corrigan
(Non-Executive Director)

Senior Management:

Mr William Lloyd
(Operations Consultant)

Mr Glenn Fowles
(Company Secretary)

Mr Tony Amato
(CFO)

Quarterly Activities Report December 2023

Highlights

Mount Bevan Project, Western Australia

Iron Ore – Magnetite JV

- Significant progress on a Pre-Feasibility Study (PFS) by the JV Partner Hancock Prospecting Pty Ltd.
- Mine Plan optimisation and financial evaluation model commenced.
- The PFS document is scheduled to be completed in March 2024 after internal peer review.
- On completion of the PFS, equity interests will be Hawthorn 19.6%, Legacy Iron Ore 29.4% and Hancock 51%.

Lithium and Other Minerals JV

- Completed ethnographic and archaeological Heritage surveys
- Completed early-stage field reconnaissance work and a regional geophysics survey.
- Progressed site planning and Programme of Work ("PoW")
- approvals for mobilisation of drilling contractors in February 2024.
- Hancock has earned a 7.0% interest in the JV as at the end of the December quarter.

Anglo Saxon Gold Project, Pinjin, Western Australia

- The Anglo Saxon JV Partners (Hawthorn Resources 70% and Gel Resources Pty Ltd 30%) undertook a 1,712m RC drilling program late in the quarter .
- Program targeted historical results, designed to meet DMIRS tenement maintenance requirements and assess potential for small 1-5Koz open pit development opportunities to enhance the current underground MRE of 157,000 ozs at 6.1g/t gold .
- Results, received after the close of the quarter, revealed potential opportunities at Harbour Lights with an intersection of 3m at 5.9g/t from 33m and Sulphide to the north , both of which need follow up.
- A contract was signed in December with Paddington Gold Pty Ltd's Paddington mill in Kalgoorlie for the treatment of 35,000 tons of the JVs low grade oxide ore; this is expected to be treated in February 2024 and be cash generative.
- Discussions continue with potential buyers and or JV partners of the Anglo Saxon underground gold project given the company's focus on Mt Bevan magnetite and lithium.
- At the close of the quarter ,Hawthorn had a cash balance of \$13.4m

The Projects

Mount Bevan

The Mount Bevan project is 250 km north of Kalgoorlie and to the SW of Leonora in Western Australia.

The Project is on an extensive exploration tenement (E29/510), which hosts a 1,170 Mt magnetite resource at 34.9% Fe. Refer *ASX announcement: Significant Resource Upgrade at Mt Bevan Iron Ore Project, 17 December 2013*.

The Company is progressing this world-class magnetite project through a JV partnership with Hancock Magnetite Holdings Pty Ltd (Hancock) & Hawthorn Resources Limited (Hawthorn), and simultaneously exploring for lithium and nickel-copper mineralisation on the tenement.

Iron Ore – Magnetite JV

December Quarter Activities

Progressed Pre-Feasibility Studies (PFS) by the JV Partner Hancock , including.

- Completed iterations of the mine plan optimisation.
- Commenced development of the financial evaluation model.
- Finalising all chapters of the PFS document for internal peer review in February

Proposed March Quarter Activities

- Following internal peer review of the PFS document, it is expected to be finalised for release in March 2024.

Lithium and Other Minerals JV

The JV partners recognise the considerable potential of the Mount Bevan project to host lithium pegmatites and other critical minerals. The Mount Ida fault is spatially related to what is acknowledged as an emerging lithium, caesium, tantalum (LCT) pegmatite corridor following recent discoveries along the fault by neighbouring companies such as Delta Lithium (ASX:DLI) ; see map of potential LCT corridor below.

Given Mount Bevan's exploration and strategic importance, Legacy and Hawthorn executed a new earn-in and JV for lithium and other minerals agreement with Hancock, announced on 15 June 2023.

December Quarter Activities

- Completed targeted ethnographic and archeological heritage surveys
- Completed field reconnaissance (mapping, rock chip sampling and soil samples) and test work on all samples.
- Completed regional geophysics survey.
- Submitted two PoWs.
- Temporary camp and laydown approved (DMIRS).
- Planned drilling; approval pending (DMIRS).

Proposed March Quarter Activities

- Site activity will commence in February 2024, including earthworks, mobilisation of temporary camp facilities, and appointment of drilling contractors.

