



29 November 2019

ABN 44 009 157 439

**Market Announcements Office
ASX Limited**

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Australia

COMPANY ANNOUNCEMENT

Hawthorn Resources Limited

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**2019 Annual General Meeting (“AGM”)
Managing Director’s Address**

Attached for release to the market is the Address to be given to shareholders at today’s Annual General Meeting of the shareholders of Hawthorn Resources Limited which is to be held at the:

Offices of MinterEllison,
Level 23 525 Collins Street, Melbourne; and
Commencing at 2.00 p.m.

END

Enquiries: Mourice Garbutt, Company Secretary
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MANAGING DIRECTOR'S ADDRESS TO SHAREHOLDERS

Trouser Legs open-pit mine

At the 2017 Annual General Meeting the Company and its co-venturer, GEL Resources Pty Ltd, were preparing for the commencement of mining at the Trouser Legs open-pit gold project situated in the goldfields area of West Australia some 140 kms. north-east of Kalgoorlie.

Mid next month mining of the open-pit will be completed.

Whilst not having achieved the original projected results due to the swelling and pinching nature of the ore body and slippage in timings arising from delays in some approvals. The project overall has been a success.

The project has continued to employ around 51 full time direct employees with up to a further 8 personnel (surveyors, electricians etc.) on site on a regular as needs basis and a significant but unquantified number of indirect supporting roles when at full capacity. Throughout the project lead contractors at the mine have been all Kalgoorlie based.

Gold recovered from the mining operation to date has attracted Gold Royalty payments to the DMIRS Royalty division totalling \$781,222 for the 2019 financial year (2018: \$299,319). With increase in the A\$ gold price since the end of the June 2019 quarter and the achievement of higher grades of gold ore the returns to the joint venture and the royalties to the WA Government have increased as referred to in the September 2019 Quarterly Activities Report to the ASX.

Since 30 June 2019 the joint venture has mined, hauled and had processed a further five parcels of ore [Parcels 16 to 21] with the last parcel, Parcel 22, currently being hauled:

<u>Final</u>	<u>Parcel 16</u>	<u>Parcel 17</u>	<u>Parcel 18 (*)</u>	<u>Parcel 19</u>
Tonnes	41,465	22,415	12,690	38,029
Grams/tonne	2.63	4.45	2.40	3.5
Ounces.	3,506	3,205	981	4,284
Recovery %.	95.32	95.35	91.37	94.64
Final ounces.	3,342	3,056	896	4,055
A\$ price/oz.	2,022.38	2,213.31	2,213.31	2,220.08

(*) N.B. Parcel 18 mined from the adjacent Coles satellite pit.

<u>Provisional</u>	<u>Parcel 20</u>	<u>Parcel 21</u>
Tones	38,638	Pending
A\$ price/oz	2,200.31	Pending

Trouser Legs underground proposal

Looking ahead and as has been announced the joint venture is conducting a Stage 1 drilling programme to test and evaluate the potential for underground mining at Trouser Legs. The six-week Stage 1 programme will conclude in early to mid-December with an interim evaluation for a Stage 2 programme expected by early New year.

Exploration – Sale of leases and tenements

In April 2019 the Company announced negotiations for the sale of leases and tenements associated with the Company's Yundamindera Prospect (Deep South and Box Well).

As noted in the June and September Quarterly Activities Reports to the ASX and the June 2019 Annual Financial Statements/Report these negotiations were concluded in June 2019 resulting in the receipt of the cash proceeds of the sale – A\$13.5 million.

Returns to Shareholders

With the funds generated from the sale of the Yundamindera Prospect the Company has resolved, subject to a satisfactory tax ruling, to distribute funds of \$13.5m that are surplus to the Company's current and 2020 obligations/ funding requirements. This would amount to a capital return of approximately 4.1 cents per share based on the number of shares on issue as at today.

Future Activities

With the pending completion of mining at the Trouser Legs open-pit mine the Company immediate future activities will be centred on the potential for underground mining at the Trouser Legs mine.

Board of Directors – Chairman

I am pleased to advise that at this morning's meeting of the Board of Directors Mr Li, Yijie was appointed Chairman of the Board.

Mark Kerr
Managing Director / CEO

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