

## ASX Release

27 January 2023

### Hawthorn Resources Limited

ABN 44 009 157 439

ASX Code: HAW

Level 23, Rialto Tower South,  
525 Collins Street,  
Melbourne VIC 3000

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#### **Directors:**

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

Mr Brian Thornton  
(Managing Director/CEO)

Mr Liao Yongzhong  
(Non-Exec. Director)

Mr Liu Zhensheng  
(Non-Exec. Director)

Mr Joseph D Corrigan  
(Non-Exec. Director)

#### **Senior Management:**

Mr William Lloyd  
(Operations Manager)

Mr Glenn Fowles  
(Company Secretary)

Mr Tony Amato  
(CFO)



## QUARTERLY ACTIVITIES REPORT – DECEMBER 2022

### PROJECTS

#### **Mount Bevan Magnetite Joint Venture**

Joint Venture Partners: Hawthorn Resources Limited – 19.6%  
Legacy Iron Limited – 29.4%  
Hancock Magnetite Holdings Pty Ltd – 51%

Project focus: Magnetite

#### **Mount Bevan Critical Minerals Joint Venture**

Joint Venture Partners: Hawthorn Resources Limited – 40%  
Legacy Iron Limited – 60%

Project focus: Lithium pegmatites, Copper & Nickel

#### **Anglo Saxon Trouser Legs Gold Joint Venture**

Joint Venture Partners: Hawthorn Resources Limited – 70%  
Gel Resources Pty Ltd – 30%

Project focus: Gold

#### **Pinjin East Joint Venture**

Joint Venture Partners: Hawthorn Resources Limited – 70%  
Gel Resources Pty Ltd – 30%