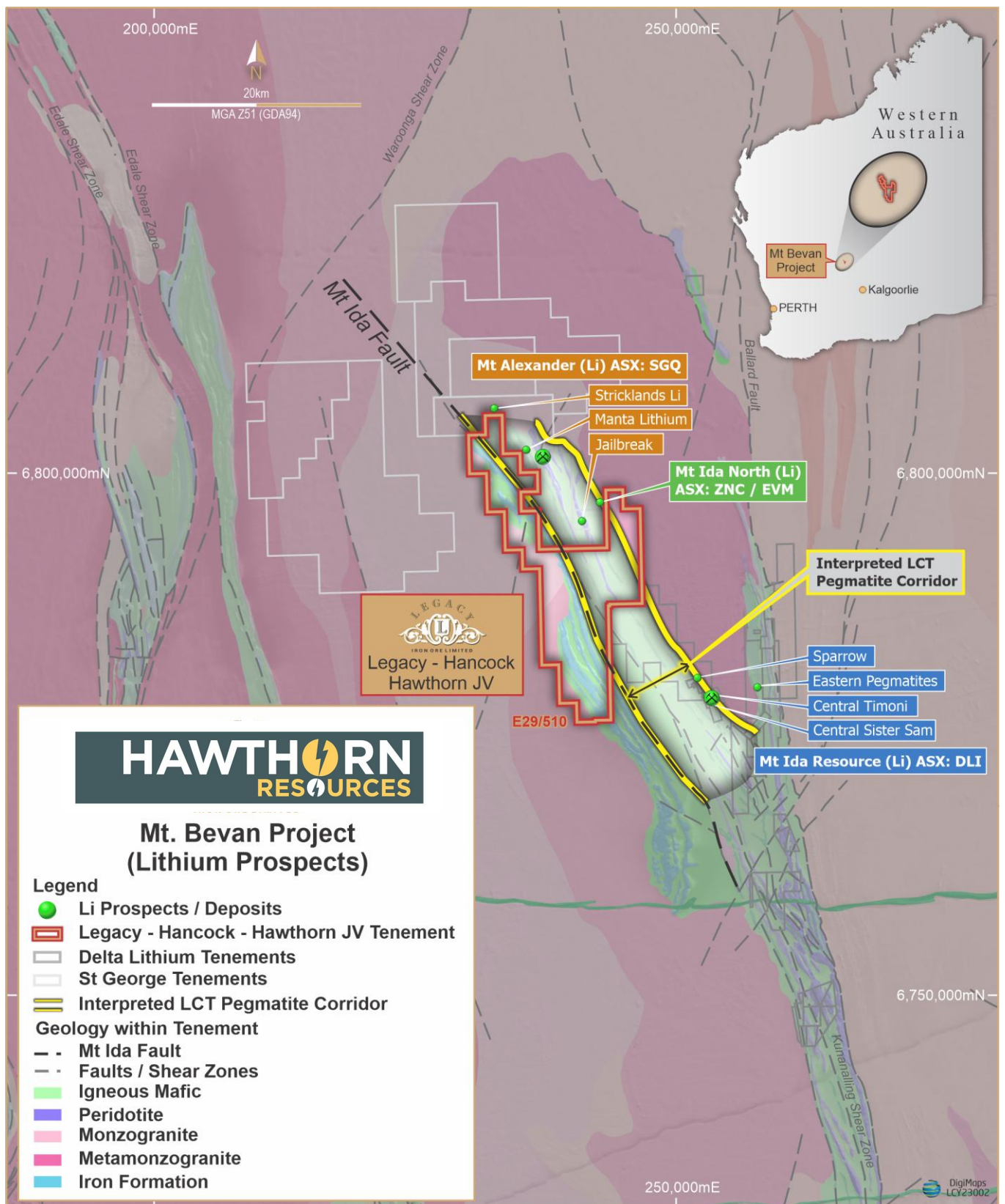


Figure : Mount Bevan Project, LCT pegmatite corridor.

Anglo Saxon Gold – Trouser Legs JV

(Hawthorn Resources Limited - 70% : Gel Resources Pty Ltd - 30%)

At the end of the quarter, the JV commenced a planned 1,800m RC drilling program over the tenement package, completing a total of 1,712m of drilling; see attached map of drill targets below within the Pinjin JV project area. BM Geological Services of Kalgoorlie planned and supervised the program with drilling undertaken by Goldfields Drilling and assays by ALS in Kalgoorlie.

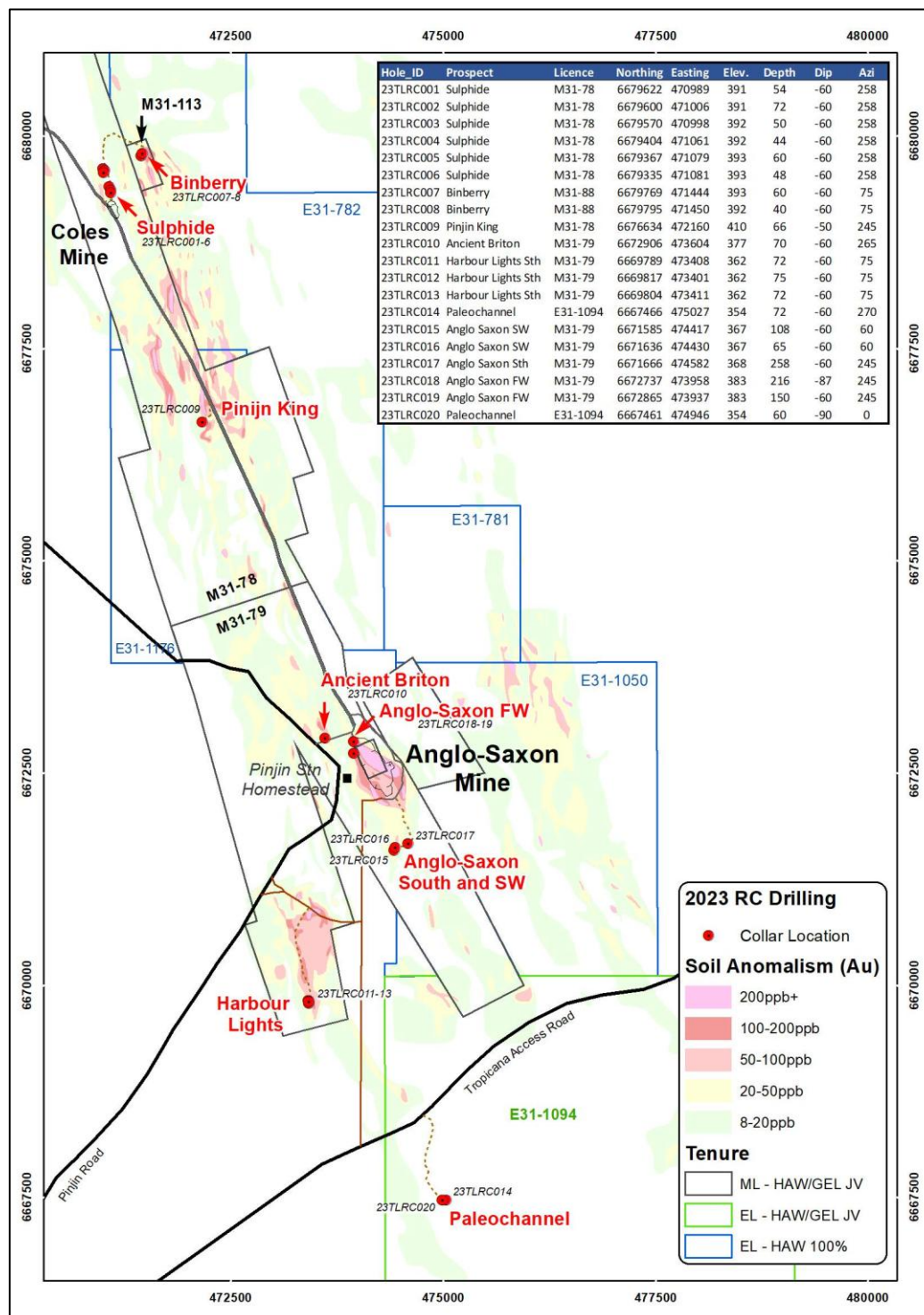


Figure : Anglo Saxon Gold Project, Drilling plan 2023.

The recent program was designed to follow up high priority historical drill results that were extant and needed explanation, also meet DMIRS tenement maintenance requirements and investigate the

potential for satellite ,shallow open pitable resources of 1 - 5,000kozs. In todays higher A\$ gold price environment, small open pitable resources are very profitable and justify development.