Project focus: Lithium pegmatites

#### **Edjudina**

Hawthorn Resources Limited - 100%

Project focus: Gold

#### **Black Raven Mining**

Hawthorn Resources Limited – 10.6%  
Equity Investment

Project focus: Base metals, Gold, Lithium pegmatites  
WA

## PROJECT ACTIVITIES

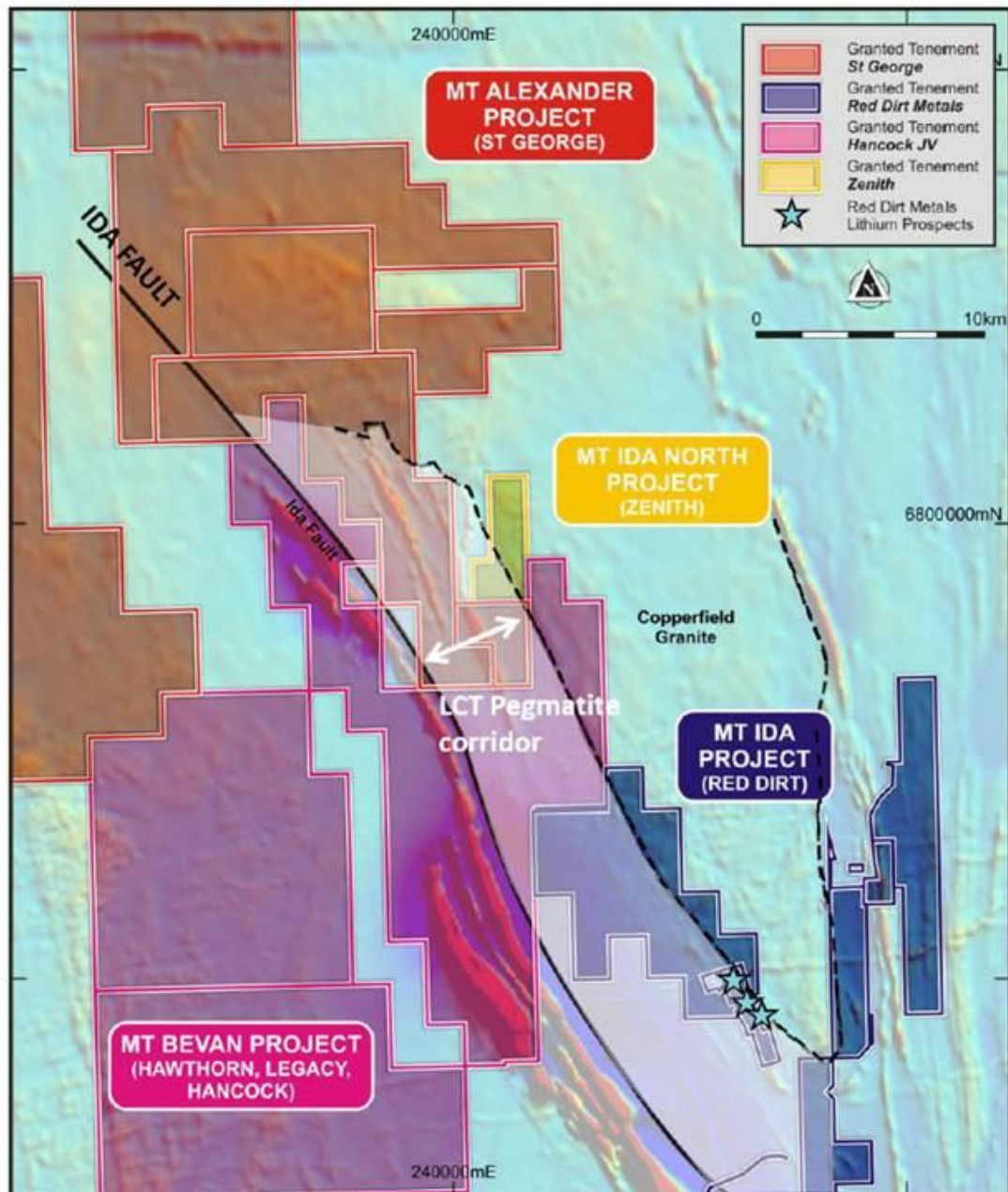
### Mt Bevan Magnetite: E29/510

- The PFS on the Mt Bevan Magnetite JV made substantial progress during the quarter.
- RC & Diamond rigs were mobilised and completed 8,824m of drilling prior to year-end.
- Major technical packages were awarded including hydrogeological consulting, AEM survey, resource and metallurgical testing.
- Infrastructure studies including rail, road and port were also commenced.
- Transport logistics trade off study completed.
- Rail upgrades for Menzies-Esperance being assessed.
- Rail /Port assessments underway.
- Product logistics updates being undertaken including trade-offs of all ore transport modes.



### Mt Bevan Critical Minerals: E29/510

- Hancock Magnetite Holdings Pty Ltd (Hancock) executed a non-binding joint venture exclusivity agreement with Hawthorn and Legacy for Critical Minerals (CM's) at Mt Bevan.
- The CM's agreement covers lithium, copper and nickel on our JV ground.
- During the quarter, Hancock commenced a Desk Top Study (DTS) over the granite contact of the Ida fault to assess the potential for lithium in pegmatites on the tenement.
- On its completion, both HAW and Legacy will review the DTS and may enter a transaction with Hancock to formalise a JV for CMs.
- Both HAW & Legacy are encouraged by the emerging opportunity presented along the Ida fault for Lithium pegmatites following the discoveries by both Red Dirt (ASX: RDT) and St George (ASX: SGQ) both along strike from HAW & LCY's ground.
- See map below of respective company activities and discoveries along the Mt Ida fault.



Map showing the interpreted prospective LCT pegmatite corridor and the location of lithium projects along strike to St George's Mt Alexander Project (against RTP 1VD).

### Anglo Saxon Joint Venture: Pinjin

- During the quarter the JV carried out a reconnaissance program to identify if the extensive East Pinjin tenements were fertile for surface or buried lithium in pegmatites related to the granite intrusive.
- The JV has been encouraged by the success of Global Lithium (ASX: GLI) at the Manna project to the south of Pinjin and more recently exploration success by Alchemy Resources at Lake Rebecca associated with granite intrusions and historically mapped pegmatites.
- Whilst the reconnaissance program did not identify surface or outcropping lithium in pegmatites, our consulting geologists BMGS have recommended a soil sampling program over the Pinjin east tenements to verify the potential or otherwise for buried pegmatites.
- This program is scheduled to commence during the current quarter.
- Hawthorn is also pursuing treatment options for its remaining low-grade stockpiles at Anglo Saxon
- The Board continues to review options for the monetisation of the current Anglo Saxon underground gold resource which hosts a MRE of 157,000 ozs at 5.7g/t (see ASX release of 30 October 2020).

## **Edjudina Gold Project: M31/481**

- No work was carried out at Edjudina during the quarter.