The addition of more ounces at Anglo Saxon could potentially assist with the economics and scheduling of the development of the current underground MRE of 157,000 ozs at 6.1g/t at todays A\$ gold price of \$3,070/oz (see HAW ASX Quarterly Report of March 2020).

SUMMARY OF RESULTS

Some of the better results of the program were returned from the Harbour Lights prospect where 3 holes of 219m were drilled beneath historical close spaced shallow drilling; hole 23TLRC013 returned an intercept of 3m at 5.9g/t from 33m and 6m at 0.93g/t from 45 m within a zone of 32m at 0.94g/t from 28m. Drilling targeted down dip mineralisation where historical drilling had been left open at depth on some sections, despite the presence of very high grades up to 100g/t.

Following the latest program, the potential now exists to conduct further drilling and assess the potential for a small high grade resource at Harbour Lights which is on a granted ML.

At Sulphide, which is immediately to the north of the Coles open pit, the six hole program infilled historical low grade steeply dipping mineralisation which extends over a 400m strike length. The intention was to infill and extend the potential of historical results to delineate higher grade zones that could be mined by open cut.

Best results of the program were in hole 23TLRC 001 for 7m at 1.3g/t including a 2m void, and 2m at 2.9g/t including 1m at 4.7g/t. In hole 23TLRC005 drilling returned a composite zone of 26m at 0.6g/t from 32m which ended in mineralisation.



Anglo Saxon Gold Project, RC Drilling at Sulphide prospect ,Pinjin 2023.

Given the location of Sulphide, which is contiguous to the Coles open pit and our dedicated haul road, it is proposed that an IP program be undertaken over the ground to better understand the structural

controls of the mineralisation and its resource potential. A remnant gold resource also exists at Coles underpinning the rationale for further work on the Sulphide tenement.

Drilling also targeted mineralisation in the main zone of the Anglo Saxon footwall with 2 holes drilled; the best results were 2m at 2.61g/t from 55m plus a further 1m at 1.75g/t from 197m; no other significant intersections were confirmed in the 2 holes which failed to replicate historical high grade results. At the southern end of the Anglo Saxon pit, the best result returned was 6m at 1.13g/t including 1m at 4.6g/t from 104m. In the event of an underground development at Anglo Saxon, the most cost effective drill out of the resource would be from underground benches.

Overall the recent drill program elevated both the Sulphide and Harbour Lights targets and confirmed that the both the footwall and Anglo Saxon south targets were best drilled from underground benches.

Hole	Prospect	From (m)	To (m)	Int. (m)	Au ppm	Metal g*m	Comments
23TLRC001	Sulphide	41	50	7	1.29	9.01	Incl. 2m mining void. From 44.5-46.5m.
<i>inc.</i>		47	49	2	2.89	5.78	Incl. 1m at 4.74ppm
23TLRC002	Sulphide	30	32	2	1.58	3.16	
<i>and</i>		45	46	1	0.88	0.88	
23TLRC003	Sulphide	25	27	2	0.63	1.25	
23TLRC004	Sulphide	22	26	4	0.97	3.89	Original comp results were 8m @ 1.74ppm from 20m.
23TLRC005	Sulphide	32	34	2	1.10	2.20	
<i>and</i>		39	42	3	1.60	4.79	Within zone of 26m @ 0.59ppm from 32m. Hole ended in LG.
<i>and</i>		45	46	1	1.36	1.36	
<i>and</i>		47	48	1	0.59	0.59	
<i>and</i>		55	56	1	3.57	3.57	
23TLRC006	Sulphide	20	22	2	0.85	1.69	Within zone of 21m @ 0.47ppm from 20m.
<i>and</i>		28	29	1	0.57	0.57	Hole ended in LG mineralisation (0.37g/t).
<i>and</i>		36	38	2	1.50	3.00	
<i>and</i>		46	47	1	1.26	1.26	
23TLRC007	Binberry	NSI					Best interval - 8m @ 0.14ppm from 28m
23TLRC008	Binberry	NSI					No intervals > 0.1ppm
23TLRC009	Pinjin King	22	23	1	0.51	0.51	
<i>and</i>		55	56	1	1.02	1.02	
23TLRC010	Ancient Briton	NSI					Best interval - 4m @ 0.14ppm from 12m
23TLRC011	Harbour L. Sth	32	36	4	0.68	2.72	
<i>and</i>		40	41	1	1.64	1.64	
23TLRC012	Harbour L. Sth	35	36	1	0.51	0.51	
<i>and</i>		45	49	4	0.58	2.32	
<i>and</i>		57	58	1	0.69	0.69	
23TLRC013	Harbour L. Sth	33	36	3	5.90	17.69	
<i>and</i>		45	51	6	0.93	5.60	Within zone of 32m @ 0.94ppm from 28m.
23TLRC014	Paleochannel	NSI					No intervals > 0.1ppm
23TLRC015	Anglo Saxon SW	NSI					Best interval - 4m @ 0.31ppm from 44m.
23TLRC016	Anglo Saxon SW	41	42	1	1.43	1.43	
<i>and</i>		46	47	1	1.30	1.30	
23TLRC017	Anglo Saxon Sth	89	90	1	3.42	3.42	
<i>and</i>		91	92	1	0.57	0.57	
<i>and</i>		93	94	1	0.97	0.97	
<i>and</i>		104	109	6	1.13	6.80	Incl. 1m @ 4.57ppm from 104m
<i>and</i>		122	123	1	0.59	0.59	
<i>and</i>		132	133	1	2.89	2.89	
<i>and</i>		136	137	1	3.82	3.82	
23TLRC018	Anglo Saxon FW	28	31	3	0.90	2.69	
<i>and</i>		55	57	2	2.61	5.22	
<i>and</i>		61	62	1	1.03	1.03	
<i>and</i>		89	90	1	0.76	0.76	
<i>and</i>		91	92	1	1.16	1.16	
<i>and</i>		122	124	2	0.80	1.59	
<i>and</i>		197	198	1	1.75	1.75	
<i>and</i>		203	205	3	1.21	3.64	
<i>and</i>		207	209	2	0.67	1.33	
<i>and</i>		215	216	1	0.50	0.50	
23TLRC019	Anglo Saxon FW	12	14	2	0.59	1.18	
<i>and</i>		31	32	1	1.62	1.62	
23TLRC020	Paleochannel	NSI					No intervals > 0.1ppm

Figure : Anglo Saxon Gold Project, Significant intersections 2023.

ANGLO SAXON GOLD - OTHER

The Joint Venture partners confirm that they are continuing to explore avenues for the development of the current underground resource against the backdrop of a higher A\$ gold price, including outright sale or joint venture. The main development constraint of the current underground is a lack of nearby processing facilities.

At the end of the quarter the JV signed a contract with Paddington Gold Pty Ltd in Kalgoorlie for the treatment of our low-grade oxide stockpile totalling approximately 35,000 tons. This remaining stockpile will generate a significant cash surplus for the JV during the current quarter. Once completed, the JV will endeavour to finalise treatment of its remaining fresh ore stockpiles of approximately 70,000 tons.

Other Assets

The Company's remaining assets include the small Edjudina mining lease (Hawthorn 100%) and a 10.6% interest in the unlisted Black Raven Mining Limited.

As confirmed in our earlier releases, Hawthorn is seeking to exit its Edjudina project and is in advanced discussions with a buyer of the tenement. The licence has a small underground gold resource. The Black Raven Investment has seen no activity for a number of quarters and has been fully impaired.

Corporate Update

Issued Securities – ASX Limited securities code: “HAW”

The number of ordinary fully paid shares on issue and quoted on the official lists of the ASX at 31 December 2023 was 335,015,613 fully paid ordinary shares (30 September 2023: 335,015,613 shares) as held across 1,708 shareholder accounts (30 September 2023: 1,728).

At 31 December 2023 the Top 20 Shareholdings held 246,352,687 shares (30 September 2023: 245,922,672 shares) being 73.5 per cent of the number of shares on issue (30 September 2023: 73.4 per cent).

Funding/Cash Balance/Working Capital

At 31 December 2023 the Company held funds-on-hand of A\$13.399 million (30 September 2023: A\$13.716 million). For full details of Cashflow movements refer to the Appendix 5B Report accompanying this Quarterly Activities Report.

The reported funds on hand at quarter end relate to the movement in cash during the quarter under review and are not to be confused with the accrual accounting system applicable in the preparation and audit of financial statements.