## **Black Raven Mining: 10.6% equity interest**

- No new information from this investment for the quarter

## **CORPORATE UPDATE**

### **Board of Directors Changes**

Leading up to, and as a result of, the Annual General Meeting of Shareholders (“AGM”), held on 24 November 2022, the Company underwent some changes to the composition of its Board of Directors.

Prior to the AGM, after 26 years of service to the Company, Dr David Tyrwhitt resigned as a director.

At the ensuing AGM, Mr Joseph Corrigan was elected and Mr Liu, Zhensheng was re-elected as Non-Executive Directors, respectively.

Also on 24 November 2022, long-standing Managing Director and CEO, Mr Mark Kerr, announced he would be stepping down from his position and ceasing as a director on 31 December 2022.

Up until Dr Tyrwhitt’s resignation, the Board comprised five Non-Executive Directors and one Executive Director. From 24 November 2022 until 31 December 2022, the Board comprised four Non-Executive Directors and two Executive Directors, with further change occurring from 1 January 2023, with the cessation of Mr Mark Kerr as Managing Director, with the Board comprising four Non-Executive Directors and one Executive Director, thereafter.

### **Change of Address**

The Company’s new registered address is now at Level 23, Rialto Tower South, 525 Collins Street, Melbourne VIC 3000 and its administration activities have also relocated from the Melbourne CBD to a suburban site.

The Company will benefit from reduced expenditure in the immediate future from these changes.

### **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 2022 was 333,515,613 fully paid ordinary shares (30 June 2022: 333,515,613 shares) as held in 1,632 shareholder accounts (30 September: 1,658).

At 31 December 2022 the Top 20 Shareholdings held 242,670,648 shares (30 September 2022: 242,110,521 shares) being 72.8 per cent of the number of shares on issue (30 September 2022: 72.6 per cent).

### **Funding/Cash Balance/Working Capital**

At 31 December 2022 the Company held funds-on-hand of A\$12.72 million (30 September 2022: A\$13.18 million). For full details of Cashflow movements refer to the Appendix 5B Report accompanying this Quarterly Activities Report.

The above 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**

## 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 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers *	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(91)	(542)
(b) development & maintenance	(4)	(66)
(c) production *	-	-
(d) staff costs	(116)	(167)
(e) administration and corporate costs	(267)	(557)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	22	67
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)	-	210
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(456)</b>	<b>(1,055)</b>

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

<b>2. Cash flows from investing activities</b>		
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	-	-

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

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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	13,176	13,775
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(456)	(1,055)
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)	-	-

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>12,720</b>	<b>12,720</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,297	3,762
5.2	Call deposits	8,164	8,163
5.3	Bank overdrafts	-	-
5.4	Other (Mine Rehabilitation Fund)	1,259	1,251
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>12,720</b>	<b>13,176</b>

**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

<b>Current quarter \$A'000</b>
145
-

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 \$94,242 (Previous Quarter \$51,077)  
Fully Serviced Office facility rental \$46,750 (Previous Quarter \$46,750)  
Company requested Consulting Fees \$4,125 (Previous Quarter \$2,475)

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(456)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(456)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	12,720
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	12,720
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	27

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

1. 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

2. 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

3. 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: 27/01/2023.  
 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.

HAWTHORN RESOURCES LIMITED  
ACN 009 157 439  
CHANGES IN INTERESTS IN MINING TENEMENTS

**10.1 Interests in Mining Tenements relinquished, reduced or lapsed**

No changes during quarter

**10.2 Interests in Mining Tenements acquired or increased**

No changes 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
<b>Pinjin East</b>	<b>West Australia</b>			
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%	
<b>Edjudina-Triumph</b>	<b>West Australia</b>			
M 31/481		100%	100%	
<b>Mt Bevan Iron Ore Joint Venture</b>	<b>West Australia</b>			
E 29/510 –I		28%	28%	Legacy Iron Ore Limited Hancock Magnetite Holdings Pty Ltd
<b>Pinjin – Trouser Legs Joint Venture</b>	<b>West Australia</b>			
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
<b>Teutonic Bore Royalty *</b>	<b>West Australia</b>			
E 37/902		0%	0%	Round Oak Jaguar Pty Ltd
	* Royalty up to a maximum of \$1m subject to conditions			