As at the quarter end the Company and the Trouser Legs Mining Joint Venture (“TLMJV”), as managed by the Company, as required under accounting standards, accrue and account for expenditures and revenues incurred/generated during the quarter but have not, as at quarter end, been paid or received.

Such accrued outflow items include Joint Venture Distributions and Accrued Expenditures, such as Trading Creditors, GST Collections and Credits, Local Government rates/taxes, mining operations closure and rehabilitation of mine site.

END

For further information contact:

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Company Secretary

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

HAWTHORN RESOURCES LIMITED

ABN

44 009 157 439

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers *	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(240)	(317)
	(b) development, rehab & maintenance	(11)	(56)
	(c) production *	-	-
	(d) staff costs	(58)	(102)
	(e) administration and corporate costs	(153)	(350)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	145	292
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other- GST refunds/(payments)	-	(139)
1.9	Net cash from / (used in) operating activities	(317)	(672)

*100% of gross receipts from customers and productions costs included as Manager of the TLMJV project whereby HAW has a 70% working interest

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal/dilution of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Return of Capital)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,716	14,071
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(317)	(672)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	13,399	13,399

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	132	14
5.2	Call deposits	11,970	12,405
5.3	Bank overdrafts	-	-
5.4	Other (Mine Rehabilitation Fund)	1,297	1,297
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,399	13,716

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
58
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Directors fees & salary \$57,653 (Previous Quarter \$43,562)

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end	-	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(317)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(317)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	13,399
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	13,399
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	42

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

N/A

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

N/A

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

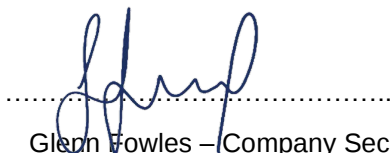
Answer:

N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Signed:



Date: 30/01/2024.

Name:

Glenn Fowles – Company Secretary

Authorised by the Board.

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Competent Person Statement

The information in this report that relates to the Trouser Legs Gold Project in Western Australia is based on information compiled by Mr Joseph Clarry, an employee of BM Geological Services. Mr. Clarry is a Member of the Australian Institute of Geoscience (AIG). Mr Clarry has been engaged as consultant by Hawthorn Resources Limited. Mr Clarry has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Clarry consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

HAWTHORN RESOURCES LIMITED (ACN 009 157 439)

INTERESTS IN MINING TENEMENTS

10.1 Mining Tenements – tenements relinquished, reduced, or lapsed – none during quarter

10.2 Mining Tenements – tenements acquired or increased – none during quarter

Interests in Mining Tenements (Disclosure in accordance with ASX Listing Rule 5.3.3.)

Project / Tenement	Location	Interest at beginning of quarter	Interest at end of quarter	Joint Venture Partner / Farm-In Partner / Farm Out Partner
Pinjin East	West Australia			
E 31/781		100%	100%	
E 31/782		100%	100%	
E 31/783		100%	100%	
E 31/1050		100%	100%	
E 31/1176		100%	100%	
Edjudina-Triumph	West Australia			
M 31/481		100%	100%	
Mt Bevan Iron Ore Joint Venture	West Australia			
E 29/510 –I		28%	28%	Legacy Iron Ore Limited Hancock Magnetite Holdings Pty Ltd
Mt Bevan Other Minerals Joint Venture	West Australia			
E 29/510		37%	37%	Legacy Iron Ore Limited Hancock Magnetite Holdings Pty Ltd
Pinjin – Trouser Legs Joint Venture	West Australia			
E 31/1094		70%	70%	GEL Resources
G 31/4		70%	70%	GEL Resources
L 31/32		70%	70%	GEL Resources
L 31/65		70%	70%	GEL Resources
L 31/66		70%	70%	GEL Resources
L 31/68		70%	70%	GEL Resources
L 31/69 (A)		0%	0%	GEL Resources
M 31/78		70%	70%	GEL Resources
M 31/79		70%	70%	GEL Resources
M 31/88		70%	70%	GEL Resources
M 31/113		70%	70%	GEL Resources
M 31/284		70%	70%	GEL Resources
Teutonic Bore Royalty *	West Australia			
E 37/902		0%	0%	Round Oak Jaguar Pty Ltd
* Royalty up to a maximum of \$1m subject to conditions				